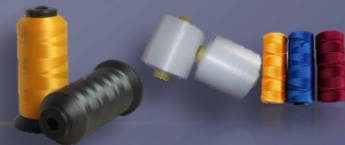




Results Presentation

Q4 & FY2013



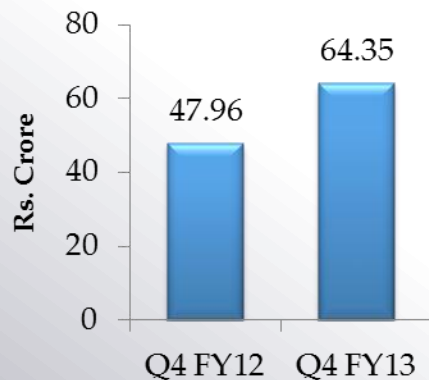


Financials & Key Ratios

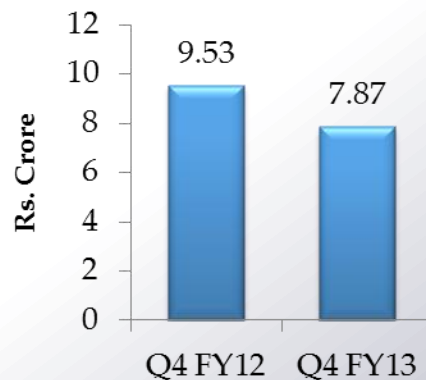


Q4 & FY2013 Financials (Consolidated)

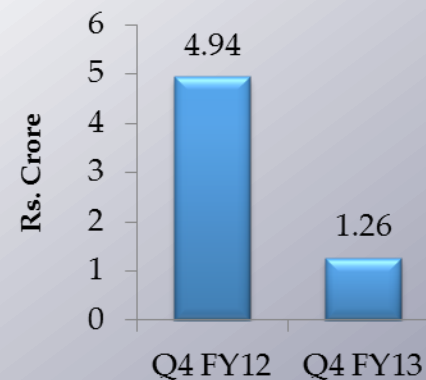
Sales



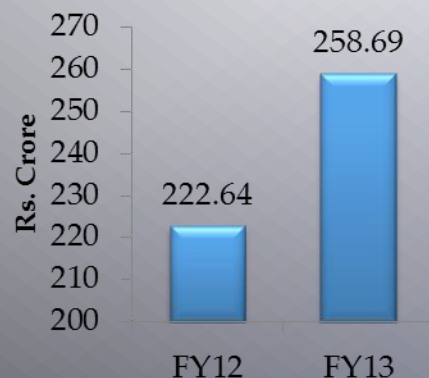
EBITDA



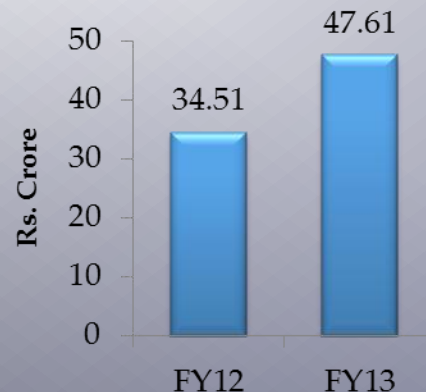
PAT



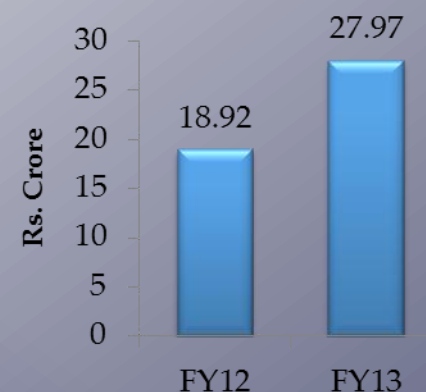
Sales



EBITDA



PAT



Note: The Board has recommended a dividend of Rs. 6 per equity share which translates to a dividend payout of 14.90%



Balance Sheet (Consolidated)

Rs. (Crore)	As on 31st Mar 2013	As on 31st Mar 2012
EQUITY AND LIABILITIES:		
Shareholders' Funds	146.48	124.41
Non-Current Liabilities	52.34	18.91
Current Liabilities	109.54	97.03
TOTAL	308.36	240.35
ASSETS:		
Non-Current Assets	141.07	91.97
Current Assets	167.29	148.38
TOTAL	308.36	240.35



