

NSG

GROUP

NSG Group

FY2014 Annual Results

(from 1 April 2013 to 31 March 2014)

Keiji Yoshikawa

Chief Executive Officer

Clemens Miller

Chief Operating Officer

Mark Lyons

Chief Financial Officer

Kenichi Morooka

Executive Vice President

FY2014 Annual Results

(from 1 April 2013 to 31 March 2014)



Agenda

Key Points

Financial Results

FY2015 Forecast

Business Update

Summary

Key Points - April 2013 to 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

FY2014 Annual Results

(from 1 April 2013 to 31 March 2014)



Agenda

Key Points

Financial Results

FY2015 Forecast

Business Update

Summary

Consolidated Income Statement



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

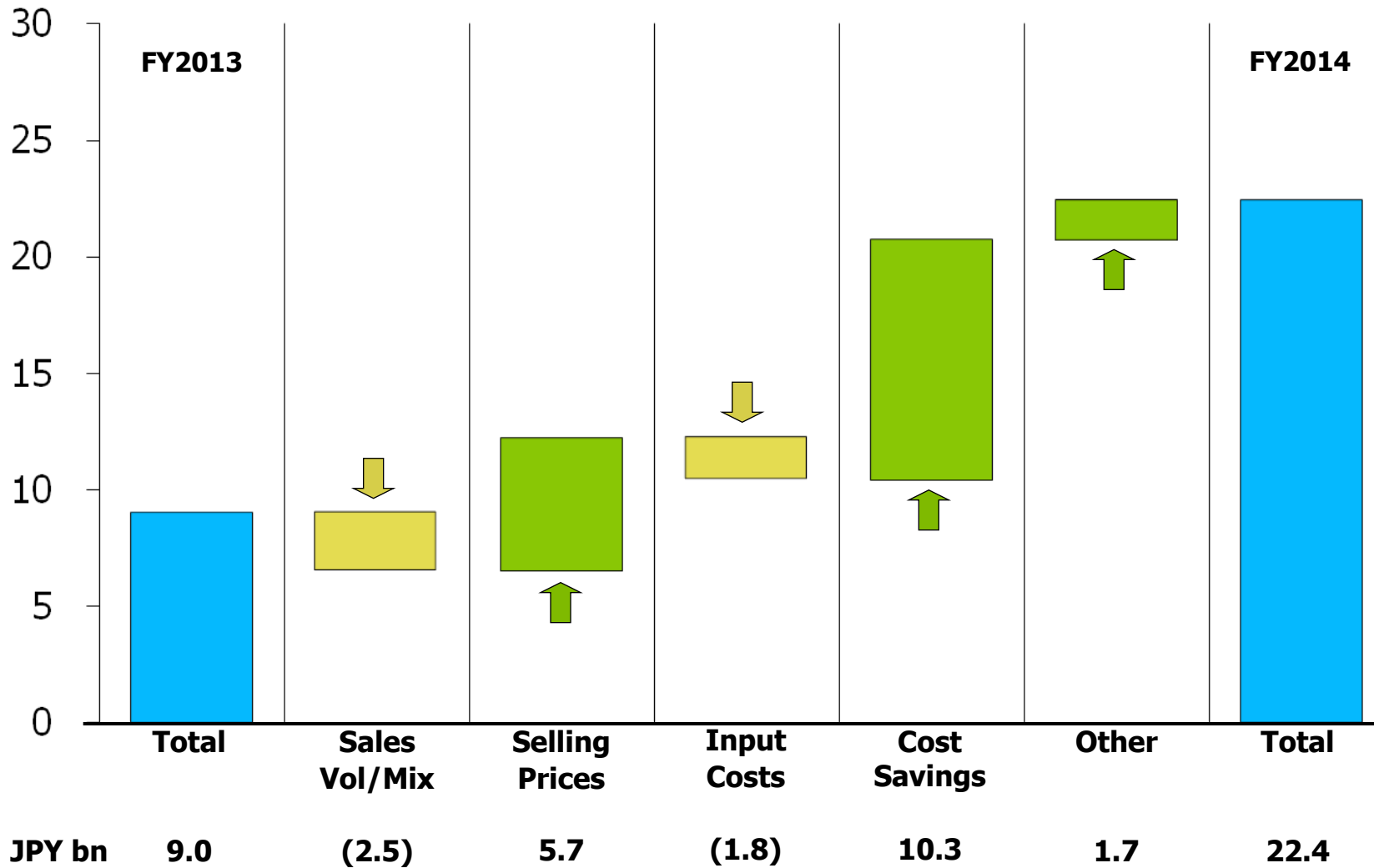
* Amortization arising from the acquisition of Pilkington plc only

