

NSG

GROUP

NSG Group

FY2015 Quarter 2 Results

(from 1 April 2014 to 30 September 2014)

Keiji Yoshikawa

Chief Executive Officer

Clemens Miller

Chief Operating Officer

Mark Lyons

Chief Financial Officer

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FY2015 Quarter 2 Results

(from 1 April to 30 September 2014)



Agenda

Key Points

Financial Results

Business Update

Summary

Key Points - April to 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 Quarter 2 Results

(from 1 April to 30 September 2014)



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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

Exceptional items

(JPY bn)

Gain on reclassification of investments
Gain on disposal of non-current assets
Restructuring costs
Other items

Cum Q2
FY2015

13.3

4.5

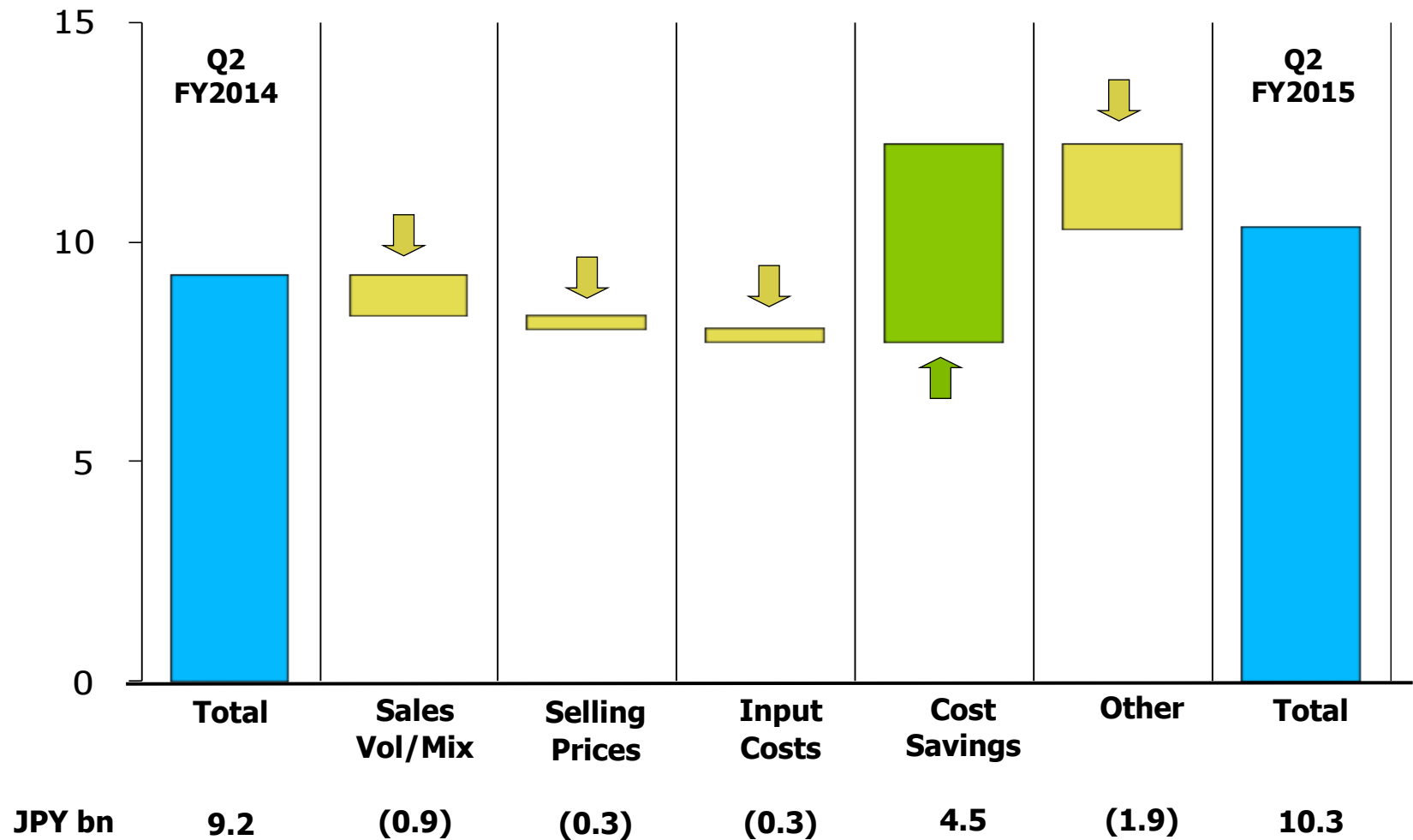
(4.2)

