



Piramal Glass

knowledge action care

Investor Presentation

February 10th 2010

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These risks and uncertainties include, but are not limited to Piramal Glass Limited’s ability to successfully implement its strategy, the Company’s growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

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- **Piramal Glass- Business Overview**

- Business Segments
 - Cosmetics & Perfumery
 - Pharmaceuticals
 - Specialty Food & Beverage
- Piramal Glass – Key Summary

Products

- **Cosmetics & Perfumery**
- **Pharmaceuticals**
- **Specialty Food & Beverages**

Geographical Bandwidth

- Global manufacturing foot print
- Exports to **52 countries**
- Marketing Offices at **10** locations worldwide

Strong fundamentals

- Experienced management team
- Amongst the best EBIDTA margins in the industry
- Institutionalised processes and Systems – manufacturing excellence 6 sigma initiative



Customers



Business segment overview

	Cosmetics and Perfumery YTD Dec' 09 Sales Rs. 348 crs (42%)	Pharmaceuticals YTD Dec' 09 Sales Rs. 252 crs (31%)	Speciality Food & Beverages* YTD Dec' 09 Sales Rs. 220 crs (27%)
Products/ Segments	Perfumery & Colour cosmetic bottles (Nail Polish)	Vials/bottles in Amber & Flint USP Type- I, II & III	Speciality bottles for boutique wine & liquor (Value added & differentiated)
Capacity	Capacity of 340 TPD 3rd largest installed capacity globally	Capacity of 440 TPD World's largest Amber furnace	Capacity of 335 TPD
Market Share	Global market share of 5% Global leader in Colour Cosmetics (Nail-polish) - 26% market share	One among 5 global players in USP Type-I glass Leaders in India :Market share of 35%	Single source supplier in Sri Lanka with 88 % market share Growing market share in USA

Consolidated sales YTD Dec' 09: Rs. 820 crs, EBITDA : 21%
Consolidated Sales QIII FY10 : 286 crs , EBITDA : 22%

*Specialty Food and Beverages would mean short run decorated bottles used mainly for high end liquor, wines and niche application in food, TPD: Tonnes Per Day, EBITDA margins are operating margins i.e. without considering forex loss

Manufacturing Footprint

Indian Operations



**Indian
Operations**
54%



Location: Kosamba,
Gujarat

Location: Jambusar,
Gujarat

6 furnaces, 24 lines
Capacity: 340 t.p.d

2 furnace, 12 lines,
Capacity: 335 t.p.d.

International Operations



**USA
Operations**
32%



Location: Flat River,
Missouri

2 furnaces, 8 lines
Capacity: 195 t.p.d.



Location: Williamstown
New Jersey

Bottle Decoration and
PVC Coating Facility



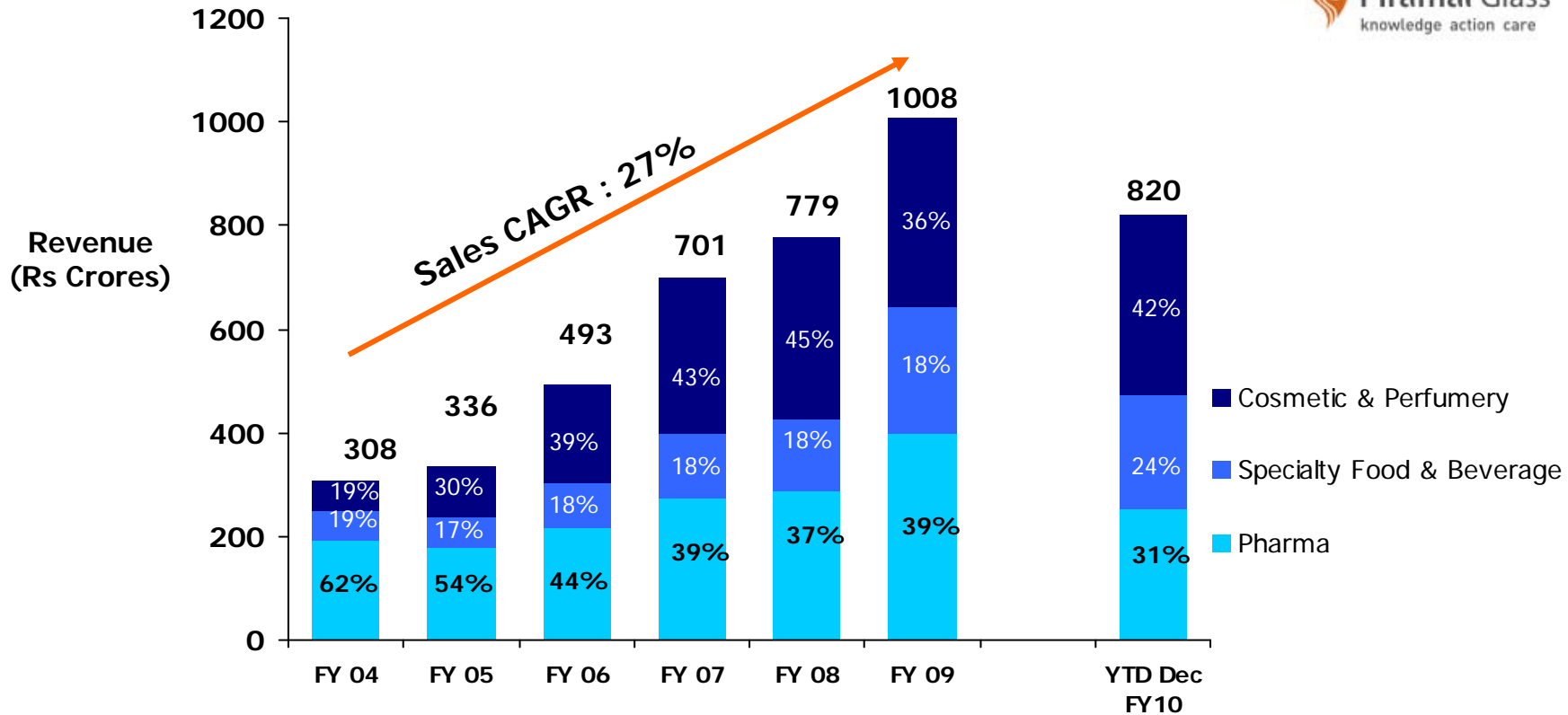
**Srilankan
Operations**
14%



Location: Horana.

