ESTER
INDUSTRIES LTD.
CIN : L24111UR1985PLC015063

ISO 9001:2000
DNV
REGISTERED FIRM

Date: 25th May, 2016

Bombay Stock Exchange Limited Department of Corporate services Phirojee Jeejeebhoy Towers Dalal Street, Mumbai – 400023	**National Stock Exchange of India Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051

Dear Sir

Subject : Investor Presentation for quarter and year ended on 31st March, 2016

We have enclosed Investor Presentation for quarter and year ended on 31st March, 2016.

Please acknowledge the receipt of the same and upload on your website.

Thanking You

Yours Faithfully
For **Ester Industries Limited**

Diwaker Dinesh
Company Secretary

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Encls: As Above

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Q4 & FY16 Results Presentation

May - 2016

ESTER INDUSTRIES LTD.

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Ester Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Index

Q4 FY16 Performance	04
Business Overview	16
Strategic Shift – The New Ester	21
Business Outlook	24
About Us	26

Q4 & FY16 Performance

ESTER INDUSTRIES LTD.

Key Developments – Q4 & FY16

- Meaningful progress towards transforming the business from "Commodity" to "Innovative"

- Specialty Polymer Business gaining traction
  - Filed (incremental) patent during the year for sulfonated polyester master batch, taking total patent applications to 8
  - Felicitated at the 6th National Awards for Technology Innovation 2015-16 in Petrochemicals under the category of "Innovation in Polymeric Materials"

- Engineering Plastic Business shaping up well; working towards scaling up operations and sprucing up product mix
  - Targeting International markets

- On track towards increasing share of specialty & value added Polyester Film products

Financial - Q4 FY16 Performance

Particular (Rs cr)	Q4 FY16	Q3 FY16	Q-o-Q (%)	Q4 FY15	Y-o-Y (%)	FY16	FY15	Y-o-Y (%)
Total Income	183.48	174.15	5.4	208.53	(12)	770.82	896.27	(14)
EBITDA	14.81	12.22	21.2	21.13	(29.9)	75.21	74.08	1.5
Margins %	***8.07***	***7.0***	***107 bps***	***10.13***	***(206 bps)***	***9.76***	***8.27***	***149 bps***
PAT	(0.29)	(2.96)	-	3.7	(107.8)	4.56	3.84	18.4

Soft performance of film business resulted in lower revenue generation. Ester working towards improving overall product mix. Results visible in Q4 vs Q3 FY16

Margin profile improving following growing contribution from high margin specialty polymer business

- Lower realisations and inventory loss owing to acute fall in crude prices impacted Film business performance during the year. Film business given that its share (72% of overall revenue) dragged down overall performance. Q4 FY16 saw improved demand environment
- Performance of Engineering Plastics business showing signs of improvement; greater share of value added products to result in improved product portfolio
- Specialty business continues to gain traction, (growth of 240% on an annual basis). Product pipeline remains strong

