

## QUARTER THAT WAS 'OCTOBER – DECEMBER' COMMUNIQUÉ FEBRUARY 2017

### Financial Summary:

(Consolidated)

(in INR Million)

|            | 3 <sup>rd</sup> Quarter |          |            | Up to 3 <sup>rd</sup> Quarter |          |            |
|------------|-------------------------|----------|------------|-------------------------------|----------|------------|
|            | Total Revenue           | EBITDA   | Net Profit | Total Revenue                 | EBITDA   | Net Profit |
| FY 2016-17 | 14985                   | 2123     | 738        | 45555                         | 6720     | 2503       |
| FY 2015-16 | 14952                   | 1984     | 792        | 46022                         | 6372     | 2334       |
| % Change   | (+) 0.2%                | (+) 7.0% | (-) 6.9%   | (-) 1.0%                      | (+) 5.4% | (+) 7.2%   |

### New Products/ Process Developments:

- ▶ Our **Films and Packaging Businesses** indigenously engineered **Alu-Alu laminate** for **blister packaging** applications that comprises speciality polyester film replacing the erstwhile substrates i.e. Nylon and PVC.
- ▶ In the last quarter we engineered a **speciality polyester film F-UVC** which is **suitable for direct UV offset printing without requiring any primer / treatment**. This film yields excellent print results, high gloss & clarity with high quality resolution for pictures & half tone jobs with good scuffing resistance. It has received an **overwhelming response** from **converters** within **India & overseas**.
- ▶ During Q3 we **launched Collar Type Twin Head Four Servo Driven Form-Fill & Seal (FFS) Machine**. The versatile machine is much in demand by packers and brands alike for **packing granular materials and powders with unmatched ease and efficiency**. This machine appropriately addresses the pain points faced by the customers in terms of higher rejection rates of formed and filled pouches. Owing to its **4 servo drives and the vacuum belt**, the alignment and movement of the laminate is **very smooth and perfect** thereby **significantly reducing the rejects**.
- ▶ During the quarter ended 31 December 2016 we launched **profile pouch with sonically sealed spout for packing liquids**. Conventionally, spouts are heat seal welded to pouches often resulting in **leakage and polymer degeneration**, but in this case, sound waves at a very high frequency are generated and passed between the **spout surface and the laminate**. These **high frequency waves vibrate** the molecules of both PE layer of the **laminate and that of the spout surface enabling a strong leak-proof seal**.
- ▶ Upholding our **commitment towards environment**, we have **introduced water based ink for reverse printing on PET/POLY laminate**. This has **eliminated discharge of organic solvents**.
- ▶ We have **installed state-of-the-art lamination machine for manufacturing packaging solutions for pharmaceuticals and infant nutrition**. This is a high speed solvent based laminating machine with **"zero" solvent retention** and is quite suitable for ensuring continuous run owing to the **Un-winder and Re-winder splicing facility** thereby enhancing productivity. This machine has been placed in a **clean room environment as prescribed by the client industry**.



A new year with fresh opportunities and limitless possibilities has dawned! Hope you all had a great start to 2017!

Continuing our innovation streak, this year will witness a game changer in pharmaceutical packaging. After rigorous R&D of nearly two years, our Films Business has engineered speciality polyester film that is all set to replace the top and the bottom-most layers of the conventional BOPA - Aluminium Foil - PVC laminates that have been used in Alu-Alu blister packs across the pharmaceutical industry all this while. We have successfully been able to bring in metaphase morphology which has paved way for cold forming of the speciality polyester film in Z direction required for blister packaging. Most importantly the laminate produced out of the new speciality polyester film can be used equally efficiently on the existing cold blister forming machines without requiring any additional capital expenditure. This film exhibits excellent printability, mechanical and thermal properties.

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The **benefits** that shall **accrue** to **convertors** and **pharmaceutical** brands by the virtue of our new polyester film will be significant. In the coming months we will share more details about this product.

During the third quarter we unveiled **ASEPTO™** our **aseptic liquid packaging brand**. I am glad to share with you that the response for our **upcoming product** has been more than encouraging already. Our **aseptic liquid packaging manufacturing plant** at **Sanand, Gujarat** will be **commercially operational** by **April/ May 2017**. Being a **fully integrated flexible packaging materials and solution company**, we will also be **offering top of the line liquid filling machines ('ASEPTO™ Smart Lines')** commensurate with the most contemporary aseptic packaging material for our clients.

