

## ESSEL PROPACK LIMITED

Regd. Office : P.O. Vasind, Taluka Shahapur, Dist. Thane, Maharashtra - 421 604.

### Q1FY14 RESULTS

#### EsseL Propack opens FY14 on a strong note

#### Results Q1 FY 14– Snapshot

	Consolidated*	( ₹ in Crore)
	Quarter ended June 2013	Quarter ended June 2012
<b>Sales/Income from operations</b>	<b>480.0</b>	430.7
<b>Operating Profit</b>	<b>52.1</b>	37.7
<b>Net Profit</b>	<b>23.5</b>	8.8

\*Numbers rounded off to nearest digit

EsseL Propack global operations posted yet another strong quarter. The consolidated net profit for Q1FY14 at ₹ 23.5 crores was significantly higher than ₹ 8.8 crores for the same quarter previous year. The net sales for the quarter grew by 11.5% to ₹ 476 crores, and the operating profits by 38% to ₹ 52 crores reflecting an expansion in the operating margin by 210 bps on account of cost efficiency. This together with a 17.2% reduction in the interest expense, contributed to the healthy bottom line. Sequentially too, the operating profit increased by 11.4% on a sales growth of 1.7%.

India standalone results: Sales grew 13.7% over the previous year to ₹ 152 crores, and the operating profit by 13.9%. Helped further by 28.6% reduction in the interest cost, the net profit increased by 17.2% over the previous year to ₹ 13.2 crores. Sequentially, India operations continue to be buoyant with sales growing by 10.7% and the operating profit by 21.6%

#### Highlights:

1. Revenue grew across all regions, AMESA 10%, EAP 13.5%, Americas 21.5% and Europe 7.7%. Higher operating margins saw the operating profits grow in high double digits across all the regions.
2. The America region turned out a great performance helped by improved productivity and operational efficiencies. The US plastic tube business benefitted from higher capacity utilisation and is poised for break even.
3. New capacity was implemented in Europe for supply of tubes from Poland under a large long term contract with an FMCG major, and the ramp up is making good progress. The off-take and operational efficiencies improved significantly at the German unit. Consequently, Europe region has cut its losses by 30% over the previous year.
4. AMESA region continues to grow strongly in tubes sales. The region is actively creating new opportunities in the pharma and other non-oral care categories across South Asia, Middle East and Africa. The expansion of plastic tube facility at Wada is in progress to meet the growing demand.

5. The Company is actively driving growth in the high value non-oral care categories such as cosmetics, pharma, hair care, foods etc. helped by innovation in structures and advanced decoration capability. The value share in its sales of the non-oral care category during the quarter at 40.1% was higher than 38.6 % during the previous quarter.
6. The Company has initiated a number of measures to improve capital productivity. Inventory has been reduced by 10% y-o-y despite the increase in the sales. Cost reduction initiatives are under way and closely progressed as means to improve profitability and stay fit.
7. Debt portfolio has been optimised leading to reduction in the average interest rate of about 90 bps compared to last year.

The Company's business is driven by strong and sustained growth of the FMCG sector. Its R&D capability, global customer network, large scale and manufacturing expertise all help in seizing the opportunity that is being continuously thrown up across the globe.

