

Piramal Glass swings to consolidated profit in Q1

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Piramal Glass, a Piramal Group company and a leading global manufacturer of flaconage (glass containers) has reported continued growth in first quarter (Q1) of FY2011 by recording a jump in its **consolidated net profit to Rs 176 million** compared to a loss of Rs 208.4 million for same period last year.

Consolidated sales for the quarter ended Jun. 30, 2010 grew by 13.3 % to Rs 2.83 billion over Rs 2.51 billion in Q1 FY2010. Operating EBIDTA for Q1 FY2011 increased by 40% to Rs 628 million over Rs 449 million in Q1 FY2010. Operating EBIDTA

Margin in Q1 FY2011 has increased to 22.5% from 18.3% in corresponding period last year.

Commenting on the company's performance for Q1 FY2011, Ajay Piramal, chairman, Piramal Group said, "We're thrilled to report continuous growth for Piramal Glass(Q,N,C,F)* and we are committed for a sustained growth. Our decision to target emerging economies is also paying off well as BRIC countries have contributed 35% of sales. We have achieved an annualized ROCE and ROE of 13% and 24% respectively for Q1 FY2011 and we are very hopeful and confident of maintaining the growth momentum for the rest of the year."

For Q1 FY2011 annualized EPS stands at Rs 88 million while cash EPS stands at Rs 20.2. During the same period Interest cost as % to sales has decreased from 15 % to 6% due to reduction in debt & interest cost.

This quarter also demonstrated the best performance till date of PGL's US subsidiary with sales growing by 20% and EBIDTA & PAT margins were at 14% and 6% respectively.

Vijay Shah, managing director of Piramal Glass said, "The major expansion in the margins is due to increased focus in high margin cosmetic & perfumery segment which has grown by 35% and contributed 48% of the total sales. We expect this segment to further increase contribution to sales going forward as recently we have bagged the world's second largest cosmetic & perfumery producer, Coty adding to 17 out of 20 global C&P majors being our clients. Overall we are confident of further improving EBIDTA margins and sales growth."

Shares of the company gained Rs 1.85, or 1.7%, to trade at Rs 110.75. The total volume of shares traded was 389,150 at the BSE (1.26 p.m., Wednesday).

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