

Date: 15th November, 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 and half year ended on 30th September, 2016

We wish to submit the Press Release and Presentation on Un-audited financial results for the Quarter and half year ended on 30th September, 2016, approved in the Board Meeting held on 14th November, 2016.

Please acknowledge the receipt of the same.

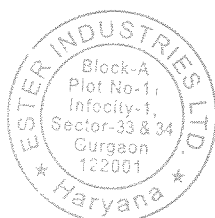
Thanking You

Yours Faithfully

For Ester Industries Limited



Diwaker Dinesh
Company Secretary



Encls: As Above



H1FY17 Result Release

Total Income stood at Rs. 330 crore; EBITDA Rs. 21 crore

New Delhi, 15 November, 2016: Ester Industries Limited, India's leading manufacturer of Polyester Films, Engineering Plastics and Specialty Polymers, announced its financial results for the quarter and half year ended September 30, 2016.

H1 FY17 performance overview compared with H1 FY16

- Total Income stood to Rs. 330 crore v/s Rs. 413 crore, down 20%
 - No chip sales, lower off-take for Specialty Polymer and Engineering Plastics business coupled with lower share of value added products in the overall mix resulted in revenue contraction
- EBITDA stood at Rs. 21 crore compared to Rs. 48 crore, down 56%
 - EBITDA de-growth owing to lower share of margin accretive Specialty polymer business and lower proportion of high margin value added products
- Profit after tax was (Rs. 6.6 crore)
- EPS amounted to (Rs. 0.8 per share)

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

"Ester Industries continues its journey towards transforming itself into a technology driven Company, with focus on innovation. We continue to invest in R&D and strengthening our capabilities to achieve breakthrough new products and deliver enhanced value.

Our Specialty Polymer business is shaping up well, with efforts directed equally towards developing and marketing of our innovative products. What we are seeing though, is a lag in volume ramp up even after expressed interest and acceptance. This is primarily a result of customers needing time to amend all related infrastructure which may include materials unrelated to operations like logistics, packaging and media. Moreover, given the relative newness of the product and that our customers are large well established organisations, the transition process takes time.



While this is a learning for us, our belief in our offerings and capabilities as well as the interest levels of our customers remains extremely high and we are confident of this translating to business performance.

Performance of our legacy businesses namely polyester film and engineering plastics continue to remain under pressure reflective of their largely commoditized nature at present. However, we are optimistic that our efforts towards improving the overall product mix by increasing the share of value added products should help improve their profitability profile.

We remain confident that our focused innovative approach combined with improving operational performance would start reflecting in our financials which at present fail to reflect the true potential of the business."

Business Performance

- **Specialty Polymer business – Soft performance on account of**
 - Lower off-take resulting from longer than anticipated transition/ approval time taken by customers
 - Natural delay owing to inherent nature of innovative products - need to adjust for reducing of earlier inventories
 - Customer interest and buy in remains strong. Ester continues focus on developing innovative products – Short term pain, long term gain
- **Polyester Film business performance under pressure due to –**
 - Demand supply mismatch as a result of significantly increased number of BOPET players
 - Lower realizations coupled with higher conversion cost leading to margin contraction
 - Emphasis on value addition, value added offerings presently comprise ~15% of portfolio
- **Restrained performance of Engineering plastic business –**
 - Muted performance of Optical Fiber Cable segment resulting in lower government offtake
 - Enhancing portfolio, deepening relationship with key private sector customers



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, 30,000 TPA 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.

For more information contact:

Pradeep Kumar Rustagi (CFO)
Ester Industries Ltd.
Tel: +91 124 2656 100
Fax: +91 124 2656 199
E-mail: pradeep.rustagi@ester.in

Gavin Desa / Suraj Digawalekar / Snighter Albuquerque
CDR India
Tel: +91 22 6645 1237 / 1235 / 1250
Fax: +91 22 6645 1213
E-mail: gavin@cdr-india.com
suraj@cdr-india.com
snighter@cdr-india.com

CIN: L24111UR1985PLC015063

*Regd. Office : Sohan Nagar, P.O. Charubeta, Khatima– 262308 Distt. Udham Singh Nagar, Uttarakhand
Phone: EPABX No. (05943) 250153-57; Fax No.: (05943) 250158;
Email: info@ester.in; Website: www.esterindustries.com*





