



6 November 2014

FY2015 QUARTER 2 RESULTS

(from 1 April 2014 to 30 September 2014)

- **Q2 results show improvement over previous year**
- **Market conditions mixed, with improvements in some regions and reductions in others**
- **Exceptional items benefitted from one-off gains recognized during the period**
- **FY2015 full-year forecast unchanged**

Q2 results show improvement over previous year

- Cumulative Group revenues of ¥ 309.5bn were 2% above the previous year (Q2 FY14: ¥ 302.2bn) Trading profit, before amortization and exceptional items, of ¥ 10.3bn (Q2 FY14: ¥ 9.2bn) reflects lower fixed costs
- Q2 FY15 Architectural revenue ¥ 123.9bn (Q2 FY14: ¥ 119.5bn) and profits of ¥ 5.7bn (Q2 FY14: ¥ 4.4bn)
- Q2 FY15 Automotive revenue ¥ 155.7bn (Q2 FY14: ¥ 152.1bn) and profits of ¥ 3.9bn (Q2 FY14: ¥ 4.6bn)
- Q2 FY15 Technical Glass revenue ¥ 29.2bn (Q2 FY14: ¥ 30.1bn) and profits of ¥ 2.4bn (Q2 FY14: ¥ 3.0bn)
- Cost savings continue to be delivered as expected

Market conditions mixed, with improvements in some regions and reductions in others

- European architectural markets were stable
- European cumulative light vehicle sales were similar to previous year, AGR volumes lower due to mild winter
- In Japan, architectural volumes impacted negatively by consumption tax increase, automotive demand robust. Cost push affecting all businesses
- In North America, architectural markets strong. Automotive markets continue to improve
- In the Rest of the World, architectural markets experienced increased demand levels in South East Asia. Automotive markets in South America suffering from weak market conditions
- Technical glass markets were similar to the previous quarter

Exceptional items benefitted from one-off gains recognized during the period

- The level of the Group's management involvement in Shanghai Yaohua Pilkington Glass Group Co., Ltd (SYP) has reduced, resulting in a gain of ¥ 13.3bn after reclassifying NSG's shareholding in SYP to a financial investment (previously equity accounted)
- Gain on the sale and lease-back of land at Itami City, Hyogo Prefecture, Japan of ¥ 4.5bn
- ¥ 4.2bn residual restructuring costs

Consolidated Income Statement



<u>(JPY bn)</u>	<u>Cum Q2 FY2015</u>	<u>Cum Q2 FY2014</u>	<u>Change from Cum Q2 FY2014</u>
Revenue	309.5	302.2	2%**
Trading profit	10.3	9.2	
Amortization*	(4.2)	(4.3)	
Operating profit before exceptional items	6.1	4.9	
Exceptional items	13.2	(6.0)	
Operating profit/(loss)	19.3	(1.1)	
Finance expenses (net)	(9.4)	(9.4)	
Share of JVs and associates	0.4	0.4	
Profit/(Loss) before taxation	10.3	(10.1)	
Profit/(Loss) for the period	7.9	(10.5)	
Profit/(Loss) attributable to owners of the parent	7.5	(11.1)	
EBITDA	26.5	25.2	5%

* Amortization arising from the acquisition of Pilkington plc only

** 0% based on constant exchange rates

Further improvement in profitability

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