

UFLEX LIMITED

PROFILE- VISION- PLANS

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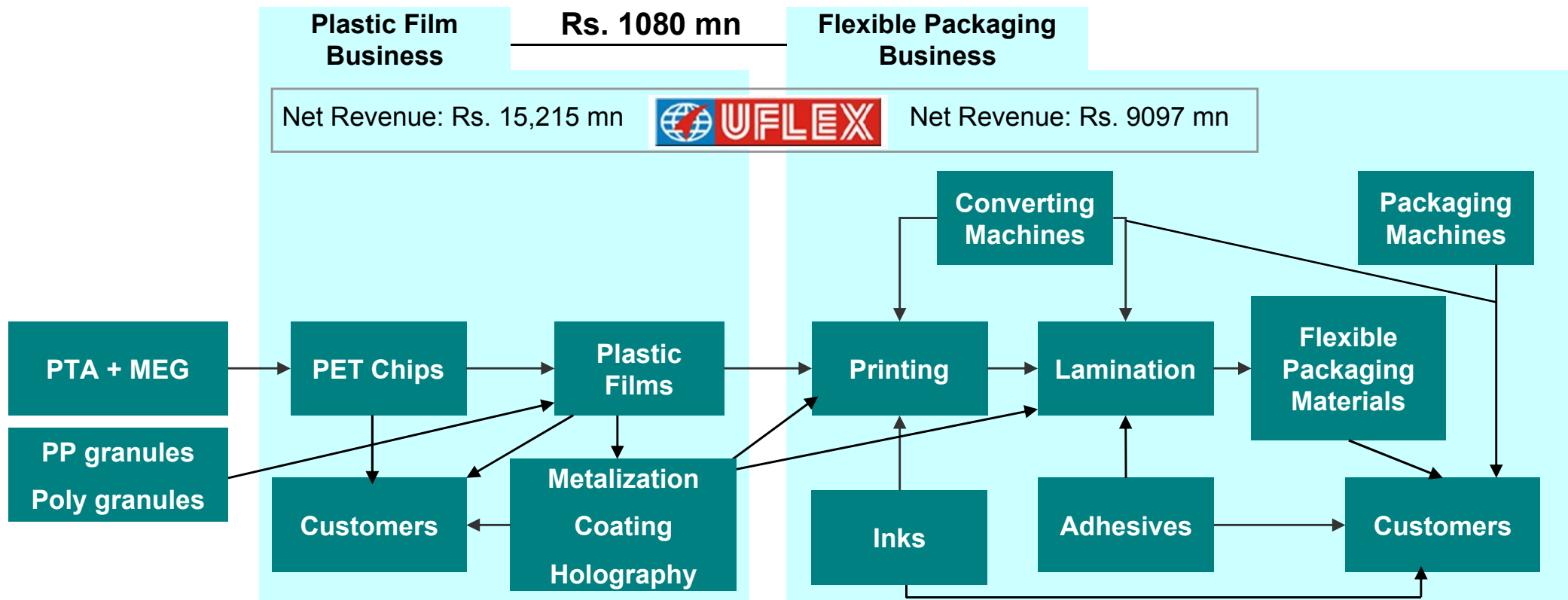
Agenda

- 1. Company Overview**
- 2. Vision**
- 3. Corporate Goals**
- 4. Industry Structure & Developments**
- 5. Business Segments**
- 6. Proven Business Strategy & Key Growth Drivers**
- 7. Governance and Key Management Team**
- 8. Key Financials**

About Uflex

- Promoted and founded in 1985 by Mr. Ashok Chaturvedi, a first generation entrepreneur
- A great story of entrepreneurship, perseverance, operational excellence, belief and a track record of success
- Largest flexible packaging company in India and emerging player in the global market
- Only vertically integrated company with large capacities of Plastic Film and packaging products
- Provides end-to-end flexible packaging solutions to customers viz. packaging design and structure, packaging products & packaging equipments
- World class plastic film manufacturing facilities in India, Dubai, Mexico and Egypt (current- 160,000 TPA; By FY 2012 - 263,400 TPA) and packaging products at multiple location in India (current- 54,560 TPA; By FY 2012 - 82,000 TPA) accredited by ISO/BRC/HACCP
- Focus on innovation and new product development.
- Large array of products touching people's lives everyday, everywhere.
- Strong Global sales and distribution network with customers in more than 100 countries
- Clientele include Unilever, Nestle, P&G, Britannia, Fritolay etc.
- Highly experienced leadership and management team with long association, almost since inception with proven track record
- Board comprises 8 directors, of which 5 are independent, only 1 from promoter group
- FY 2010 achieved Net Revenue of Rs. 22967 MLN, EBITDA of Rs. 4629 MLN, EAT of Rs. 1927 MLN with CAGR of 16%, 24% and 34% in Revenue, EBITDA and EAT respectively over past 5 years

Business Presence Throughout the Value Chain



The unique strength of Uflex is its presence throughout the value chain in flexible packaging. The vertically integrated manufacturing facilities ensure quality material and timely delivery at competitive prices.