1 furnace, 5 lines,
Capacity: 250 t.p.d

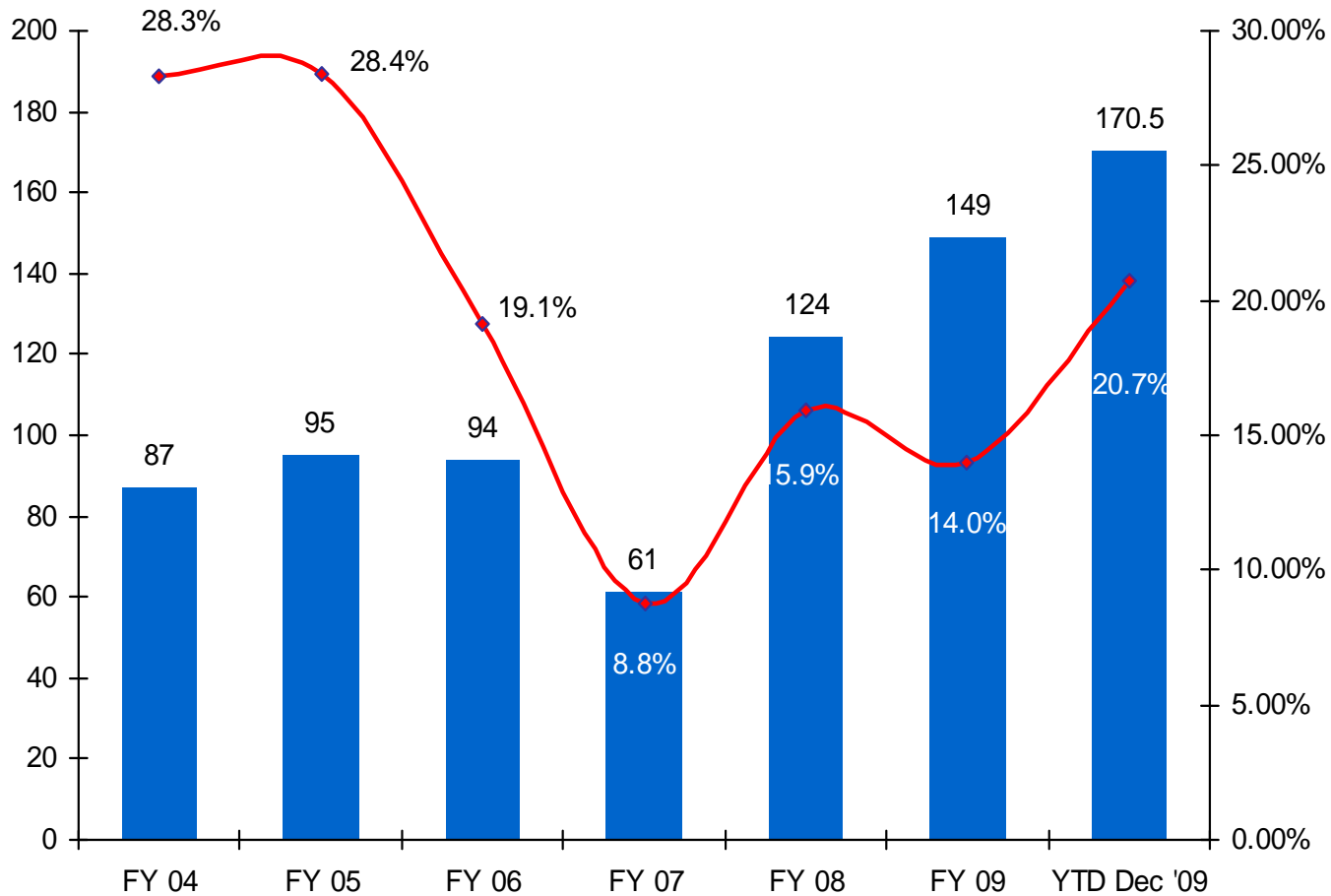
Piramal Glass- growth trajectory



							CAGR	YTD Dec FY10
Cosmetic & Perfumery	58	100	190	304	354	368	45%	348
Specialty Food & Beverage	58	56	88	124	137	243	33%	220
Pharma	191	180	215	273	287	398	16%	252
Total	308	336	493	701	779	1008	27%	820

C&P which constitutes 42% of PGL sales, has a CAGR of 45%

Expanding EBITDA margins



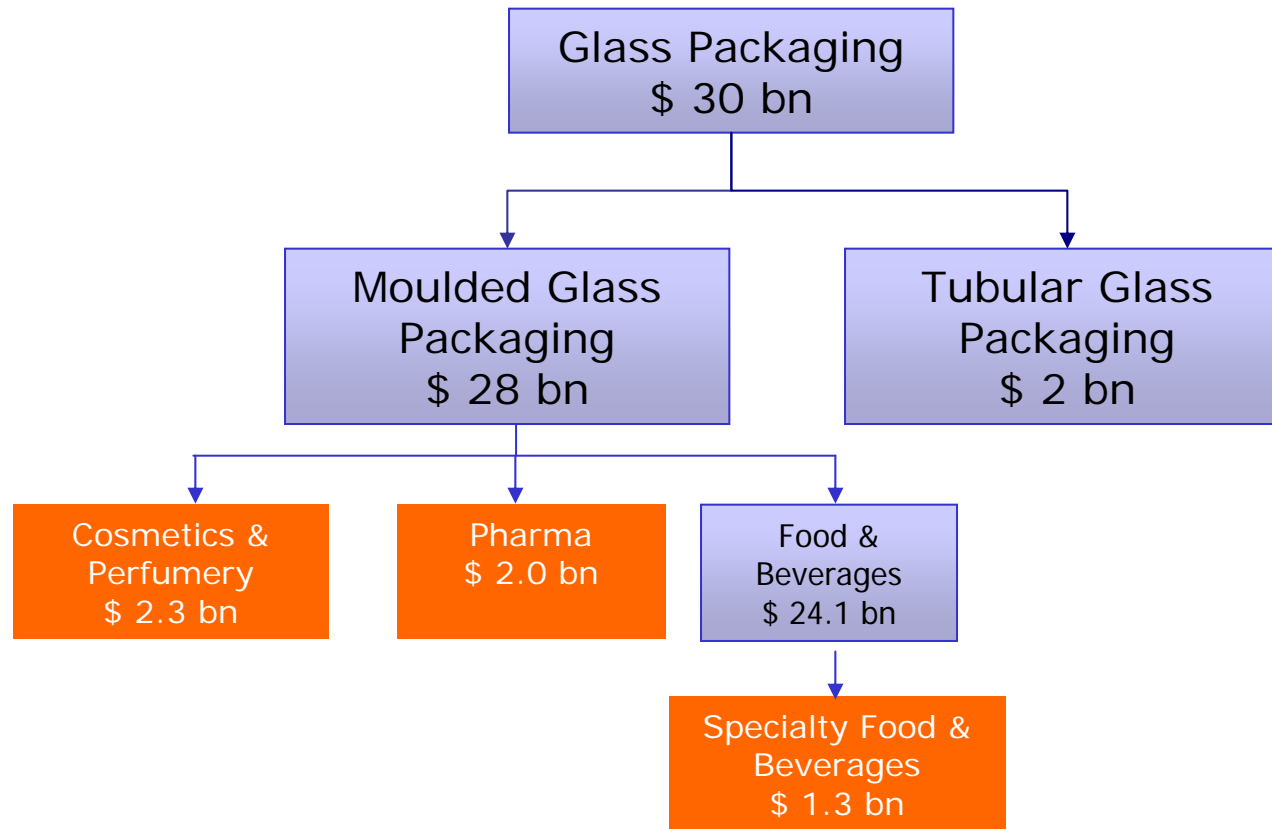
PG USA acquired in Oct' 05
 Major Capacity addition : Rs 450 Crores
 USA investments : Rs 350 Crores