### Valuation Comparison with Global Peers

	<b>Company Name</b>	<b>Business Description</b>	<b>Share Price (\$)*</b>	<b>EPS (LTM) (\$)</b>	<b>P/E (LTM)</b>	<b>Book Value (LTM) (\$)</b>	<b>P/BV (LTM)</b>	<b>EBITDA Margin (LTM)</b>	<b>ROE</b>
1	Bemis	Manufacturer of flexible packaging materials and pressure sensitive label materials throughout USA, Canada, South America, Europe, and Asia.	41.40	1.66	23.10	16.63	2.49	11.90%	10.60%
2	Sealed Air Corporation	Manufacturer of a range of flexible packaging material, shrink films and packaging equipment that serve food, industrial, medical and consumer applications across USA, South America, Europe, and Asia.	27.33	-7.31	NA	8.33	3.28	12.20%	-97.68%
3	Sonoco Products Company	Manufacturer of rigid papers & closures, flexible packaging materials, pallets, containers etc. for industrial and consumer use in USA, Canada, South America, Europe, and Asia.	38.18	1.91	18.00	16.11	2.37	11.90%	13.20%
4	Ball Corporation	Manufacturer of metal cans and plastic blow moulded containers for beverage, food and household use in USA, Canada, South America, Europe, and Asia.	45.66	2.55	17.60	7.60	6.01	13.40%	38.30%
5	Crown Holdings Inc.	Manufacturer of metal cans, closures for food, beverage, household and consumer applications in US, Europe and other regions.	44.43	3.75	11.80	-1.13	NA	12.30%	NA
6	Silgan Holdings, Inc.	Manufacturer of metal and plastic containers and closures for consumer applications in USA, South America, Europe, and Asia.	48.97	2.17	22.70	8.26	5.93	13.70%	20.10%
7	AptarGroup, Inc.	Manufacturer of caps & closures, spray pumps, valves etc. primarily for the cosmetic, and personal care, pharmaceutical, household, food and beverage markets across USA, South America, Europe, and Asia.	59.64	2.38	24.50	21.69	2.75	17.00%	11.80%
8	Essei Propack#	Essei Propack is leading specialty packaging company for personal care & hygiene, cosmetic, pharmaceutical, household and food having presence in USA, South America, Europe, and Asia.	42.00 (INR)	6.09 (INR)	6.90	61.63 (INR)	0.68	17.41%	10.52%

Source: [www.in.advn.com](http://www.in.advn.com) & Company fillings (23rd July 2013) for competitor companies

\* Share Prices as on 23rd July 2013

# LTM- Last Twelve Months published numbers for EPL

NA - Not Applicable

**GLOBAL OPERATIONS**  
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS**  
**FOR QUARTER ENDED 30 JUNE 2013**

₹ in Lacs

Particulars		Quarter ended			Year ended
		30 June 2013 (Unaudited)	31 March 2013 (Audited)	30 June 2012 (Unaudited)	31 March 2013 (Audited)
<b>1</b>	<b>Income from operations</b>				
	a. Net Sales / Income from Operations (Net of Excise Duty)	<b>47590</b>	46772	42667	181128
	b. Other Operating Income	<b>411</b>	881	403	2049
	<b>Total Income from operations (net)</b>	<b>48001</b>	47653	43070	183177
<b>2</b>	<b>Expenses</b>				
	a. Cost of materials consumed	<b>22153</b>	24604	20429	88681
	b. Changes in inventories of finished goods, work-in-progress and stock in trade	<b>771</b>	(1280)	238	52
	c. Employee benefits expense	<b>7809</b>	7276	7080	28534
	d. Depreciation and amortisation expense	<b>3158</b>	2884	3155	12617
	e. Other expenses	<b>8904</b>	9495	8395	34599
	<b>Total expenses</b>	<b>42795</b>	42979	39297	164483
<b>3</b>	<b>Profit from Operations before other income, finance costs and exceptional items (1-2)</b>	<b>5206</b>	4674	3773	18694
<b>4</b>	Other income	<b>507</b>	1450	387	2771
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>5713</b>	6124	4160	21465
<b>6</b>	Gain/(Loss) on Foreign Exchange Fluctuations (Net)	<b>61</b>	45	170	254
<b>7</b>	Finance costs	<b>2082</b>	2120	2514	9121
<b>8</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5+6-7)</b>	<b>3692</b>	4049	1816	12598
<b>9</b>	Exceptional (income) / expense	-	-	-	-
<b>10</b>	<b>Profit from ordinary activities before tax (8-9)</b>	<b>3692</b>	4049	1816	12598
<b>11</b>	Tax expense (Current tax, Deferred tax, MAT credit entitlement etc.) / (excess provisions)	<b>1278</b>	1287	941	4430
<b>12</b>	<b>Net Profit from ordinary activities after tax (10-11)</b>	<b>2414</b>	2762	875	8168
<b>13</b>	Extraordinary Item	-	-	-	-
<b>14</b>	<b>Net Profit for the period (12-13)</b>	<b>2414</b>	2762	875	8168
<b>15</b>	Add : Share of Profit of associates	<b>36</b>	31	72	224
<b>16</b>	Less : Minority interest	<b>(101)</b>	(103)	(71)	(296)
<b>17</b>	<b>Net Profit after taxes, minority interest and share of profit / (loss) of associates from Continuing Operations (14+15+16)</b>	<b>2349</b>	2690	876	8096
<b>18</b>	Loss from discontinuing operations (after tax)	-	-	-	-
<b>19</b>	<b>Net Profit for the period (17 - 18)</b>	<b>2349</b>	2690	876	8096
<b>20</b>	Paid-up Equity Share Capital (Face Value Rs. 2/-each )	<b>3141</b>	3141	3131	3141
<b>21</b>	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year				91184
<b>22</b>	<b>Earnings per Share (EPS)</b>				
	Basic & Diluted EPS (not annualised) computed on the basis of Profit from Continuing Operations	<b>1.50</b>	1.71	0.56	5.15
	Basic & Diluted EPS (not annualised) computed on the basis of total Profit for the year	<b>1.50</b>	1.71	0.56	5.15

