2013 ANNUAL MEETING
Mark Davis

Good morning, ladies and gentlemen.
I’m pleased that you can join us today.
2012 was another outstanding year for Chemtrade. The breadth and diversity of our businesses served us well during the year.

The combination of our business portfolio and continued adherence to our strategic initiatives delivered excellent results.

Since Chemtrade’s initial public offering in 2001, Chemtrade has grown substantially.
Our enhanced size, scale, diversity of product and service offerings and customer base has created a stronger and more resilient business. We continue to improve and profitably grow our businesses despite the upheaval and volatility in global economic conditions over the past few years.
The improvements have been driven and supported by our four-pronged strategy of growth; operational excellence; financial prudence; and adherence to our risk-mitigating business model.

These strategies work well together.
As a general statement, financial prudence and our business model provide a strong and stable foundation of earnings.
This foundation supports our ability to pursue the growth and operational excellence needed to continue improving, strengthening and diversifying the business.

Taken together, successful pursuit of these strategies has diversified our product and service offerings and our geographic and customer mix. As a result Chemtrade has increased its size, scale, scope and quality of earnings.
The resulting growth is evident in this chart.

The substantial step change in 2011 and 2012 reflects the acquisition of Marsulex Inc., which is our largest acquisition to date.
Turning specifically to 2012, demand and pricing for most of our products remained stable. We continue to benefit from the diversity of our products and services and the broad end-use customer base we serve.

Additionally, most of our business is located in North America and compared to many other parts of the world, the North American economy was generally stable in 2012.

Chemtrade continued to benefit from the high quality of its earnings.
Consistent with our stated strategic objectives, a significant portion of our earnings are generated from our risk-sharing and fee-based contracts. These agreements mitigate typical commodity fluctuations in our earnings and form the foundation of the stable earnings we seek to achieve year after year.
In fact, in 2012 approximately 60% of our revenue was derived from these agreements. Particularly in uncertain times we believe that these high quality earnings are very important to Chemtrade and our unitholders.
Our results for 2011 indicated that the Marsulex acquisition which occurred mid that year, was going to be very successful.

The results achieved in 2012, with a full year of these acquired businesses, clearly show the strength of combining the acquired businesses with the businesses Chemtrade already operated. We not only achieved the initial benefits we had anticipated but were able to further benefit from the synergistic nature of the acquisition through the increased size and scope of our operations.
This success is clearly demonstrated in our 2012 financial performance. As you saw in the earlier chart, we generated $141.6 million EBITDA in 2012.

This is the highest amount that we have ever generated and continued to build on our 2011 results.
In 2012, distributable cash after maintenance capital expenditures was $86.4 million, which is also the highest amount we have ever generated, and 18% higher than 2011.

On a per unit basis, we generated $2.07 per unit. As a reminder, when we acquired Marsulex in 2011 we indicated a pro forma distributable cash amount of $1.75 per unit. Clearly, the businesses performed much better than this early indication. Although some of the distributable cash benefit was due to a slower ramp up in the capex than we intended, the underlying earnings rate has also surpassed the pro forma indication.

The $2.07 per unit distributable cash generated provides substantial cushioning of our annual $1.20 per unit distribution rate.
This cushion contributes significant excess cash to fund our growth ambitions and, obviously, is a support for our strategic initiative of financial prudence.
Similar to our four strategic initiatives, Chemtrade’s key objectives are also unchanged.

Our objectives continue to be providing growth and yield for our unitholders. We have consistently stated that in our industry increasing the size and scope of our operations is important and strengthens the foundation for long term yield and growth.
Size, scale and scope provide the resources necessary to pursue operational excellence, diversify sources of earnings, and provide a greater ability to withstand adversities when they arise.
Our most recent and largest acquisition diversified our product portfolio, increased our geographic reach, enhanced the quality of our earnings, and improved our ability to sustain distributions and maintain balance sheet strength.
We continue to look for acquisition opportunities that fit with our business model, but at the same time we are constantly improving our existing operations and delivering organic growth.

While acquisition has been the primary growth driver over Chemtrade’s history, …
...we always maintain our focus on incrementally growing our existing businesses. Over the last several years we have added additional by-product removal customers and expanded some of our operations.
We’ve talked before about our program at Pulp Chemicals, which will make us a low cost producer. In the industrial chemicals business, being a low cost provider is essential for long term viability.
We also previously discussed one of our smaller products, ultra-pure acid. This product is used in the semi-conductor industry and thus quality is extremely important, with impurities being measured in parts-per-trillion.

In April 2011, we announced that we were spending approximately $12 million to expand our ultra-pure facility in Tulsa, Oklahoma to serve this growing market. This expansion has been completed and demand from the semi-conductor industry continues to be strong. As a result, we are embarking on another project to further expand this facility.