- Predominantly divided into two business divisions viz. Plastic Film Business and Flexible Packaging Business

Complete Flexible Packaging Solutions

BOPP / BOPET / CPP / METALLIZED FILMS

- Corona Treated Films
- Chemically Printed Films
- Other Barrier Coated Films

POLYESTER CHIPS

- Film Grade – Yarn Grade
- Bottle Grade

FLEXIBLE LAMINATES

- High fidelity images
- Holographic laminates

ZIP-POUCH

- Fruit / vegetable bags
- Metallized bags
- Zipper bags

HOLOGRAPHY

- Holographic films, pouches, strips
- Holographic paper labels, foils

INKS AND ADHESIVES

- Rotogravure and flexographic printing inks
- Laminating adhesives
- Pressure sensitive adhesives
- Release coatings
- Speciality chemicals

LAMINATED POUCHES

- Reclosable zipper and slider zipper pouches
- Carry bags

METALLIZED / HOLOGRAPHIC GIFT WRAPS

- Gift wraps
- Stationary zipouches

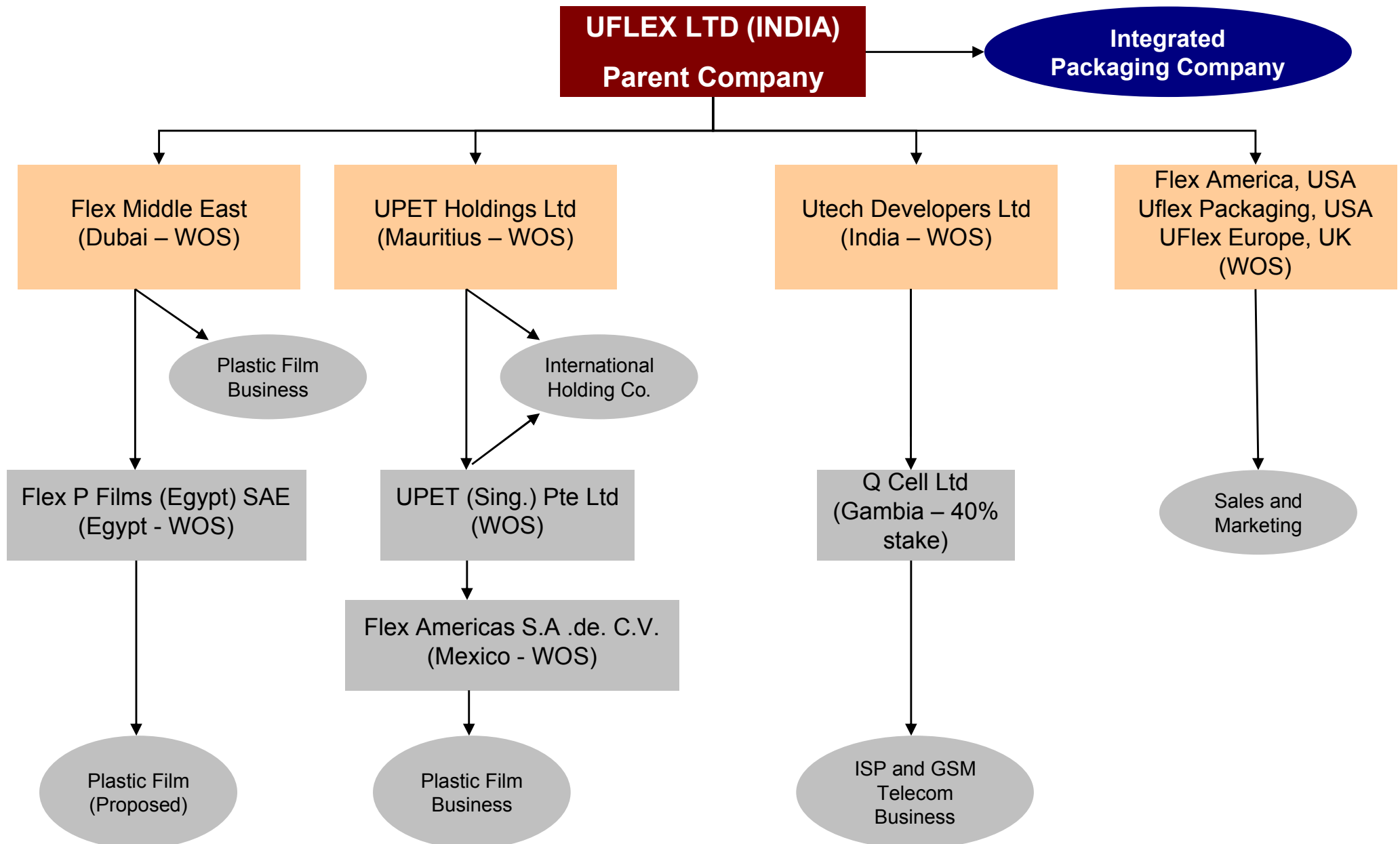
ROTOGRAVURE CYLINDERS

PACKAGING MACHINES

- Form-fill-seal machines
- Wrapping machines
- Special purpose machines
- Pouch making machines
- Slitting machines
- Holographic machines



