



ARROW COATED PRODUCTS LTD.

"Arrow House"
5-D, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai - 400 053.

Tel.: +91-22-4074 9000
+91-22-2635 2500
Fax: +91-22-4074 9099
+91-22-6692 3377
Email: sales@arrowcoated.com
Website: www.arrowcoated.com

Announcement of Grant of High Security Film Patent In Europe

Arrow reveals information on revenue streams based on its IP Strategy. Granted European Patents on Multilayered Water Soluble Films and High Security Water Soluble Films

Arrow Coated is a pioneer in manufacturing Water Soluble Film by a unique method using detachable liners. Arrow's RND department has many years experience in the security (anti-counterfeit) field and chemistry related to the same. Combining these two fields, a lot of resources have been spent on producing new products. Since the year 2000, Team Arrow decided to ensure that all ideation, RND and processes would be kept in utmost confidence and protected by International and National Patents.

Valuation of patents is an art. Arrow is now contacting experts in this field and the results shall be informed to all Share holders, as soon as the same is done.

Arrow is happy to inform its shareholders that this year we have taken our first few steps in commercialising patents in India and in Europe, through our UK subsidiary. The revenues have been shown in our financial results from time to time. We intend to intensify these efforts and are in the process of creating a Strategic Business Unit to manage licensing of our intellectual property, headed by an IP Cell head.

Recently, we have received a European patent grant entitled "**Method of Producing a High Security Film**", EP1973747. This relates to security elements embedded in or coated upon Water Soluble Film. This product will be useful for packaging end uses to protect valuable brands, and for use in high security paper, as a carrier of security elements within layers of pulp. This is anticipated to open opportunities to royalty streams from cross-licensing, royalties, infringement policing and technology transfers.

Till date we have successfully prosecuted 26 patents worldwide, and have been granted right to our inventions in UK, France, Germany, Spain, Australia, USA, Eurasian countries, South Africa, Europe and India. Details are available on the internet and are in public domain.

Safe Harbor Statements

This announcement contains forward-looking statements. Arrow may also make forward-looking statements in our periodic reports to the Bombay Stock Exchange as per prevalent rules and in its annual report to shareholders, in its proxy statements, in its offering circulars and prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees, to third parties. Arrow assumes no obligation to update the forward-looking statements in this release and elsewhere. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

