

NSG

GROUP

NSG Group

FY2014 Quarter 3 Results

(from 1 April 2013 to 31 December 2013)

Nippon Sheet Glass Co., Ltd.
31 January 2014

Clemens Miller
Chief Operating Officer

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Chief Financial Officer

FY2014 Quarter 3 Results

(from 1 April 2013 to 31 December 2013)



Agenda

Key Points

Financial Results

Business Update

Summary

Key Points - April to December 2013



- Cumulative Q3 results consistent with forecast
- Profit improvement reflects operational cost savings
- Market conditions remain broadly stable
- Restructuring activities progressing to plan, operational efficiency programs continue

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Consolidated Income Statement



<u>(JPY bn)</u>	<u>Cum Q3</u> <u>FY2014</u>	<u>Cum Q3</u> <u>FY2013</u>	<u>Change</u> <u>from Q3</u> <u>FY13</u>
Revenue	451.2	385.0	17%^{**}
Trading profit	14.2	4.7	
Amortization*	(5.8)	(5.0)	
Operating profit/(loss) before exceptional items	8.4	(0.3)	
Exceptional items	(9.5)	(21.1)	
Operating loss	(1.1)	(21.4)	
Finance expenses (net)	(13.2)	(11.9)	
Share of JVs and associates	0.8	1.0	
Loss before taxation	(13.5)	(32.3)	
Loss for the period	(13.7)	(32.7)	
Loss attributable to owners of the parent	(14.8)	(33.3)	
 EBITDA	 38.0	 26.1	 46%

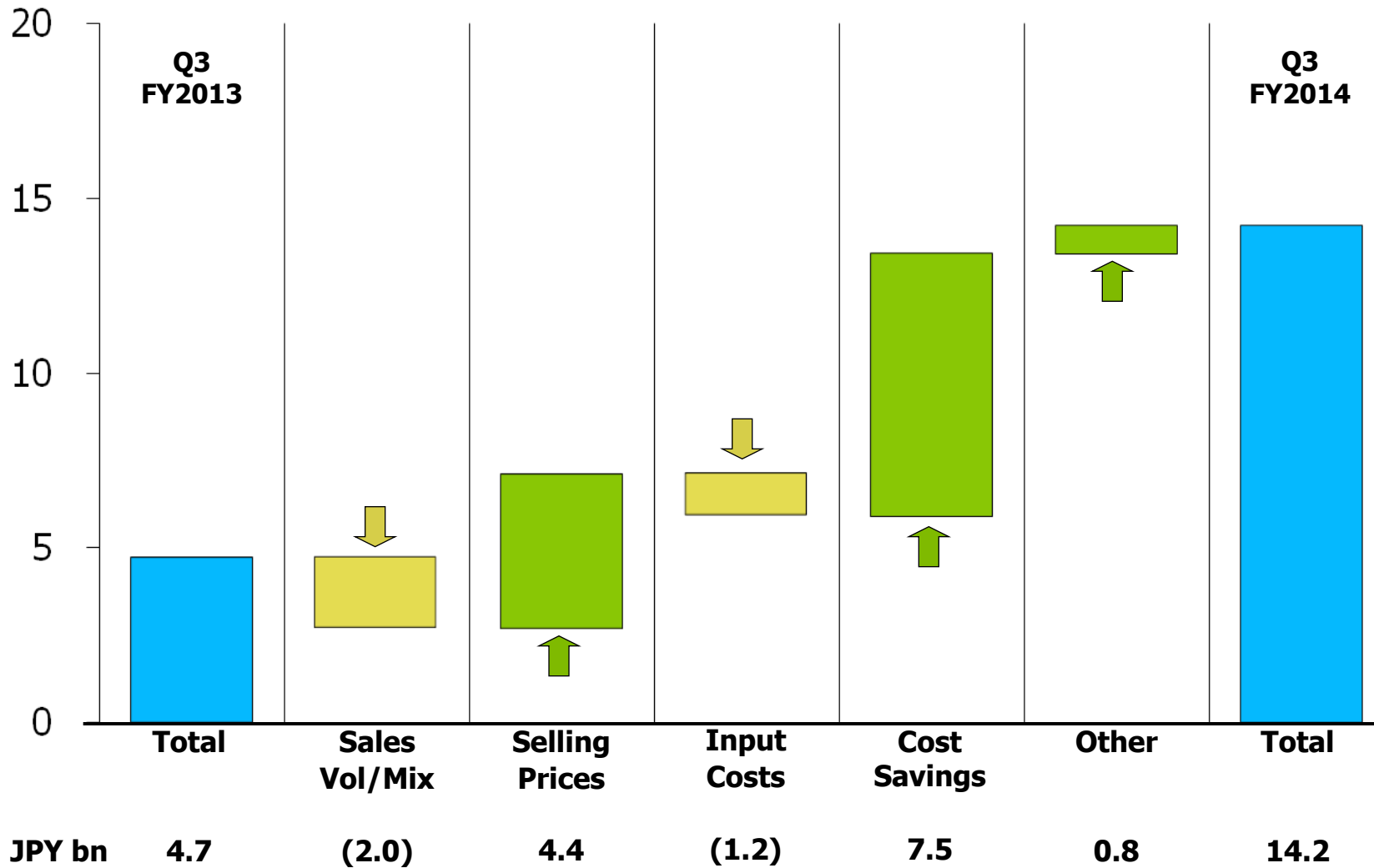
* Amortization arising from the acquisition of Pilkington plc only