Group Companies Structure



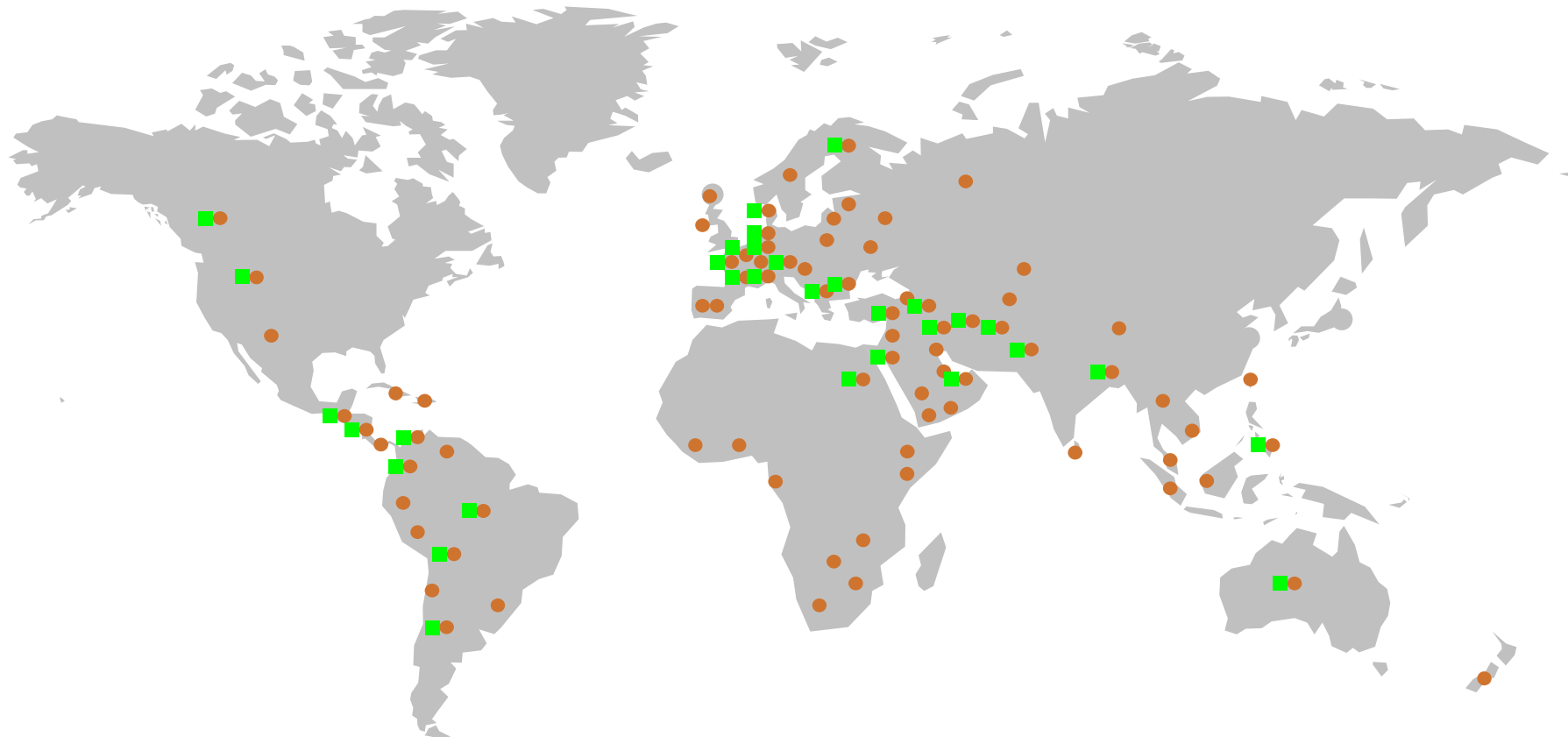
Plant Capacities

Products	India	Dubai	Mexico	Egypt	Total
(A) <u>Main Products</u>					
➤ Laminates/ Pouch (TPA)	54,560 27,440*				82,000
➤ PET Film (TPA)	54,000	51,600	26,400 26,400*	30,000*	188,400
➤ PP Film (TPA)	28,000			47,000*	75,000
(B) <u>Intermediary Products</u>					
➤ Polyester Chips (TPA)	72,000				72,000
➤ Poly Film (TPA)	6,000				6,000
➤ Metallization (TPA)	28,800 4,800*	4,800	6,000 9,600*	7,200 10,800*	72,000
➤ Holography (Mn Sheets)	70				70
➤ Inks & Adhesives (TPA)	17,100				17,100
➤ Rotogravure Cylinders (Nos)	66,000				66,000
➤ Packaging & Converting Equipments (Nos)	1,570				1,570

* Under Implementation

All the plants are running at capacity utilization levels of above 90%

Strong Presence At All Major Financial Centers



- Agents / Distribution
- Market Presence

Key Customers



Uflex's emphasis on product innovations, quality enhancement together with competitive cost makes it preferred vendor worldwide

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Vision

To become a leading company in the world that provides complete flexible packaging solutions to its customers and creates maximum value for all its stakeholders.

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Corporate Goals

A. Long Term:

- To grow global market share.
- To grow revenues and profits
- To increase assets efficiencies
- To run business with environmental and social responsibility

B. Three Years Horizon (FY 2011-2013):

- To grow Revenue, EBITDA, EAT at CAGR of 25%, 30% & 35% respectively
- To improve EBITDA margin from current 20% to 22% and EAT margin from 8% to 10%
- To increase return on equity from 19% to 22%

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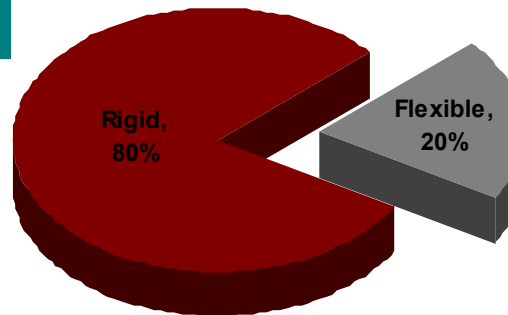
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Flexible Packaging Industry

Flexible Packaging Industry is growing at 22%-25% annually. The increasing demand for flexible packaging products gives strategic advantage to organized players in the domain. The industry provides an ideal opportunity for investment.

Rigid Packaging

- Old and traditional form of packaging
- Constitutes glass bottles, metal cans, aerosol cans, battery cell cans, aluminum collapsible tubes, corrugated boxes etc.



