

Ahmedabad
31.7.2006

PRESS RELEASE

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- 1. Net profit reported at Rs. 1.21 crores**
 - 2. Sales reported at Rs. 4.98 crores**
 - 3. Expansion as per schedule**
 - 4. Rights issue fully subscribed**
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Hester's Net Profit for Q1 ended 30.6.2006 is recorded at Rs. 1.21 crores, as compared to Rs. 1.26 crores for the previous corresponding period.

Hester has reported a turnover of Rs. 4.98 crores in Q1 ended 30.6.2006 as compared to Rs. 5.06 crores for the previous corresponding period.

EPS has been registered at Rs. 3.25 as on 30.6.2006 as against Rs. 3.58 as on 30.6.2006.

The recent Bird Flu outbreak reduced the one day old chicks' placement in the poultry industry, besides already-reared chicken being destroyed. This led to heavy losses to the poultry farmers. General fear in the public made them avoid buying chicken and eggs for a while.

This effect of Bird Flu on Hester is little and temporary. In fact the Bird flu occurrence has opened the doors towards poultry industry becoming aware to a greater extent on the importance of flock health monitoring. Better immunization (vaccination) programs for the chicken are being initiated vigorously by the poultry industry, which will result into a rise in our vaccine sales.

Hester's sales are forecasted to be back on track from August 2006.

Hester has applied to the Government of India to manufacture the Bird Flu vaccine for the chicken. The application is currently under consideration and if granted permission, Hester has the technical ability. The expansion embarked on by Hester has the provision to manufacture this proposed vaccine.

The expansion plan is well on schedule, expected to commence production in the third quarter.

The rights issue received a good response from the members, enabling the issue to be fully subscribed.

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