FY2013 (Balance Sheet Data)

- Gross debt as on 31st March, 2013 stood at Rs. 111.74 crore out of which Rs. 41.63 crore is long term debt with the remaining constituting working capital
- The Net Worth of the Company as on 31st March, 2013 was Rs. 146.48 crore
- Cash & Bank Balances held by the company at the Balance Sheet date was Rs. 5.04 crore
- Long term Debt : Equity as on March 31, 2013 stood at 0.28 : 1.



Key Ratios

FY2013 / As on March 31, 2013

EV/EBITDA	2.12
Dividend Payout	14.90%
Long term D/E	0.28
P/B	0.69
P/E	3.60
Dividend Yield	4.13%
Inventory Days	98
Debtor Days	80



Company Performance & Outlook

- Continued growth trajectory with strong Revenue, EBITDA & PAT for the FY2013
 - Revenue – Rs. 258.69 crore (up 16.19%). Revenue growth has been driven primarily by improved realizations and volumes
 - EBITDA – Rs. 47.61 crore (up 37.96%). Margins improved by 290 bps compared to FY2012 as the Company procures a greater proportion of its raw materials i.e. chips, POY, etc from domestic suppliers at competitive prices.
 - PAT – Rs. 27.97 crore (up 47.83%)
- Europe
 - Strong & established marketing base in Portugal – services customer requirements of the European region as well as South America
 - Local employees to surpass language barriers thus better reach customers
 - Very few players operating in the European space for specialized yarns giving Sarla an added advantage through its strong presence in the continent
- USA
 - Tremendous demand stemming out of the US for products manufactured by Sarla's facility in Colleton County, South Carolina
 - Will begin by selling into the apparel and hosiery market in the US
 - Product offering to be expanded into furnishing, automotive and industrial markets
 - Demand to the tune of \$100 mn for sewing thread alone



Managing Director's Comment



Commenting on the performance, Mr. Krishna Jhunhunwala, Managing Director of the Company said,

“We are glad to report a healthy growth in our financials this fiscal. Our operating performance continues to remain robust with significant margin expansion as we are now procuring a greater proportion of raw material from domestic suppliers at attractive prices.

Our expansion plans in the US are progressing on schedule and we are very excited about this venture which will help us to strengthen our relationships with key customers even further and also help us to tap into newer furnishing and automotive markets which are huge opportunities.

Our pilot plant for Nylon 66 has now begun production and we are optimistic that this business will credibly enhance our product profile.

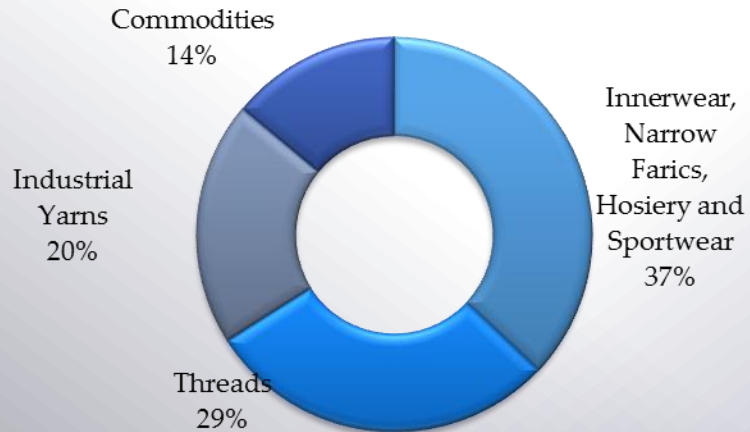
As we end this year on a high note with record topline and bottom line numbers, we are poised for an eventful FY2014 and are assured that our expansion plans and dedicated work force will help us achieve greater heights.”