Flexible Packaging

- Contains multi-layered laminated sheets of single or a combination of substrates such as plastic, paper and aluminium in rolls or preformed sachet.
- Provide strength, moisture resistance, aroma retention, gloss, grease resistance, heat retention, printability, low odour and better brand positioning



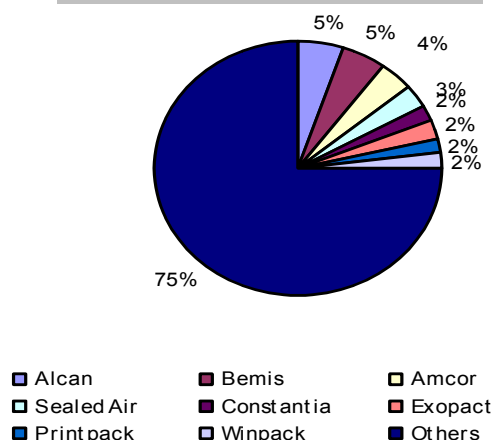
Industry Structure set to change

- With the expanding middle class and rising income levels, consumption patterns are changing substantially
- The increased interaction of India with the developed world is considerably influencing the aesthetic and quality norms of the Indian consumer, leading to better consumption standards
- Greater consumption of branded products is giving unique identity to packaging both in terms of product quality and presentation
- Increase in the demand for quality and convenience-based products is expected to encourage the flexible packaging business
- Setting up of organized retail supply chain in India would create demand for packed goods.

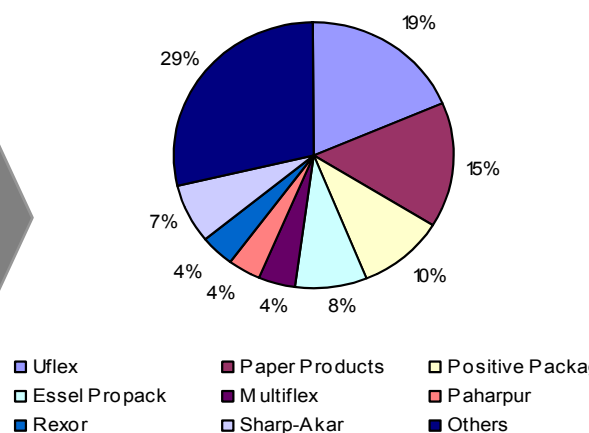
Global flexible packaging industry is growing at 6-7% annually and expected to grow at least at the same rate in future. Shift to Asian suppliers due to low cost advantage to Asians Vs Western countries, while all other parameters of quality, product portfolio, service and timely deliveries are at least at par.

Major Players Worldwide

Flexible Packaging Laminates

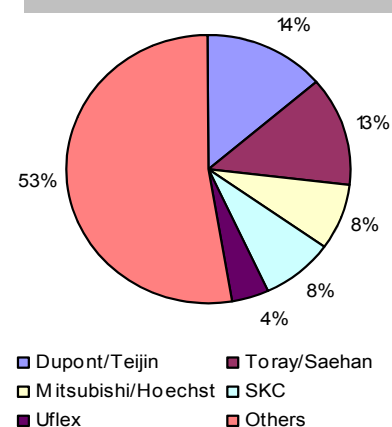


Market Size: USD 160 bn

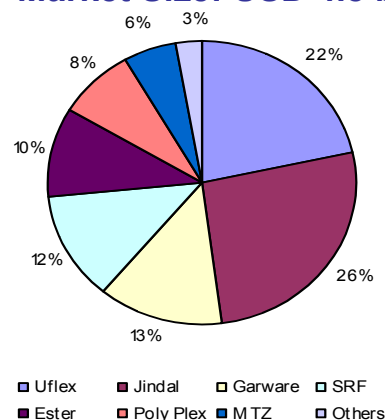


Market Size: USD 2.3 bn

BOPET Films

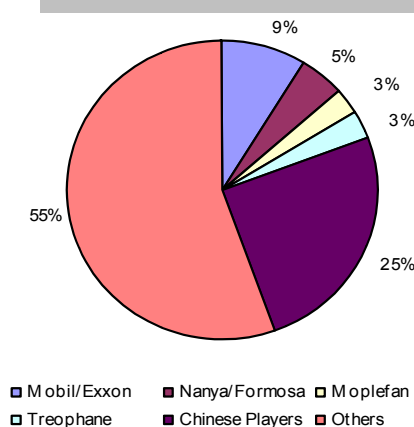


Market Size: USD 4.8 bn

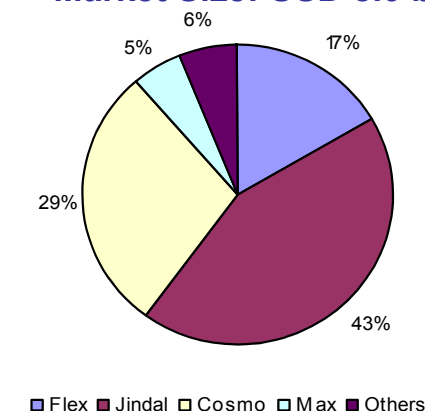


Market Size: USD 0.34 bn

BOPP Films



Market Size: USD 8.0 bn

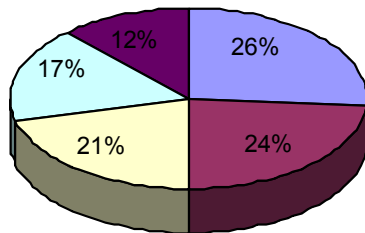


Market Size: USD 0.25 bn

Major Players in India

End Use Segments

Flexible Packaging Laminates (Indian Scenario)

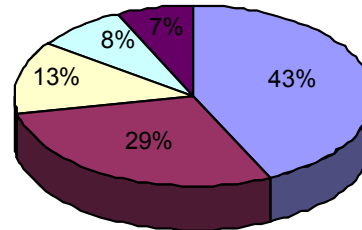


■ Processed Foods ■ Mouth Freshener
■ Personal Products ■ Beverages
■ Others



A large portion of the domestic demand for flexible packaging products is from the Food and FMCG sector