Chairman's Comments

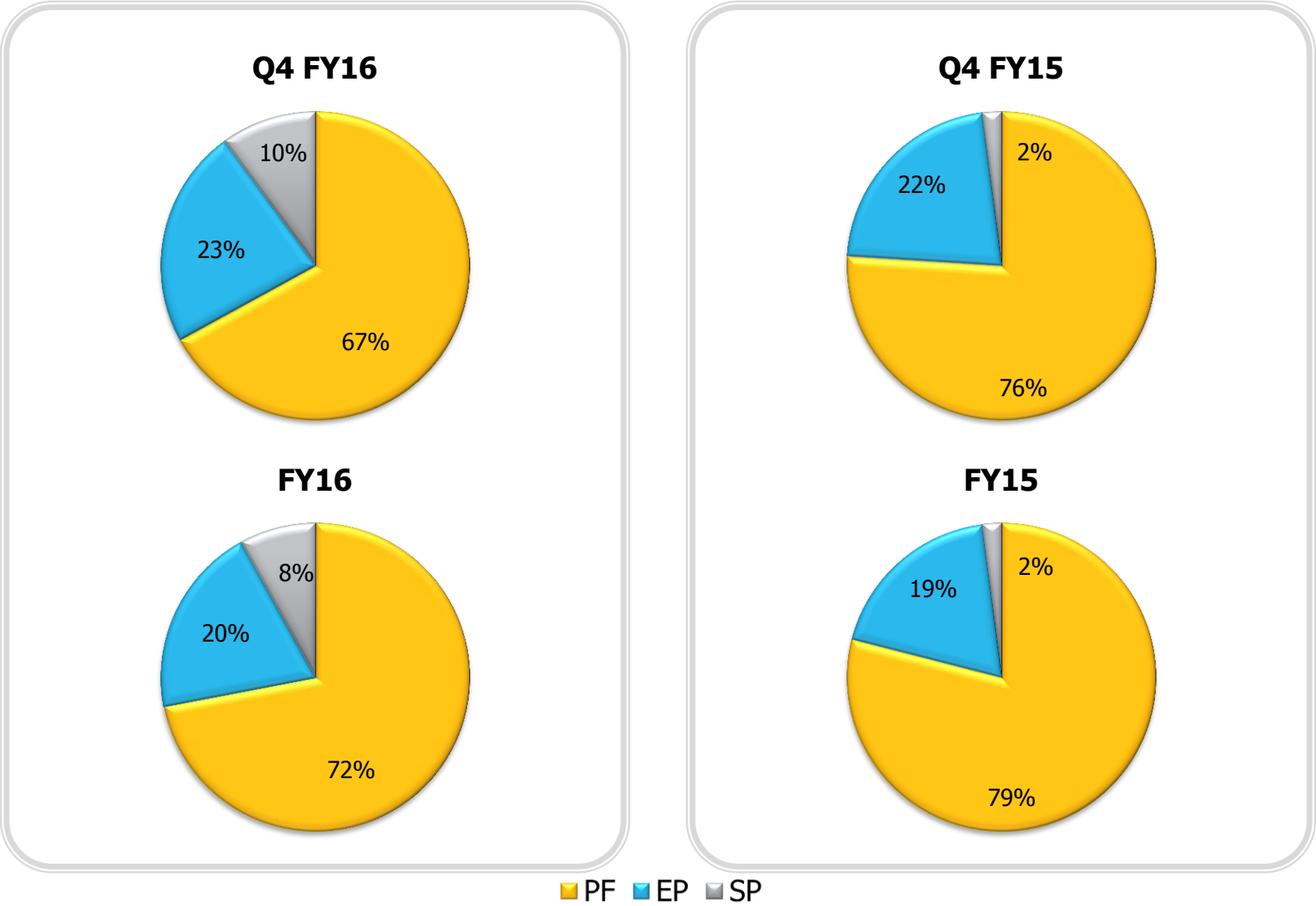
Commenting on the results, Mr. Arvind Singhania, Chairman, Ester Industries said

" FY 16 has been a fairly productive year for us, a year wherein we moved a step closer to our eventual target of transforming the company into innovation and technology driven. Our progress towards the transformation has been well demonstrated by the operational progress made by us in the form of filing of additional patents and receiving awards for some of our products in our specialty polymer business.

Our legacy businesses Polyester Films and Engineering Plastics are also shaping up well. We are undertaking necessary steps towards improving their product mix by developing and increasing the proportion of value added products and are hopeful that the same will result in better and consistent performance from them going forward.

