

The West Coast Paper Mills Limited • 50th Annual Report 2004-05

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using

words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties

materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

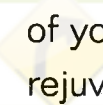
We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Half a century in most companies is a sign of age and creeping mortality.

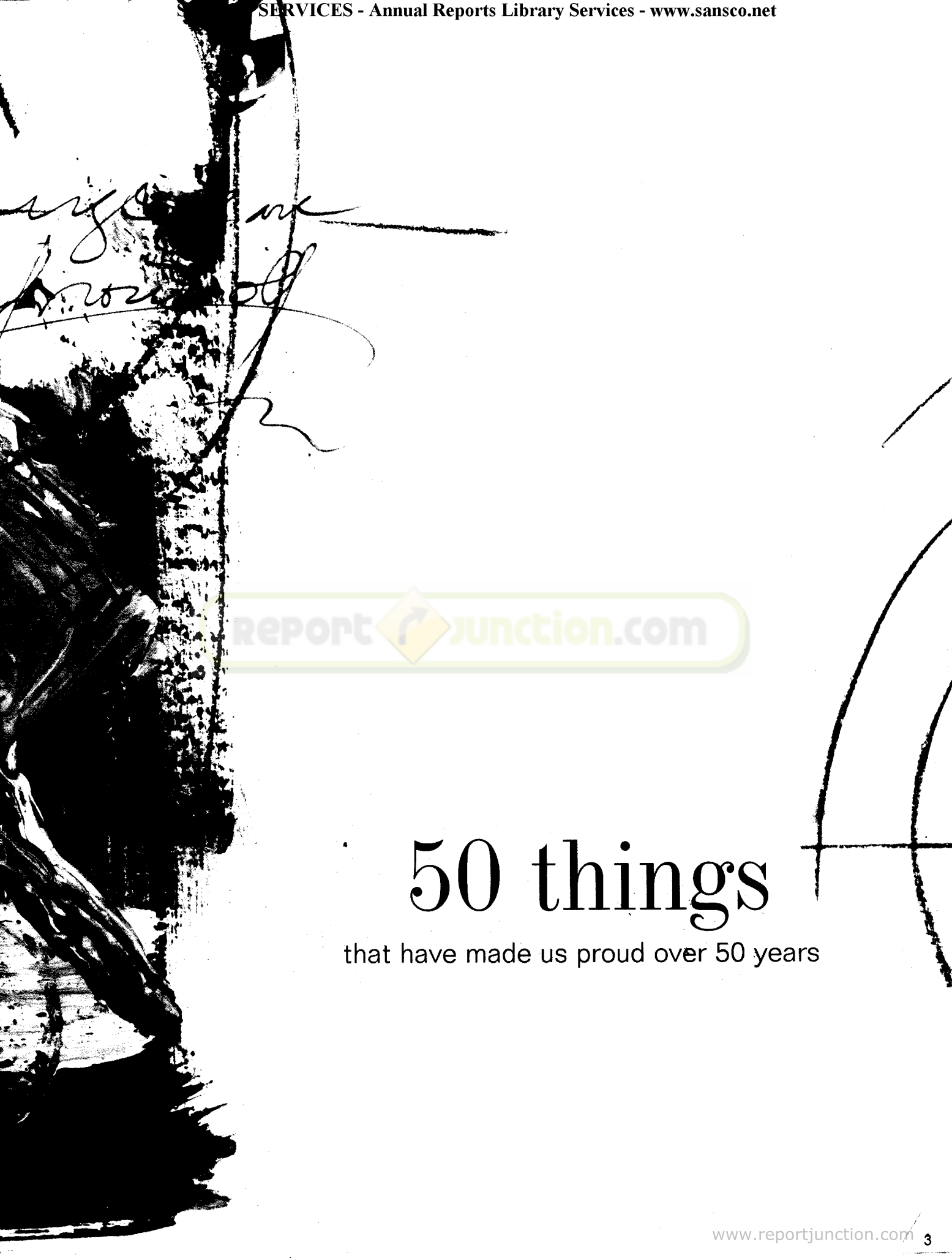
At West Coast Paper Mills Limited, embarking on the biggest investment in its history, it is a time of youth, exuberance and rejuvenation.

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So many days
we are
broad



*sign on
front of*

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50 things

that have made us proud over 50 years

To the
we are

REPORTJUNCTION.COM

Our vision

- To excel in serving the growing demands of paper and paper products worldwide and enhance shareholder value with consistent and sustained performance

Sheer longevity

- West Coast has succeeded and survived across five decades (established 1955)
- This has created one of the most significant industry strengths
- This comprises rich goodwill, process and product knowledge, trend-reading capability and distribution depth
- Its competitive strengths are based on low historical costs in what is otherwise a capital-intensive business

Product mix

- West Coast makes all kind of writing, printing and duplex board paper varieties
- Its rich understanding of consumer needs has translated into the production of around 100 kinds of paper
- This wide choice de-risks the company's revenues from a temporary slackness in any one product
- No product accounted for more than 15 per cent of the company's income in 2004-05, indicating prudent broad-basing

Products in everyday lives

- West Coast prides in making products that are used by people in a variety of ways in their everyday lives
- The end use of the paper / paper board manufactured by the company comprises diaries, calendars, multi-colour printing, ledgers, cheques, share certificates, railway tickets, boarding passes, corrugated sheets, packaging and core make (for the textile industry), tubes, soap wrappers, coating base paper, continuous stationery as well as cyclostyling and photo copying sheets, Notebook, textbook, leaf lets, scribbling pads, annual report, Cine poster, dictionary, catalogue, envelopes etc.
- This comprehensive range makes the company a virtual one-stop shop for consumer needs



Value chain

- West Coast possesses an extensive value chain that addresses diverse consumer needs - maplitho to MG cover paper to MG poster grade to copier paper to duplex paper boards to art boards to coloured board to wood-free varieties to specialised papers (MICR, parchment, account book etc.)
- Speciality coatings for speciality papers
- In 2003, the SK Bangur Group acquired Rama Newsprint, extending its interests to newsprint

Power of the brand

- One of India's earliest organised players in what was once an unorganised segment
- Consistent quality translating into a quicker-than-industry offtake in weak markets and premium pricing in strong markets
- Carved a niche in the customised paper products segment
- EBIDTA margin of 11.84 per cent (2004-05), one of the highest in the Indian paper industry

Raw material

- Pioneering move in India's paper industry to replace the 100 per cent use of bamboo as raw material with hardwood from 1990 onwards
- First to commission a large wood plantation for captive wood availability; this backward integration will supply 60 per cent of the company's total raw material need from 2006

Market leader

- Leader in MICR cheque paper in India with a market share of about 70 per cent
- Strong presence in India's writing, printing and packaging / wrapping papers, accounting for 3.2 per cent of the total market
- Ability to customise production in line with the demanding needs of end (consumer and industrial) users

West Coast has succeeded
along five decades (established)

Working together
Leadership with a common purpose
Sustaining with a common purpose

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