ESTER
INDUSTRIES LTD.
CIN : L24111UR1985PLC015063

ISO 9001:2000
DNV
REGISTERED FIRM

Date: 11th August, 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 : Press Release & Presentation on Un-audited financial results for the Quarter ended on 30th June, 2016

We wish to submit the Press Release and Presentation on Un-audited financial results for the Quarter ended on 30th June, 2016, approved in the Board Meeting held on 10th August, 2016.

Please acknowledge the receipt of the same.

Thanking You

Yours Faithfully
For **Ester Industries Limited**

Diwaker Dinesh
Company Secretary

ESTER INDUSTRIES LTD. Block-A Plot No-11 Infocity-1, Sector-33 & 34 Gurgaon 122001 Haryana

Encls: As Above

Q1FY17 Result Release

Total Income stood at Rs. 166 crore; EBITDA Rs. 13 crore

'Specialty Polymers Business reports strong performance'

- **Revenue growth of ~30%**
- **EBIT margins ~2x at 31%**

New Delhi, August 11, 2016: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter ended June 30, 2016.

Q1 FY17 performance overview compared with Q1 FY16

- Total Income stood to Rs. 166 crore v/s Rs. 211 crore, down 21%
- EBITDA stood at Rs. 13 crore compared to Rs. 25 crore
  - EBITDA margin stood at 8%
- Profit after tax was (Rs. 2 crore)
- EPS amounted to (Rs. 0.19 per share)

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

"We are gradually progressing towards attaining our goal of transforming the existing business profile and emerging as an innovation and technology driven Company. Our Specialty polymer business the key catalyst for the transformation continues to perform well. Our R&D initiatives have resulted in building an innovative and exciting product pipeline in addition to the products we have commenced commercializing.

We are however seeing that while the merits of our new offerings are well recognized and accepted, the increase in offtake can be slower than hoped for. This is for a variety of reasons almost all of which are external in nature. Customer response, though gives me strong confidence that these entities, most of who are global majors will gradually increase volumes to significant levels.

We are also working towards improving the product mix for our legacy business, Polyester film and engineering plastic by increasing the share of value added products and are confident of improved operating performance from these businesses too"

Business Performance

- **Specialty Polymer Business**
  - Good traction on the order flow leading to better sales
  - Strengthening R&D capabilities
  - Develop customized polyester resins based on customer's requirement
  - Focus on developing products which will help transform latent demand into real demand
  - Develop high quality specialty polyesters to ensure competitive advantage for customers
- **Polyester Film Business**
  - Lower generation following plant shutdown, heightened competition and weak realisations impacted business performance
  - Focus on improving profitability by sprucing up product mix; more focus on developing value added products
    - Value added / specialty products constitutes about 20% of the overall revenue at present
  - Focused on offering customers unique value proposition by aligning innovation, development and partnership
- **Engineering Plastics**
  - Being an integrated player, Ester is able to offer one of the most diversified Engineering Plastics product portfolio covering most of the polymers in this category
  - Working towards scaling up its presence in the business

About Ester Industries:

Ester Industries Limited is a public limited company incorporated in 1985 promoted by the Singhania family. The company is one of India's leading producers of Polyester Films, Engineering Plastics and Speciality Polymers having a track record of continually developing new and innovative products for customers across the globe. Ester Industries has state of the art manufacturing facilities in khatima in Uttarakhand with the capacity of 67,000 TPA of Polyester Resin, 57,000 TPA of Polyester Film, 30,000TPA of Specialty Polymers and 16,500 TPA of Engineering Plastics. The company currently exports more than 30% of its production of Polyester Films with sales and distribution network in more than 56 countries across the world resulting in strong customer relationship. Specialty Polymers are manufactured primarily for the European and US markets.

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Q1 FY17 Results Presentation

August - 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.

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Q1 FY17 Performance

Financial - Q1 FY17 Performance

Particular (Rs cr)	Q1* FY17	Q1 FY16	Y-o-Y (%)
Total Income	166	211	(21.3)
EBITDA	13	25	(48)
Margins %	***7.8***	***11.8***	***(400 bps)***
PAT	(2)	4	-

*Plant shutdown for approx. 3 weeks for purpose of maintenance and introduction of new infrastructure

Temporary shut-down of plant for maintenance and discontinuation of sale of polyester chips impacted operations and performance for the Qtr. Weaker performance of dominant polyester film business affected overall performance

Weaker realisations, lower sales due to shutdown and inventory valuation losses resulted in margin contraction of 400 bps.