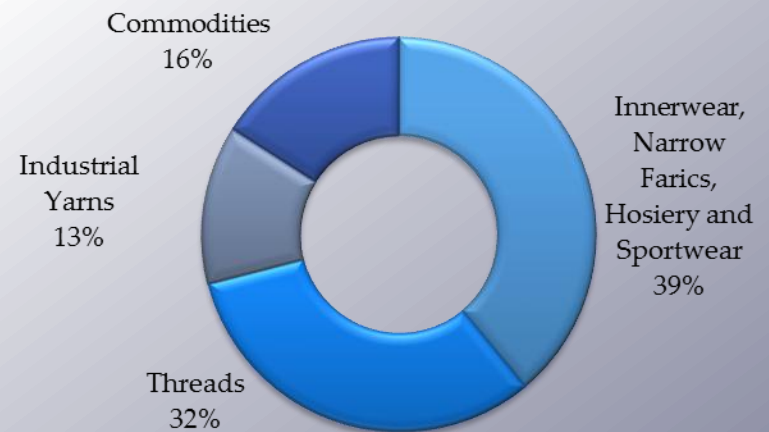
Revenue Breakup and Gross Margin (Delta) on Polyester and Nylon Yarns

Segment Breakup

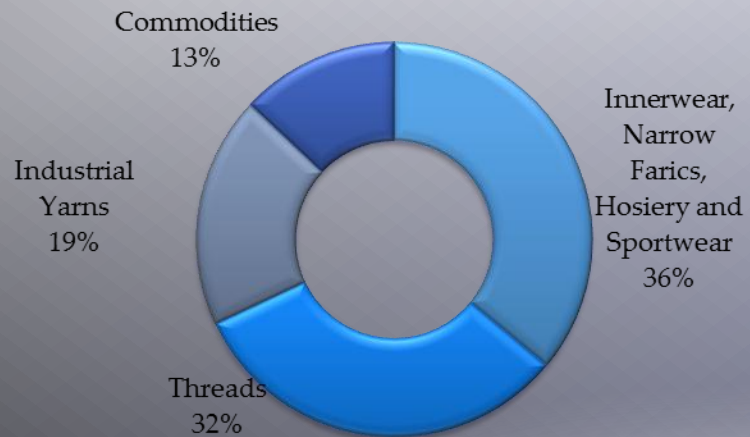
Q4 FY13



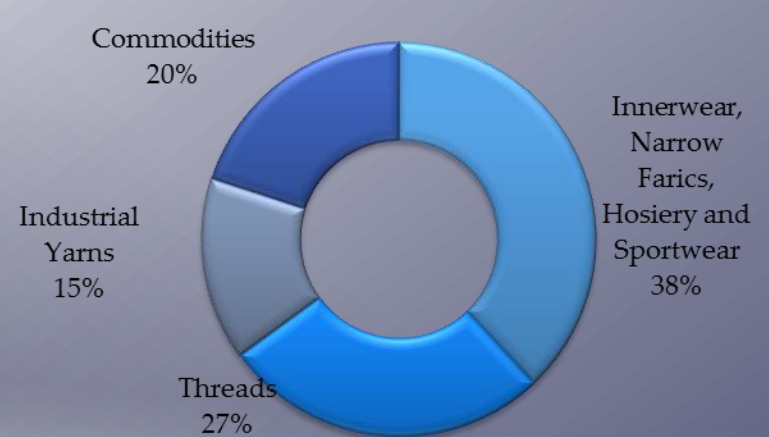
Q4 FY12



FY13

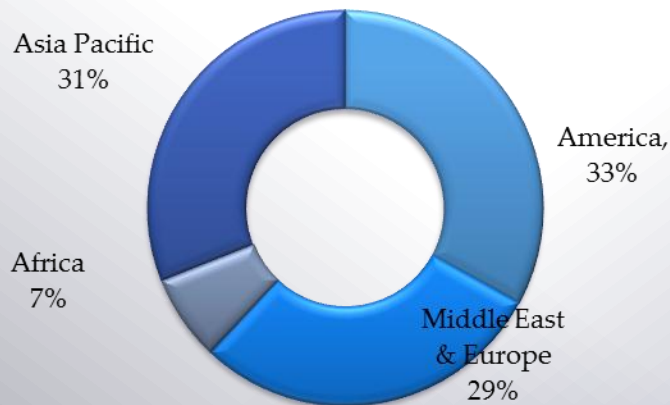


FY12

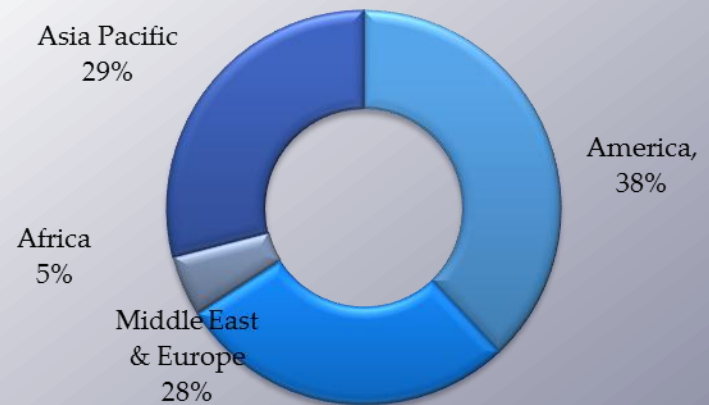


Geographical Breakup

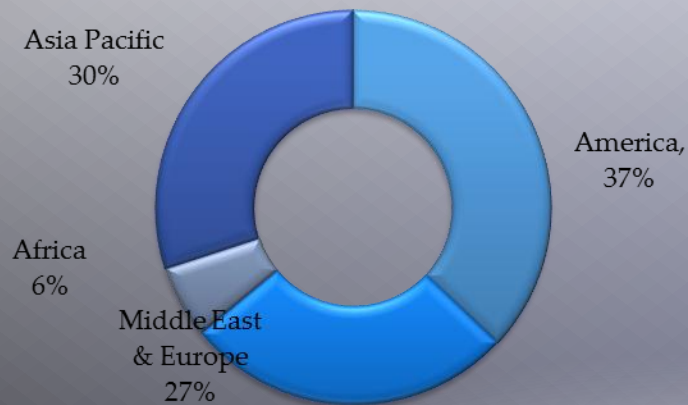
Q4 FY13



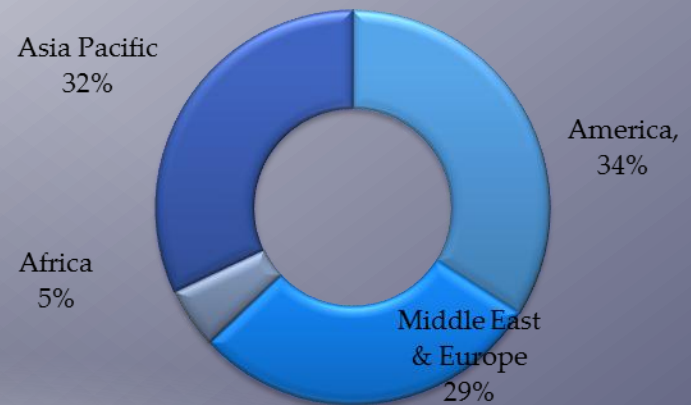
Q4 FY12



FY13



FY12





Gross Margin (Delta) on Polyester and Nylon Yarns

Gross Margin/kg (Rs.)		
	Nylon	Polyester
2012	66	38
2013	84	55



Company Profile



- Manufacturer of specialized polyester & nylon yarns and threads
- Listed on the BSE in 1995 and subsequently NSE in 1997
- Has an established manufacturing unit in Silvassa for polyester textured/twisted yarn
 - Capacity of 11,900 tons per annum
- In-house dyeing plant in Vapi broadening the product offering to dyed yarns
 - Capacity of 3,200 tons per annum
- Spear headed by Chairman, Mr. Madhusadhan Jhunjunwala who has been involved in the textile industry since 1962
- Now actively managed by Managing Director, Mr. Krishna Jhunjunwala who has been associated in the textile business since the age of 21



- The Company in its early stages began operations as a manufacturer of commodity yarns and has now successfully progressed to specialized and higher value added yarns
- Caters to a niche clientele of marquee customers
- Amongst the largest manufacturers for air covered and conventional covered yarn in India
- Commenced production of Nylon 66: A high tenacity and lower shrinkage yarn which is an extremely specialized product and a niche on its own
- Over the years the Company has been expanding its global reach and international presence through JV's and subsidiaries like, Sarla Europe LDA in Portugal, Sarla Tekstil, Turkey and now manufacturing unit in South Carolina, USA



