

## QUARTER THAT WAS 'JULY – SEPTEMBER' COMMUNIQUÉ NOVEMBER 2016

### Financial Summary:

	2 <sup>nd</sup> Quarter			Up to 2 <sup>nd</sup> Quarter		
	Total Revenue	EBITDA	Net Profit	Total Revenue	EBITDA	Net Profit
FY 2016-17	15590	2331	904	30977	4615	1766
FY 2015-16	15354	2206	777	31404	4399	1539
% Change	(+) 2%	(+) 6%	(+) 16%	(-) 1%	(+) 5%	(+) 15%

### New Products/ Process Developments:

- ▶ We have engineered **9.5 micron PET ALOx Speciality film** at our **manufacturing plant in Mexico**. Upholding our commitment towards down gauging and light weighting, this happens to be the **thinnest PET ALOx film available globally**. Despite being the leanest, the **9.5 micron ALOx polyester film exhibits excellent barrier for oxygen and water vapour with W.V.T.R (gm/m<sup>2</sup>/day) and O.T.R (cc/m<sup>2</sup>/day) both well less than 1.0**. No player other than Uflex offers such a **thin PET ALOx speciality film with such superior barrier properties**.
- ▶ We have **launched the Innovation Cell** within **Uflex Chemicals' R&D** with the **primary focus** of working on **innovation towards water based, radiation curing and solvent based inks; adhesives and coatings**.
- ▶ Our **subsidiary company Flex Middle East FZE (Dubai)** has **recently started manufacturing and marketing Shrink PET-G Film (F-SPH)**. This film is **further value added with Holographic technology** engineered in close coordination with our **Holography Business** in India. This product is being **introduced for the first time globally making it all the more unique**. This holographic shrink film offers unmatched protection to brands from counterfeiting. **The product is available with Lens Design & Cracked Ice Design**. We have started supplying the film to clients in **Africa and the Middle East and shall soon be catering to Russia/CIS, EU & Americas** as well.
- ▶ During Q2, our **Cylinders Business** has **innovatively taken the rotogravure technology** to a whole new level by developing and manufacturing **'Steel Sheet Printing Gravure Cylinders'** at the **Noida Plant**. **Cylinders manufactured with high precision** on the **state-of-the-art 'Laser Engraving Line'** ensure impeccably **good sharpness and detailing while transferring on the metal sheet surface**. These metal sheets can have fascinating aesthetics with a **wide range of designs and pictorial impressions printed** on them e.g. **wood grain finish, floral, nursery prints etc.** among several others. These sheets in turn find use in the **fabrication of steel furniture, white goods/products like refrigerators, washing machines, air conditioners and many more**. This technology is being **adopted by steel manufacturing companies by making minor modifications** in their **existing solution based printing and coating lines** and has been getting an **overwhelming response**.

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**Hope you had a great festive season!**

As we approach the completion of commissioning our **Aseptic Packaging Plant at Sanand - Gujarat**, excitement is building up by the days. I am pleased to inform you that the **civil work is almost complete and installation of state-of-the-art machines is underway**. With steady progress at the site, the plant will be **commercially operational by April/May 2017**. Encouragingly great interest has been pouring in for **liquid packaging solutions** from some of the **leading F&B brands**. We see our new product offering fruitfully extending our ties with existing clients besides bringing many more on board.

The schedule of activities related to our **technological collaboration with Comiflex SRL Italy for manufacturing geared and gearless C.I. Flexo Printing Machines** at our **Engineering Plant in Noida** is progressing ...

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well and we hope to come up with the first machine by the end of this financial year.

Talking about our commitment towards sustainability infused innovation, we have engineered the 9.5 micron PET AIOx Speciality Film. Manufactured at our plant in Mexico, not only is the film transparent but it also offers extremely superior barrier properties.

The R&D team has successfully restricted both Water Vapour Transmission (WVTR) and Oxygen Transmission Rates (OTR) well below one. The film is substantively down-gauged without diluting the performance and machinability. The product has been well received by the Market.

In the coming months you will get to hear about many more product innovations and process improvements that will take your company to newer heights.

**Ashok Chaturvedi**  
Chairman & Managing Director

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► We have launched **ESL Aseptic Flexi-Pouch Machine** for packaging milk extending its shelf life up to 90 days. This machine packs milk in a pouch that is formed of a five to seven layer extruded/blown polyethylene film with strong barrier properties including a black layer for U.V. protection. As a fully integrated packaging solution provider, we offer the film too. We are the only company in India to manufacture this machine which easily competes in quality with any European machine of this kind. This machine can be used for packaging other beverages too.