BOPET Films (Worldwide Scenario)

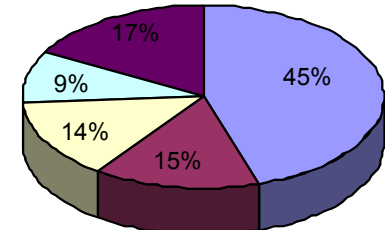


■ Packaging ■ Industrial
■ Electrical ■ Imaging
■ Magnetic Media



Large portion of the output of the films business worldwide is consumed as raw material by the packaging industry itself

BOPP Films (Worldwide Scenario)



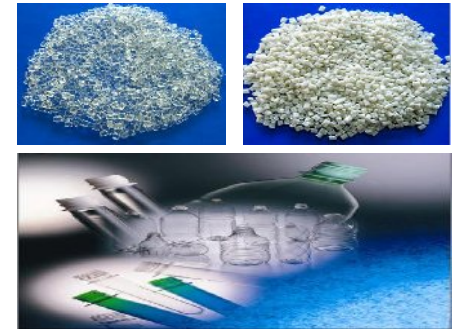
■ Packaging ■ Adhesive Tapes
■ Print Lamination ■ Cigarette Over Wrap
■ Others



Packaging Raw Materials

PTA + MEG

- Used as raw material for manufacturing of polyester films, polyester yarn and PET bottles after intermediary poly condensation process



Poly Propylene Granules

- Used as raw material in the production of polypropylene films
- Three general types of PP: homo-polymer, copolymer and block polymer



Poly Ethylene Granules

- Used as raw material in the production of poly films
- Can be of three types, depending on the end use requirement
 - LDP: Lower Density Poly Granules
 - LLDP: Linear Lower Density Poly Granules
 - HDP: High Density Poly Granules



Inks and Adhesives

- Rotogravure inks and adhesives are used in the printing & lamination process respectively



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Plastic Film Business

Polyester Chips

Film Grade Chips : Raw Material for manufacturing Polyester Films

Yarn Grade Chips : Raw Material for manufacturing Polyester Yarn

Bottle Grade Chips : Raw Material for production of PET Bottles

Capacity (TPA) : *India* – 72,000

BOPET Films

Properties : Barrier Properties, High Tensile & Dielectric Strength, Thermal & Chemical Stability & Toughness

Application : Food Packaging, Electric Insulation, Graphic Arts and Imaging

Capacity (TPA) : *India* – 54,000; *Dubai* – 51,600; *Mexico*- 52,800*; *Egypt* – 30,000** (1,88,400 TPA)

Brand : FLEXPET

BOPP Films

Properties : Strong Moisture Barrier, Highly Cost Effective, Functionally Efficient

Application : Food Products Packaging (confectionery, biscuits, bakery, pasta etc.), Cigarette Cartons Wrapping, Bags for Readymade Garments, Adhesive Tapes & Print Lamination

Capacity (TPA) : *India* – 28,000; *Egypt* – 35,000 (63,000 TPA)

Brand : FLEXOPP

** Expected commissioning in Dec 2011

* 26,400 TPA expected commissioning in June 2011

A blue arrow pointing to the right, with the text "CPP Films" inside it. To the left of the arrow are two vertical blue bars of different heights.

CPP Films

Properties : Highly Dynamic & Versatile Films with High Gloss, Greater Transparency, Better Heat Sealability, Good Twisting Property & Better Tear Strength

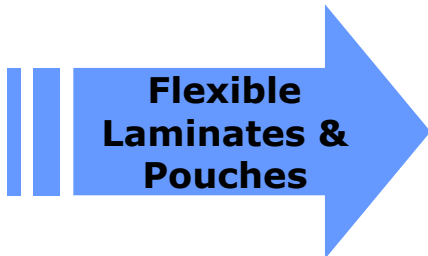
Application : Retort Packing, Food Wraps, Anti Wraps, Anti Fog, Garments Bag, Deep Freeze Applications etc.

Capacity (TPA) : *India* – 6,000; *Egypt* – 12,000* (18,000 TPA)

Brand : FLEXCPP

* Expected commissioning in Dec 2011

Flexible Packaging Business



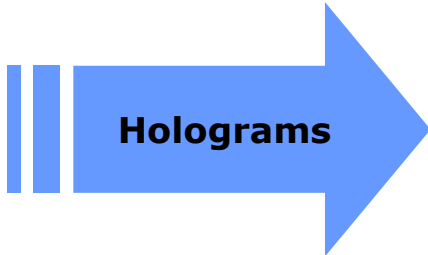
Flexible Laminates & Pouches

Products :

Flexible Laminates : BOPP, BOPET, VMPET, VMOPP, BON, CPP, Aluminum Foil, Paper, LDPE/LLDPE/m-LLDPE, HDPE, Acid Co-Polymer, Ionomer, Saran Coating, Security Holograms

Pre – Formed Pouches : Stand-up/Centre-sealed, Three Side Sealed, Guesstetted Pouches and Bags; Reclosable Zipper and Slider Pouches (for powders and granules); Reclosable Cap and Pouring Spout Pouches (for liquids); Carry bags, Gift and Promotional Bags

Capacity (TPA) : India – 82,000 (27,440 TPA expected commissioning in FY 2011 & 2012)



Holograms

Products : Holographic, Metalized Films; Holographic, Metalized transfer to paper with or without printing; Gift Wraps; All Purpose Slider Bags; BOPET Films Laminated to Paper; BOPP with or without Surface Printing

Capacity (mn Sheets) : India – 70

Packaging & Converting Machines

- Uflex specializes in manufacturing of a wide variety of packaging machines, which cater to customer's specific requirements
- Uflex machines are globally accepted in more than 35 countries
- Valued customers for machines include MNCs like Unilever, Coca Cola, Wrigley, Tata Tea, ITC etc.