** 0% based on constant exchange rates

Profits improvement reflects operational cost savings

Change Analysis

Trading profit



Profits reflect operational cost savings and broadly stable markets

Consolidated Cash Flow Summary



(JPY bn)	Cum Q3 FY2014	Cum Q3 FY2013
Loss for the period	(13.7)	(32.7)
Depreciation and amortization	30.2	26.4
Net change in working capital	(5.9)	5.2
Tax paid	(2.7)	(4.1)
Others	(13.4)	3.4
Net cash outflow from operating activities	(5.5)	(1.8)
Purchase of property, plant and equipment	(16.1)	(22.0)
Others	4.9	0.9
Net cash used in investing activities	(11.2)	(21.1)
Cash flow before financing activities	(16.7)	(22.9)

Key Performance Indicators



	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Net Debt (JPY bn)	400	361
Net Debt/EBITDA	8.1x	9.6x
Net Debt/Equity Ratio	2.1	2.3
	<u>Q3 FY2014</u>	<u>Q3 FY2013</u>
EBITDA Interest Cover	3.6x	2.8x
Operating Return* on Sales	3.2%	1.2%

* Trading profit

KPI's reflect improved profitability

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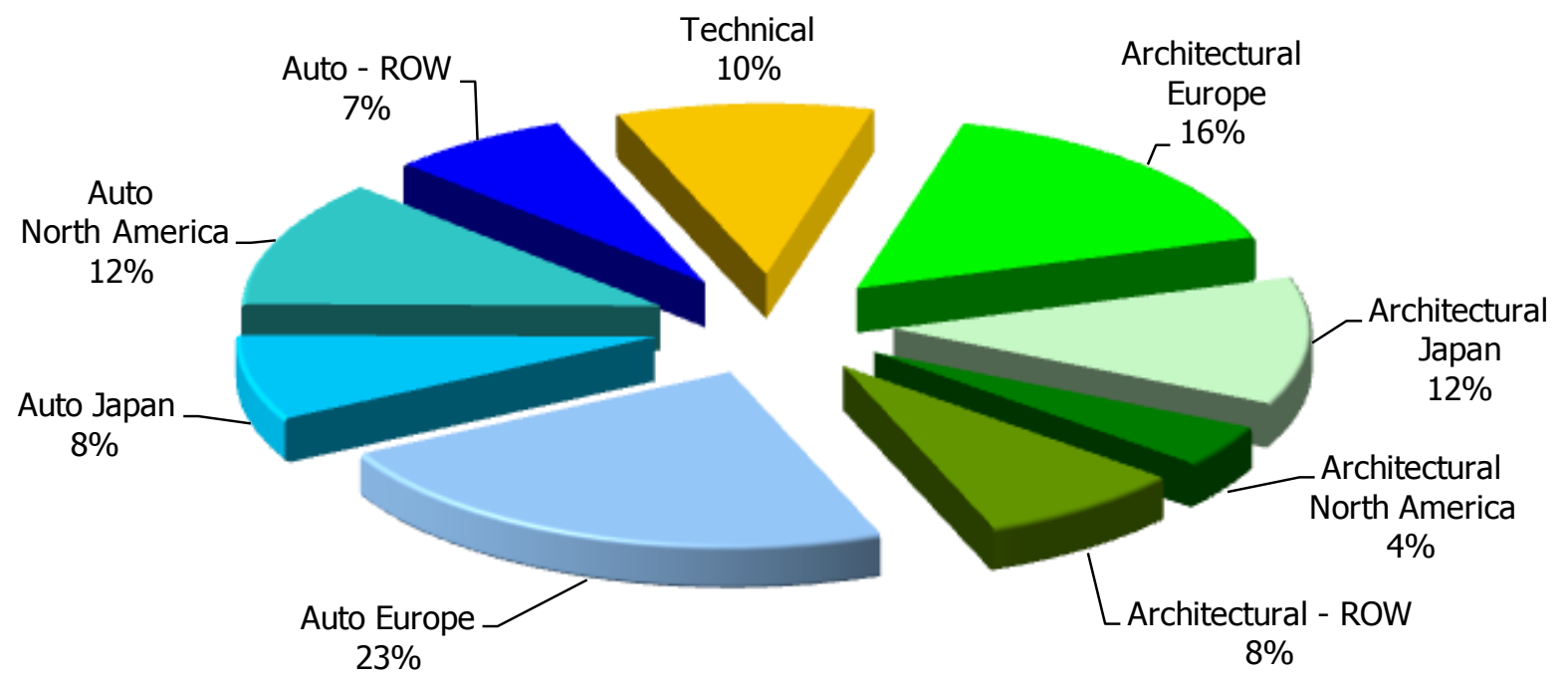
Business Update