Manufacturing facility in the US will cater to POY used in specialized textured polyester yarn as well as sewing thread

- Total size of opportunity in the US for sewing thread is \$ 100 mn

Benefits arising out of the US facility

- Duty free benefits on goods manufactured inside the US as per NAFTA & CAFTA
- Proximity, visibility and better reach to the customer, deepening customer relationships
- Resultant reduction in freight costs
- Advanced machinery to reduce reliance on labor by over 30%
- Lower power and cost of borrowings

One of the first Indian companies to set up a facility in the US (Colleton County, South Carolina)

Combination of \$ 7.9 million debt while the remainder is from internal accruals – Total investment \$13.8 million



Financial Discipline

- Prudent deployment of funds
- Extremely low leverage
- Cash surplus being deployed to grow stable wind power business
- No further equity infusion or other debt funds required at this point

Wind power business

- Deployment of strong cash flows to expand into the wind power business
- Set up capacities of 7.25 MW in Maharashtra & Gujarat
- PPAs entered into with well regarded private entities
- ROI from the business ~26% - payback of 3 years
- Limited capex requirements

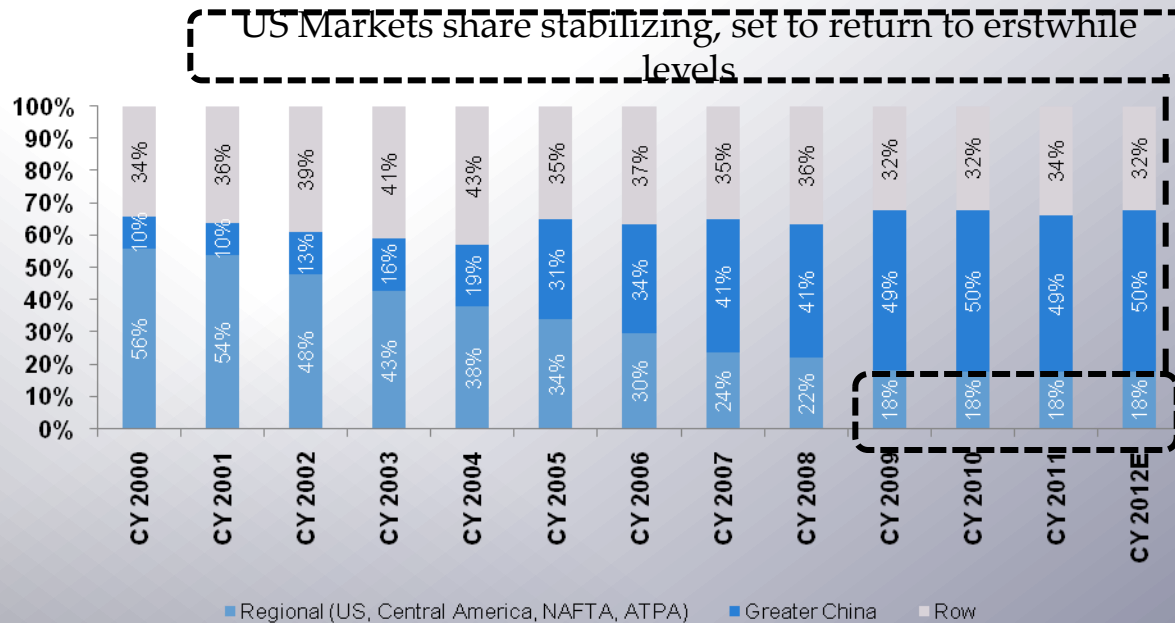


Industry Perspective



U.S. Synthetic Apparel Sourcing Trends

US apparel makers lost 38% share in the past 12 years; Market share now stabilizing