Q2 & H1 FY17 Results Presentation

November - 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

Q2 & H1 FY17 Performance

04

Business – wise Performance

08

Strategic Shift – The New Ester

18

Business Overview

21

Q2 & H1 FY17 Performance



Key Highlights

- **Specialty Polymer business – Soft performance on account of**

- Lower off-take resulting from longer than anticipated transition/ approval time taken by customers
- Natural delay owing to inherent nature of innovative products - need to adjust for reducing of earlier inventories
- Customer interest and buy in remains strong. Ester continues focus on developing innovative products – Short term pain, long term gain

- **Film business performance under pressure due to –**

- Demand supply mismatch as a result of significantly increased number of BOPET players
- Lower realizations coupled with higher conversion cost leading to margin contraction
- Emphasis on value addition, value added offerings presently comprise ~15% of portfolio

- **Restrained performance of Engineering plastic business –**

- Muted performance of Optical Fiber Cable segment resulting in lower government offtake
- Enhancing portfolio, deepening relationship with key private sector customers

- **Promoter hikes stake in Company– reflection of confidence in the business**

- **Purchased 4.92% recently**, resulting in increasing **overall stake in the Company to 59.14%** from earlier 54.22%. Heightened stake, indicative of promoter's belief and confidence in long term performance of the business

Financial - Q2 & H1 FY17 Performance

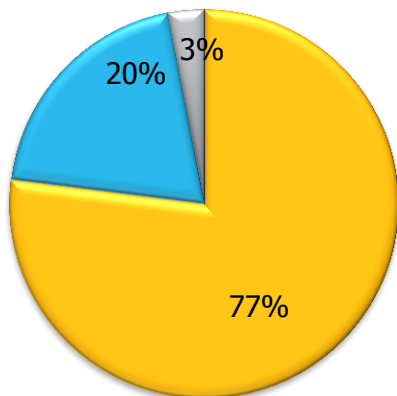
Particular (Rs cr)	Q2 FY17	Q2 FY16	Y-o-Y (%)	HY1FY17	HY1FY16	Y-o-Y (%)
Total Income	163.3	202.2	(19.2)	329.5	413.2	(20.3)
EBITDA	8.1	23.2	(65)	21.1	48.2	(56.2)
Margins %	5	11.5	(649 bps)	6.4	11.7	(525 bps)
PAT	(5)	4	NA	(6.6)	7.8	NA

No chip sales, lower off-take for Specialty Polymer and Engineering Plastics business coupled with lower share of value added products in the overall mix resulted in revenue contraction

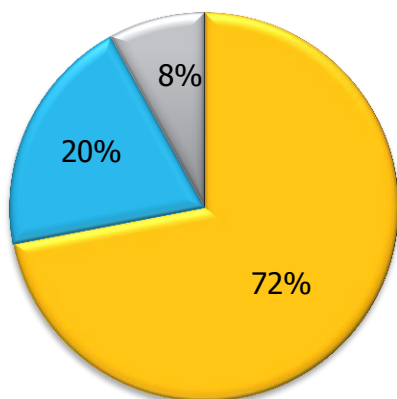
EBITDA de-growth owing to lower share of margin accretive Specialty polymer business and lower proportion of high margin value added products