Summary

External Revenue – Group Businesses



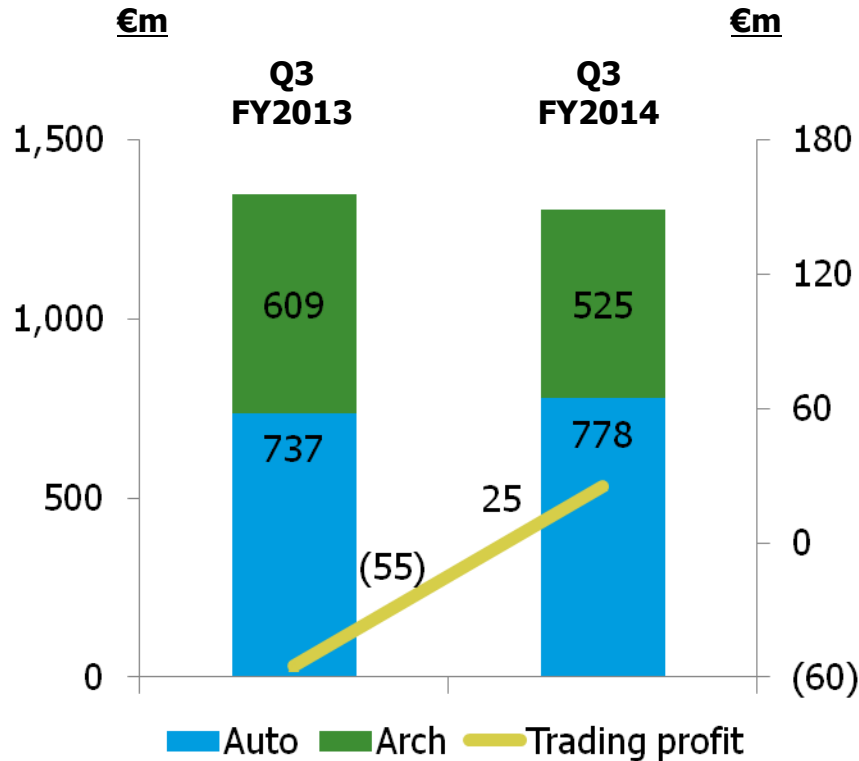
¥ 451.2 billion



Cumulative Q3 FY2014

Europe

Q3 FY2014 v Q3 FY2013



Architectural

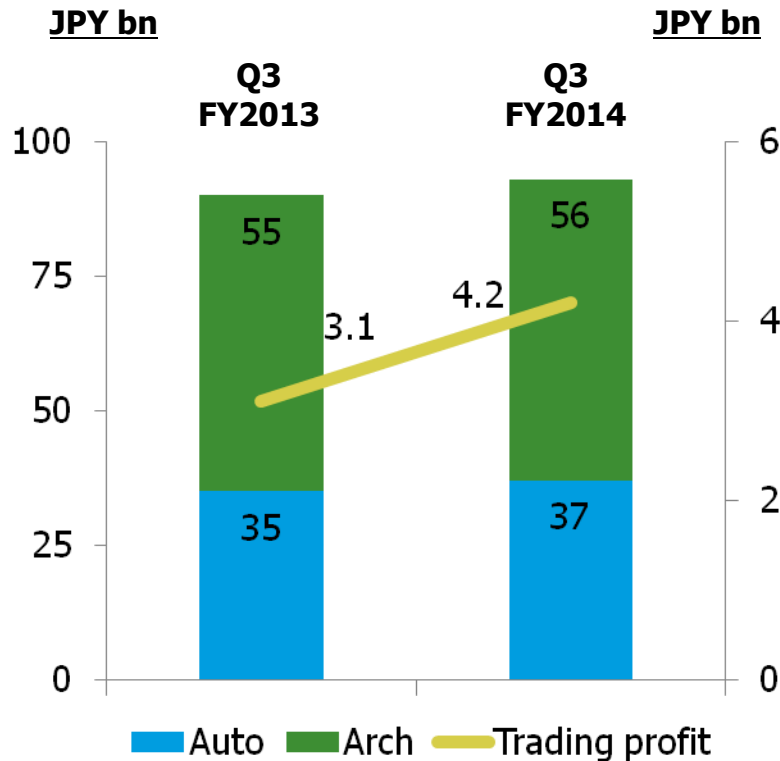
- NSG volumes 10% below FY13
- Cost reductions improving profitability
- Cowley Hill, UK float line mothballed

Automotive

- OE demand stable, some signs of recovery in third quarter
- Increased AGR demand
- Profits improving due to restructuring actions

