

## FY2014 ANNUAL RESULTS

(from 1 April 2013 to 31 March 2014)

- **Annual results delivered, consistent with forecast**
- **Major restructuring activities now successfully completed and savings achieved**
- **Market conditions broadly stable**
- **Profit improvement reflects operational cost savings**
- **Further improvement expected through FY2015**

### **Annual results delivered, consistent with forecast**

- Cumulative Group revenues of ¥ 606.1bn were 16% above the previous year (FY13: ¥ 521.3bn), 2% higher than the previous year at constant exchange rates
- Trading profit, before amortization and exceptional items, of ¥ 22.4bn (FY13: ¥ 9.0bn) reflects operational cost savings
- FY14 Architectural revenue ¥ 240.6bn (FY13: ¥ 215.7bn) and profits of ¥ 10.9bn (FY13: ¥ 0.3bn)
- FY14 Automotive revenue ¥ 305.1bn (FY13: ¥ 245.0bn) and profits of ¥ 11.2bn (FY13: ¥ 4.8bn)
- FY14 Technical Glass revenue ¥ 59.4bn (FY13: ¥ 59.4bn) and profits of ¥ 5.9bn (FY13: ¥ 6.7bn)
- Joint venture and associate results were mixed, increased profit in Brazil was offset by start-up losses in Columbia and lower profitability in Russia

### **Major restructuring activities now successfully completed and savings achieved**

- Restructuring increasingly benefiting profits, year on year savings ¥ 10.3bn
- Utilization levels improved as a result of restructuring
- Operational improvements remain a key focus and programs will continue
- Management focused on the next steps to improve the Group's profitability

### **Market conditions broadly stable**

- European architectural markets were broadly stable
- European automotive markets stable, but some improvement during the second half of the year
- In Japan, architectural market indicators continue to improve, automotive market assisted by yen weakness
- In North America, recovering domestic demand benefitting architectural markets, automotive markets continue to strengthen
- In the Rest of the World, architectural markets experienced increased demand levels, automotive markets stalled towards the end of the year
- Technical glass markets mixed, with improvements in some areas and reductions in others

### **Further improvement expected through FY2015**

- The Group expects a gradual improvement in market conditions during FY2015
- European markets are expected to continue to slowly recover, but remain below pre-recession levels
- Increased indirect taxation will affect automotive markets in Japan, FY2014 positive market indicators in architectural markets expected to continue
- North American volumes are likely to increase
- South America likely to be relatively weak
- Technical glass markets are expected to be similar to FY2014

## Consolidated Income Statement



<u>(JPY bn)</u>	<u>FY2014</u>	<u>FY2013</u>	<u>Change from FY2013</u>
<b>Revenue</b>	<b>606.1</b>	<b>521.3</b>	<b>16%**</b>
<b>Trading profit</b>	<b>22.4</b>	<b>9.0</b>	
Amortization*	(7.9)	(7.0)	
<b>Operating profit before exceptional items</b>	<b>14.5</b>	<b>2.0</b>	
<b>Exceptional items</b>	<b>(13.8)</b>	<b>(19.2)</b>	
<b>Operating profit/(loss)</b>	<b>0.7</b>	<b>(17.2)</b>	
Finance expenses (net)	(18.1)	(16.2)	
Share of JVs and associates	1.0	2.3	
<b>Loss before taxation</b>	<b>(16.4)</b>	<b>(31.1)</b>	
<b>Loss for the period</b>	<b>(16.5)</b>	<b>(33.5)</b>	
<b>Loss attributable to owners of the parent</b>	<b>(17.6)</b>	<b>(34.3)</b>	
 EBITDA	 54.4	 37.5	 45%

\* Amortization arising from the acquisition of Pilkington plc only

\*\* +2% based on constant exchange rates

### Profit improvement reflects cost savings

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## FY2015 Forecast



### Consolidated Forecast Income Statement (JPY bn)

	<u>Forecast FY2015</u>	<u>Actuals FY2014</u>
<b>Revenue</b>	<b>620</b>	<b>606</b>
<b>Trading profit</b>	<b>29.0</b>	<b>22.4</b>
Amortization*	(8.0)	(7.9)
<b>Operating profit before exceptional items</b>	<b>21.0</b>	<b>14.5</b>
Exceptional items	0.0	(13.8)
<b>Operating profit</b>	<b>21.0</b>	<b>0.7</b>
Finance expenses (net)	(19.0)	(18.1)
Share of JVs and associates	3.0	1.0
<b>Profit/(loss) before taxation</b>	<b>5.0</b>	<b>(16.4)</b>
<b>Profit/(loss) for the period</b>	<b>2.0</b>	<b>(16.5)</b>
<b>Profit/(loss) attributable to owners of the parent</b>	<b>1.0</b>	<b>(17.6)</b>

\* Amortization arising from the acquisition of Pilkington plc only

### Profitability increasing as markets gradually improve

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