** +2% based on constant exchange rates

Profit improvement reflects cost savings

Change Analysis

Trading profit



Profits reflect generally stable markets and operational cost savings

Consolidated Cash Flow Summary



(JPY bn)

	FY2014	FY2013
Loss for the period	(16.5)	(33.5)
Depreciation and amortization	40.4	36.6
Net change in working capital	15.2	21.7
Tax paid	(3.7)	(6.0)
Others	(17.5)	(4.6)
Net cash inflow from operating activities	17.9	14.2
Purchase of property, plant and equipment	(25.7)	(25.6)
Others	8.6	18.6
Net cash outflow from investing activities	(17.1)	(7.0)
Cash flow before financing activities	0.8	7.2

Key Performance Indicators



	<u>31-Mar-14</u>	<u>31-Mar-13</u>
Net Debt (JPY bn)	379	361
Net Debt/EBITDA	7.0x	9.6x
Net Debt/Equity Ratio	2.2	2.3
	<u>FY2014</u>	<u>FY2013</u>
EBITDA Interest Cover	3.7x	3.0x
Operating Return* on Sales	3.7%	1.7%

* Trading profit

Improved profitability reflected in KPIs

FY2014 Annual Results

(from 1 April 2013 to 31 March 2014)



Agenda

Key Points

Financial Results

FY2015 Forecast

Business Update

Summary

Consolidated Forecast Income Statement (JPY bn)

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

* Amortization arising from the acquisition of Pilkington plc only

Profitability increasing as markets gradually improve

FY2014 Annual Results

(from 1 April 2013 to 31 March 2014)