Japan

Q3 FY2014 v Q3 FY2013



Architectural

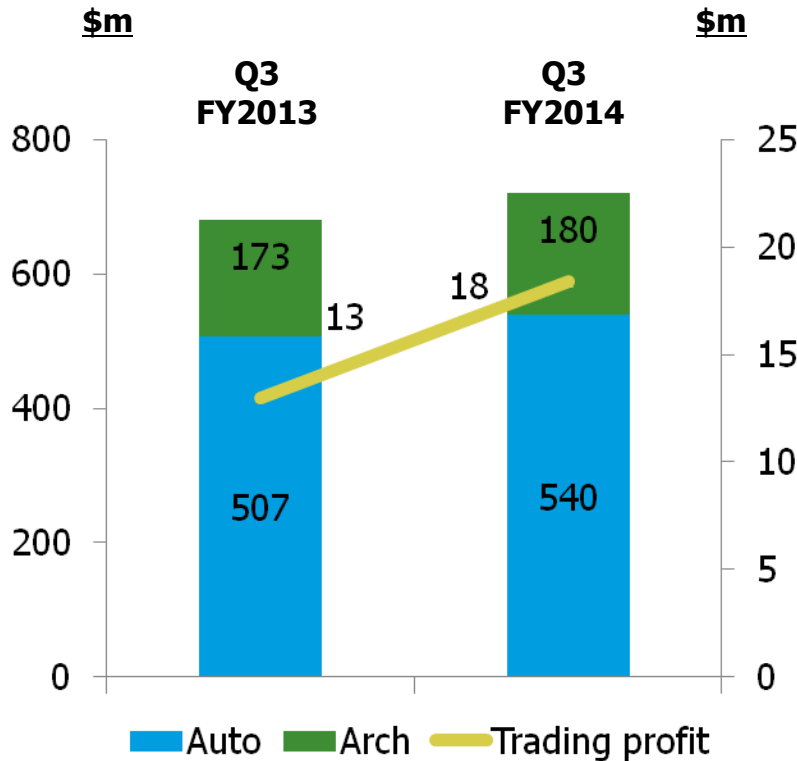
- Positive market indicators
- Volumes and prices similar to previous year

Automotive

- Weakened yen supporting vehicle exports
- Future consumption tax increase giving sales boost
- Profits increased due to cost reductions and improved volumes

North America

Q3 FY2014 v Q3 FY2013



Architectural

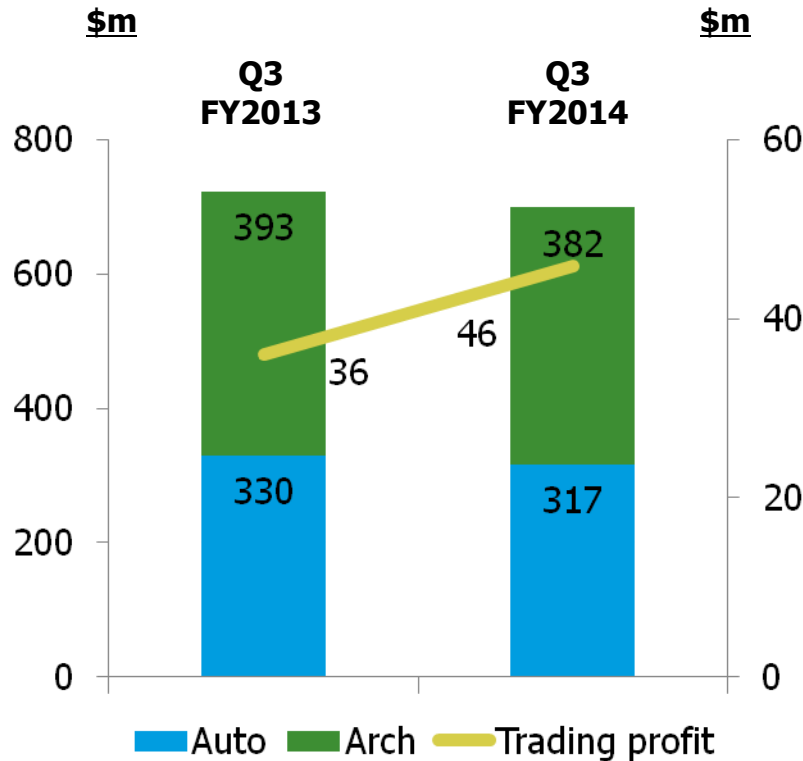
- Increased domestic demand offsetting reduced Solar Energy dispatches
- Domestic price levels above the previous year

Automotive

- Further recovery of OE markets, up 5% on previous year
- AGR performance similar to previous year

