

Media Release

EsseL Propack acquires Telcon Packaging, UK

Forges into laminated tubes market of UK

Mumbai, April 12, 2005 : EsseL Propack, world's largest manufacturer of laminated tubes, with manufacturing in 13 countries through 19 plants, has acquired 100% stake in Telcon Packaging, UK. Telcon Packaging is one of the two manufacturers of laminated tubes in UK, with 12% market share and is also one of Europe's leading focused laminated tube suppliers. The acquisition has been made through Lamitube Technologies Limited, Mauritius, a wholly owned subsidiary of EsseL Propack Limited, India.

Announcing the acquisition in Mumbai, Ashok Goel, the Vice Chairman and Managing Director of EsseL Propack said, "The acquisition of Telcon Packaging is a continuation of our stated strategic intent for Europe and Americas. With this move, we have set our feet firmly in UK market. We expect this step to result in further consolidation of laminated tubes manufacturing in Europe." Speaking of the acquisition, R. Chandrasekhar, COO of EsseL Propack said, "We see this acquisition as a significant move to acquire new global customers. Our long term objective is to leverage the global strengths of EsseL Propack together with the inherent strengths of Telcon Packaging, so as to make EsseL Propack a formidable force in the UK and European markets."

Established in 1993, Telcon Packaging, UK, manufactures laminated tubes for oral care, cosmetics, personal care, food and pharmaceutical segments. The Company supplies laminated tubes to blue chip customers in UK, mainland Europe and Israel. Over the years Telcon Packaging has earned an unenviable

reputation for its quality and service. The manufacturing plant of Telcon Packaging is located at Swanley, Kent, near London. Telcon Packaging employs an alternative technology for manufacturing laminated tubes. The strengths and capabilities of Telcon Packaging is given in Annexure-I. The present team at Telcon Packaging, headed by Phil Bridge, the Managing Director, will continue to manage the operations of the Company, under the guidance of Essel Propack's European structure.

With this acquisition, Essel Propack will now possess the knowledge of the two prevalent technologies for making laminated tubes. Moreover, Essel Propack will take advantage of its strong global relationships with major customers to optimize the utilization of the spare production capacity of Telcon Packaging. This strategic move provides Essel Propack with a local manufacturing base in UK which in turn will strengthen Essel Propack's position for winning major contracts in UK and Europe. Further, this acquisition can be termed as a major move towards Essel Propack's consolidation in Europe market.

With this acquisition, Essel Propack will not only be committed to job retention but also will be involved in job creation at Telcon Packaging. The plans for the improvement of employee skills is on the anvil. Various efficiency improvement tools will be deployed by Essel Propack at Telcon Packaging in due course of time for the enhancement of employee skills and efficiency levels.

Essel Propack, the largest speciality packaging company in the world, is promoted by Essel Group. Essel Propack, head quartered in India, manufactures laminated and plastic tubes. The Company provides packaging solutions to toothpaste, pharmaceuticals, cosmetics, food and Industrial sectors all over the world. The Company has state-of-the-art manufacturing facilities in 13 countries with 19 plants across the globe. Essel Propack's stock is listed on the Bombay Stock Exchange and the National Stock Exchange.

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Annexure-I

Strengths and Capabilities of Telcon Packaging, UK

- One of the two manufacturers of laminated tubes in UK with 12% market share of UK
- One of Europe's leading focused laminated tube manufacturers
- Caters to the speciality packaging needs of oral care, personal care, food and pharmaceuticals sectors
- The customer base consists of blue chip companies in UK, mainland Europe and Israel
- Has an enviable reputation for quality and service
- Employs an alternate technology
- Has state-of-the-art-technology
- Has in-house capabilities such as injection moulding, printing, repro, tube making, laboratory facilities, as well as warehousing and distribution
- Has the capability to produce laminated tubes in varying dia from 19 to 50 mm in a variety of laminate barrier structures, and with a vast range of cap and shoulder combinations