

Piramal Glass to expand in C&P Business

Opened subsidiary/office in France to tap key market

Kosamba/Bardoli, June 11, 2010: After being Asia's only and world's third largest speciality glass bottle manufacturer and exporter, Piramal Glass Limited, is now planning to expand its geographic footprint to Braille Valley, France of its Cosmetic & Perfumery segment with a sales and distribution office. This expansion is to have efficient co ordination & to give value added services to its esteemed clients in world's largest market.

Cosmetic and perfumery market is the fastest growing market with CAGR of 4% to 10% for last 6 years. The current sales in cosmetic & perfumery segment is 7% to 8%. Piramal Glass Limited is targeting sales of 10% post expansion.

Mr. Vijay Shah, Managing Director, Piramal Glass Limited added- "Our focus is moving towards high end C&P bottles. Considering increased demand and need for customised service we are expanding our services in the world's largest and highly competitive market of France. While currently we hold a 5 per cent market share in C&P bottles, we are aiming at a 10 per cent market share in the next couple of years,"

Piramal Glass has a vast marketing network with spread over 44 countries, including 10 owned offices. They have 17 out of 20 top players in cosmetic and perfume segment as their key customers, who constitute 80% of premium market. Such as Elizabeth Arden, Estee Lauder, Victoria's Secret, L'oreal, Revlon, P&G etc.

Other than Cosmetic & Perfume, Piramal Glass is a global leader in delivering world-class packaging solutions for Pharmaceutical & Speciality food & Beverage industry in India, US and Shri Lanka.

Going back to the history, Gujarat Glass was bought by Piramal Glass in 1984. The size of the company was too small and company was operating with single furnace. It was predominantly into pharma packaging. It was only a domestic player. In 1999, it became no.1 in pharma with 35% market share. At that time decision was made to this a global company. Then, Piramal Glass decided to capture Cosmetic & Perfume Industry. Today, 33% of the nail polish bottles come from Kosamba plant in Gujarat.

Piramal Glass Limited offers an entire gamut of flaconage solutions under one umbrella, making the company a one-stop-shop for all the needs of its customers. The end-to-end flaconage solutions include full bottle design capabilities, in-house mould design, CNC machines for mould manufacturing,

high quality glass manufacturing and dedicated ancillaries for decoration and accessories like caps, cartons and brushes.

The Piramal Glass is one of the largest manufacturers of flaconage glass for the pharmaceuticals and perfumery businesses today, with an installed capacity of 1,115 tonnes per day, and sales of more than \$200 million worldwide. Piramal Glass has invested more than \$110 million in creation of significant new capacity, and is among the top five manufacturers of perfumery bottles in the world.

Flaconage is a labour and skill intensive industry. Though the manufacturing of glass itself is highly automated, critical functions such as quality control need large teams of skilled professionals. Not surprisingly, the total cost of production in India, where manpower is among the cheapest in the world, is less than half of that in France and almost half of that in the US (Source: Mckinsey). With manufacturing facilities in India and Sri Lanka, Piramal Glass is able to produce glass at significantly lower costs than its competitors in other parts of the world and deliver a sustainable cost advantage to customers..

Piramal Glass has a significant presence in the US, the largest perfume market in the world. In 2005, They acquired the Glass Group in the US (formerly Wheaton Glass). The acquisition, combined with the strong marketing presence, has brought several tangible benefits to the Piramal Glass Limited.