Form Fill & Seal Machines : Packaging of tea, sugar, spices etc.

High Speed Pouch Making Machines : Tailor made for Stand-up, Easy Pour, Centre Seal, Zip Slider Pouches

Converting Machines : Rotogravure Printing, Lamination, Slitting, Inspection, Holographic Machines

Wrapping Machines : For Round & Rectangular Objects like Biscuits, Soaps, Cassettes, IV Bottles

Special Purpose Machines : Vacuum Brick Pack Machines, Pick Fill & Seal Machines

Capacity (Nos) : India – 1,570

Reach : Accepted in > 35 countries

Customers : Unilever, Coca Cola, Wrigley, Tata Tea, ITC etc..

Allied Materials

Products : Inks & Adhesives/ Rotogravure cylinders/ Poly film

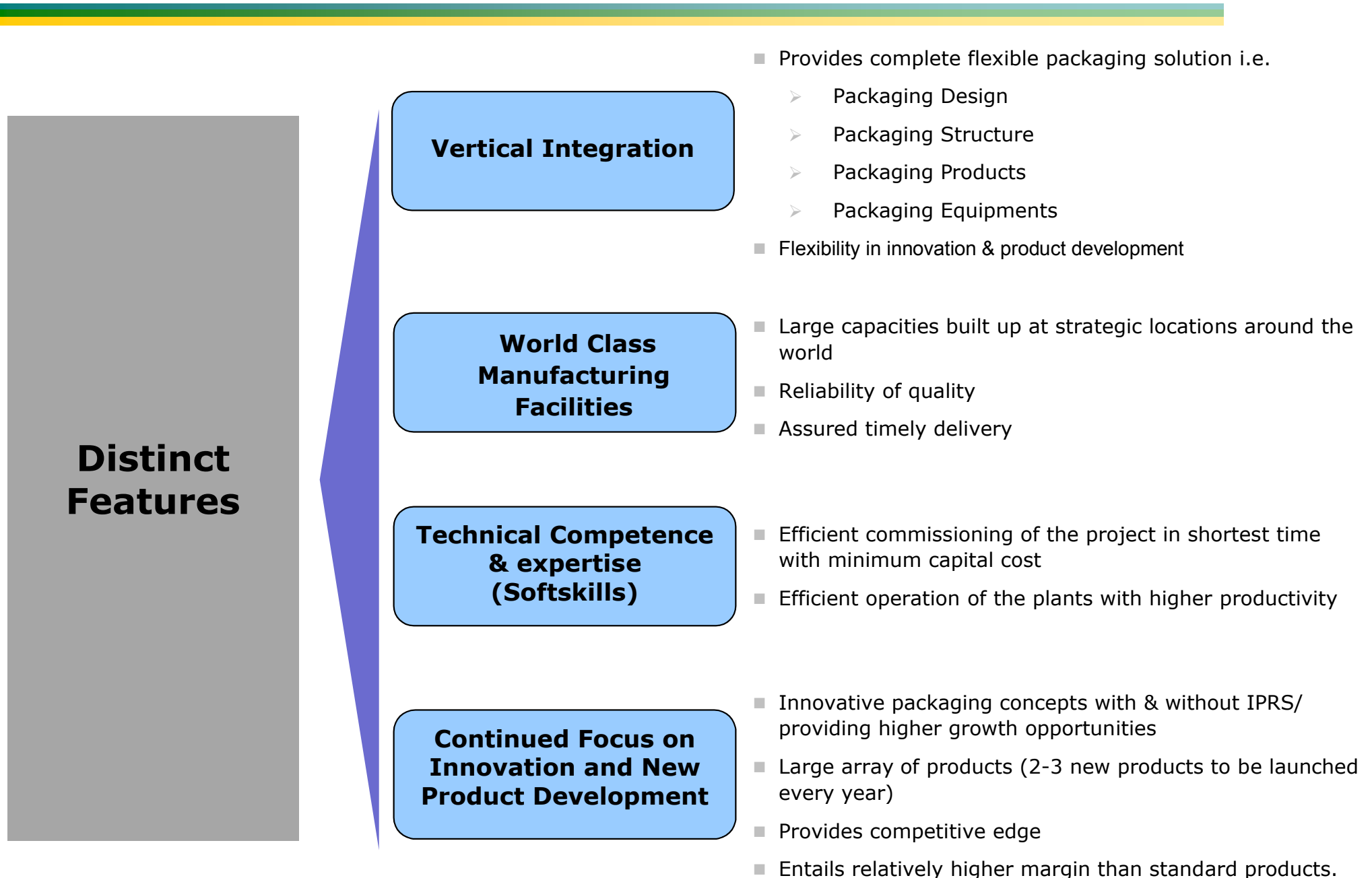
Applications : Inks – used for printing on a substrate (film) and then dried
Adhesives – applied on multiple application roll that applies the adhesives to Substrate (film)

Capacity (TPA) : Inks – 10,500; Adhesives – 6,600; Poly Film – 6,000, Rotogravure Cylinders – 66000 Nos.

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Proven Business Strategy & Key Growth Drivers



Distinct Features

Strong Sales & Distribution Network

- Large S & D network on global basis
- Entails diversified & valuable customers with global business potential

Global Expansion Strategy

- Improves global reach
- Better service to customers
- Advantages of duty neutral & freight etc.

