



Press Release

Piramal Glass declares its nine month Financials with Turnover of Rs. 4,150 million & PAT of Rs. 231million

Colombo, February 6, 2014: Piramal Glass Ceylon PLC (PGC) has announced its 9 month results for the Financial Year 2014-15 with a 7% growth in turnover from Rs. 3,864 Million in FY14 to Rs. 4,150 Million in FY15 with a PAT of Rs. 231 Million as compared to Rs.222 Million in F2014 (which includes a profit of Rs.100Mn from Land sale.).

The domestic market showed a growth of 16% during the quarter mainly contributed by the festive season. The sale during the quarter ended 31st Dec 2014 was Rs. 1,116Mn as compared to Rs. 967Mn of the similar period of previous year. Export sale saw a considerable increase of 13% to Rs. 476Mn in the quarter under review from Rs. 422Mn of previous year, similar period. The Gross Profit for the quarter was Rs. 215Mn as compared to Rs. 189 in F 14 – Q3 showing a growth of 14%

The Gross profit for the nine months ended 31st December 2014 was Rs.708Mn as against Rs.621Mn of the previous year, reflecting a Gross Profit Ratio of 17% as against 16% of the previous year.

The growth in absolute value terms in gross profit was due to the growth of both Domestic & Export Market. The main contributor towards the export growth was the Australian Market. This additional sale was possible due to the significant improvements achieved by ensuring the stringent quality parameters set by the international customers. In the Domestic market too, a growth was seen in some segments from non-traditional bottles. Yet the Beverage segment remained stagnant.

Despite the considerable increase in sales volumes & the marked improvements in production efficiencies a substantial increase was not seen in profitability figures due to the high cost parameters which was mainly impacted by Raw Material & Energy Costs.

The unprecedented increase in prices in Furnace oil that took place in 2012 (from Rs.40/- to Rs.90/- per litre) affected our industry drastically and even after 3 years the company is not able to pass on the total cost increase to customers due to stiff competition from the international markets. Further it is very much a concern to note that the Ceylon Petroleum Corporation has not revised the rates over the past 3 years. The crude oil price which hit USD120/- a barrel in 2011 has reduced to almost USD 46 as at today, which is

more than 50% reduction in price. Yet the furnace oil price has not been addressed accordingly. This state of affairs has affected our competitiveness in the international market as well. When in the neighbouring countries such as India Furnace oil price remains at INR 21 per litre (Equivalent to In Sri Lanka Rs. 44.52) we as local manufactures remain uncompetitive in the market.

With the situation as it is, we are hopeful and remain optimistic that the Ceylon Petroleum Corporation & the Ministry of Power & Energy would look into the matter and ensure justice to the industry, in the near future by bringing down the Furnace oil price to the range of Rs. 50/= per litre.

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.

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.