EBDITA in Q-3 FY-10 is 22.2 %

“To be amongst top three niche specialty glass manufacturers in the world”



Glass packaging : Global market size



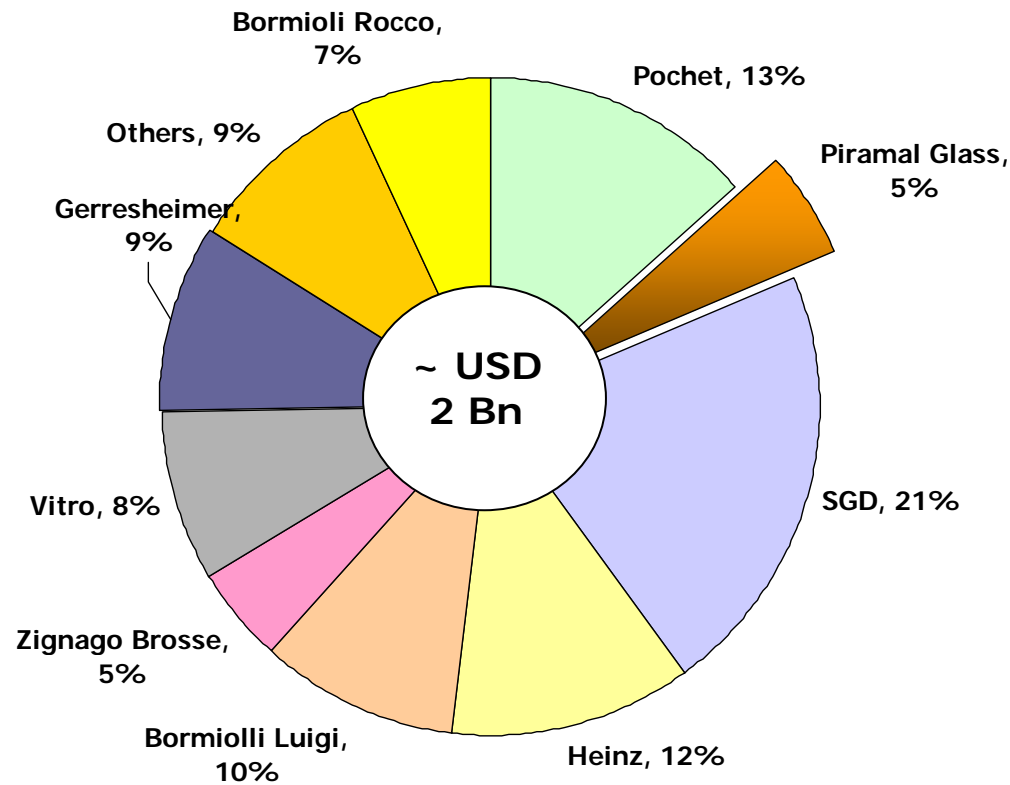
**Piramal Glass addresses niche "high value glass" market
Addressable markets ~ 20% of overall market**



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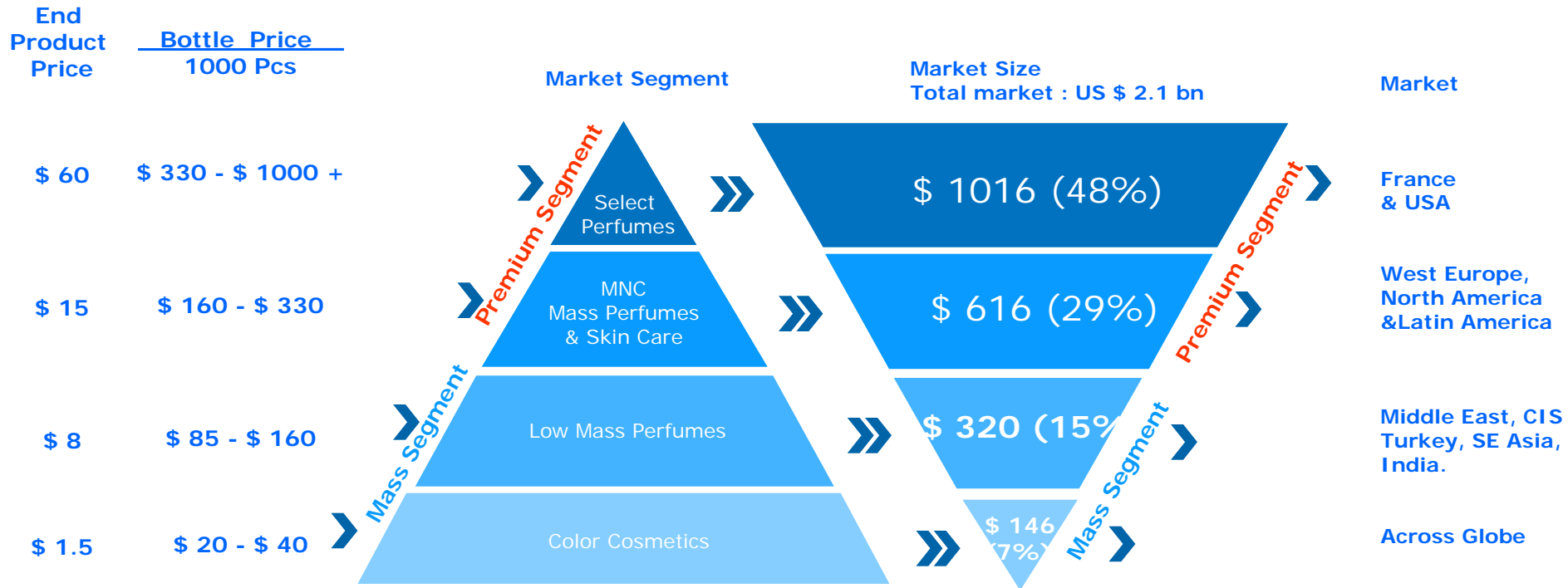
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Market Share