Source: Industry data

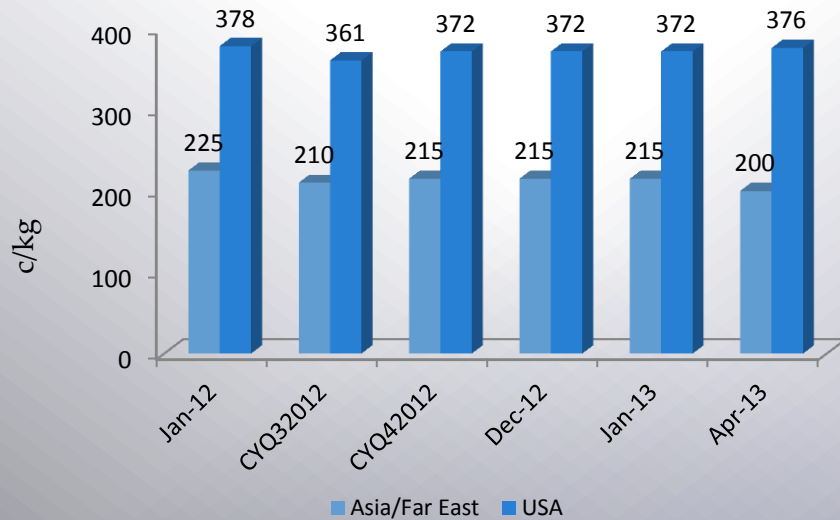
- New Policies in the US favors local manufacturing (Rule of origin; Yarn Forward etc.)
- Local manufacturing in the US will grow in the coming years
- US is the largest, most advanced and most competitive market
- Most decision making continues to originate from the US

Sarla is one of the rare Indian companies to be directly present in NAFTA/CAFTA region for direct supply

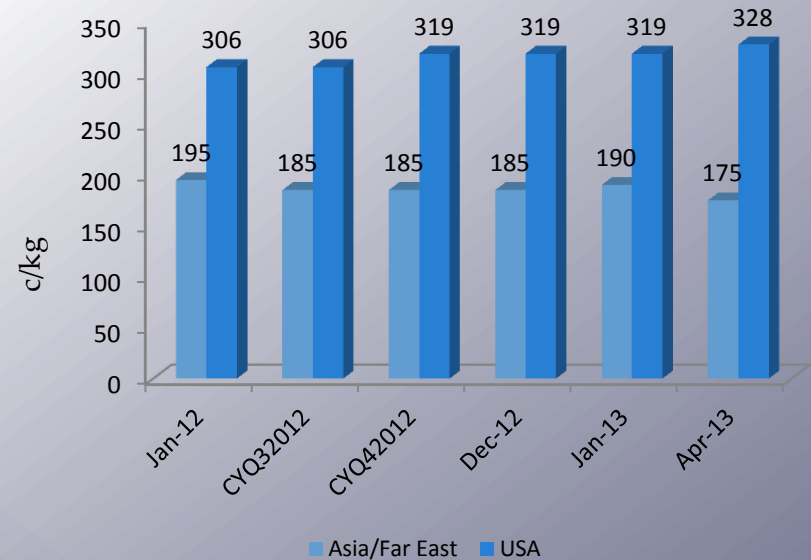


Polyester filament prices (Asia Vs USA)