Business Wise - Revenue Contribution

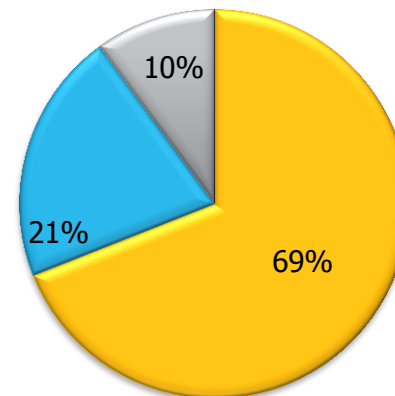
Q2 FY17



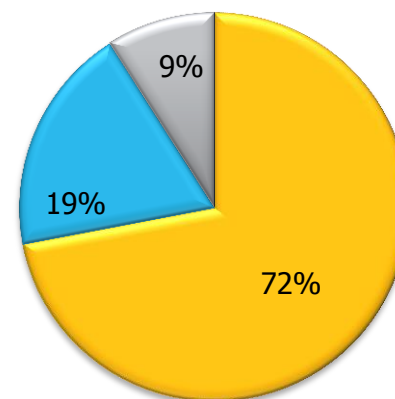
H1FY17



Q2 FY16



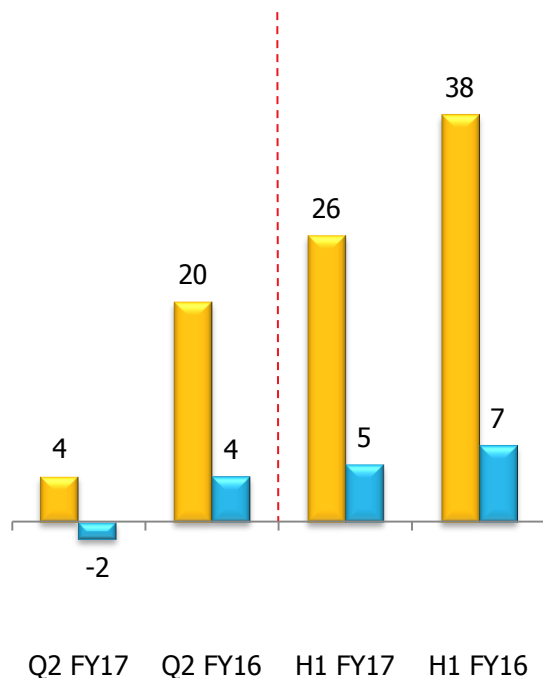
H1FY16



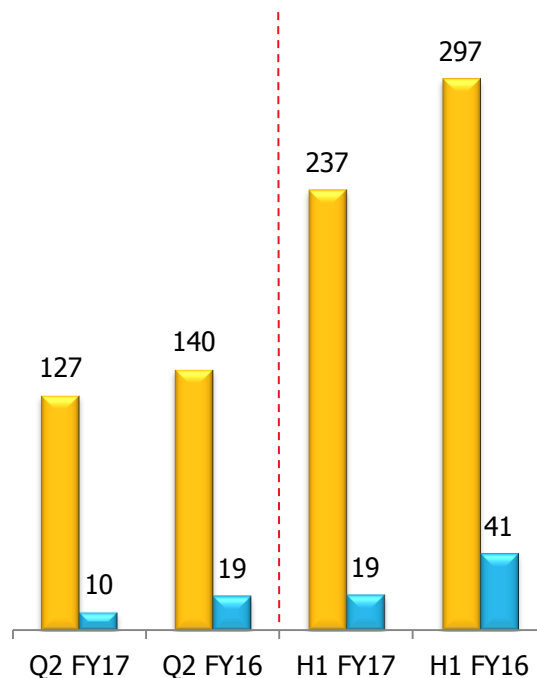
■ PF ■ EP ■ SP

Business Performance..... (Rs. cr)

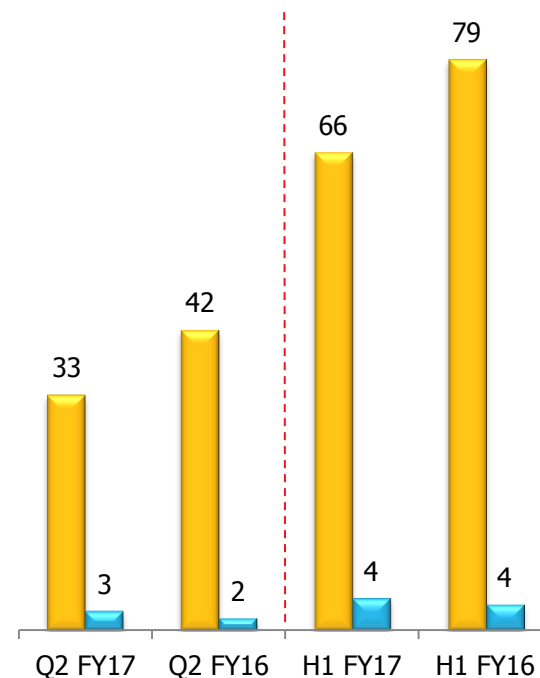
Specialty Polymers



Polyester Films & Chips



Engineering Plastics



■ Revenue ■ EBIT

Chairman's Comments



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

"Ester Industries continues its journey towards transforming itself into a technology driven Company, with focus on innovation. We continue to invest in R&D and strengthening our capabilities to achieve breakthrough new products and deliver enhanced value.

Our Specialty Polymer business is shaping up well, with efforts directed equally towards developing and marketing of our innovative products. What we are seeing though, is a lag in volume ramp up even after expressed interest and acceptance. This is primarily a result of customers needing time to amend all related infrastructure which may include materials unrelated to operations like logistics, packaging and media. Moreover, given the relative newness of the product and that our customers are large well established organisations, the transition process takes time.

While this is a learning for us, our belief in our offerings and capabilities as well as the interest levels of our customers remains extremely high and we are confident of this translating to business performance.

