



## Press Release

### **Piramal Glass Ceylon announces dip of 18% in domestic sales and 7% in operating profits**

#### **Decline attributed to domestic market and increase in input costs**

**Colombo, January 30, 2014:** Piramal Glass Ceylon PLC (PGC) has announced its 3<sup>rd</sup> Quarter results for the Financial Year 2013-14 with a dip in both the Turnover and the operating profitability for the Quarter as well as for the year.

The sales were at Rs. 3,864 million as against Rs. 4,156 million in the 1<sup>st</sup> nine months of previous year and the PBT from operations was at Rs. 130 million as against Rs. 636 million whilst the company reported an overall Profit before Tax of Rs. 783Mn which includes the profit from the sale of land.

The YTD sale saw a drop of 7% which was contributed with a decline of 11% in the domestic market from Rs.3,107Mn in F 2013 to Rs.2,755Mn in F 2014 and growth of 5% in the export market from Rs.1,049Mn in the first nine months of F2013 to Rs.1,109Mn in the similar period of F 2014.

The company achieved a sale of Rs. 1,389 million in Q3 F2014 as compared to Rs. 1,525 million in Q3 of F2013. The domestic sale fell by 18% from Rs. 1,107 million to Rs. 967 million. The main sectors affected in the domestic market were the Aerated Water & the Beer segments. The export sale remained in par with that of previous year during the quarter at Rs.422Mn.

The operating Profits for the Quarter fell from 19% of Q3 in F2013 to 7% in Q3 of F2014.

Also the YTD operating profit was at 8% as against 20% of the previous year similar period. The domestic sales drop coupled together with the ever increasing cost factors from all sides has impacted the year's profitability ratios very badly.

All costs including Raw Material, Packing Material, Energy and other direct and indirect costs have seen a substantial increase during the year which is well reflected in the company's profit figures.

The export volumes bailed out the company amidst the drastic domestic sales decrease. Yet these additional export volumes which were done on mass International market did

not fetch realisations as high as the present niche market exports thus affecting the profit figures as against last year. Yet these sales helped PGC ensure utilisation of capacity of the furnace which would have otherwise further increased the product cost.

In the present economic environment it seems imperative that the domestic bottle prices would have to be revised to absorb the high cost increase. PGC has absorbed the major portion of these costs during the year which has affected the company's performance and continuation of same would affect the company in the long run rather adversely.

The Profit after Tax as at 31<sup>st</sup> December 2013 was Rs. 773 million, which included Rs. 652 million of Land sale profit. Thus, the Operational PAT was Rs. 121 million as against the PAT of Rs. 616 million in 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.