



Press Release

Piramal Glass Ceylon proposes a 38% dividend Turnover Rs 5.5 Billion & Profit After Tax at Rs 725 Million

Colombo, April 30, 2013: Piramal Glass Ceylon PLC has concluded yet another successful year and declared its results for the year ended 31st March 2013.

The record of continuous growth was established with the turnover being at Rs. 5.5 billion and the highest ever PAT being recorded at Rs.724 million.

The revenue & the Profit after Tax grew by 6% over last year. The Board of Directors have declared a first & final dividend of 38% for the year ended 31st March 2013 as against the 36% the previous year. The earnings per share too have increased by 6% to Rs 0.76 per share in FY 13.

Revenue achieved for the year was at Rs. 5,501 million as against the Rs.5,197 of the previous year. The main contributor towards the revenue growth was the export market with a year on year growth of 12%.

The domestic market was able to sustain a value growth of 4% mainly due to the new products launched during the year. Yet the volumes in the domestic were showed a decline of 10% as against FY 12. The main reason of decline in the domestic market was due to the low consumption of new bottles in the liquor segment. This is the outcome of import of cheap, substandard, branded, used second hand bottles from India to Sri Lanka for the consumption in the Liquor segment.

The profitability was sustained mainly due to the export product portfolio. The export revenue continued to grow for the 4th consecutive year. The company has achieved an export value of Rs.1,370 million as against Rs. 1,225 million in FY12. The market reach established in the Australian & New Zealand markets last year has paid dividends during the year under review. The Company has launched several new products in different shapes and colours in the Domestic & International market.

The Operating profit during the year saw a dip of 2% from 30% in FY12 to 28% in FY13. The main reason being the energy cost increase. The furnace oil increase of 80% during the early part of the year had a hard impact on the company's energy cost. Glass

manufacturing is high energy intensive industry with over 40% of its cost being energy costs consisting of electricity, gas & furnace oil.

The current electricity cost increase announced by CEB/Public Utilities Commission has a substantial impact on Company's energy bill. As requested earlier the company has once again retaliated the Public Utilities Commission and the concerned government department to phase out the increase so that the burden can be absorbed by the company and the valued customers over a period of time.

FY13 year saw a marked increase in the interest rates in the country which further impacted the profitability. Yet the company was able to manage the situation to some extent due to the foreign currency loan portion in its loan portfolio.

The company has been able to hold onto its profitability amidst these negative environmental conditions purely due to the high focus on productivity parameters. The production efficiency increase it has achieved during the year proves this fact.

These production milestones were possible due to the high concentration the management has put on the Initiative of the Manufacturing Excellence programme it has established in the plant. The Glass manufacturing facility at Horana has already reached level 2 of manufacturing excellence with the a target of reaching level 3 by early part of the next financial year.

Piramal Glass also continued to be recognised at national level for its performance with being awarded with National Business Excellence Award, Global commerce excellence award, a Merit award at the CNCI Achiever Awards -2012 and the Gold Award at the Export award ceremony held by the National Chamber of Exporters. This is the 3rd Consecutive year that the company has achieved this Gold Award.

We are happy with the company's performance and confident of its potential. Though the domestic environment and the Market does not seem too exciting we are confident and hopeful that the seeds that we have planted in the international markets will bear harvest in the coming years and despite the domestic market downturn.

Piramal Glass has recently disclosed to the SEC that it has agreed to sell part of the 21 acres of its Rathmalana Land to Ms. Prime Lands Private Limited at a consideration of Rs. 355 million. The transaction would be completed before the end of the 1st Quarter of FY14. We would also like to inform that the proceeds would be utilized to repay the high cost long term loans.

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.