Performance of our legacy businesses namely polyester film and engineering plastics continue to remain under pressure reflective of their largely commoditized nature at present. However, we are optimistic that our efforts towards improving the overall product mix by increasing the share of value added products should help improve their profitability profile.

We remain confident that our focused innovative approach combined with improving operational performance would start reflecting in our financials which at present fail to reflect the true potential of the business."

Specialty Polymers



Specialty Polymers

- **Stain resistant Master Batch** – Received positive response from the customers; working towards ramping up sales
- **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)	Q2 FY17	Q2 FY16	%	H1 FY17	H1 FY16	%
Revenues	4.3	20.3	(79)	26.4	37.5	(29.6)
EBIT	(1.6)	4.2	-	5.3	7	(25)
<i>Margins (%)</i>	<i>NA</i>	<i>20.6</i>	-	<i>20</i>	<i>18.8</i>	-

- **Growth Drivers** –
 - 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



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

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 cyclicity

Particulars (Rs cr)	Q2 FY17	Q2 FY16	%	H1 FY17	H1 FY16	%
Revenues	126.5	140.4	(9.9)	237	296.8	(20.1)
EBIT	9.8	18.6	(47.4)	19.2	41.2	(53.3)
<i>Margins (%)</i>	<i>7.8</i>	<i>13.3</i>	<i>(552 bps)</i>	<i>8.1</i>	<i>13.9</i>	<i>(576 bps)</i>

- Heightened competitive intensity and weak realisations resulted in muted performance for the business.
- Working towards lowering operating expenses through various cost reduction initiatives
- 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

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

Particulars (Rs cr)	Q2 FY17	Q2 FY16	%	H1 FY17	H1 FY16	%
Revenues	32.6	41.5	(21.6)	66	78.9	(16.3)
EBIT	2.6	1.7	58.4	4.4	3.6	23.6
<i>Margins (%)</i>	<i>8.1</i>	<i>4</i>	<i>408 bps</i>	<i>6.6</i>	<i>4.5</i>	<i>214 bps</i>

- 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

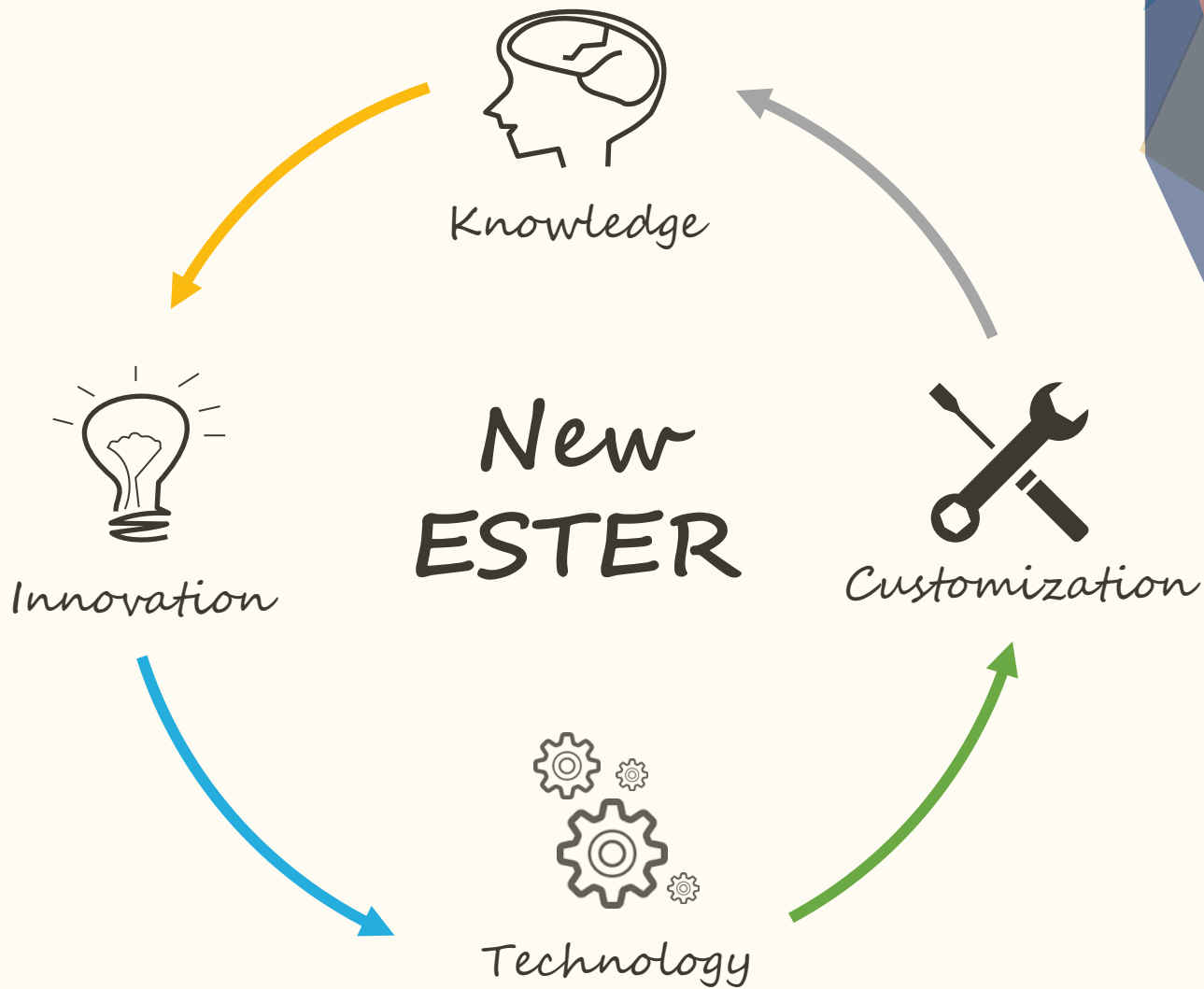
Applications	CFL Holders, Adapters & Sockets
	MCB Case, Cover & other Parts
	Handles
	Knobs, Panels
	Switches
	Optical Fibre Sheathing
	Textile Machinery Parts
	Connectors