Agenda

Key Points

Financial Results

FY2015 Forecast

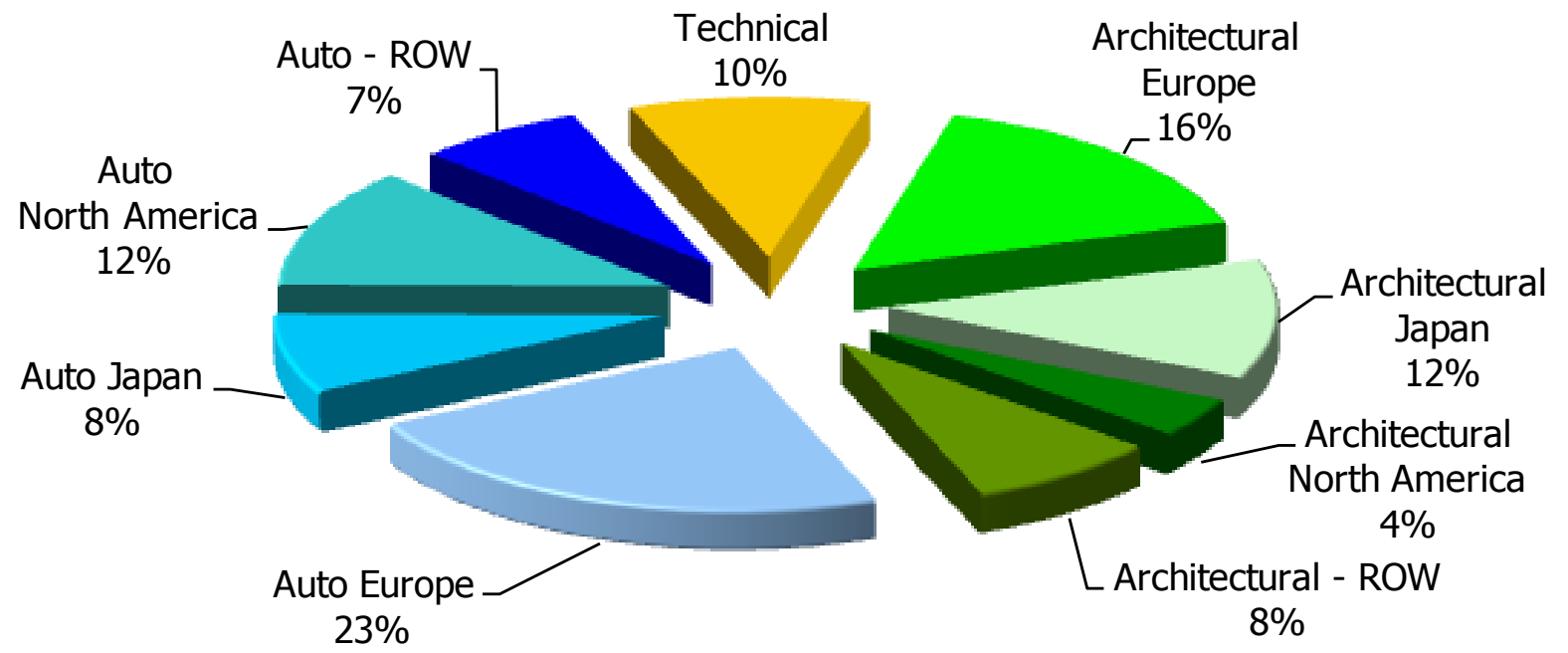
Business Update

Summary

External Revenue – Group Businesses



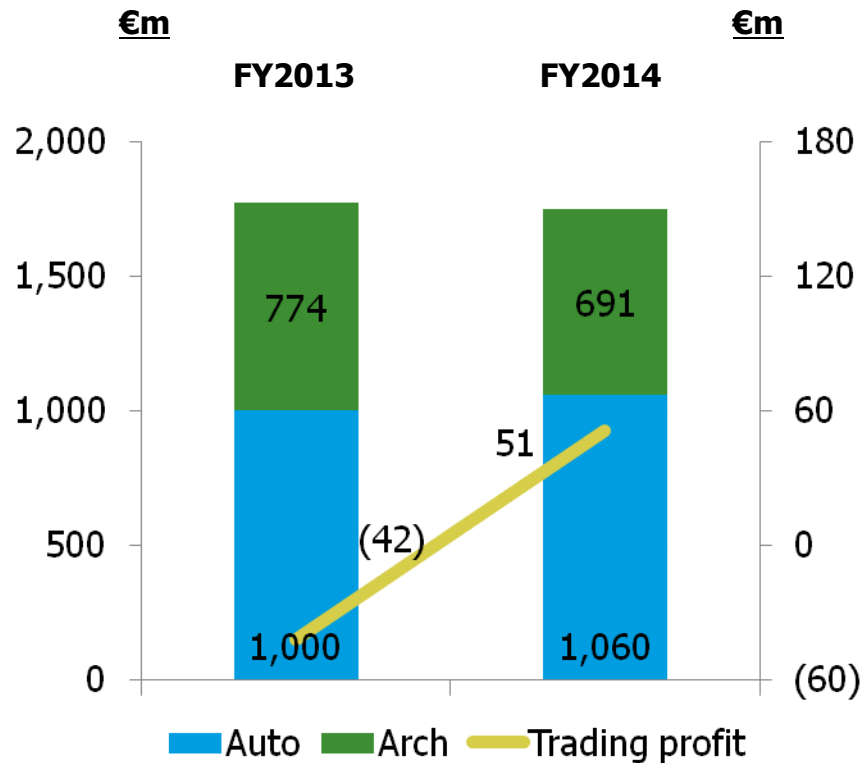
¥ 606.1 billion



FY2014 Annual

Europe

FY2014 v FY2013



Architectural

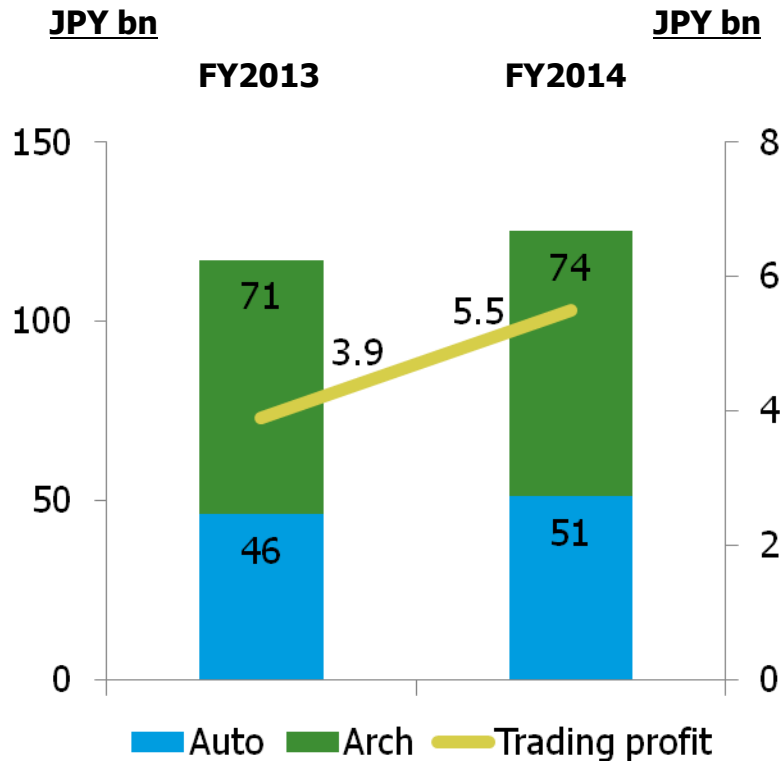
- Stable market conditions
- NSG volumes reduced following mothballing of under-utilized facilities