75/70 den textured



150 den textured



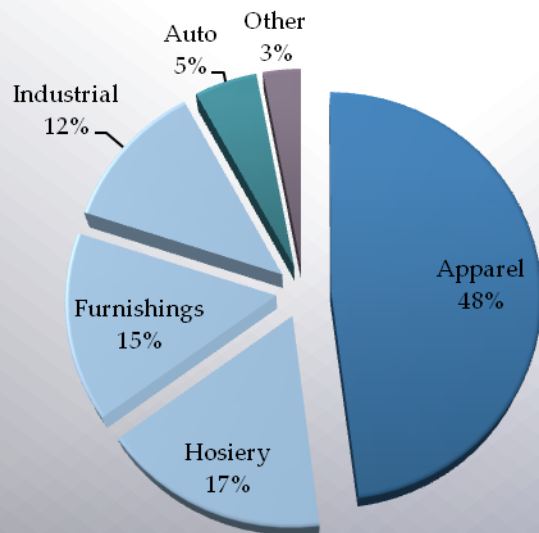
Source: Industry data

US Prices are 55 -70% higher than Asia/Far East

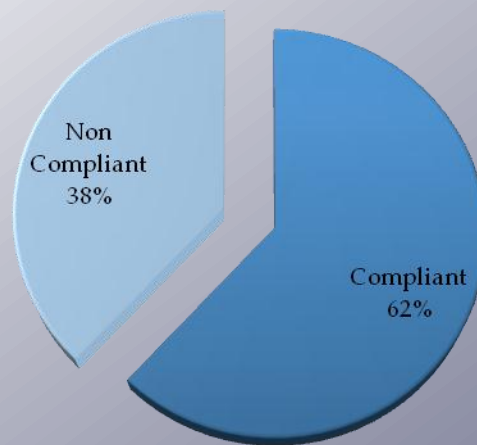


U.S. Market Segmentation – FY 2012

U.S. Yarn Sales by Region



U.S. Sales by Origin Requirement



Source: Industry data

Opportunity across all segments

Policies make increase in
'compliant' sales inevitable



Regional Competitive Advantages

Competitive cost

- Duty-free benefits of up to 32% on synthetic garments
- Greater labor productivity than most other yarn suppliers
- Higher inflation in China/Asia

Faster supply and flexibility

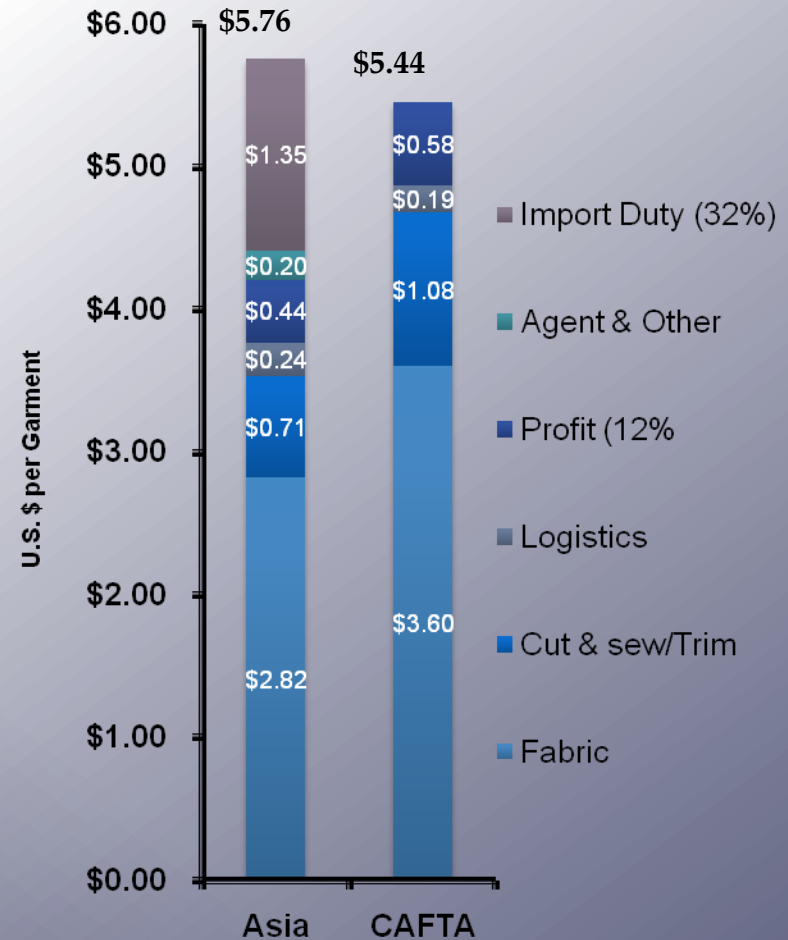
- Shorter lead times of 6 to 7 weeks from “order” to “U.S. distribution” versus 13 to 17 weeks from various Asian regions
- Faster response to fashion trends and replenishment needs
- Convenient to reach, monitor and communicate

Working capital benefits

- Shorter lead time creates lower inventories
- Better cash flow

Innovation

- Differentiated fibers that apply to various end-use products
- High-quality for critical applications
- Regional development efforts accelerates speed to market



Source: Industry data



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Safe Harbour:

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, cost overruns on contracts, client concentration, our ability to manage our international operations, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts, the success of the companies in which Sarla Performance Fibers Ltd. has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Sarla Performance Fibers Ltd. may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.