## Flexfresh™ shines at Asia Fruit Logistica Hong-Kong; Gaining phenomenal traction globally:

Flexfresh™ is a special patented polymeric film engineered and manufactured by Uflex. We launched Flexfresh™ Liner Bags at Asia Fruit Logistica in Hong Kong. This works on Active Modified Atmospheric Packaging (AMAP) technology. The launch of Flexfresh™ in Asian market was an important milestone given the very many countries of the Asian region that were participating in the show as exhibitors and/or visitors. Tropical Produce is one of the toughest challenges for shelf life extension which using Flexfresh™ is now possible for a wide variety of products. The exhibition proved to be a whopping success with several business enquiries flowing from across the Asian Markets, Australia & New Zealand.



Flexfresh™ film has now been extensively and successfully tested for shelf life extension for fruits and vegetables like pomegranate, blue berries, papaya, Brussel sprouts, grapes, beans, broccoli, cauliflower, mango, okra, mushroom, cut vegetables, flowers and several other fresh produce products. There is a growing interest from exporters across the world in Flexfresh™ and the product is gradually gaining toehold at several large retail chains globally.

In a major breakthrough, after a series of testing and validation trials, a leading retail chain of Europe has approved Flexfresh™ packaging solution for importing soft fruits from South America by sea freight. The trials have successfully established a shelf life of 7 weeks without using Sulphur pads which cause irritation while consuming.

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During the **first year of engagement** the **retailer** will **start with 25% of the soft fruit import volume packed in Flexfresh™** leading to 100% once the arrivals are as per the validation results.

## Environmental Sustainability:

- ▶ We made the most of this year's rains by conserving water through **ex-situ Rain Water Harvesting (RWH) structures** that were especially constructed in **Neemka and Duriai villages** of **Gautam Buddha Nagar District**. This intervention was carried out with active participation from villagers and the Panchayat.
- ▶ Residents were sensitized about the **merits of ground water table restoration and conservation of natural resources**. **Focused plantation drives** were rolled out in the **two villages** and the ensuing activities are now being sustained with the **voluntary help of local women, school children and school staff**.
- ▶ Children have been vested with the responsibility of **watering the plants and monitoring their growth**. They have been extremely forthcoming. Since **Participatory Rural Appraisal** is at the heart of our **sustainability interventions**, we have engaged the villagers for sustenance and upkeep of RWH structures. Not only does this streamline the day to day activities related to the intervention but also instills a sense of accountability in the stakeholders.

## Awards & Accolades:

- ▶ During the **2nd quarter** our **Chemicals Business** was **acknowledged and honored** for its **unrelenting contribution towards good Environment, Health and Safety Practices** by the **Quality Council of India (QCI)** – an independent body constituted under the Ministry of Commerce and Industry, Govt. of India. The **D.L. Shah Quality Award 2016 (Silver)** was conferred upon **Uflex Chemicals** for its **'Drive to Safeguard Environment through Actions on Saving Water, Energy and Responsible Disposal of Wastes at Noida'**.
- ▶ As a frontrunner of Indian manufacturing fraternity, we were conferred with the **National Award for Manufacturing Competitiveness 2015-16** by the **International Research Institute for Manufacturing**. Our **Packaging facility at Noida** was selected for the **Silver Medal** based on superior rankings in terms of **Adaptability to customers and markets; Stability in performance amid changing external & internal environment; Planning & Implementation of improvement initiatives; Data based decision making at all levels; Ensuring continuous maturation on all processes; Ability to map and optimize workflow and the Ability to nurture learning environment and deploy work force talent**.
- ▶ Earlier in July, we were honored with **Bureaucracy Today CSR Excellence Award** for **our social sustainability intervention 'Sports for Growth'** aimed towards realizing the **rights of all children to play freely irrespective of caste, creed, gender, religion, ethnicity, physical/cognitive abilities and socio-economic status as enshrined in the United Nations Convention on the Rights of the Child (UNCRC)**. In a neck and neck competition where entries from **356 organizations** were received across the country, **only 36 could make the final cut**. The eminent Jury comprised luminaries like Mr. Sunil Kanoria, President ASSOCHAM; Dr. Arbind Prasad, IAS, Director General FICCI; Mr. Ajay Shriram, President CII (2014-15); Mr. Sunil Arora, IAS (R), Former Secretary Information and Broadcasting Ministry; Mr. R.S Sharma, former CMD ONGC, Mr. Khurshid Ganai, IAS, Chairman J&K Public Service Commission; and Mr. Bhaskar Chatterjee, IAS, DG & CEO IICA (Chairman of the Jury).