(0.4)

13.2

Change Analysis

Trading profit



Cost savings driving profit improvement

Consolidated Cash Flow Summary



(JPY bn)	<u>Q1</u> <u>FY2015</u>	<u>Q2</u> <u>FY2015</u>	<u>Cum Q2</u> <u>FY2015</u>
Profit/(Loss) for the period	(4.7)	12.6	7.9
Depreciation and amortization	10.3	10.3	20.6
Net change in working capital	(7.3)	5.1	(2.2)
Tax paid	(1.4)	(0.6)	(2.0)
Gain on sale of property, plant and equipment	-	(4.4)	(4.4)
Gain on reclassification of investments	-	(13.3)	(13.3)
Others	(3.6)	(3.9)	(7.5)
Net cash in/(out)flow from operating activities	(6.7)	5.8	(0.9)
Purchase of property, plant and equipment	(7.6)	(8.0)	(15.6)
Others	0.3	4.3	4.6
Net cash outflow from investing activities	(7.3)	(3.7)	(11.0)
Cash flow before financing activities	(14.0)	2.1	(11.9)

Key Performance Indicators



	<u>30-Sep-14</u>	<u>31-Mar-14</u>
Net Debt (JPY bn)	390	379
Net Debt/EBITDA	7.0x	7.0x
Net Debt/Equity Ratio	2.1	2.2
	<u>Q2 FY2015</u>	<u>Q2 FY2014</u>
EBITDA Interest Cover	3.4x	3.3x
Operating Return* on Sales	3.3%	3.0%

* Trading profit

- Market conditions mixed, with improvements in some regions and reductions in others
 - Significant market recovery not yet materialized in Europe
 - Some volume reduction after consumption tax increase in Japan
 - South American markets weak
 - Improving Architectural volumes and Solar Energy dispatches in South East Asia
 - Strong performance in North America
- Anticipate stronger trading performance in second half

Cost savings driving profit improvement

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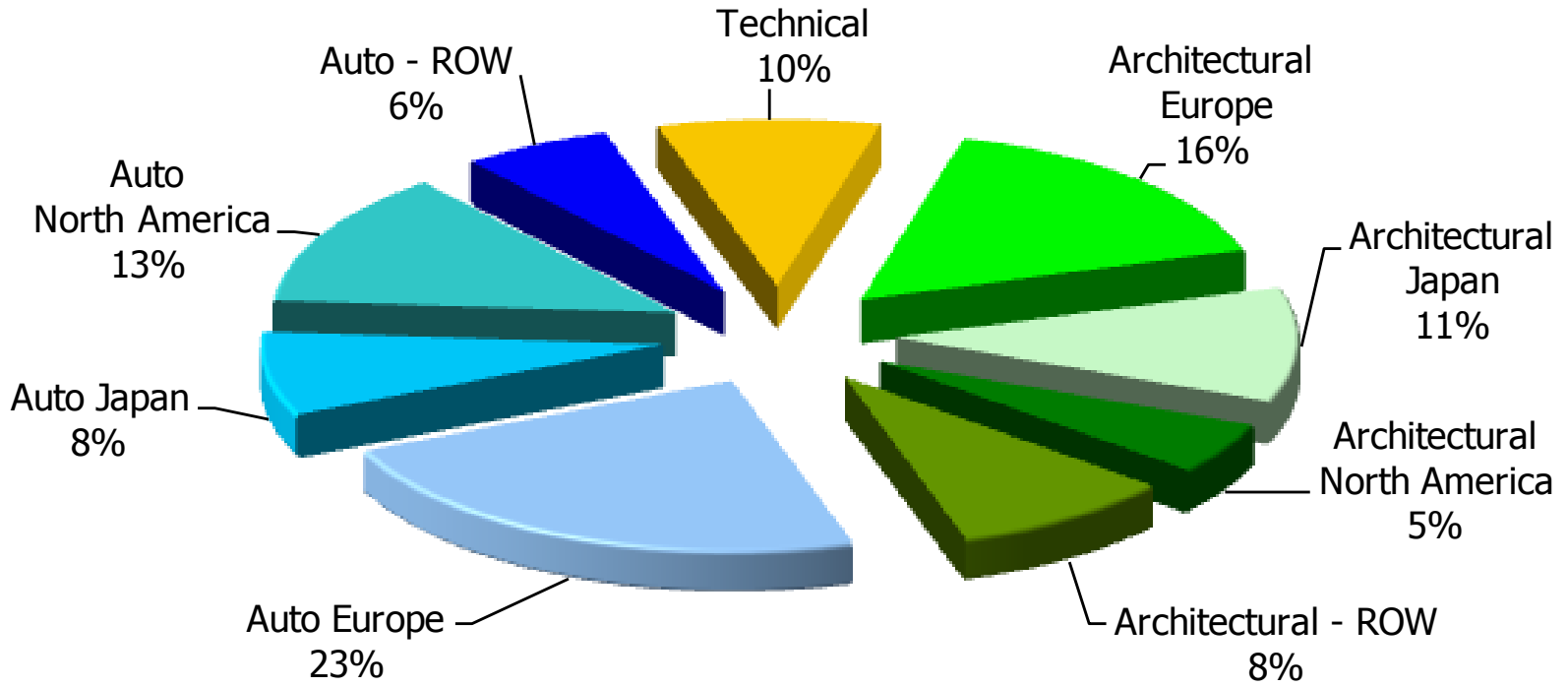
Business Update