**NOTES:**

- 1 The above Consolidated results were reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 26th July, 2013.
- 2 The Company is engaged in the business of Plastic Packaging Material. Geographical segment has been identified as primary segment and reported as per AS-17 below:
  - a AMESA : Africa, Middle East and South Asia include operations in India and Egypt.
  - b EAP : East Asia Pacific includes operations in China and Philippines.
  - c AMERICAS : includes operations in United States of America , Mexico and Colombia
  - d EUROPE : includes operations in Germany, United Kingdom, Poland and Russia.

**GLOBAL OPERATIONS**  
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS**  
**FOR QUARTER ENDED 30 JUNE 2013**

₹ in Lacs

Particulars	Quarter ended			Year Ended
	30 June 2013 (Unaudited)	31 March 2013 (Audited)	30 June 2012 (Unaudited)	31 March 2013 (Audited)
<b>Segment Revenue</b>				
A AMESA	22899	23941	20820	88273
B EAP	10672	10734	9401	42124
C AMERICAS	11590	12332	9540	42640
D EUROPE	6475	6961	6010	24271
E Unallocated	8	30	-	30
Inter Segmental elimination	(3643)	(6345)	(2701)	(14161)
<b>Net Sales / Income from operations</b>	<b>48001</b>	<b>47653</b>	<b>43070</b>	<b>183177</b>
<b>Segment Result</b>				
<b>Profit / (Loss) before interest and tax from each Segment</b>				
A AMESA	2914	3018	2459	11441
B EAP	1712	2394	1361	8144
C AMERICAS	1004	1050	378	2629
D EUROPE	(272)	(1343)	(365)	(2808)
E Unallocated	(152)	(351)	(60)	(619)
Inter Segmental elimination	0	(94)	-	(93)
<b>Total</b>	<b>5206</b>	<b>4674</b>	<b>3773</b>	<b>18694</b>
Add: Other income	507	1450	387	2771
Add: Gain/(Loss) on Foreign Exchange Fluctuations (Net)	61	45	170	254
<b>Segment Result</b>	<b>5774</b>	<b>6169</b>	<b>4330</b>	<b>21719</b>
Less: Financial expenses	2082	2120	2514	9121
Exceptional (income)/ expense	-	-	-	-
<b>Profit from ordinary activities before tax</b>	<b>3692</b>	<b>4049</b>	<b>1816</b>	<b>12598</b>
<b>Capital Employed</b>				
(Segment Assets - Segment Liabilities)				
A AMESA	60803	59012	54899	59012
B EAP	35010	34867	33821	34867
C AMERICAS	21641	21310	20469	21310
D EUROPE	17402	17800	13202	17800
E Unallocated	(35049)	(35595)	(31036)	(35595)
Inter Segmental elimination	(2992)	(2928)	(2304)	(2928)
<b>Total</b>	<b>96815</b>	<b>94466</b>	<b>89051</b>	<b>94466</b>