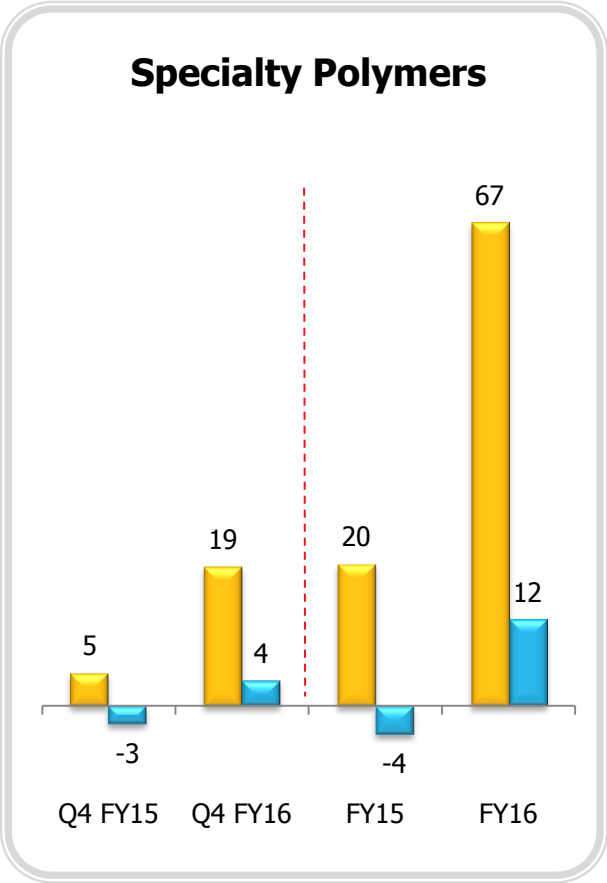
Looking ahead, we believe the completion of the transformation process will help the business deliver significant growth and create great value for our shareholders."

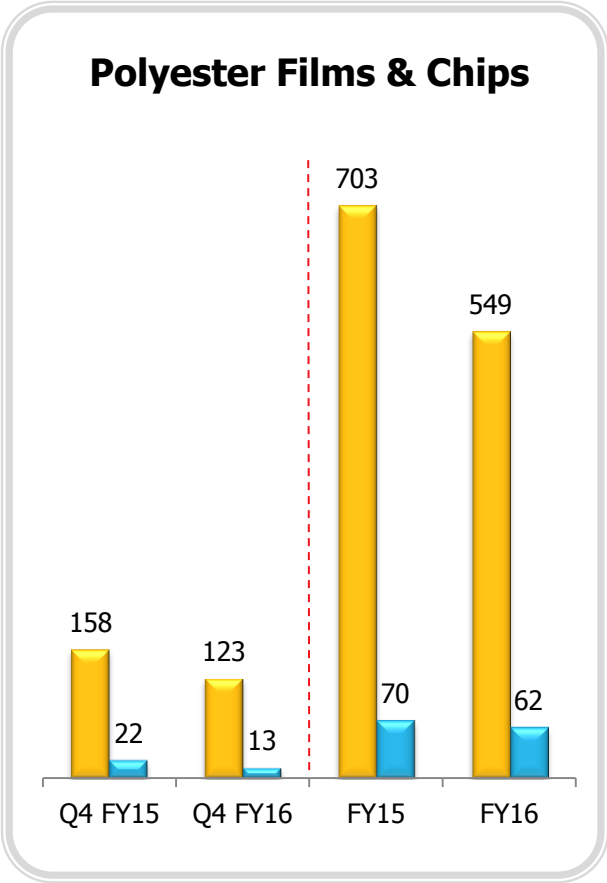
Business Wise - Revenue Contribution

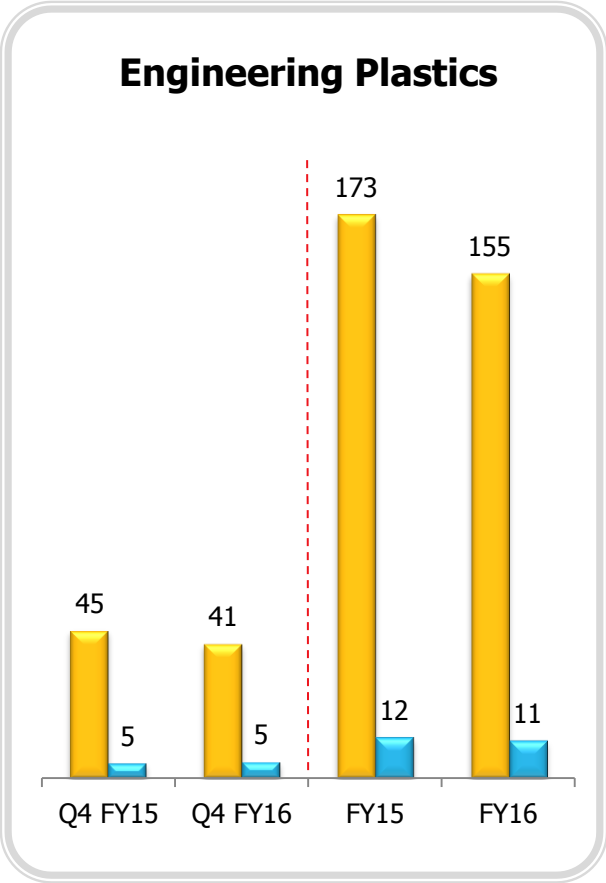


PF – Polyester Films; EP – Engineering Plastics; SP – Specialty Polymers

Business Performance……. (Rs. cr)