Summary

External Revenue – Group Businesses



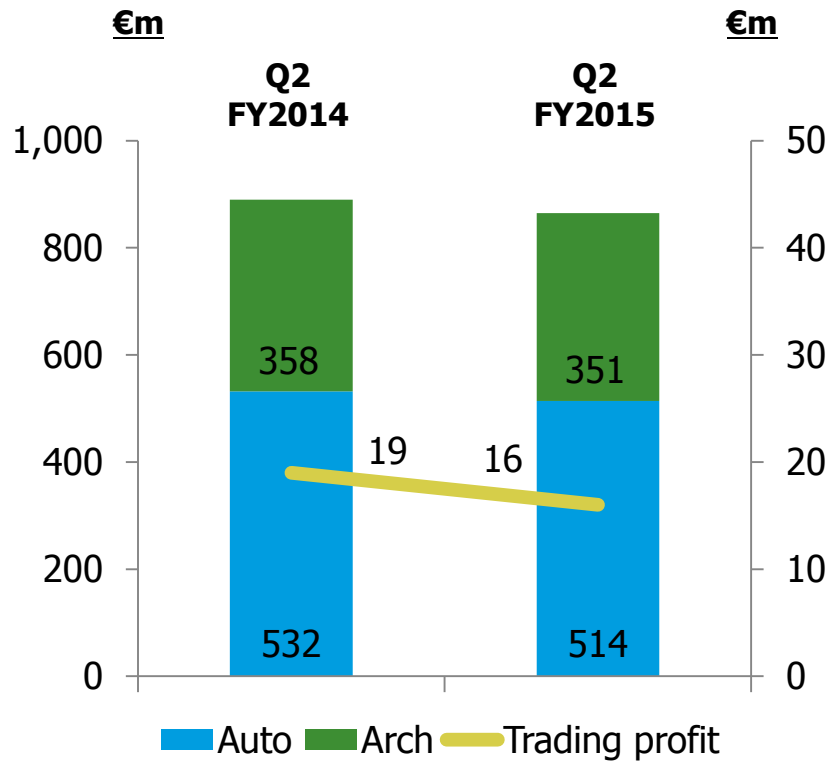
¥ 309.5 billion



Cumulative Q2 FY2015

Europe

Q2 FY2014 v Q2 FY2015



Architectural

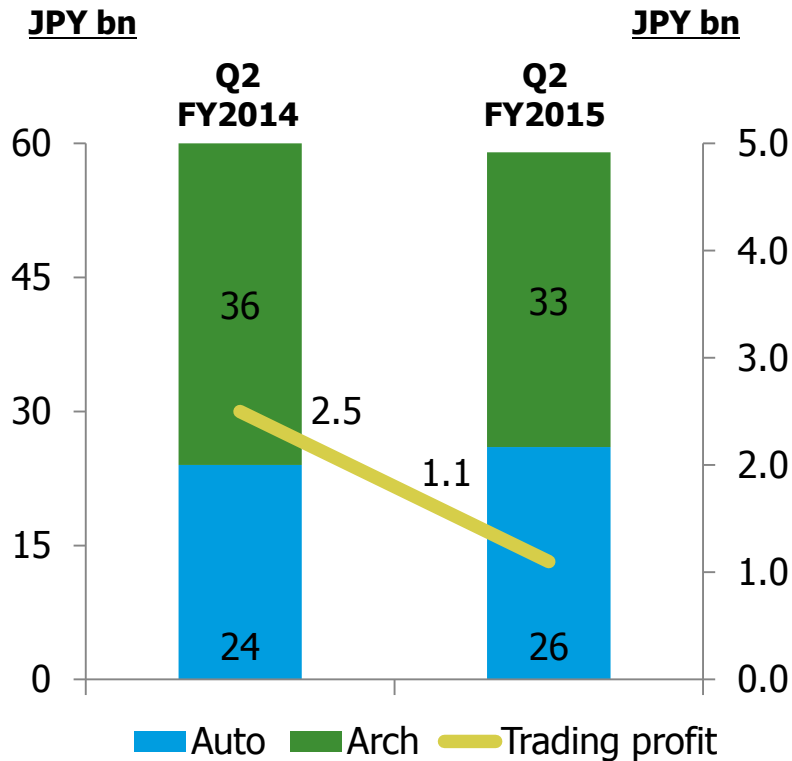
- Stable market conditions
- Profitability similar to the previous year