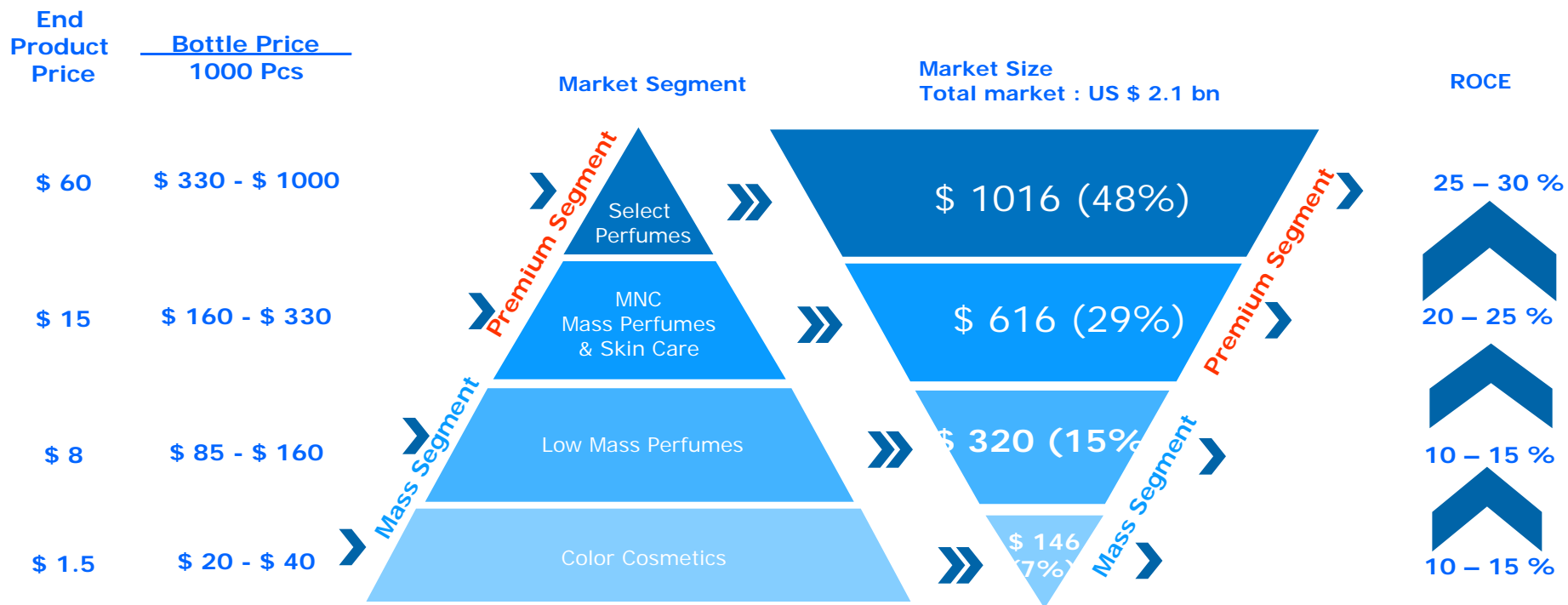
**PGL is the latest entrant & fastest growing with a CAGR of 26% over 3 years
Only player from Asia**

Market Overview



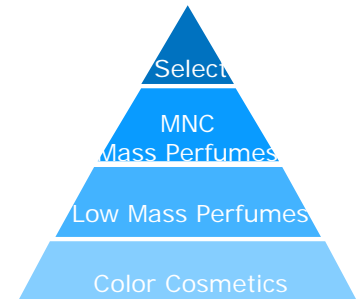
Premium constitutes about 77% of overall C&P market

Market Overview



ROCE almost doubles, as we move from mass to premium

Color Cosmetics



Description

Nail Polish bottles. Price range of \$ 20-\$40 / 1000 bottles

Market Size

USD 155 mio 8 % of C&P market

Market

Piramal Glass

Characteristics

- Growth driven by emerging economies
- Very fragmented & regional markets
- Requires integrated packaging incl caps
- Requires lot of new designs, particularly in mass market
- MNCs in high value such as OPI, Del, Revlon, L'Oreal , P&G

- Global leadership in colour cosmetics with 26% market share
- Customers across 44 countries
- Offer integrated packaging solutions, through dedicated ancillary units
- Leaders in launching new designs ~ 40 designs a year

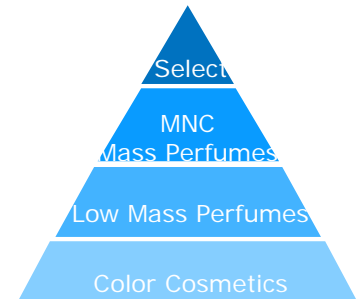
Competition & Markets

Competition from China & Brazil

Major markets are LatAm, West Europe, Turkey and India

Global leadership within 4 years of entry

Low Mass Perfumes



Description

Perfumes with end price in the range of \$ 8 primarily sold in emerging economies. Price range of \$ 85-\$ 160/ 1000 bottles

Market Size

USD 400 Mio, constituting 15% of C&P.

Characteristics

Market

- Fragmented market with regional players
- Require frequent new product launches & short production runs
- Customers prefer integrated packaging (Caps, Cartons, etc)
- Easiest to produce in terms of quality & higher manufacturing efficiencies

Piramal Glass

- Global leadership with 10% market share
- Act as “filler” capacity till migration to Premium
- Capacity is fungible to manufacture premium
- Customers are delighted with PGL, best in class glass quality
- In-house design studio developing own designs ~ 60 designs per year

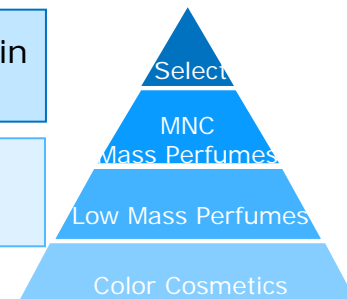
Competition & Markets

Competition from regional players (China & Poland)

Our major markets includes India, Middle East, LatAm, Turkey & Russia

Single largest player servicing this segment

MNC Mass Segment



Description

Perfumes & Skincare with end price in the range of \$ 15 primarily in developed economies. Price range of \$ 160-\$330/ 1000 bottles

Market Size

USD 575 Mio, constituting 29% of C&P

Characteristics

Market

- Higher quality requirements
- Business development is preceded by stringent plant audits
- Longer product lifecycle with few NPDs and long production runs
- Product development cycle around 6-8 months
- Customers include MNCs in developed economies such as West Europe and N America

Piramal Glass

- In spite of recent entry (4 years) PGL has attained European customer quality standards
- Latest and most modern manufacturing facility in the industry
- Only qualified vendor to MNCs in India like HUL, L'Oreal, Revlon
- Initiated customer relationships with MNC customers like Biersdorf (Nivea), Denim, Unilever, L'Oreal, Body Shop, Saralee, Maxim, Avon, Marks & Spencer, Wilkinson

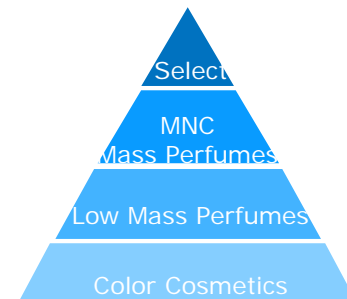
Competition & Markets

Gerresheimer, Zignago, SGD, Bormioli Rocco, Vitro

Our major markets include West Europe, North America, LatAm & India

Important segment for future growth

Perfumes Select Segment



Description

High-end Perfume with end price in the range of \$60+ produced in France & USA. Price range of \$ 330- \$ 1000+/ 1000 bottles

Market Size

USD 950 Mio, 48% of C&P

Market

Piramal Glass

Characteristics

- Extremely high entry barrier due to skill requirement (art vs science)
- Customer acquisition : 3 years
- Concentrated customer base, 20 customers constitute 80% of the market
- Concentrated supplier base in EU & USA
- Product development cycle 12-18 months
- Customer conduct extensive periodic audits
- Decoration~ 40% of bottle cost
- High labour intensity in decoration & quality sorting