Revenue EBIT

PF – Polyester Films; EP – Engineering Plastics; SP – Specialty Polymers

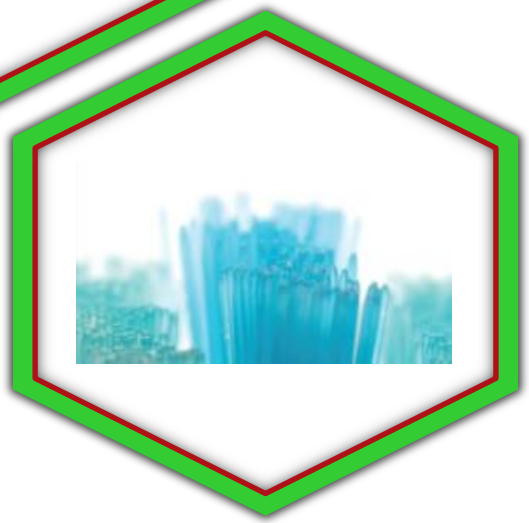
Specialty Polymers

- Leveraging strong R & D base to continuously create innovative products to address customized needs
- **Product portfolio** - 18 products of which patents have been filed in respect of 8
- **Strong product pipeline** - 18 products at various stages of development
- **High entry barriers** resulting from protection granted by Intellectual Property rights, leading to consistent high margins
- **Noteworthy developments –** Products like Stain resistant Master Batch for Carpets and PET resin for Hot-fill rigid packaging application already commercialized

Particulars (Rs cr)	Q4 FY16	Q4 FY15	%	FY16	FY15	%
Revenues	19.3	4.64	316.19	66.82	19.65	240.04
EBIT	3.5	(2.5)	-	11.96	(3.92)	-
Margins (%)	18.13	(53.91)	-	17.9	(19.93)	-

- **Growth Drivers** –
  - Introduction of new innovative products and scaling up of operations
  - Strengthening R&D capabilities
  - **Create new market** – Focus on developing products which will help transform latent demand into real demand.

Specialty Polymers – Products & Applications



Products
Polyethylene Terephthalate (PET)
Polybutylene Terephthalate (PBT)
Polyethylene Naphthalate (PEN)
Master Batches

Applications
Rigid Packaging – Hot-fill / Beer Kegs
Textile – Flame Retardant
Carpets – Stain Resistant Master Batches
Heat Sealable
Engineered Plastics / Injection Moulding
Low Melt Polymers for Textiles

Awards

- Felicitated at the 6th National Awards for Technology Innovation 2015-16 in Petrochemicals under the category of **"Innovation in Polymeric Materials"**

- **Joint Winner** in the category of **Innovation in Polymeric Materials for "Modified Polyester for Hotfill Application by Injection Stretch Blow Molding (ISBM) Process"**

  - Ester has successfully developed a polymer, with which bottles/jar can be blown with normal ISBM process without the need for heat set and also permitting filling temperatures of up-to 90 degree Centigrade
  - Use of PET for packaging hot-fill products is highly desirable and preferred by end-users as it not only reduces the overall cost but also makes it user friendly by being lightweight and unbreakable

- **Joint runner up** in the category of **Innovation in Polymeric Materials for "Polyester Masterbatch to Impart Stain Resistance in Nylon for Carpet Application"**

  - Ester's master batch provides total flexibility to producers of "nylon yarns for carpets" to adjust the content of the active ingredient for stain resistance to their specific need, thereby reducing the cost as well as providing total flexibility in the production process