- Specialty business continue to gain traction
  - ❑ Strong innovative product pipeline being well received, undergoing evaluation at customer end
- Polyester films business hurt by weaker realisations on the back of heightened competitive environment combined with plant shutdown
  - ❑ Working towards improving share of value added products
- Engineering Plastics business contracted owing to lower off-take; although margins remained steady
  - ❑ Emphasis on enhancing scale and product mix

Key Highlights

- Temporary shut down of Continuous Polymerization (CP) and Film Plant for ~3 weeks for purpose of maintenance and introduction of new infrastructure impacted performance during the quarter
- Specialty Polymer business reported strong performance: revenue growth of ~30%; EBIT margins ~2x at 31% as against Q1 FY16
  - New product offerings possess superior properties and are more cost effective. Products continue to be well received and are undergoing tests by several global majors
  - Differentiated nature of offering may result in testing and evaluation process at customer end taking time. However on finalisation potential is significant
- Engineering Plastics business remained largely steady, with revenue de-growth compensated by gradual uptick in EBIT margin

Chairman's Comments

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

"We are gradually progressing towards attaining our goal of transforming the existing business profile and emerging as an innovation and technology driven Company. Our Specialty polymer business the key catalyst for the transformation continues to perform well. Our R&D initiatives have resulted in building an innovative and exciting product pipeline in addition to the products we have commenced commercializing.

We are however seeing that while the merits of our new offerings are well recognized and accepted, the increase in offtake can be slower than hoped for. This is for a variety of reasons almost all of which are external in nature. Customer response, though gives me strong confidence that these entities, most of who are global majors will gradually increase volumes to significant levels.

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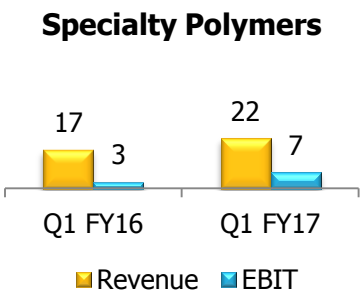
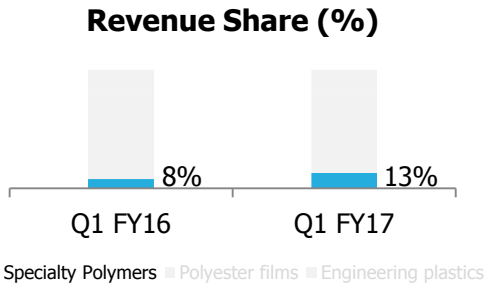
Specialty Polymers

Specialty Polymers

- **Stain resistant Master Batch** – Increased demand led to increase in sales as a result of acceptance and awareness
- **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





- **Growth Drivers** –
  - Good traction on the order flow leading to better sales
  - Strengthening R&D capabilities
  - Develop customized polyester resins based on customer's requirement
  - Focus on developing products which will help transform latent demand into real demand
  - Develop high quality specialty polyesters to ensure competitive advantage for customers

Awards

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

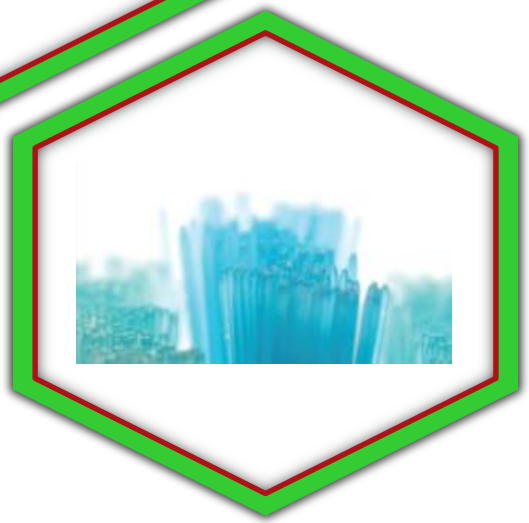
- **Joint Winner** in the category of **Innovation in Polymeric Materials for "Modified Polyester for Hotfill Application by Injection Stretch Blow Molding (ISBM) Process"**

  - 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

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

Specialty Polymers – Case Study

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Problem – High cost towards carpet stain removal

- Stain marks on (nylon) carpets given spillover / spillage of liquid shortens its shelf life
- Impairs aesthetic appeal
- Present technology – 'Sulphonated Nylon' (Costly & inflexible) and 'Topical coating' (wash fastness & longevity issue) for addressing the problem are not feasible

Solution – Flexible low cost solution

- Ester has developed a PET based master batch, which imparts permanent stain resistance in nylon carpets
- 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
- Product is patent pending

Business Opportunity

USA, largest producer of Carpets & Rugs boasts of an industry with annual revenues of ~USD 10 Billion