Strong Leadership & Management Team

- Experienced with long association

Efficient plastic film producer

Company	EBITDA per KG for Films	Film Capacities (MT)
Cosmo Films Limited	16.3	56,000
Jindal Poly Films Limited*	15.8	266,000
Max (I) Limited	17.9	29,200
Polyplex Corporation	13.0	22,900
Uflex Limited	18.5	263,400**

* FY08 Source: Company reports for last reported fiscal

** 35,000 TPA to be commissioned by FY 2011 and 68,400 TPA by FY 2012

Competitive packaging solutions provider

Company	MCap (USD mn)	Last reported Operating profit (EBIT)%
Bemis – flexible packaging division (US)	3,130	7.9
Sonoco Products – packaging division (US)	3,100	7.0
Uflex – flexible packaging division (India)	170	16.4

Source: Company reports for last reported fiscal; Bloomberg

- **Sonoco & Bemis are among the leaders in packaging solutions globally**
- **Vertical integration, innovative & new product development and location of units in lower cost regions enables Uflex to earn higher margins**

Strong expansion plans

India

	Phase I (March 2011)	Phase II (Sept. 2011)	Total
Product	Laminates+ others	Laminates+ others	Laminates+ others
Capacity	12000	12000	24000
Total investment (Rs. in crores)	300	250	550

Mexico

	Phase I (July 2009)	Phase II (June 2011)	Total
Product	PET film	PET film	PET film
Capacity	26400 tpa	26400 tpa	52800 tpa
Total investment (USD mn)	54	55	109

- The move is primarily to counter the **anti dumping measures** unfavorable to exports of films from India

- Overseas facilities in countries with trade pacts allow access to large & profitable markets

Egypt

	Phase I (June 2010)	Phase II (Dec. 2011)	Total
Product	BOPP film	CPP + PET films	PP + PET films
Capacity	35000 tpa	12000 + 30000 tpa	47000 + 30000 tpa
Total investment (USD mn)	52	83	135

- **Mexico** – part of NAFTA and access to North American Markets
- **Egypt** – GCC nations, Southern Europe & Africa
- **Dubai (existing facility)** – Middle East, West Asia, CIS etc.

Funding for capex

India

	Phase I (March 2011)	Phase II (Sept. 2011)	Total
Equity/ Accruals	100	80	180
Debt	200	170	370
Total	300	250	550

Egypt

	Phase I (2010)	Phase II (2011)	Total
Equity	27	20	47
Debt	25	63	88
Total	52	83	135

Mexico

	Phase I (completed)	Phase II	Total
Equity	30	8	38
Debt	24	47	71
Total	54	55	109

- For Egypt, out of the total debt requirement of USD 88 mn, USD 55 mn has been tied up. Balance amount is only required in FY11
- For Phase II in Mexico, total debt required is USD 47 mn, arrangement for which is already in place. Equity will be provided by the parent company

Overseas expansion to improve profitability

■ **Stable power supply – key factor for higher productivity**

- Indian production facility suffers from erratic power supply and is reliant on captive DG sets: relatively lower productivity and relatively more frequent maintenance protocols
- Overseas facilities have high quality power supply (=> reliable, available, low voltage fluctuation), which results in higher productivity and lower per unit cost of production
- By FY12, 71% of production will be in overseas facilities vs 40% at present

■ **Blended tax experience for the consolidated entity is lower because of lower tax regime in overseas locations**

- Dubai: zero tax rate
- Egypt: 20%
- Mexico: 28%

■ **Reach enhanced by strategic location of units**

- Dubai: Middle East, West Asia, CIS etc.
- Egypt: will cater to Africa, GCC countries
- Mexico: member of NAFTA; easy reach into Americas

Favourable change in geographic mix

■ Revenue Mix

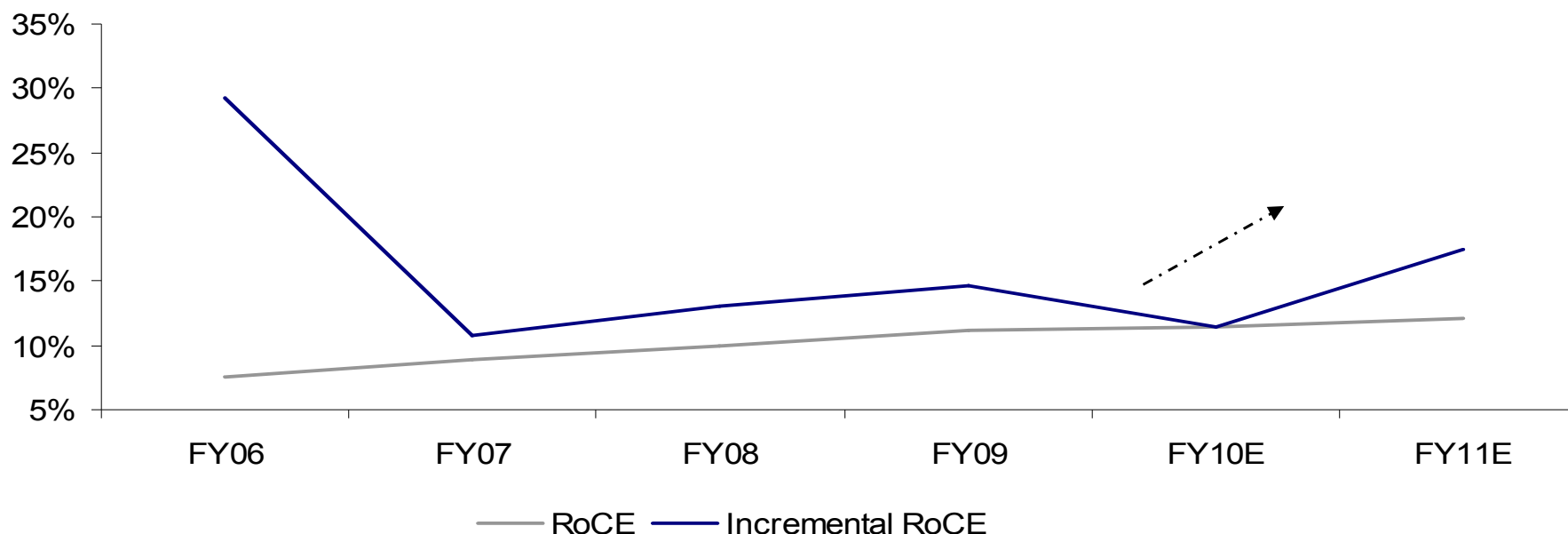
- As capacities in Egypt and Mexico come online by FY11, a larger share of revenue contribution will come from exports which have higher realisations & higher margins

