Press Release

PIRAMAL GLASS CEYLON PLC Q1 NET JUMPS TO RS. 53.2 MILLION FROM LOSS OF RS. 118.7 MILLION. GROSS PROFIT UP BY 30% TO Rs. 227.5 MILLION Q1 FY 2011 SALES GREW 9% TO RS. 868.2 MILLION FROM RS. 799.8 MILLION.

Colombo, 28th July 2010: Piramal Glass Ceylon PLC (PGC), manufacturer of glass containers for all segments of glass packaging has reported continued growth in first quarter (Q1) of FY2011 by recording a jump in its net profit to Rs.53.2 million compared to a loss of Rs. 118.7 million for the same period last year.

Gross Profits for Q1 FY2011 increased by 30% to Rs. 227.5 million over Rs. 175.6 million in Q1 FY2010. Gross Profit Margin in Q1 FY2011 has increased to 26% from 22% in corresponding period last year.

According to Mr. Sanjay Tiwari, CEO & Executive Director "Net Sales for the quarter ended 30 June 2010 grew by 8.6% to Rs. 868.2 million over Rs. 799.8 million in Q1 FY2010. Gross profits up by 30% to Rs.227.5 million, the Net profit for the period was Rs.53.2 million as compared to a loss of Rs.118.7 million for the same period in previous year".

The Company was happy to notice the continuous growth of the domestic market. The Domestic market grew by 30% to Rs.621 million as against Rs.476 million in the similar period previous year. The post-war peaceful environment together with the opening up of north & east now seems to have paid dividends with all segments of bottle sales showing an upward trend. The Company continued to focus and build its position in the export market. The export volumes consisted of almost 34% of its total sales volume during this quarter.

The manufacturing process is stabilised and started yielding better efficiencies. The company now performs with a capacity utilisation of over 90%. Also the productivity indicators have also vastly improved over last year which has contributed to 18% more glass tonnage being produced as compared to same period in the previous year.

A distinct reduction has been achieved in the interest cost. The interest cost was down by 55% to Rs. 86 million as against Rs. 194 million in corresponding period previous year . This reduction was due to the restructuring of part of the long term loan to foreign currency loan & the general decrease of the interest rates.

The company is confident about its future prospects with the healthy order book filled up with the growing domestic demand and the established exports .

The 21 acre land at Rathmalana in which the factory was earlier situated is an investment property to be unlocked in value terms. With the land markets regaining its strength in the market the management is confident about unlocking its value and part settle the long term loan which will further reduce interest costs.

The company continues with its simple yet steadfast objective of fully serving the domestic market which is well on its way to recovery as well as increasing the business in the specialized liquor and beverage segment in the international markets thus realizing its vision of being **"The most preferred Speciality Glass Packaging solutions provider in Asia by meeting customer expectation through innovative designs and manufacturing"**