Automotive

- OE market recovery slowing down
- Lower AGR volumes following mild winter

Japan

Q2 FY2014 v Q2 FY2015



Architectural

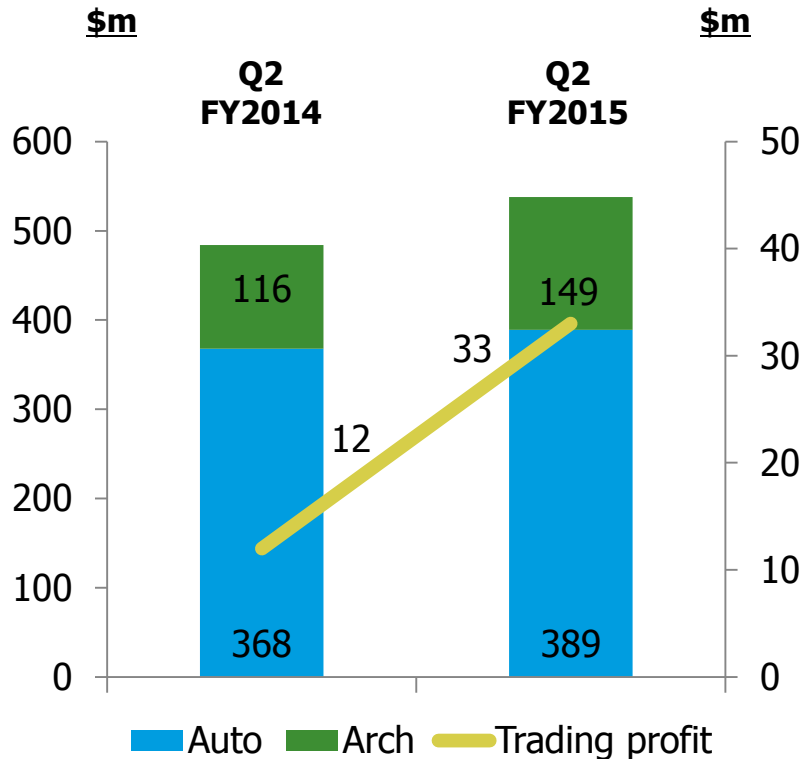
- Volumes fell following consumption tax increase
- Profits impacted by cost push
- Long-term prospects continue to be positive

Automotive

- OE volumes robust despite consumption tax increase
- Profits impacted by cost push, mainly energy related

North America

Q2 FY2014 v Q2 FY2015



Architectural

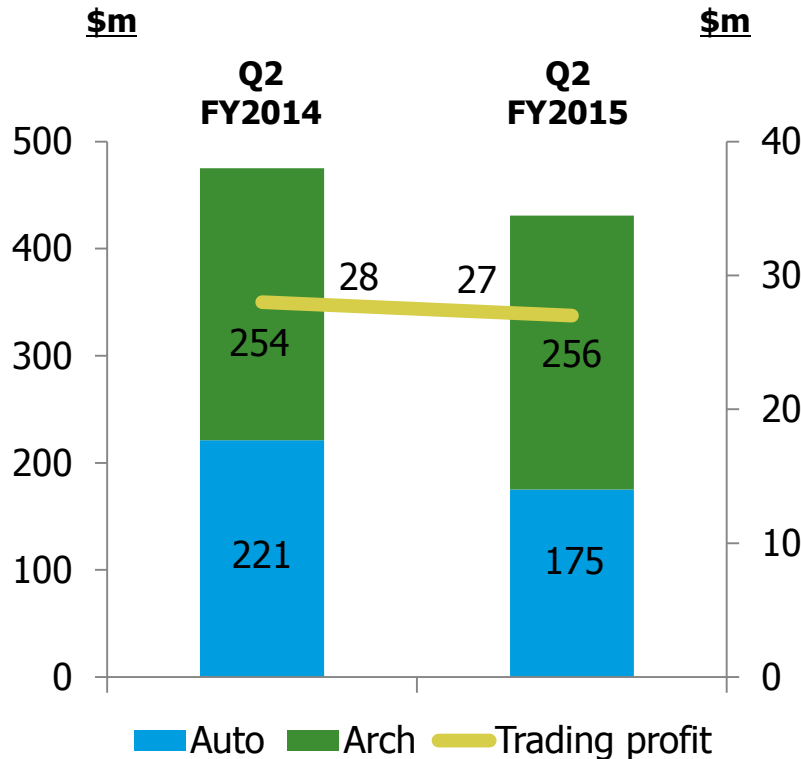
- Revenues and profits improved from the previous year
- Volumes increased, improved domestic and Solar demand
- Domestic price levels above the previous year