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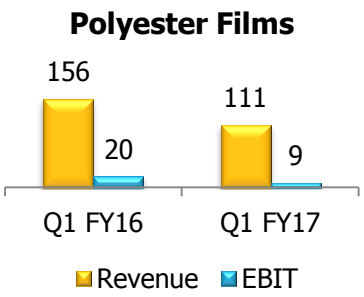
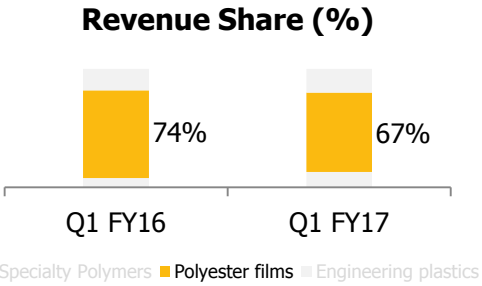
Polyester Films

Polyester Films

- 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
- **Global Footprint:** Formidable reach across more than 85 countries
- **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





- Lower generation following plant shutdown, heightened competition and weak realisations impacted business performance
- Focus on improving profitability by sprucing up product mix; more focus on developing value added products
  - Value added / specialty products constitutes about 20% of the overall revenue at present
- Focused on offering customers unique value proposition by aligning innovation, development and partnership

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

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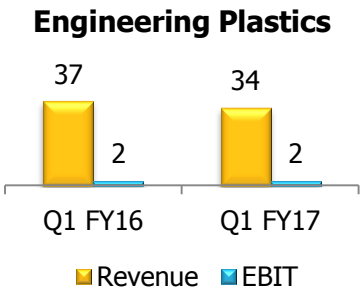
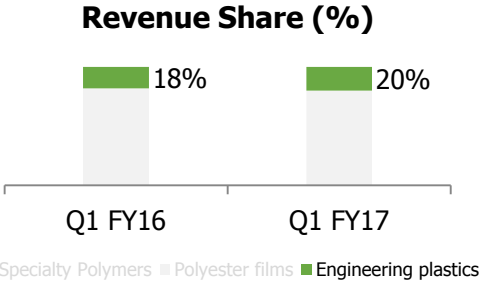
Engineering Plastics

Engineering Plastics – Products & Applications

- A well regarded manufacturer of Engineering plastics
- **Diverse Product Portfolio –** 350+ grades products marketed under the brand "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





- Being an integrated player, Ester is able to offer one of the most diversified Engineering Plastics product portfolio covering most of the polymers in this category
- Working towards scaling up its presence in the business

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

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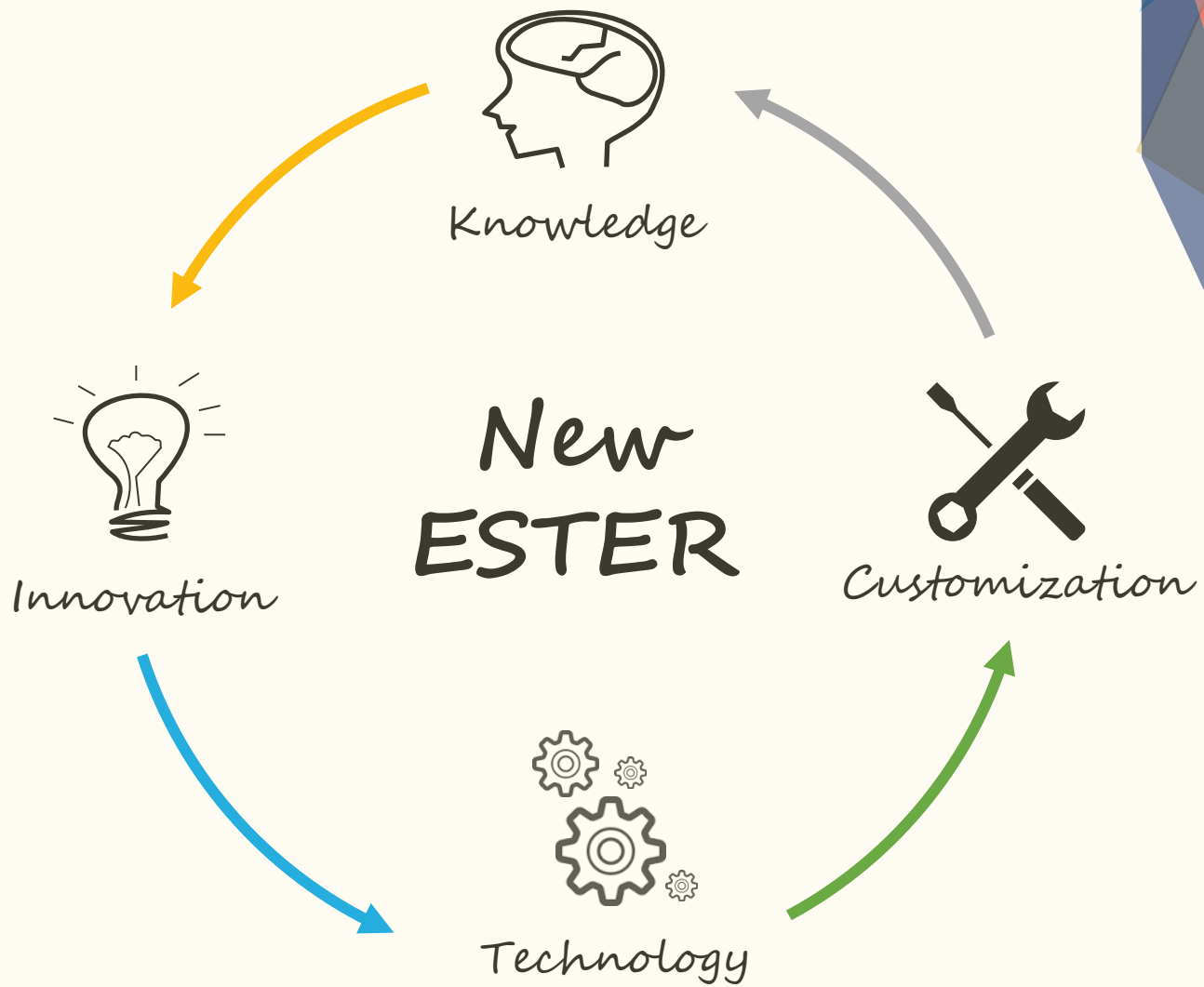
Strategic shift – The new Ester