Let's brace up for an eventful year ahead where many new milestones will be **achieved and flexible packaging** as an **industry will graduate to a whole new level of excellence!**

**Ashok Chaturvedi**

**Chairman & Managing Director**

## Corporate Office

A - 107-108, Sector - IV,  
Noida - 201 301 (U.P.) India

Phone No. : +91-120-4012428

Fax No. : +91-120-2556040/4012363

Mumbai Office No. : +91-22-61189143

Email : investorrelations@uflexltd.com

Website : www.uflexltd.com

Connect with Us:   

## Flex Films leaves an indelible mark at PACK EXPO International 2016:

As an organization, we truly understand the importance of being present at tradeshows where we can interact with various stakeholders that matter most to us **simultaneously showcasing the myriad innovative flexible packaging solutions** that we are best known for. **Pack Expo International undeniably** has been one of those events. **Flex Films participated at Pack Expo International from 6 - 9 November 2016 at Chicago, USA.**



**Flex Films packs a punch at Pack Expo International 2016, Chicago**

The response at the show was **extremely encouraging**. On exhibit were our **speciality films particularly clear barrier and high barrier mono-web films**. Our **holographic films** were a major hit at the event. The **Pack Expo Trade Fair in Chicago** was a **whopping success for us as a Group**. We engaged in several progressive meetings that yielded **significant collaborative opportunities and business queries** for **value added end to end flexible packaging solutions** that we offer to our clients globally.

## Social Sustainability:

Uflex under its social sustainability initiative **"SPORTS for GROWTH"** also supports the Delhi and Gujarat Chapters of STAIRS School Football League (SSFL) which is pegged as world's largest football talent scouting and training programme. SSFL has evolved to become one of the most significant 'talent spotting' platforms for clubs and bodies seeking to acquire talent right at early adolescence. SSFL especially focuses on underprivileged children using football as a medium to fight social evils like drugs abuse, hygiene and health as well as gender discrimination at the grassroots.



The 3rd season of STAIRS School Football League (SSFL) was kicked off by Shri. Vijay Goel, Minister of State, Ministry of Youth Affairs & Sports, on 19 October 2016, at Thyagaraj Sports Complex in New Delhi. The Mega sports event SSFL-3 witnessed more than 30,000 school-level footballers from 2000 schools of Delhi & Gujarat participating in the tournament.

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During the event, **4000 matches (500 in Delhi and 3500 in Gujarat)** were played making it the biggest as well as the **longest-ever football league at school level. A total of 256 teams, comprising 128 teams of under 14 boys and 128 teams of under 17 boys, participated in the tournament.** Apart from the boys' team, the tournament also witnessed avid participation from 32 girls' teams in U-14 and U-17 categories. **The fact that the team of underprivileged girls (under-14 age group) that STAIRS had selected through grassroots camps beat all well-trained teams to make it to the finals of SSFL 2016 is commendable.**

The league culminated on **01 December 2016 with Shri Rajiv Yadav, Sports Secretary, Government of India, presiding over as the Chief Guest at the closing ceremony. After three successful seasons of SSFL in Delhi and the second season in Gujarat, we have been able to touch the lives of 35,000 budding footballers.** The league provides children with a platform to showcase their talent to mentors who are scouting for promising sportsmen that the country needs at this point in time. Encouraged by the phenomenal success of SSFL Delhi and Gujarat, Uflex has also **pledged support for SSFL Uttar Pradesh till the year 2020.**

## Awards & Accolades:

► During the 3rd quarter, Uflex Limited was honored with the title of **India's Most Trusted Packaging Solution Company** by **International Brand Consulting Corporation-USA.** This award is a coveted recognition for brands that are considered, 'MOST TRUSTED' amongst their peers within a particular industry category based on market rankings. The evaluation process comprised a nationwide quantitative qualified customer survey; expert analysis and attributes based qualitative brand research. The award further acknowledges the capabilities of the brand in maintaining highest standards of product integrity and brand equity.

► November 2016 was a month of acknowledgements for Uflex. **Our Chemicals Business** was conferred with the **National EHS Award** for **sustained positive impact on environment through conservation of natural resources.** The award was **endorsed by World CSR Day and World Sustainability Congress.** Other organizations that were felicitated along with Uflex are L&T; PepsiCo; Monsanto; Godrej & JSW. This award is a testimony of progressive & incremental efforts made by Uflex Chemicals as a responsible corporate citizen.

► **Our PET Chips Plant** at Malanpur near Gwalior has also been conferred with the **National Environment Health & Safety Award** for **Best Innovative and Environment Management Practices** by **World Environment Congress.** Environmental sustainability is a pertinent pillar supporting our business strategy and both these awards testify the importance we accord to environment as an organization.

► In December 2016 Uflex was conferred with the **Globe Platinum Award 2016 for Business Excellence in the Flexible Packaging sector.** **Globe Platinum Award ceremony** was a part of **World Business Conclave 2016** hosted by **Stimulus Research Services** in collaboration with **The Associated Chambers of Commerce and Industry of India (ASSOCHAM)** and **Indian Chamber of Commerce (ICC)** as Associate Partners, **Dun & Bradstreet (D&B)** as Knowledge Partner, **Asia Pacific Research Committee (APRC)** as Strategic Partner, and **CNBC as Global Broadcast Partner.** With **PricewaterhouseCoopers P.L.** as the process reviewer, the nominations for the much sought after titles under various categories were evaluated on critical parameters like product innovation; customer satisfaction; investment attractiveness; corporate governance; sustainable business practices; international relations development; participation in conferences, exhibitions, fairs and strong presence in print, electronic and social media. Uflex was adjudged the **Global Player of the Year in Flexible Packaging Solutions** category.