■ Significant increase - capacities by FY12

- PET – 188,400 MT in India, Egypt and Mexico
- PP – 75,000 MT in India and Egypt
- Packaging – 82,000 in India

Incremental RoCE earnings accretive

RoCE vs Incremental RoCE



■ New investments generate higher returns

- Larger export content (carries higher realisation per MT)
- Higher productivity in overseas locations (yield higher margins)
- Innovative packaging solutions deliver higher margins

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A. Corporate Governance

- 3 tier Governance framework with proper delegation of decision making at all level.
 - Board & committees
 - Management committees
 - Heads of business group & corporate functions

- Board composition comprises of
 - 5 Independent Directors out of 8 members
 - Only 1 Director from the Promoter Group

- Board constituted Audit & Remuneration committees to exercise strategic supervision & control with focused attention in certain areas of systems, procedures, policies and operations of the company.

B. Management Team

The company has a very strong and experienced management team with proven track record and long association, almost since inception.

- **Ashok Chaturvedi – Chairman**

- First generation entrepreneur and founder promoter of the group
- He has created leadership position in flexible packaging industry with his innovative and developmental approach over last 25 years
- Under his leadership, Uflex was transformed from a small business to a global enterprise with revenue of USD 525 million and gross capital investment of USD 500 million across the world

- **Pradeep Tyle – Senior President (Film Business)**

- Mr. Tyle is a Chemical Engineer and associated with the group since its inception
- He has vast experience in the field of flexible packaging and polymers business and serves as Director on a number of group companies
- His managerial skill and technical expertise greatly helped in instituting need based operational measures, which supported the company to become low cost producer of plastic films.
- He primarily controls the Sales & Marketing of the film business on Global basis

- **R. K. Jain – President (Corporate Finance and Strategies)**

- Mr. Jain is Chartered Accountant and associated with the group for more than two decades.
- He has worked for corporate houses like HCL Group, Samtel Group and currently serves as Director on several group companies
- Mr. Jain has experience in Corporate Finance, Taxation, Corporate Laws and Corporate Business Strategies
- His managerial skills help the group in instituting financial strategies, corporate planning and management of corporate affairs

- **P. L. Sirsamkar – President (Film)**

- Mr. Sirsamkar is an instrumentation and electronics engineer and associated with the group for more than 15 years.
- He has worked for several reputed organizations like Garware, Polyplex and as experience of more than 27 years in plastic films business
- He had been actively involved in setting-up all the plastic films lines in Uflex, and successful operations of the same.

- **Amitava Ray – President (Packaging Business)**

- Mr. Ray is a Post graduate in Management and associated with the group for last eight years.
- Prior to Uflex, he was Managing Director and CEO of India Foils Ltd.
- His managerial skill and business management expertise has greatly helped in introducing newer packaging concepts to add values to the business.
- At Uflex, his responsibilities include introduction and marketing of need based and innovative packaging concepts

- **Vipin Mittal – Executive Vice President**

- Mr. Mittal is B-Tech from IIT Delhi and MBA from IIM Ahmadabad.
- He is associated with the group for last 20 years and has more than 35 years of experience, particularly in the field of chemical business.
- At Uflex, his responsibilities include managing new initiatives of the Group into diversified areas such as Waste Management Projects, Urban Infrastructure Projects

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Key Financials

CONSOLIDATED FINANCIAL PERFORMANCE

	INR in million			
			#	#
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
- Gross revenues	20876	21957	27505	28497
- Net revenues	14375	16761	20521	23056
- EBITDA	2335	2949	3922	4726
- EAT	774	1098	1533	1856
- Cash accruals	1737	1950	2750	3256
- Net revenue growth	12.1%	16.6%	22.4%	12.4%
- EBITDA growth	20.7%	26.3%	33.0%	20.5%
- EAT growth	30.3%	42.0%	39.6%	21.1%
- EBITDA margin	16.2%	17.6%	19.1%	20.5%
- EAT margin	5.4%	6.6%	7.5%	8.0%
- Net worth	5598	8056	8887	10374
- Total debt	12654	15160	14160	14805
- Net debt	11355	14392	13053	13087
- Debt : Equity (times)	2.03	1.79	1.47	1.26
- Gross Block	16645	20148	23039	26046
- Net Block	10414	13160	15110	16985
- Assets turnover (times)	1.35	1.40	1.43	1.42
- Net current assets turnover	4.28	3.78	3.44	3.46
- Outstanding current equity (mln. Shares)	51.58	64.97	64.97	64.97
- EPS (Rs)	15.00	16.90	23.59	28.57
- Return on Equity	15.6%	16.1%	18.1%	19.3%

Calculations are based on net of extra ordinary income of INR 43mn for FY 09-10 & INR 332mn for FY 08-09

THANK YOU