Polyester Films

- A leading and well known player in the Polyester Film industry
- Manufactures and markets polyester films under the brand **"UmaPET"**
- **Manufacturing capacity** - 57,000 MTPA for polyester films & 13,200 MTPA for metalized polyester films
- **Integrated player** – Polyethylene Terephthalate (Polyester) chips manufacturing capacity 70,000 MTPA
- **Value Added & Specialty products** include transparent barrier film, shrink film etc
  - Transparent high barrier film is being keenly explored by global buyers to replace PVdC coated PET (environmentally hazardous material) and EVOH coextruded films (due to their higher mass).
- Aiming towards increasing proportion of value added & specialty products in overall mix by focusing on innovation, development and partnership with customers both in India and overseas which will reduce the effect of inherent cyclicality

Particulars (Rs cr)	Q4 FY16	Q4 FY15	%	FY16	FY15	%
Revenues	122.79	158.42	(22.49)	548.86	703.31	(21.96)
EBIT	13.06	22.20	(41.17)	62.02	70.29	(11.76)
Margins (%)	10.64	14.01	(338 bps)	11.30	9.99	130 bps

Results for Polyester Film segment include Chips

- Lower revenue generation during the year owing to weakened realisations, subdued demand and discontinuation of polyester chips production
- Operating margins improved for the quarter owing to improving demand environment, better product mix
- Working towards improving overall product mix by increasing share of value added and specialty products

Polyester Films – Products & Applications

Products		
	White Opaque	High Clear
	High Barrier	Embossable
	Heat Saleable	Twist Wrap
	Shrink film	Anti - Static
	Metalized High Barrier	Matte

Applications	
	Flexible Packaging
	Barrier Packaging
	Embossing
	Lidding
	Label & Graphics

Engineering Plastics – Products & Applications

- A well regarded manufacturer of Engineering plastics
- Manufactures and markets engineering plastics under the brand name **"Estoplast"**
- **Manufacturing capacity - 16,500 MTPA**
- Growing at **better than industry run rate** since the last 3 years
- **Awarded** the prestigious **Plasticon Gold Award** for the *"Fastest Growing Enterprise – Processing (Engineering Polymers)"* at the Plastindia Exhibition in February 2015

Particulars (Rs cr)	Q4 FY16	Q4 FY15	%	FY16	FY15	%
Revenues	41.40	45.47	(8.96)	155.15	173.31	(10.48)
EBIT	5.00	4.61	8.46	11.45	12.48	(8.26)
Margins (%)	12.08	10.14	194 bps	7.38	7.20	18 bps

- Improved performance during the quarter owing to higher share of value added products
- Efforts towards scaling up business and building up product portfolio. Targeting overseas markets as well

Applications

- CFL Holders, Adopters & Sockets
- MCB Case, Cover & other Parts
- Handles
- Knobs, Panels
- Switches
- Optical Fibre Sheathing
- Textile Machinery Parts
- Connectors

Products

- Thermoplastic Polyester Compounds
- Polybutylene Terephthalate (PBT)
- Polyethylene Terephthalate (PET)
- Polyamide 6 Compounds
- Polyamide 6.6 Compounds

Business Overview

ESTER INDUSTRIES LTD.