Rest of World

Q3 FY2014 v Q3 FY2013



Architectural

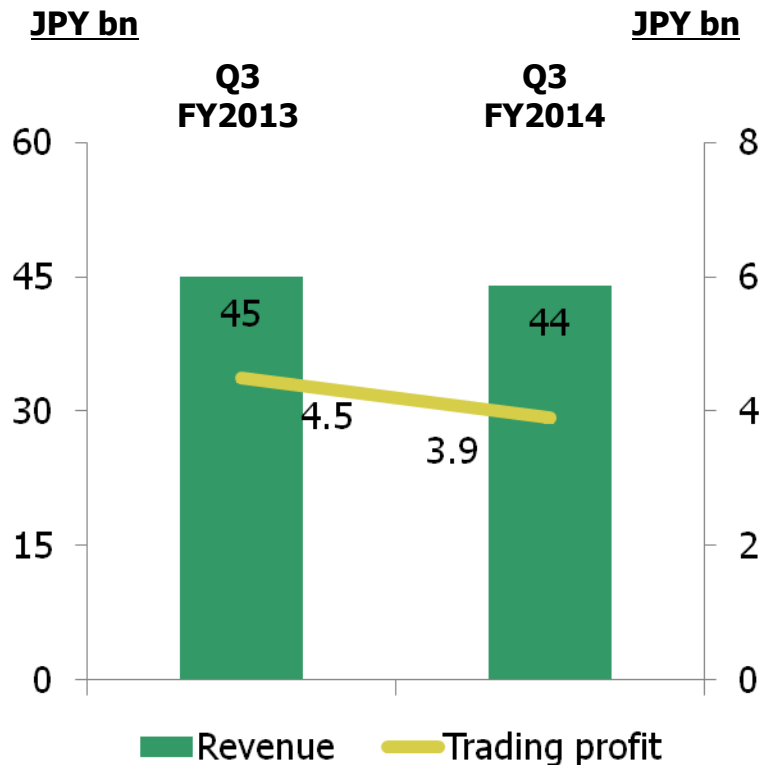
- Good market conditions in South America and South East Asia
- Local currency revenues increased

Automotive

- Markets were mixed
- Improved local currency revenues

Technical Glass

Q3 FY2014 v Q3 FY2013



Technical Glass

- Revenues flat as yen translation gain offsets volume reduction, particularly during third quarter
- Improving conditions in office printer and glass cord markets

Joint Ventures and Associates

Q3 FY2014 v Q3 FY2013



(JPY bn)	<u>Q3</u> <u>FY2014</u>	<u>Q3</u> <u>FY2013</u>
Share of post-tax profits	0.8	1.0

- Cebrace profits improved due to increased levels of demand
- Partially offset by start up costs associated with float line in Colombia

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- Cumulative Q3 results consistent with forecast
- Profit improvement reflects operational cost savings
- Market conditions remain broadly stable
- Restructuring activities progressing to plan, operational efficiency programs continue
- Full-year forecast maintained

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

Q3 FY2014



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	56.0	69.5	17.9	38.0	181.4
Automotive	36.7	102.9	53.7	31.4	224.7
Technical Glass	23.1	5.7	0.9	14.7	44.4
Others	0.6	0.1	0.0	0.0	0.7
Total	116.4	178.2	72.5	84.1	451.2

Trading profit

Q3 FY2014



(JPY bn)	Archtectural	Automotive	Technical Glass	Other	Total
Trading profit	7.3	6.7	3.9	(3.7)	14.2

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Trading profit	3.6	3.5	1.8	5.3	14.2

Assumptions



	Q3 FY2013	Q3 FY2014	FY2014 Forecast
Average rates used:			
JPY/GBP	127	156	160
JPY/EUR	102	132	135
JPY/USD	80	99	100
Closing rates used:			
JPY/GBP	142	174	
JPY/EUR	115	145	
JPY/USD	87	105	

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