- Relationships with 17 key customers in France & USA
- Regular successful plant audits by key customers
- 145 products under development in last 2 years & 89 commercialised
- Only player from Asia in this segment
- Select entry facilitates rapid growth in the premium segment
- Retained French technical experts
- USA Acquisition aiding rapid growth
- In-house decoration in India & US

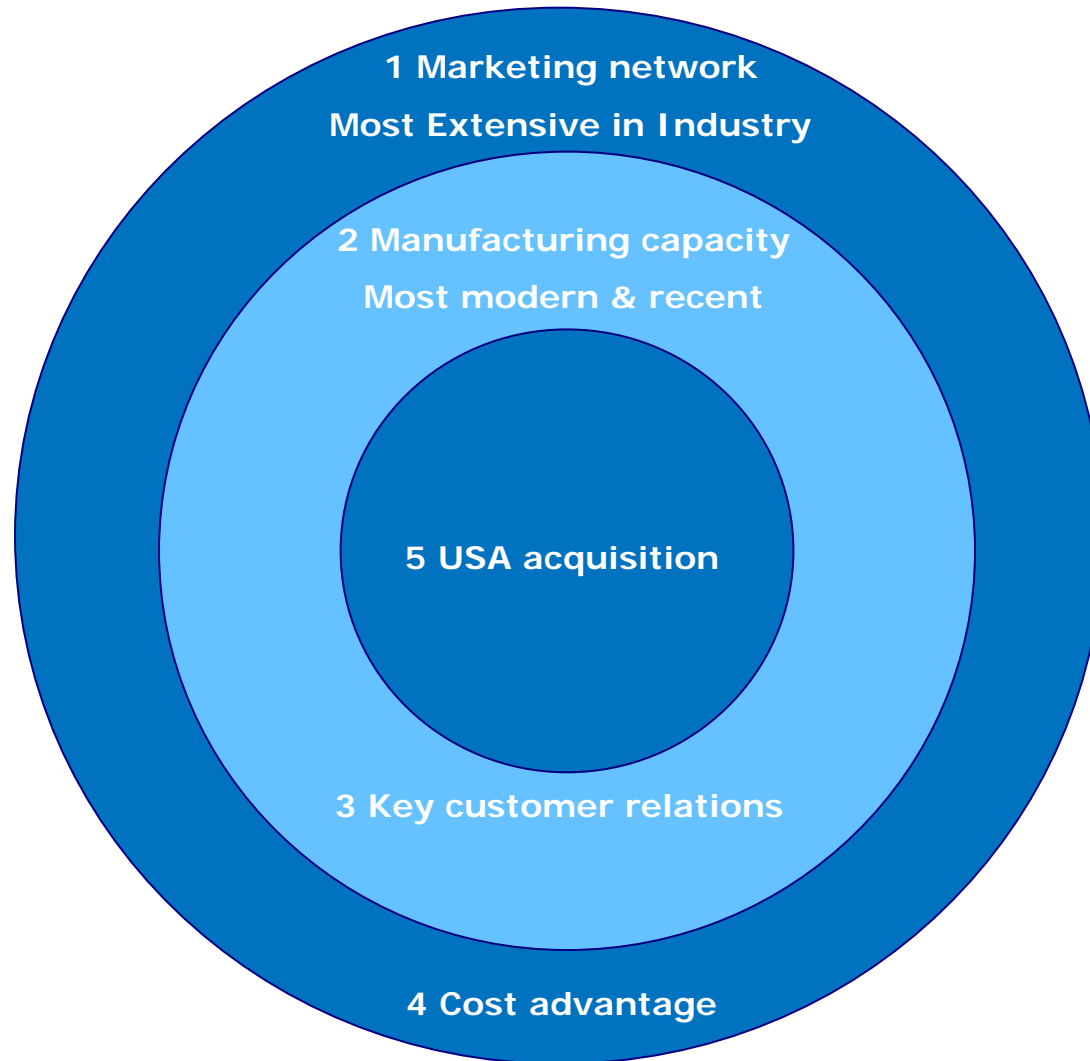
Competition & Markets

Competition from Pochet, Bormioli Luigi, Heinz, SGD and Zignago

We cater to France and USA markets

Challenging established global leaders in the most prestigious market

Sustainable competitive advantages



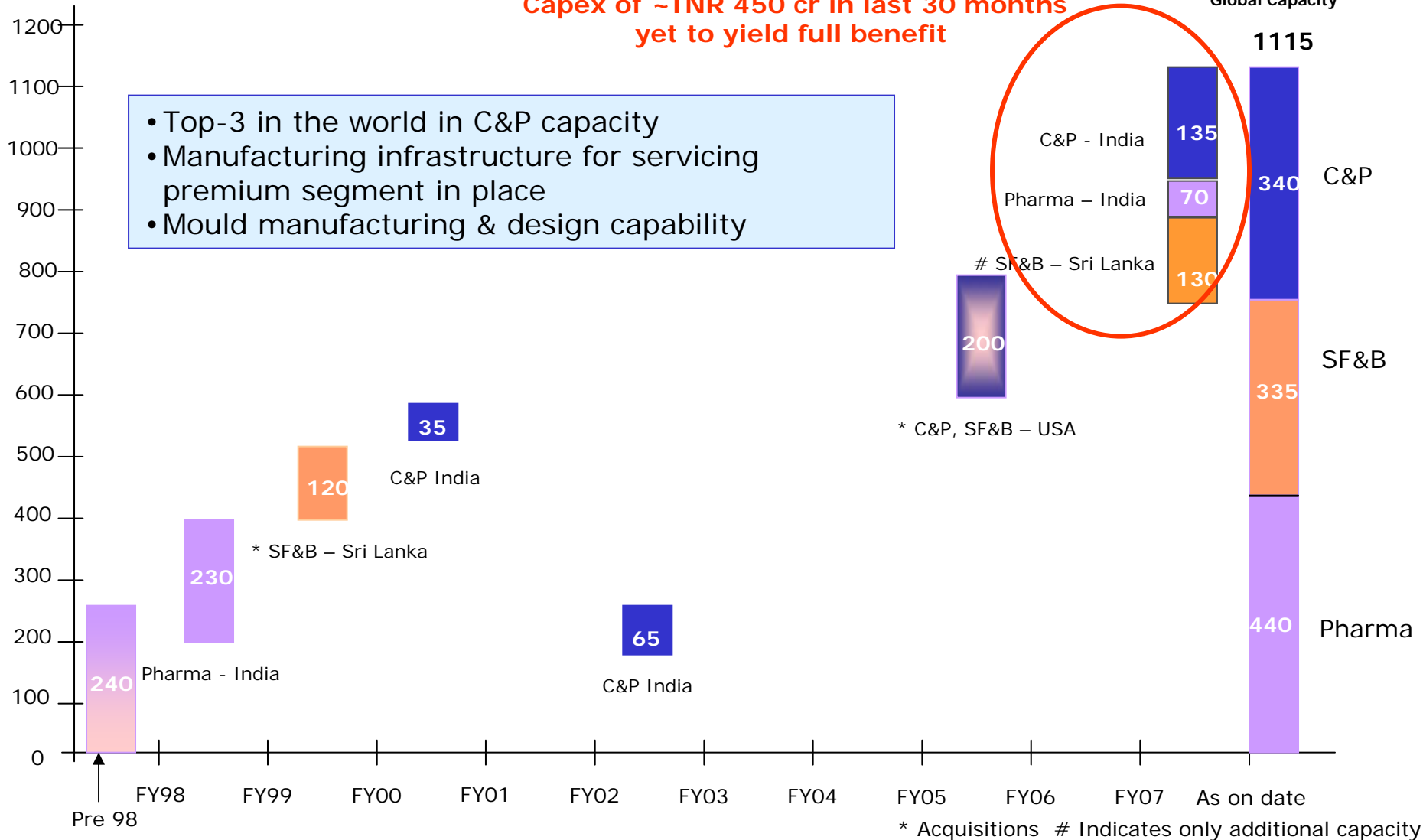
1. Marketing Network



Offices in 10 countries & distribution network in 44 countries

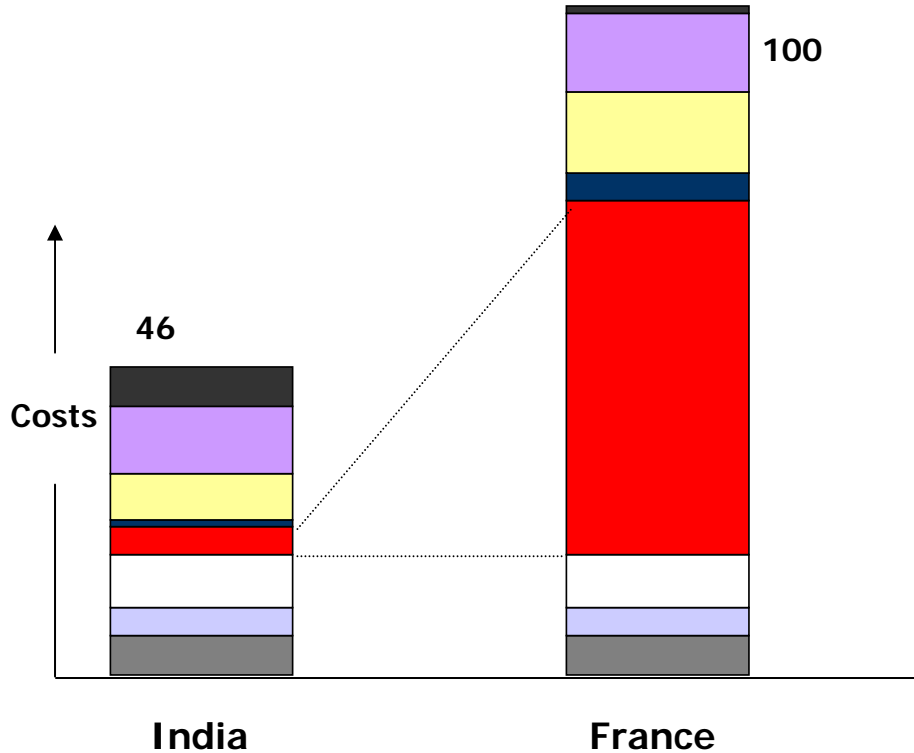
2. Manufacturing Capacity

Tons per day



Investments of INR 450 Crs in last 2.5 years to enhance capacity by 43%

4. Sustainable cost advantage



Cost	India	France
Total	46	100
Raw Material	6	6
Packing Material	4	4
Energy	8	8
Labour	4	53
Mold Cost	1	4
Depreciation	7	12
Overheads	10	12