- Cost reductions and increased asset utilization improving profitability

Automotive

- OE volumes stable but signs of recovery in H2
- Profits improving due to restructuring actions
- Increased demand in AGR

Japan

FY2014 v FY2013



Architectural

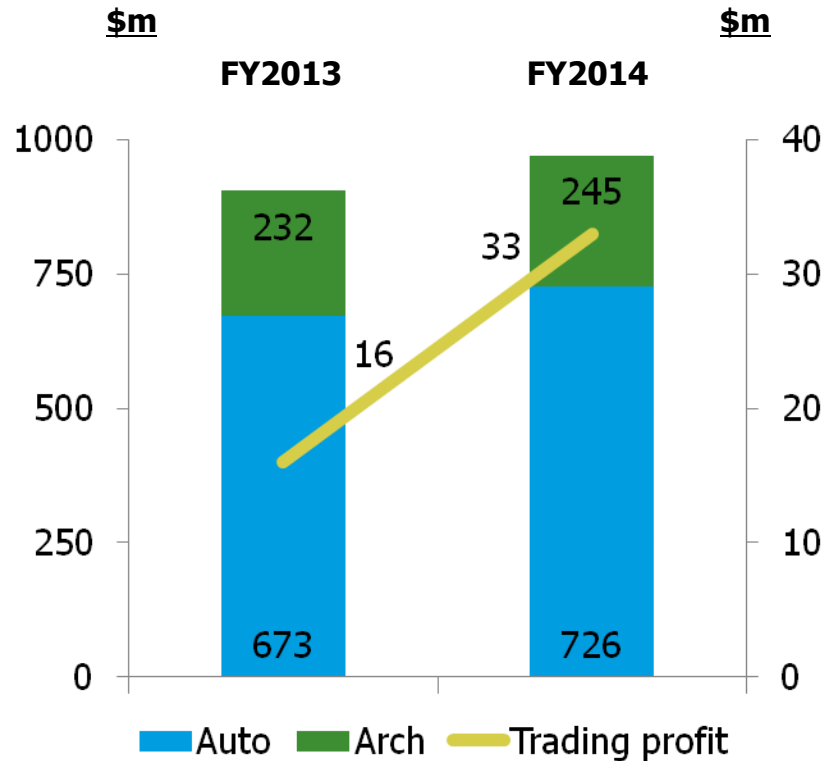
- Positive market indicators
- Profitability impacted by increased energy costs

