Press Release

"PGC declares a 36% dividend"

Turnover tops Rs 5 Billion & Profit After Tax at Rs 678 Million.

Colombo, April 26, 2012 :

Annual Results - F12.

Colombo, April 26, 2012 : Piramal Glass Ceylon PLC has declared its results for the year ended 31st March 2012. PGC has ensured the continuance of its upward momentum in performance by recording the highest ever profit in its history of Rs.687Mn in F2012. A Revenue growth of 23% as against last year and The Profit after Tax growth of 19% from 578Mn in F 2011 to Rs.687 Mn in F 2012 has ensured the board of directors declaring a first & final dividend of 36%.

PGC's Chief Executive Officer and Executive Director, Sanjay Tiwari while announcing PGC's results said, "We're proud to report that we have bettered all the previous best ever results this year with this exceptional performance. This year we have ensured the sustenance & continuity of the rich harvest we started reaping from our facility at Horana."

Revenue achieved for the year was Rs 5120 Million depicting a growth of 23% as against Rs.4163 Million of the previous year. The revenue growth of 23% was contributed to, by both export and domestic segments. The domestic market saw a significant growth of 23% from Rs. 3159 Million to Rs. 3894 Million. The major portion of growth was contributed by Liquor, Food & Beverage segments.

The profitability increase was positively impacted by the export market. The export product portfolio saw a marked increase in its shift from mass market to high end premium market segment yielding higher realizations. The speciality portion of total export basket is growing steadily as per strategy .

Also during the year the company has been able to set footage and establish a market for itself in New Zealand & Australia. The company ensured that the export sales crossed Rs. 1 Billion Mark for the 3rd Consecutive year. This is a contribution of almost 25% of the total turnover. Several New Products were designed and launched in the export market which yielded high realisation to the profitability .

The focus on Manufacturing Excellence too gained momentum during the year with the company achieving level 2 of the Manufacturing Excellence in the 2nd Quarter of the FY 12. This has made significant contribution towards streamlining of production processes, which in turn has helped achieve high productivity levels said Mr Sanjay Tiwari.

The earning per share increased by 18% to Rs 0.72 per share as against Rs 0.61 per share.

Quarterly Results – Q4 F 12.

The turnover for the Q4 F 12 grew by 23% from Rs. 1,102 Mn in F11 Q4 to Rs. 1,360 Mn **. Yet amidst this significant growth of top line the Profit After Tax fell down to a mere 7% of sales at Rs 98 Mn during the quarter as against Rs 178 Mn and 16% of sales it achieved during the similar period in the previous year.**

The main contributory factors contributing towards this drop in performance figures was the energy price increase & the dollar depreciation.

The unprecedented increase in energy prices during mid February 2012 created much concern. The ever increasing LPG Gas prices , Electricity tariff & Furnace oil impacted negatively in the last quarter. Furnace oil price increase of 80% and Electricity tariff increase of 15% has laid heavy burden on the cost parameter.

The company never anticipated overnight increase to this extent. In fact the relevant authorities were requested to phase out such increases so that the burden can be absorbed by the consumers over a period of time.

The company has had no option but to pass off some part of the cost increase to its customer. Yet this pricing strategy does not hold true & sustain in the international market. This would end up with the company losing the market it has created for itself in the international shores with much effort.

It is imperative that the government should be more cautious when increases of this magnitude is brought in. Increase should be done in a phased out manner which could be gradually absorbed by the industry. Any such further increases would definitely bring about a question mark on the sustainability of the manufacturing industry itself.

The rupee depreciation too had a significant impact on the Foreign Exchange Loan the Company has obtained in 2009. A loss of over Rs. 100 Million has been booked under administrative costs by revaluing the closing balance of the US Dollar loan at 31st March 2012 rate.

We are confident that growing domestic market coupled with potential of premium export market, the company would continue to strive towards excellent performance in the future thus achieving our Vision .We also would like to appreciate the trust and confidence placed by our stake holders and believe that they had also been suitably rewarded by way of a proposal of 36% final dividend for the year 2011/12." Said Mr. Vijay Shah Chairman Piramal Glass Ceylon PLC.