Freight	6	1

- Raw Material ■ Packing Material ■ Energy ■ Labour
- Mold Cost ■ Depreciation ■ Overheads ■ Freight

**Significant India cost advantage .Availability of skill and technology
Project cost at 60% of global**

5. USA Acquisition – Reasons & Strategy

Market Acquisition

Access to 37% of global C&P premium market

80% of C&P requirement is imported

One of only two local manufacturers, with 10% market share of C&P

Established relationship with leading customers like Elizabeth Arden, Estee Lauder, L'Oreal, Revlon etc

Access to Technology

Access to know how and technology courtesy "Wheaton heritage" of 100+ years

Caters to high end C&P customers, hence awareness of quality and delivery standards

Achievements

Sales grew from \$ 56 mn to \$ 72 mn in FY09, a CAGR of 9%

Reduced cost base from \$ 66 mn to \$ 56 mn.

Expected Cash break even in FY 10

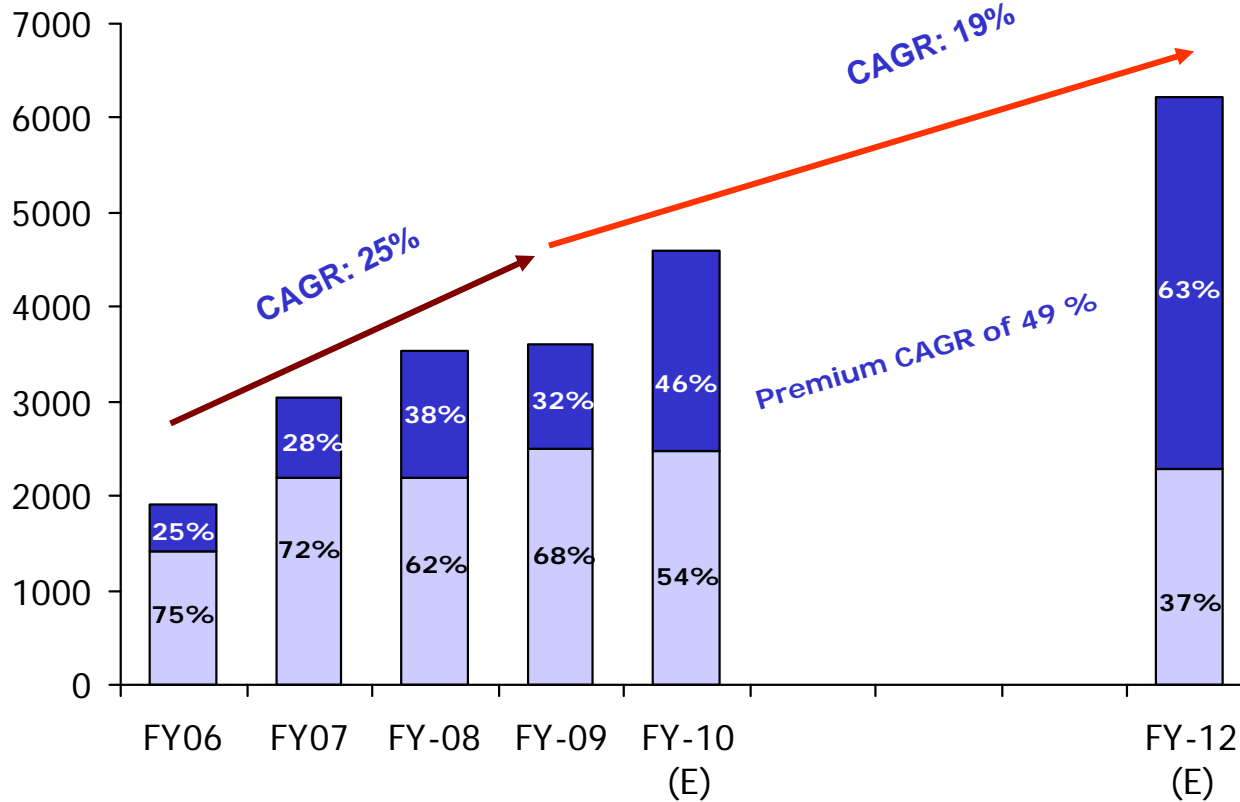
Future Strategy

Aggressively gain share in local markets

Rationalise manufacturing in USA & transition to India

Focus US facility on Specialty food & beverage as this business is regional due to freight