Automotive

- Vehicle exports boosted by weaker yen
- Sales benefitting from pre-consumption tax increase
- Improved profits from increased volumes and cost reductions

North America

FY2014 v FY2013



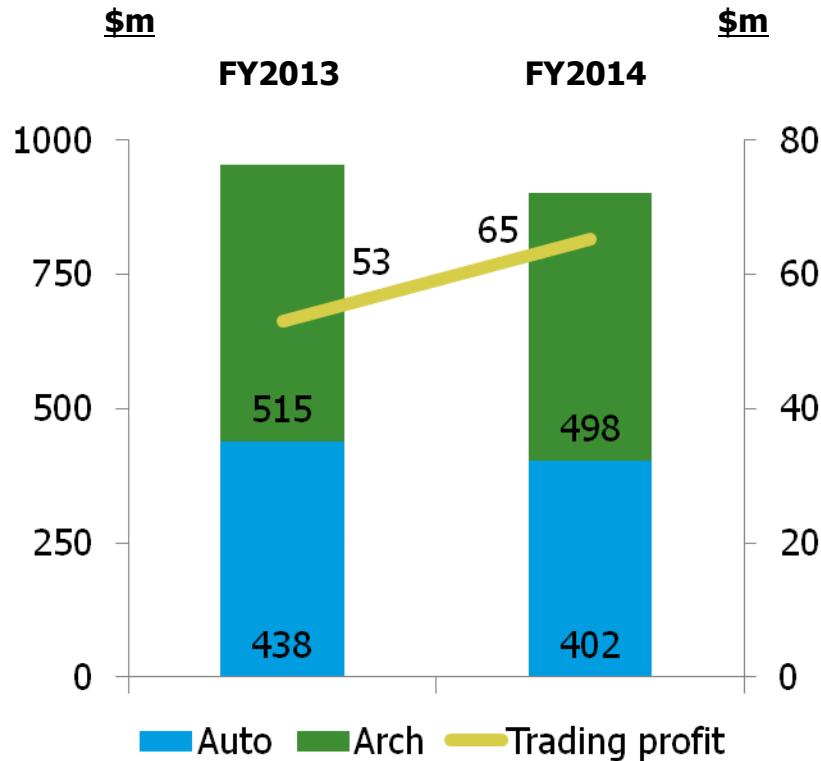
Architectural

- Increased domestic demand offsetting reduced Solar Energy dispatches
- Domestic price levels above the previous year

Automotive

- Revenues and profitability improved in both OE and AGR
- OE market volumes ahead of FY13
- AGR demand increased following harsh winter weather conditions