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



Strategic shift – The new Ester





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

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

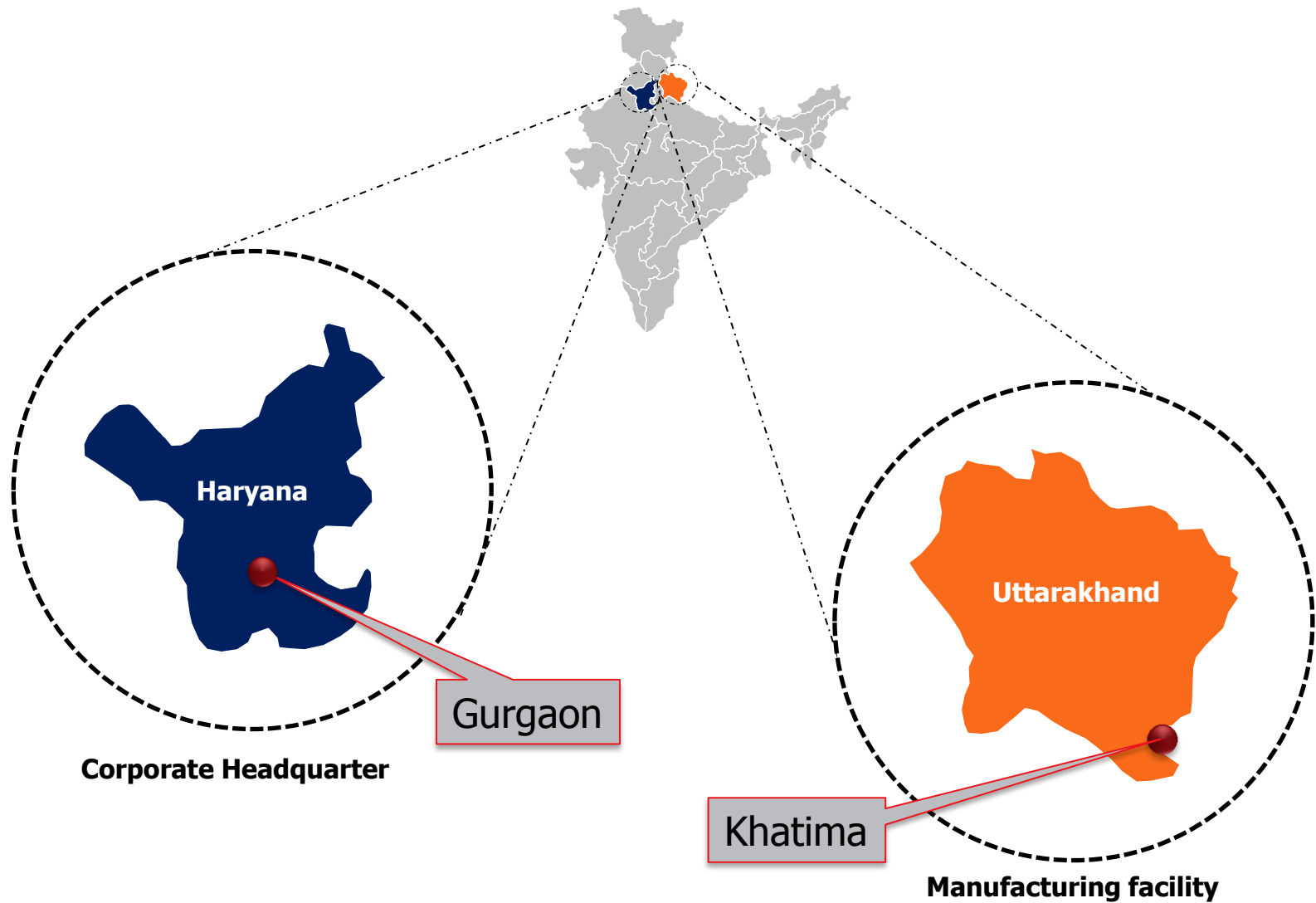
**EXPORTS TO 50+
COUNTRIES**



People

560+

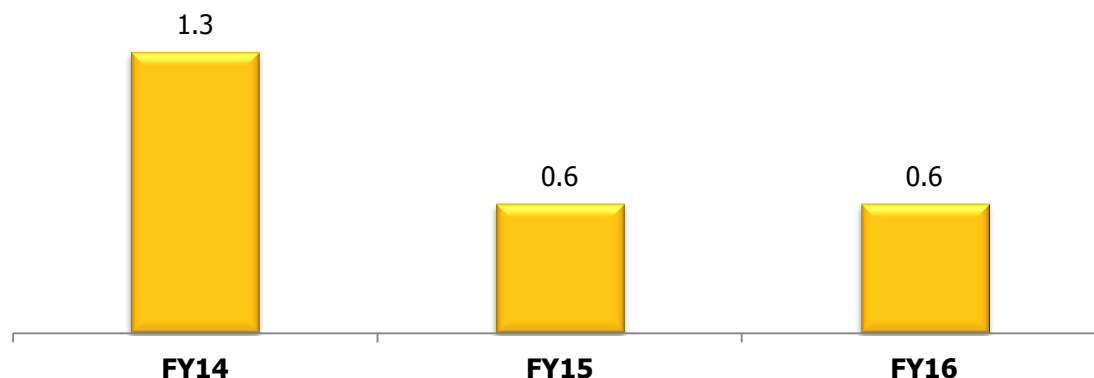
Our Presence



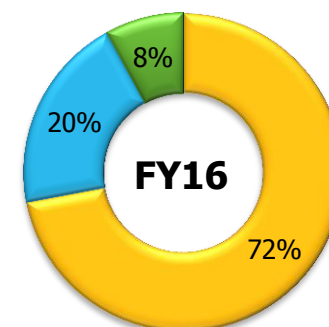
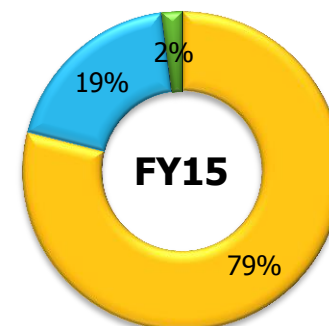
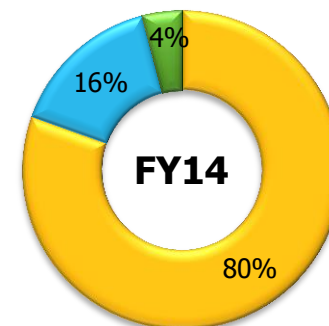
Financial Summary

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
<i>EBITDA Margin</i>	<i>8.5</i>	<i>8.3</i>	<i>9.8</i>

EPS



Segment-wise Share (%)



Global Presence



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:

Pradeep Kumar Rustagi (**Chief Financial Officer**)

Ester Industries Ltd.

Tel: +91 124 2656 100

Fax: +91 124 2656 199

E-mail: pradeep.rustagi@ester.in

Gavin Desa / Suraj Digawalekar / Snighter Albuquerque

CDR India

Tel: +91 22 6645 1237 / 1235 / 1250

Fax: +91 22 6645 1213

E-mail: gavin@cdr-india.com

suraj@cdr-india.com

snighter@cdr-india.com