Knowledge
Innovation
New
ESTER
Customization
Technology

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

ESTER INDUSTRIES LTD.

Business Overview

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

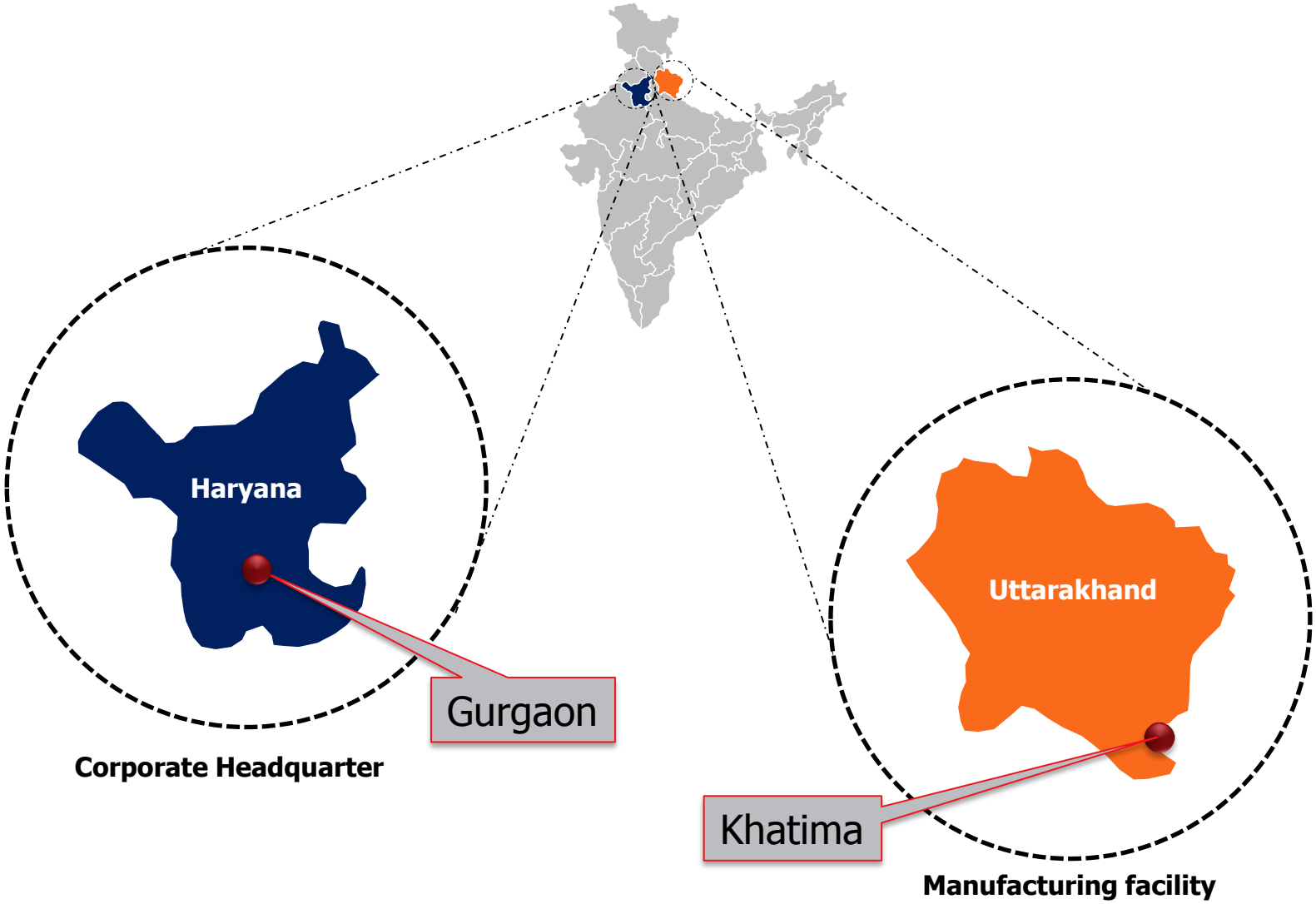
Global Presence

EXPORTS TO 50+ COUNTRIES

People

560+

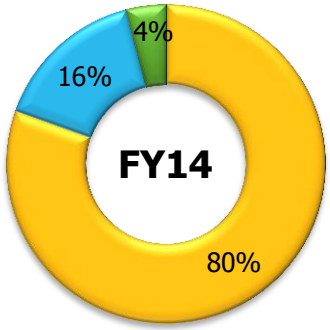
Our Presence

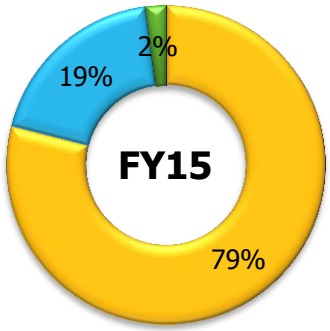


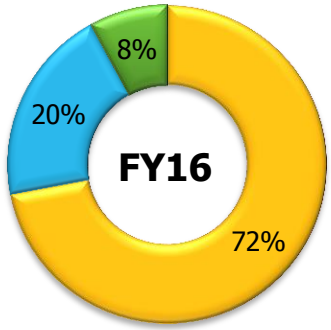
Financial Summary

Particulars	FY14	FY15	FY16
Revenue by Segment (Rs.cr)	928.5	896.3	770.8