Quick Facts

Founded

1985

Corporate Headquarters

GURGAON, INDIA

Businesses & Annual Capacities

Polyester Chips – 70 KT

Specialty Polymers – 30 KT

Polyester Film – 57 KT

Metallized Film – 13.2 KT

Engineering Plastics – 16.5 KT

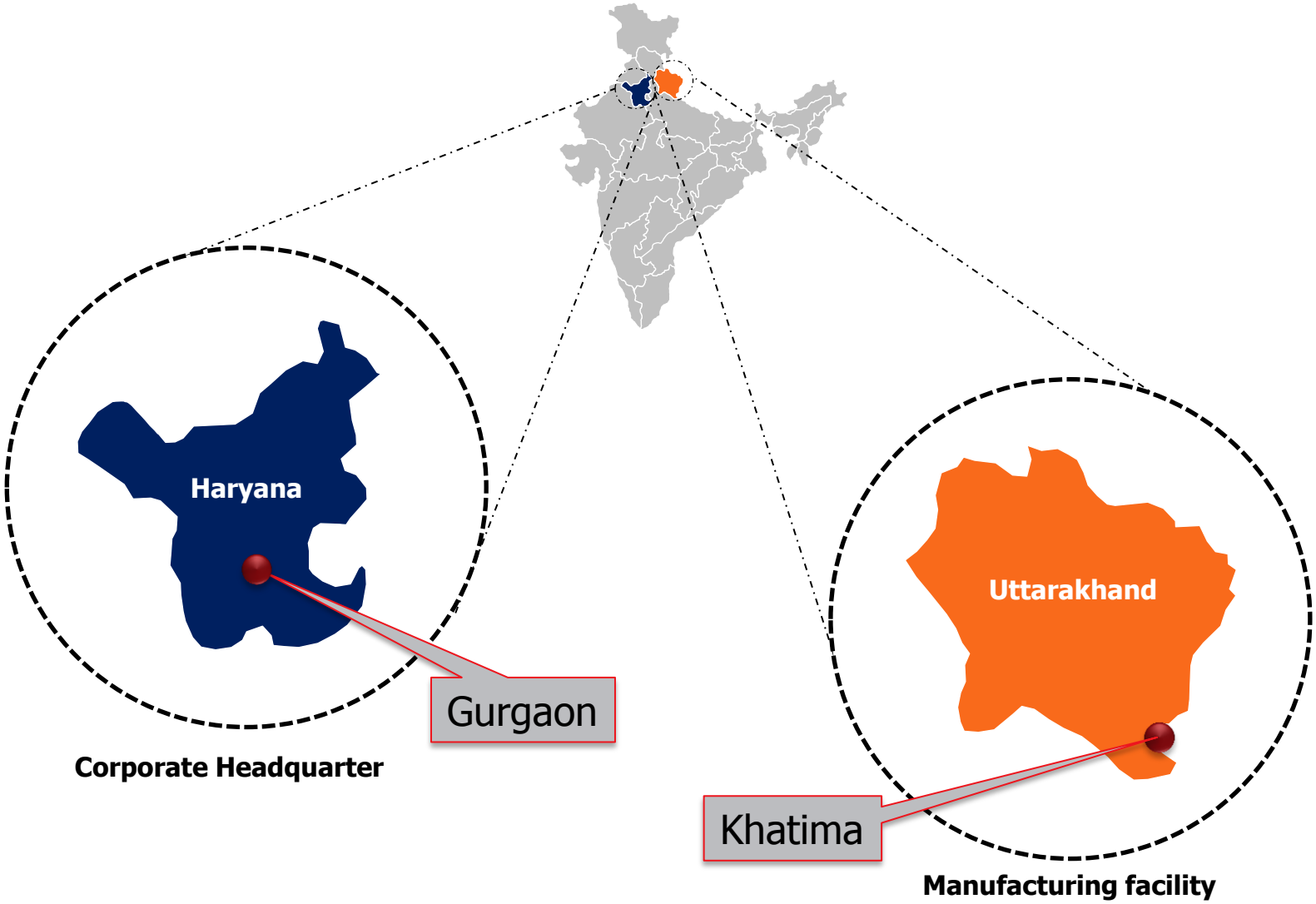
Global Presence

EXPORTS TO 50+ COUNTRIES

People

560+

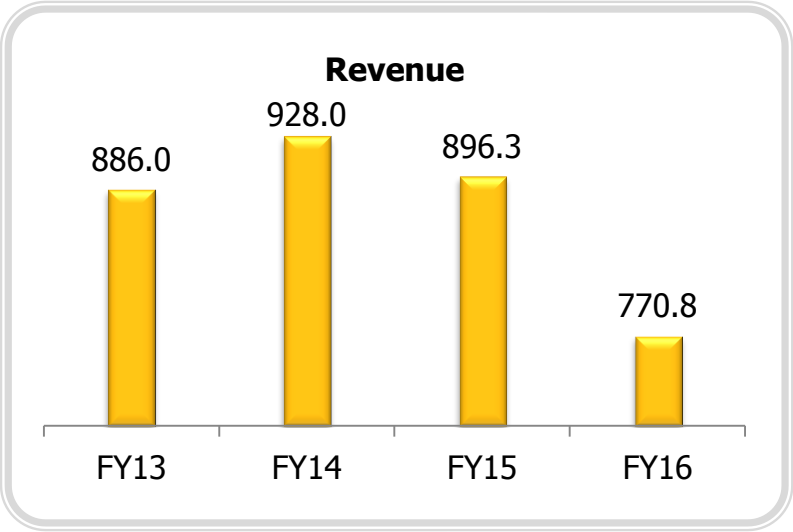
Our Presence

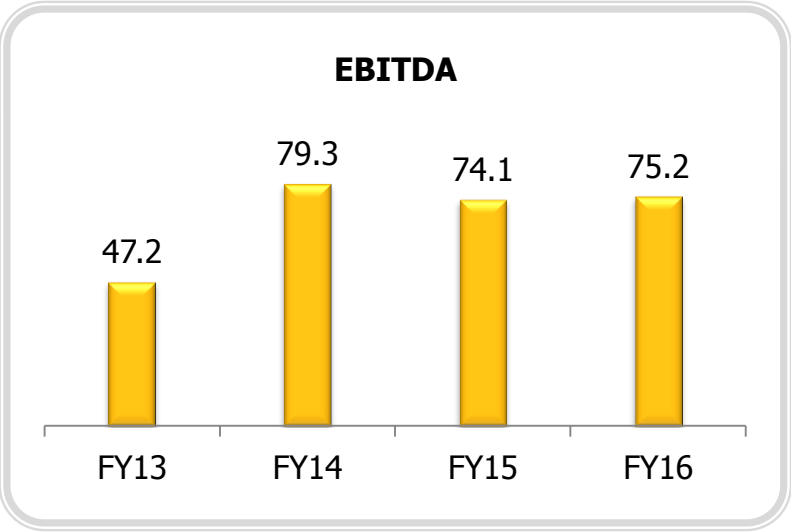


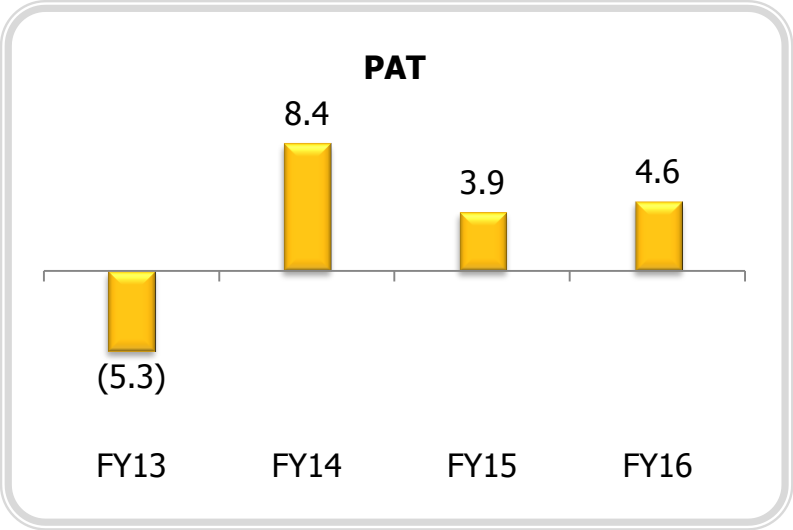
Global Presence

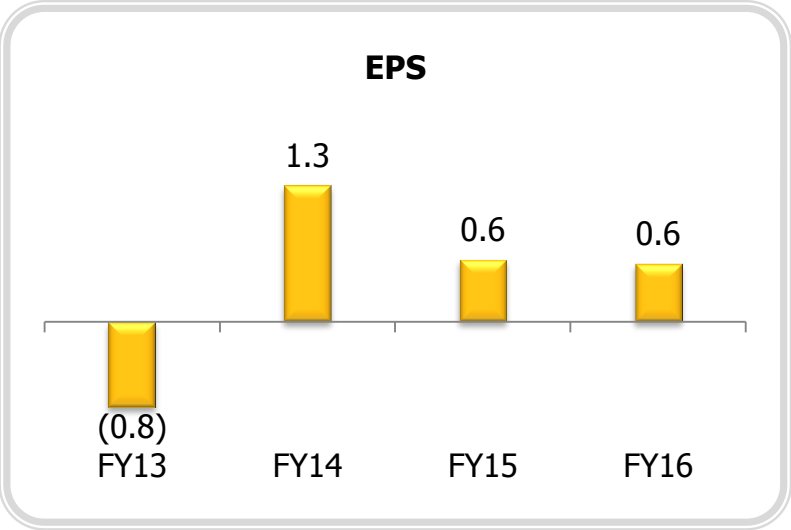
USA	Ukraine	Iran	Thailand
Canada	Italy	Turkey	Nepal
Brazil	Germany	Israel	Srilanka
Peru	Spain	South Africa	Bangladesh
Argentina	United Kingdom	Tunisia	China
Colombia	Austria	Kenya	Malaysia
Chile	Poland	Morocco	Vietnam
Ecuador	Bulgaria	Nigeria	Taiwan
Uruguay	Oman	Egypt	Korea
Venezuela	Syria	Senegal	Indonesia
Croatia	Lebanon	Algeria	Kazakhstan
Romania	Dubai	Tanzania	New Zealand
Hungary	Saudi Arabia	Cameroon	Australia
Slovakia	Jordon	Russia	India

Financials……. (Rs. cr)









Strategic shift – The new Ester

ESTER
INDUSTRIES LTD.

Business Transformation – "Commodity" to "Technology"

New Product Development | Value Addition | Technology | Innovation | Customisation

- One amongst many in the Polyester Film and Engineering plastic space

- Transforming from a "commodity" to "technology" player
- Redefining product portfolio with innovative and customer centric products

- Aiming to be a Technology driven enterprise
- Insulate performance from effects of volatility & cyclicality
