



Press Release

Piramal Glass Ceylon PLC surpasses FY 2010/11 Net Profit in nine months of FY 2011/12

Sales during this quarter grew by 18% to Rs. 1,375 million

Colombo, 30th January 2012: Piramal Glass Ceylon PLC (PGC), a manufacturer of specialty glass containers for food & beverages, pharmaceuticals, and cosmetics & perfumery, has reported a turnover of Rs. 1,375 million & Net Profit of Rs. 205 million for the 3rd quarter ended 31st December 2011 of FY 2011/12.

The period under review has always been a peak sales quarter for the company due to the festive season. Yet this quarter surpassed all past records. Sales during this quarter grew by 18% from Rs. 1,166 million to Rs. 1,375 million. This was mainly due to the strong growth of 18% in the domestic sector and 17% in export sector during this quarter when compared to the same quarter of the previous year.

The domestic market growth during the quarter was mainly contributed by the exceptional growth in the Liquor bottles (dominated by beer bottles) & Aerated Water bottles sector.

Another significant milestone to note is that this quarter the export market achieved its total turnover through Premium Sector - high realisation bottles.

All these factors have pushed up the Gross Profits, for the period under review, by 10%, which is line with growth in sales of 18% achieved this quarter. The Gross Profit as percentage to sales was 29% compared to 31% of the similar period previous year – a high percentage that was sustained despite the increased costs of furnace oil, LPG and other basic raw materials.

To ensure continuous supply to the customer during the season some standard bottles were imported. These sales were done at negligible margins with the objective of ensuring long term customer relationship. This too has impacted the profitability margins. Yet this importation was inevitable as during the period PGC capacities were running at its full .

Piramal Glass Ceylon PLC (PGC), has surpassed its previous year 12 months (FY10/11) Net Profit of Rs. 579 million within nine months during the current financial year by reporting a Net profit of Rs. 588 Million in the nine months period ending on 31st Dec ,2011.

This net profit attributable to equity holders during the nine months period of FY 2011/12 was Rs. 588 Million , up by 47% in comparison to Rs 400 Million reported during the nine month performance of previous year FY 2010/11.

PGC turnover grew by 23% from Rs. 3,061 million to Rs. 3,760 million compared with that of the same period last year. Export market grew by 26% with the total sale being dominated by the Premium segment bottles, which yield much higher realizations compared to mass market bottles. Domestic sales grew by 22% with Beer & Aerated Water bottle segment showing notable increase.

The company has been successfully establishing itself in the niche bottle segments through continuously developing and investing in research & development of new colour bottles, which gives better realizations and margins.

The finance costs are a matter of concern for the management. A steady increase in interest rates has also been observed during the past few months. PGC has also been hit by the currency rates fluctuations.

However, the management's constant effort towards improving productivity continues to show results. A marked improvement in production efficiencies has been achieved during the nine months under review when compared with previous year. This has played a significant part in maintaining the cost of bottles when almost all input costs have shown an upward trend.

The company is presently on Level 2 of Manufacturing Excellence and is working towards ensuring Level 3 status by the end of this calendar year. This would further help improve productivity levels.

The management is confident that growing domestic markets coupled with the premium export market, would ensure the company's excellent performance trend in the future too.

The management feels that PGC is on the right track of achieving its simple yet steadfast objective of fully serving the domestic market whilst increasing business in the specialized liquor and beverage segment in international markets. This approach is sync with PGC's vision of being "the most preferred Specialty Glass Packaging solutions provider in Asia by meeting customer expectation through innovative designs and manufacturing."