C&P segment to be a major growth driver



□ Mass ■ Premium

**Shift US manufacturing to India
Premium C&P CAGR 49%**

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Description	USP I, II, III. Bottles, vials	
	Market	Piramal Glass
Size & Growth	INR 500 Crores (India). Global markets are USd 2.0 bn	
Characteristics	<ul style="list-style-type: none"> • High entry barriers and stringent quality requirements for exports • Consolidated supplier base • With emergence of contract manufacturing, injectible (Type1) demand growing in India • Threat of conversion to PET for liquid orals 	<ul style="list-style-type: none"> • Market leaders in India for over a decade with a share of 35% • World class manufacturing facilities – Largest single location amber furnace • International certifications like OHASAS 18000, ISO 9000, ISO 14000, SA-8000 • Exports to over 20 countries primarily USA (38% of sales)
Competition & Markets	Hindusthan National Glass, AGI Haldyn Glass, Neutral Glass	Our major markets are USA, LatAm, Far East & India

Awarded “Best packaging vendor” by OPPI for the 6th time in 12 years

Rationalize product mix and markets for profit improvement

- Focus on high value added injectibles & infusion export and deemed export market (Type -1)
- Increase sales to USA distribution market
- Rationalise capacity in favour of high value C&P segment

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Specialty Food & Beverage (SF&B)

Segment characteristics

- Short production runs
- Value add such as decoration & feeder coloring

Current Position

US Operations

- Niche market for boutique alcoholic drinks
- Competition from Saver Glass, France & Vetri Specialty, Italy

Sri Lankan Operations

- Single source supplier in domestic market with 88% market share

Future Strategy

- Shift of procurement base from Europe to USA due to Freight, lead time & Inventory
- Position PGL as a US substitute to European suppliers
- Eventually dedicate USA facility fully to Speciality segment

- Export specialty value added liquor & boutique wine bottles to neighboring markets like India, Australia, South Africa
- Leverage only colouring forehearth in Asia

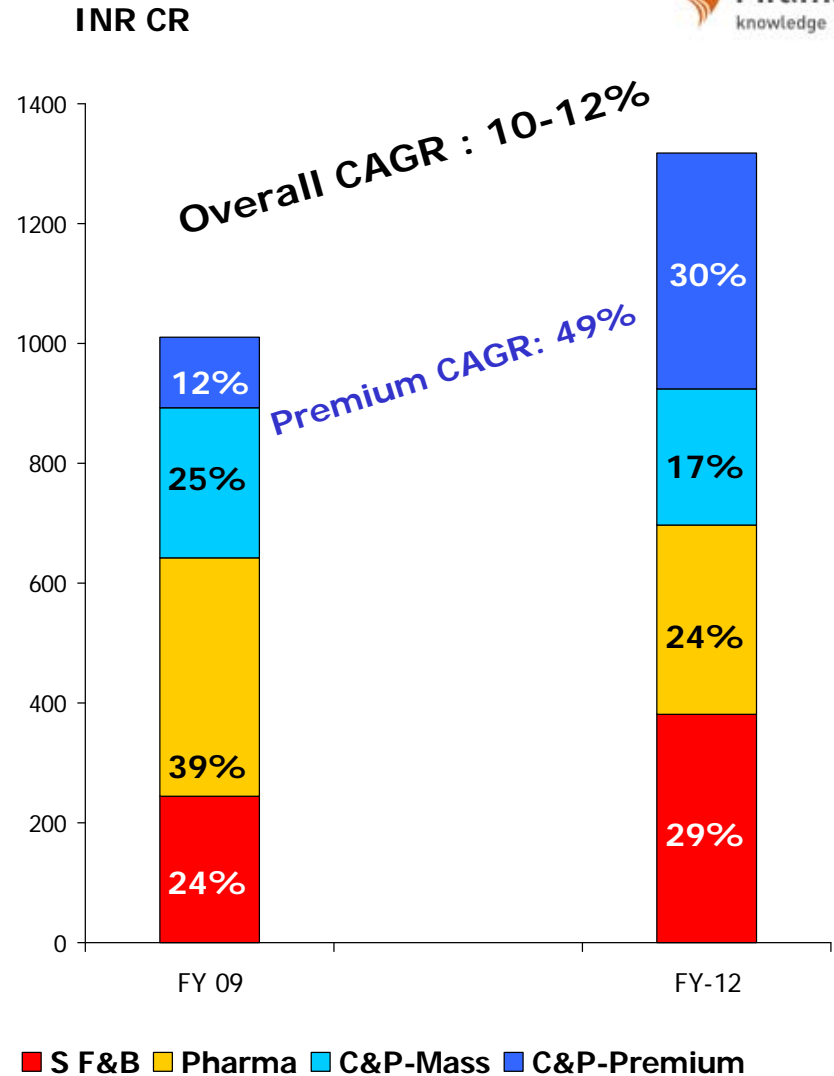
Strategy- Summary

Premium segment of C&P to be the major growth driver

- Lowest cost manufacturer globally
- Only player from Asia with marquee client base
- Manufacturing infrastructure in place
- Growth is without any new Greenfield capex, in fact reduction of 80 TPD
- Leverage PG,USA acquisition