3 Figures of the previous period have been regrouped/ reclassified/ rearranged wherever considered necessary.

**For Essei Propack Limited**

Place : Mumbai  
Date : 26th July, 2013

**Ashok Goel**  
Vice-Chairman & Managing Director

**INDIA STANDALONE  
UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30 JUNE 2013**

₹ in Lacs

Particulars	Quarter ended			Year ended	
	30-June 2013 Unaudited	31-Mar 2013 Unaudited	30-June 2012 Unaudited	31 March 2013 Audited	
<b>PART I</b>					
<b>1</b>	<b>Income from operations</b>				
a.	Net Sales / Income from operations (net of excise duty)	15197	13723	13370	56245
b.	Other operating income	507	524	396	1668
	<b>Total income from operations (net)</b>	<b>15704</b>	14247	13766	57913
<b>2</b>	<b>Expenses:</b>				
a.	Cost of materials consumed	7742	6366	6613	27377
b.	Changes in inventories of finished goods and work in progress	(223)	663	(244)	23
c.	Employee benefits expense	1475	1446	1449	5689
d.	Depreciation and amortisation expense	928	720	812	3308
e.	Other expenses	3674	3319	3285	13322
	<b>Total expenses</b>	<b>13596</b>	12514	11915	49719
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>				
		2108	1733	1851	8194
<b>4</b>	<b>Other income</b>				
		687	1374	925	3549
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>				
		2795	3107	2776	11743
<b>6</b>	<b>Gain/(Loss) on foreign exchange difference (net)</b>				
		261	(31)	479	372
<b>7</b>	<b>Finance costs</b>				
		1202	1296	1685	5499
<b>8</b>	<b>Profit after finance cost but before exceptional items (5+6-7)</b>				
		1854	1780	1570	6616
<b>9</b>	<b>Exceptional Items</b>				
		0	0	0	0
<b>10</b>	<b>Profit before Tax for the period (8+9)</b>				
		1854	1780	1570	6616
<b>11</b>	<b>Tax expense (current tax, deferred tax, mat credit entitlement etc.)</b>				
		535	401	445	1632
<b>12</b>	<b>Net Profit after tax for the period (10-11)</b>				
		1319	1379	1125	4984
<b>13</b>	<b>Paid-up equity share capital (Face Value ₹ 2/- each)</b>				
		3141	3141	3141	3141
<b>14</b>	<b>Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>				
					66820
<b>15</b>	<b>Earnings Per Share (EPS)</b>				
	Basic and Diluted Earnings Per Share (not annualised)	0.84	0.88	0.72	3.17
<b>PART II</b>					
<b>A</b>	<b>PARTICULARS OF SHARE HOLDINGS</b>				
<b>1</b>	<b>Public shareholding</b>				
	- Number of Shares (Lacs)	645.12	645.12	640.12	645.12
	- Percentage of Shareholding	41.06%	41.06%	40.88%	41.06%
<b>2</b>	<b>Promoters and Promoters Group Shareholding</b>				
a.	<b>Pledged / Encumbered (Lacs)</b>				
	Number of Shares	20.00	20.00	20.00	20.00
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	2.16%	2.16%	2.16%	2.16%
	- Percentage of shares (as a % of the total Share Capital of the Company)	1.28%	1.28%	1.28%	1.28%
b.	<b>Non-encumbered</b>				
	Number of Shares (Lacs)	905.89	905.89	905.89	905.89
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	97.84%	97.84%	97.84%	97.84%
	- Percentage of shares (as a % of the total Share Capital of the Company)	57.66%	57.66%	57.84%	57.66%
<b>B</b>	<b>INVESTOR COMPLAINTS</b>				
	Pending at the beginning of the quarter	0			
	Received during the quarter	0			
	Disposed of during the quarter	0			
	Remaining unresolved at the quarter	0			

**NOTES:**

- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 26 July 2013. The Statutory Auditors have carried out a limited review of the above financial results.
- None of the financials of the Subsidiaries / Associates / Joint Ventures have been consolidated in the above results.
- Under AS-17, the Company has only one major identifiable business segment viz. Plastic Packaging Material.
- Figures of the previous period have been regrouped / reclassified/ rearranged wherever considered necessary.

**For Essel Propack Limited**

Place : Mumbai  
Date : 26th July, 2013

**Ashok Goel**  
Vice-Chairman & Managing Director

**GREEN INITIATIVE: (ELECTRONIC SERVICE OF DOCUMENTS)**

The Company had requested members to participate in the Green Initiative of Government of India (Electronic Service of Documents). For supporting this initiative kindly access the website of our Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Ltd. at [www.shareproservices.com](http://www.shareproservices.com) or click on the icon  provided on the Company's website, follow the instructions and fill in the requisite details.

We solicit your whole-hearted co-operation and patronage for implementing the Green initiative taken by Government as your contribution towards a better environment.

For Investor related queries / complaints kindly contact :

Registrar & Transfer Agent  
Sharepro Services (India) Private Limited  
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**(Unit: Essel Propack Limited)**

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