This second project will enable us to increase our network ultrapure acid capacity by about 20% to ensure that we capture this growing demand and solidify our place as the market leader for this product.
We have had a good start to 2013, although business conditions were a little more unsettled in the first quarter than we experienced throughout 2012. However, our overall operating results demonstrated once again that our business model effectively mitigates the impact of adverse business conditions on Chemtrade’s operations.
Rohit will now discuss some of the details of our 2012 financial results and briefly review our first quarter results for 2013.
Thank you, Mark and good morning everyone. I would first like to remind everyone that all our financial numbers for 2011, 2012 and the first quarter 2013 results have been prepared in accordance with IFRS.
As Mark noted, Chemtrade’s results for 2012 reflected the full year’s contribution from the Marsulex assets, stable demand and pricing of most of our products throughout the year, and solid plant operations.
Consolidated revenue for 2012 was $919.4 million versus $880.6 million in 2011. The increase of $38.8 million was due primarily to the inclusion of the Marsulex businesses for only half of 2011, offset partially by lower revenues in the International segment in 2012.
EBITDA was $141.6 million for 2012 compared with $114.8 million for 2011.

The 2011 results included a recovery of U.S. $8.3 million related to settlement of the Beaumont business interruption claim; however, this was more than offset by costs of approximately $14.8 million related to the Marsulex acquisition.
Distributable cash after maintenance capital expenditures was $86.4 million, or $2.07 per unit, compared with $73.2 million, or $2.01 per unit in 2011. The improvement can mainly be attributed to the Marsulex acquisition.
Maintenance capital expenditures in 2012 amounted to approximately $30 million, which was at the low end of our expectations earlier in the year, due mainly to timing issues.
Turning now to the first quarter of this year, business conditions were challenging in some of our markets during the quarter.
Revenue was $210.0 million, a decrease of $17.9 million over 2012. The primary reason for the decrease was lower revenues in the International segment.
For the three months ended March 31, 2013, distributable cash after maintenance capital expenditures was $27.0 million, or 65 cents per unit compared with $24.3 million or 58 cents per unit in 2012.

During the first quarter of both years, capex was below the anticipated annual run rate.

Even adjusting for the underspend, distributable cash was strong and well above the distribution rate of 30 cents per unit per quarter.
Aggregate EBITDA for the first quarter of 2013 was $35.2 million compared with $34.2 million in the first quarter of 2012.

EBITDA showed improvement despite lower sales prices resulting in lower revenue. The negative effect of lower pricing was more than offset by higher sales volumes for sulphuric acid and improved margins for certain products, particularly within the SPPC segment.
Maintenance capital expenditures in the first quarter were $2.6 million compared with $3.2 million in 2012.

This is significantly lower than our expected run rate. While capex spending in the first quarter was significantly below our expected annual run rate, we still expect that 2013 maintenance capex will be approximately $35 - $40 million.

We remain committed to improving the quality of our assets.
Excluding unrealized foreign exchange gains and losses, Corporate costs during the first quarter of 2013 were $10.1 million, which was slightly higher than the first quarter of 2012.
During the first quarter of 2013, net finance costs, excluding the adjustment for changes in the value of debentures, were $1.2 million lower than costs during the first quarter of 2012.

This was primarily due to lower levels of debt and lower interest rates relative to the first quarter of 2012.

Additionally, during the first quarter of 2012, we incurred $0.4 million of debt extinguishment costs related to the repayment of debt in that quarter.
Our balance sheet at March 31, 2013 was in sound shape.

As at March 31, $230.7 million was drawn on our approximately $400 million credit facility, leaving a significant amount of liquidity.

As you will recall, in March last year we further strengthened our balance sheet by amending our credit agreement, increasing the facility to approximately $400 million and extending the term by almost two years. Virtually all of our senior credit facilities are now revolving. This provides us with tremendous flexibility as repayments do not automatically reduce the size of the facility.

We also have approximately $170 million of debentures outstanding with maturities ranging from March 2017 to December 2018.

Our senior leverage ratio remains below two times EBITDA.
Finally, this chart shows the total return Chemtrade has generated for unitholders since the IPO in 2001.

A unitholder purchasing units at the time of the IPO would have enjoyed a compound annual return of 16.9% versus 6.8% posted by the S&P/TSX Composite Total Return Index.

I’ll now hand the presentation back to Mark.
Mark Davis

2012 was a strong year for Chemtrade.
Like many others, we continue to be concerned about the strength of the economy. Nevertheless, our 2012 and 2011 results were based on the relative stability of our businesses and customer demand, and we do not see that changing significantly during 2013.

While we are not immune from volatile or weak economic conditions, our operating results over the past several years are proof that our business model works in mitigating the effect of such conditions on our results.
Our customer base is stable, our long term risk-sharing contracts protect us from typical industrial chemical risks that could affect our earnings, and our focused attention on operational excellence strengthens our ability to be an efficient and reliable supplier to our customers.
We will continue to focus on the key building blocks that have made us successful, namely, operational excellence, supply reliability and an engaged and active work force.

We will also continue to optimize our existing assets while seeking opportunities to expand the size, scale and scope of our business with new businesses that complement our business model.
We remain confident in our ability to meet our objectives of providing both yield and growth to our unitholders.
Thank you for your attention. We would now be pleased to answer questions.