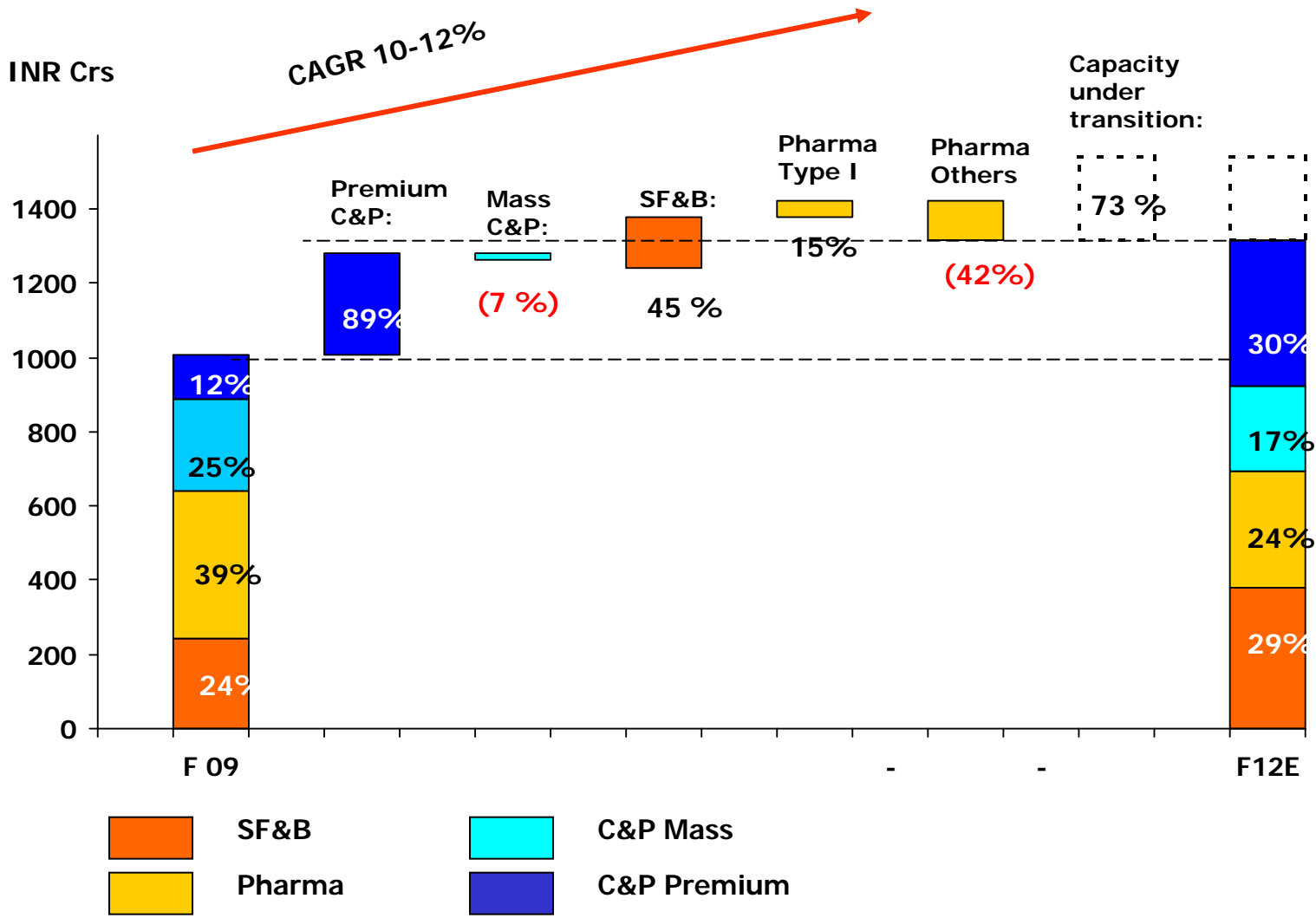
Pharmaceutical and SF&B segment

- Market & product mix improvement to expand margins and realizations

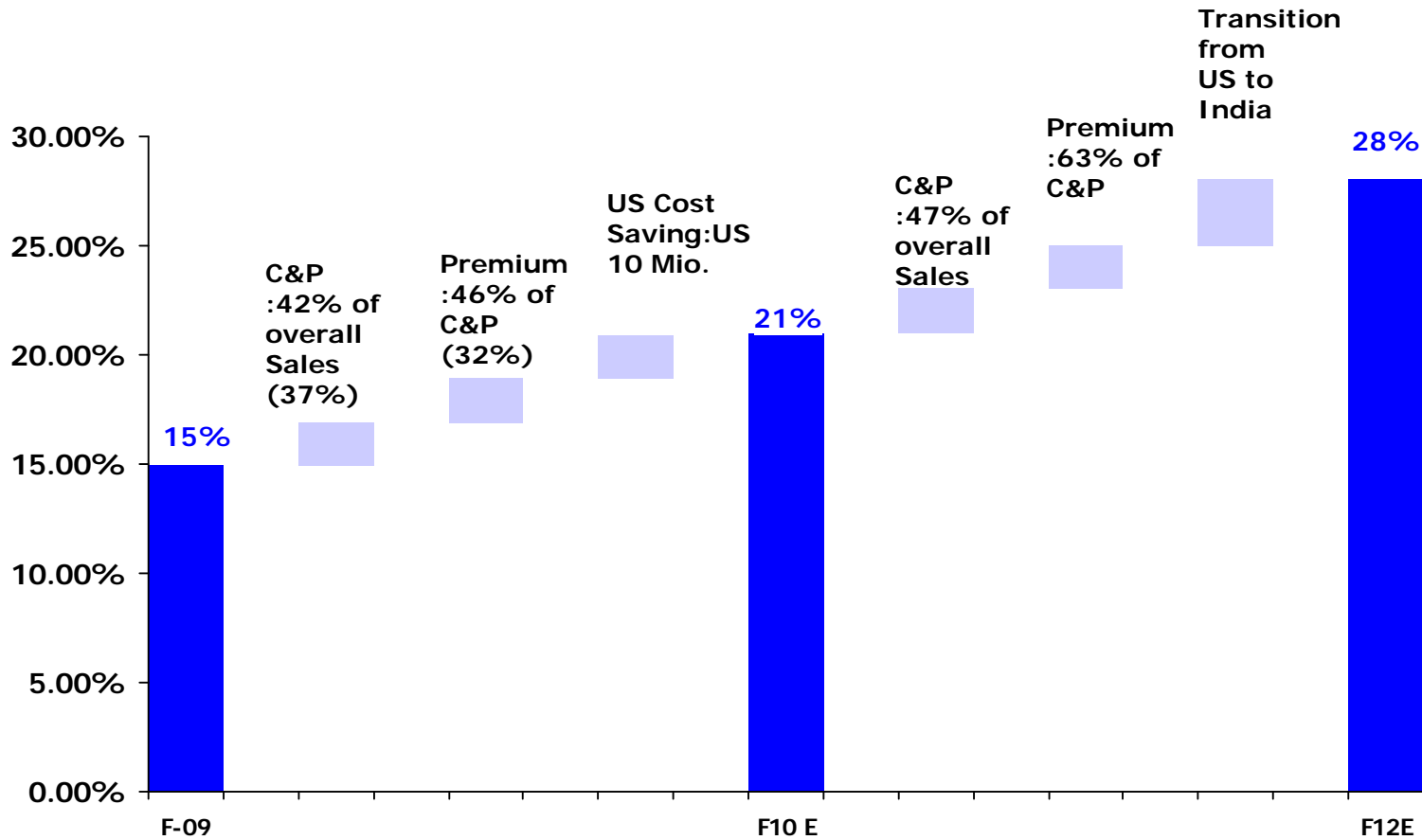


No green field expansion or inorganic growth assumed

Sales future growth composition.....



Piramal Glass Turnaround : Operating Profit Margin



QIII EBIDTA 22.2%



Thank You

For any further details

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