- Emphasis on sustainable & profitable growth

The Specialty Polymers business will be a key driver of this transition

Driving Profitable Growth

- **Specialty Polymers**
  - Focus on building technological capabilities; emphasis on R&D and innovative product development
  - Patent already filed for 8 products; many more in the pipeline
  - Significant opportunities with large global entities, especially in USA & EU across varied applications including rigid & flexible packaging , carpets, textiles, engineering plastics and industrial
- **Polyester Films**
  - Enhancing proportion of Value Added & Specialty products
  - Customized solutions for International & Domestic customers
  - Long Term engagement with stakeholders
- **Engineering Plastics**
  - Strengthening and widening product portfolio
  - Identifying opportunities in new polymer / product categories
  - Exploring export opportunities
  - Enhancing relationships with present customers; exploring new domestic / overseas opportunities

Innovation, Technology, Customization and Value creation across all businesses

Business Outlook

ESTER INDUSTRIES LTD.

Business Outlook

Specialty Polymers

- Business prospects looks bright on the back of strong product portfolio, exciting product pipeline and high entry barriers
- Expect business to deliver strong revenue and profitability growth in the long term

Polyester Films

- **Greater awareness of environmental issues**: Shift from substrates (such as PVC and PVDC) to BOPET
- Rapid conversion of product portfolio from commodity to Value Added & Specialty will reduce effects of commoditization
- **Brand differentiation:** Redefine company's approach from product supplier to solution provider

Engineering Plastics

- Increased usage of plastics in the automotive industry
- Increased focus towards promoting usage of energy-saving lighting
- New and wider usage of product across various industries such as the Medical industry

~3 week plant shut down to be undertaken in Q1 FY17 for purpose of maintenance and introduction of new infrastructure

Investor Contacts

About Us: (CIN :- L24111UR1985PLC015063)

Incorporated in 1985, Ester Industries Limited (EIL) is an ISO 9001:2008,ISO 22000:2005,TS16949:2002 certified Company engaged in the manufacture of polyester films, specialty polymers, engineering plastics and polyester chips with manufacturing facilities located in Khatima (Uttarakhand). A globally recognized player Ester manufactures and markets its polyester films under the brand 'UmaPET' and engineering plastics as 'Estoplast'. The Specialty Polymers business is driven by technology and innovation and the Company presently has many patent applications pending for this business. With state-of-the-art manufacturing plant, skillfully managed operations and a committed work force Ester continuously strives to meet commitments towards total customer satisfaction.

For more information contact:

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