Specialty Polymers	38.5	19.7	66.8
Polyester Films	746.10	703.3	548.9
Engineering Plastics	143.9	173.3	155.2
Revenue by Geography			
Domestic (%)	75	78	71
Exports (%)	25	22	29
EBITDA (Rs.cr)	79.3	74.1	75.2
EBITDA Margin	*8.5*	*8.3*	*9.8*

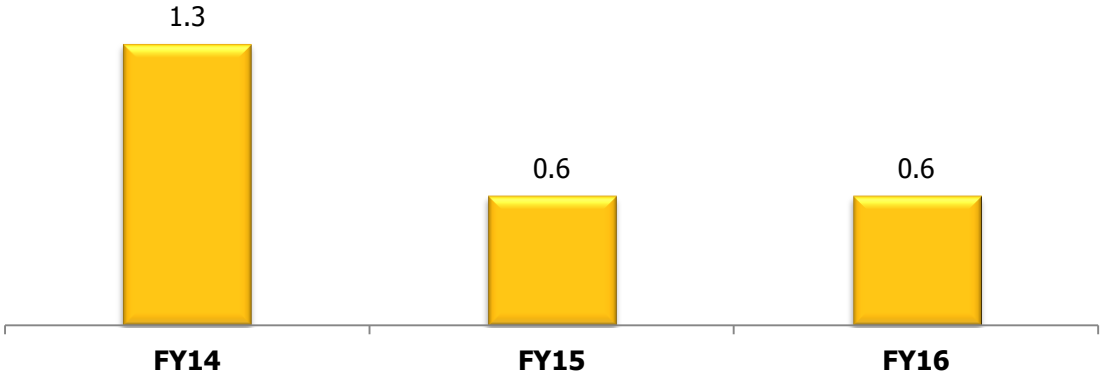
Segment-wise Share (%)







EPS



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

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

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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