Automotive

- OE market volumes continued to increase
- Strong AGR demand following harsh winter weather conditions

Rest of World

Q2 FY2014 v Q2 FY2015



Architectural

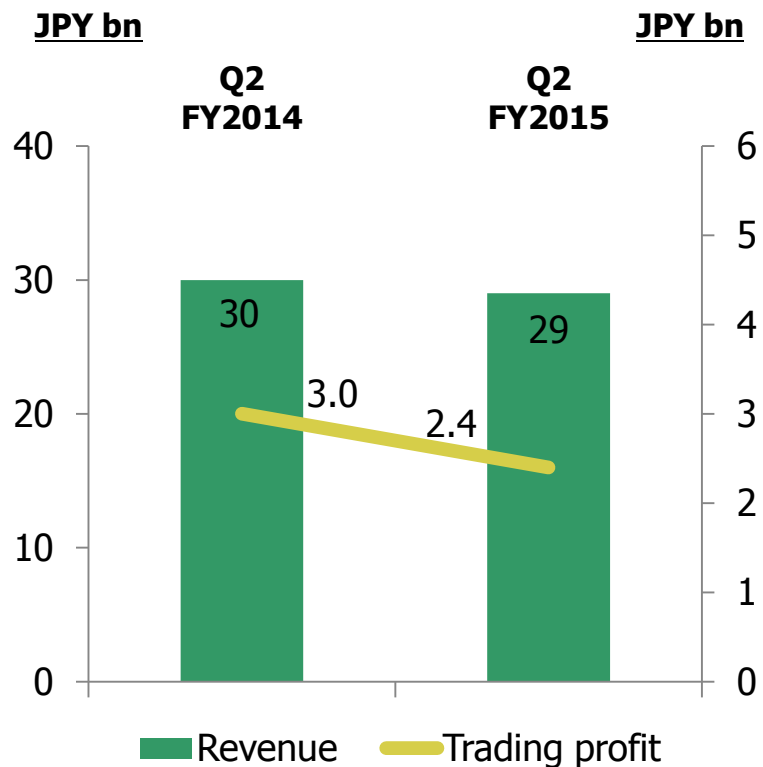
- South East Asia markets strong with improving domestic demand and increased Solar Energy dispatches
- Weak market conditions in Argentina

Automotive

- Weak market conditions persist in Brazil
- Challenging economic environment in Argentina

Technical Glass

Q2 FY2014 v Q2 FY2015



Technical Glass

- Improving demand in office printer market
- Glass cord volumes similar to previous year
- Display glass impacted by increased competition

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- Q2 results show improvement over previous year
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- Exceptional items benefitted from one-off gains recognized during the period
- FY2015 full-year forecast remains unchanged

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

Q2 FY2015



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	33.2	49.0	15.3	26.4	123.9
Automotive	25.9	71.7	40.1	18.0	155.7
Technical Glass	15.3	4.1	0.6	9.2	29.2
Others	0.6	0.1	0.0	0.0	0.7
Total	75.0	124.9	56.0	53.6	309.5

Trading profit

Q2 FY2015



(JPY bn)	Architectural	Automotive	Technical Glass	Other	Total
Trading profit	5.7	3.9	2.4	(1.7)	10.3

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Trading profit	1.5	2.6	3.1	3.1	10.3

Assumptions



	Q2 FY2014	Q2 FY2015
Average rates used:		
JPY/GBP	153	173
JPY/EUR	131	140
JPY/USD	99	103
Closing rates used:		
JPY/GBP	158	178
JPY/EUR	132	139
JPY/USD	98	109

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