



Press Release

**PIRAMAL GLASS CEYLON PLC
1st HALF PROFIT ZOOMS TO RS. 210.2 MILLION
GROSS PROFIT UP BY 38% TO Rs. 612.7 MILLION.
FIRST HALF OF FY 2011 SALES GREW BY 8% TO RS. 1,894.5 MILLION.**

Colombo, 1st November 2010: "Piramal Glass Ceylon Plc (PGC), a manufacturer of flaconnage (glass containers) for speciality food and beverage, cosmetics, perfumery, agro chemicals, wine as well as pharmaceuticals, have reported a net profit of Rs. 210.2 million in the first six months of the financial year 2010-11 as against a loss of Rs (118.0) million posted during the corresponding period of the past financial year.

CEO & Managing Director Piramal Glass, Sanjay Tiwari, said "the Quarter ended 30th September 2010 has seen a stellar performance through significant growth in the domestic market share as well as in the premium segment of the export market. The total sales for the Quarter grew by 8% to Rs 1,026.2 million compared with that of the same period the previous year; a contribution that was mainly driven by domestic sales which showed a growth of 27% during the Quarter under review. The premium segment in the export market too has shown a growth of 30% during the Quarter under review."

According to Tiwari, all the sectors in the domestic market, namely food and beverage, pharmaceuticals, liquor and cosmetics, too showed double digit growth during the period under review. In the export market, the premium segment contributed to 70% of the export sales, displaying a growth of 30% . "All this contributed to the growth of 43% in the gross profit margins of the Company to Rs

385.2 million over the corresponding period of the past year. The gross margins for the second quarter as a percentage to sales increased to 38% from 28% of that of the second Quarter of the last financial year.

The interest saving together with the positive exchange difference further enhanced the bottom line of the Company. The net profit for the Quarter reached 15% from that of the break even situation of the second quarter of the last financial year . The Quarter ended with a net profit of Rs 157.0 million as against the nominal profit of Rs 0.7 million achieved during the corresponding period of the last financial year.

“The Company has been continuously focusing on developing niche products in the export segment which gives better realisations. The launch of “VAT 69” is the success story of one such attempt. PGC supplied Diageo India, with the “VAT 69” bottles in a shade of antique green for the launch of it’s premium blend Scotch Whiskey belonging to the 18th century which proved to be a resounding success”, said Tiwari .

The company continued its upward momentum in productivity, by surpassing the production volume during this Quarter as against that of the corresponding period of the last financial year.

Half Yearly Results :

The Total Revenue for the half year ending 30th September, grew by 8% to Rs 1,894.5 million from that of Rs. 1,751.0 million of the previous year. The Gross Profit margin was up by 38% for the first six months of the financial year 2011, at Rs 612.7 million, compared with that of Rs. 444.6 million achieved during the corresponding period of the previous year.

Domestic sales grew by 28% to Rs. 1,410 million from Rs. 1,098 million of the previous year, while export sales for the period were Rs. 484 million, which contributed to 26% of the Company’s total revenue. During the first half of the current financial year the Company shifted its focus to the premium segment in its exports which resulted in a growth of 15%. The contribution from the premium

segment has increased to 53% of the total exports in the first half of 2011 as against 29% of the total exports in the first half of the financial year 2010.

The net profit for the first half of the financial year 2011 was Rs. 210.2 million when compared to the loss of Rs (118.0) million of the same period of the financial year 2010. The interest cost was down to Rs. 170.2 million as against Rs.360.9 million during the same period of the last financial year. This reduction was mainly due to the restructuring of the part long term loan, to a foreign currency loan.

Commenting on the Company's performance for first half of the financial year 2011, Mr Vijay Shah , Chairman , Piramal Glass Ceylon Plc said, "We are on the right track of our strategy and are committed for a sustained growth."

The Company was recognised for its achievements by several national institutions during this year. The Company's export growth was recognised at the NCE Export Awards 2009/10 with a gold medal, while PGC's contribution to the Sri Lankan economy, by demonstrating courage and resilience and thus achieving industrial and manufacturing excellence was acknowledged at national level with a Merit Award at the CNCI Achievers of Industrial Excellence 2010.

Winning these prestigious awards is an endorsement of the steps taken by the Company towards meeting its vision of being "The most preferred Speciality Glass Packaging solutions provider in Asia by meeting customer expectation through innovative designs and manufacturing" said Mr Shah.

Piramal Glass Ceylon PLC with its rich history has come a very long way during its 55 year long journey. The pace of this journey was further accelerated by the Company coming under the umbrella of the Piramal Group in 1999. Opportunities further unfolded with the investment of over Rs. 4 billion in a new state of the art Glass Plant at Wagawatte, Horana in 2007 under the "300 factory programme of Mahinda Chinthana".

"As we continue on our journey, the Company continues to hold firm to its objective of fully serving the domestic market whilst increasing its business in the premium

liquor and beverage segment in the international markets, thus realizing its vision of being "The most preferred Speciality Glass Packaging solutions provider in Asia by meeting customer expectation through innovative designs and manufacturing", said Tiwari.