Rest of World FY2014 v FY2013



Architectural

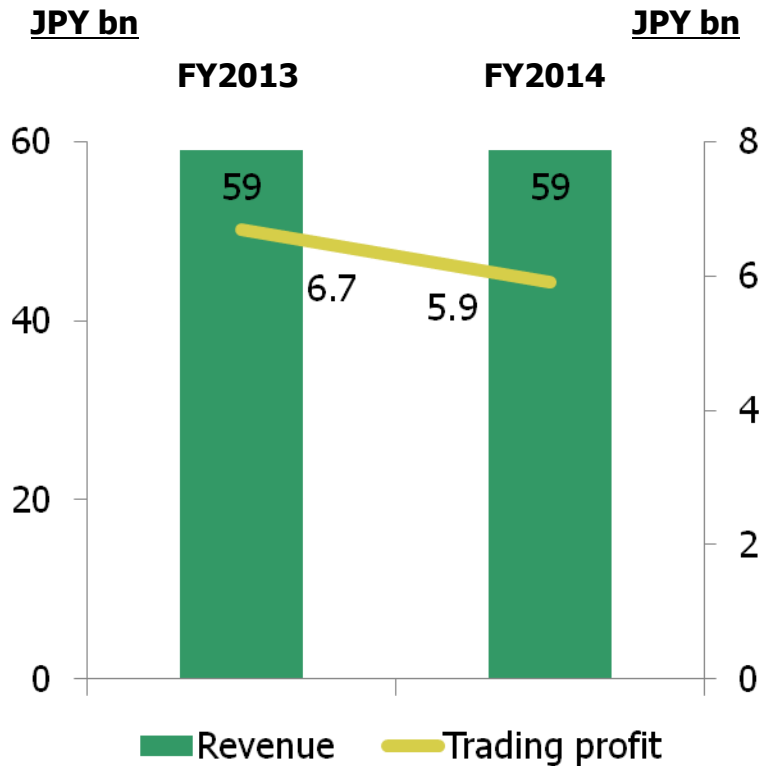
- Improved market conditions in South America and South East Asia
- Increased demand benefiting profitability

Automotive

- Local currency revenues improved on increased volumes
- Growth slowed down towards the end of Q4

Technical Glass

FY2014 v FY2013



Technical Glass

- Revenues flat as yen translation gain offsets volume reductions
- Improving conditions in office printer and glass cord markets
- Volume reductions in thin glass due to a line repair

Joint Ventures and Associates

FY2014 v FY2013



(JPY bn)	<u>FY2014</u>	<u>FY2013</u>
Share of post-tax profits	1.0	2.3

- Cebrace profits improved due to increased demand
- Profitability improved in the Group's joint ventures and associates in China
- Start up costs in Colombia and losses sustained in Russia

FY2014 Annual Results

(from 1 April 2013 to 31 March 2014)



Agenda

Key Points

Financial Results

FY2015 Forecast

Business Update

Summary

Summary



- Annual results delivered, consistent with forecast
- Major restructuring activities now successfully completed and savings achieved
- Further improvement expected through FY2015

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Europe, Japan, the U.S. and Asia), product supply/demand shifts, and currency exchange fluctuations.

Nippon Sheet Glass Co., Ltd.

Appendices

Revenue by Business

FY2014



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	73.9	92.3	24.5	49.9	240.6
Automotive	50.7	141.6	72.6	40.2	305.1
Technical Glass	31.2	7.9	1.2	19.1	59.4
Others	0.9	0.1	0.0	0.0	1.0
Total	156.7	241.9	98.3	109.2	606.1

Trading profit

FY2014



(JPY bn)	Architectural	Automotive	Technical Glass	Other	Total
Trading profit	10.9	11.2	5.9	(5.6)	22.4

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Trading profit	5.3	7.1	2.7	7.3	22.4

Assumptions



	FY2013	FY2014	FY2015 Forecast
Average rates used:			
JPY/GBP	131	159	170
JPY/EUR	107	134	140
JPY/USD	83	100	100
Closing rates used:			
JPY/GBP	141	171	
JPY/EUR	119	141	
JPY/USD	93	103	

NSG

GROUP