



Press Release

Domestic Sales Drop & High Energy Cost Impact Piramal Glass Ceylon Performance in Q2 of FY2014

Colombo, October 17, 2013: Piramal Glass Ceylon PLC (PGC) has announced its 1st half year results for the Financial Year 2013-14 with a dip in both the Turnover and the operating profitability. The sales were at Rs. 2,476 million as against Rs. 2,631 million in H1 of previous year and the PAT at Rs. 376 million as against Rs. 412 million of the previous year similar period.

The half year sale saw a drop of 6% which was contributed with a decline of 11% in the domestic market and growth of 8% in the export market as compared to corresponding six month period in the previous year.

The company achieved a sale of Rs. 1, 253 million in Q2 F2014 as compared to Rs. 1,338 million in Q2 of F2013. The main reason for decline in sale was due to decline in domestic sale by 18% from Rs. 1,068 million to Rs. 875 million. The main sectors affected in the domestic market were the Food, Beverage & Liquor segments.

The export sale saw a growth of 39% during the quarter from Rs.270Mn of Q2 F13 to Rs.377 in Q2 F14. It was encouraging to note the development of new markets growing over 100% as against the similar quarter of the previous year. Also amidst the Indian Rupee Depreciation which has adversely impacted the Sri Lankan Exports to India, PGC managed to maintain its Export volume to India by discounting the prevailing prices. Yet this impacted the margins.

The Gross Profit was at 18% as against the 30% achieved during the similar period of the previous year. The main contributor towards this drop was the high electricity tariff increase which affected the production cost directly and indirectly due to increased Raw Material Costs, Packing Material & reduction in production volume due to low off take in the domestic market which increased the cost of production.

The PBT as at 30th September 2013 was Rs. 388 million, which included Rs. 297 million of Land sale profit. Thus, the Operational PBT was Rs. 91 million as against the PBT of Rs. 420 million in H1 of FY13.

About Piramal Glass:

Piramal Glass Ceylon (Formerly Ceylon Glass Company) is the only Glass Bottle Manufacturing plant in Sri Lanka. It had the opportunity of coming under the Umbrella of Piramal Group in 1999. Presently Located in Horana, it has been in existence for over 55 years. The company originally at Rathmalana was relocated at Horana in 2007 as a BOI venture under the auspices of "300 factory programme of Mahinda Chintana".

PGC at its 250 Tonne Capacity Manufacturing Facility has the capability to offer glass containers in different shapes and colours for multiple industries such as Food, Liquor, Pharmaceutical, Agro chemical & Soft drinks.

About Piramal Group:

The Piramal Group led by Ajay G. Piramal is one of India's foremost business conglomerates. Driven by the core values of Knowledge Action Care, the Piramal Group has a formidable presence in healthcare, drug discovery & research, glass, real estate and financial services. The Piramal Group also pursues sustained community activities in healthcare, education, emergency medical services, and heritage restoration.