

NZX, ASX and media release

21 November 2014

Interim results for the two months ended 30 September 2014

Metro Performance Glass on track to meet prospectus forecasts

New Zealand's largest value-added glass processor Metro Performance Glass Limited (NZX.MPG; ASX.MPP) reports interim results for the 2015 financial year in line with expectations. It also said it is on track to meet forecasts made at the time of its July 2014 initial public offering (IPO).

Sales for the two months to 30 September 2014 were \$31.5 million. Profit before interest, tax and abnormal items¹ (including IPO expenses of \$3.9 million), was \$7.0 million. This result is in line with the prospectus forecast.

Profit after tax was \$806,000.

Metro Performance Glass began trading after it acquired Metroglass Holdings Limited following its IPO on 29 July 2014. As a consequence comparative figures cannot be provided for the same period in the 2014 financial year.

Metro Performance Glass Chairman Sir John Goulter says: "Metro Performance Glass is performing well and in line with forecasts we set out at the time of our IPO. This reflects continued growth in the residential housing market and commercial property markets that continue to benefit from the resilient economy and the Christchurch rebuild."

Metro Performance Glass Chief Executive Nigel Rigby says: "As forecast at the time of the IPO, the housing market continues its upward trajectory, driven by strong housing growth, particularly in Auckland and Christchurch.

"In July, annualised residential building consents were forecast to increase from approximately 21,000 in December 2013 to approximately 25,000 in December 2014. This trend continues to play out and Metro Performance Glass is benefitting, with sales in the two months up 13.4% versus the prior corresponding period.

"Commercial revenue has also demonstrated growth and is ahead of the prior year. The rebound in commercial property markets has been some time coming but is now beginning particularly in Christchurch," Mr Rigby says.

Cash flow from operating activities for the period was \$4.6 million and the company retains a strong balance sheet with net debt (interest bearing liabilities less cash and cash equivalents) standing at \$47.6 million, representing net debt to net debt plus equity of 26%.

¹ This non-GAAP profit measure in the opinion of directors best reflects the underlying performance of the business. It is reconciled to profit on the second page of this release.

² All dollar denominations are in New Zealand dollars.

Auckland Site Consolidation

The company is in the process of consolidating its five Auckland sites into one purpose-built site at Highbrook in South Auckland.

Once completed, the new site will be the most advanced glass processing plant in the country. It will automate glass cutting, toughening, double glazing unit (DGU) manufacture and edgework processes and deliver Metro Performance Glass significant operating efficiencies and productivity improvements in future years.

“The project, which has an estimated capital cost of \$21.5 million, is approximately 80% complete and remains on schedule and on budget. We expect to commission the plant in early 2015,” Mr Rigby says.

Dividend

As outlined in the prospectus, the Directors will consider whether to pay a dividend for the six months ended 31 March 2015 in May 2015. No dividend will be payable for the period ended 31 September 2014.

Outlook

“Indications are that revenue growth will remain strong through to the end of the financial year. Glass is a late cycle product, which we believe lags consents on average by nine months. Assuming the current consents continue to flow through to sales activity, we expect Metro Performance Glass to achieve the prospectus forecast sales revenue of \$117.8 million and profit after tax of \$9.4 million,” says Sir John Goulter.

For further information contact:

Nigel Rigby
Chief Executive Officer
+64 (0) 27 703 4184

David Carr
Chief Financial Officer
+64 (0) 27 839 3504

Reconciliation of GAAP to non-GAAP profit measures:

Two months to 30 September	2014 \$M
Profit after tax	0.80
Add back: taxation expense	1.85
Add back: net finance expense	0.43
Add back: Abnormal items (IPO expenses)	3.92
Profit before interest, tax and abnormal items	7.00

Metro Performance Glass' standard profit measure prepared under New Zealand GAAP is profit after tax. The company has used non-GAAP profit measures in this document of 'profit before interest, tax and abnormal items' when discussing financial performance. The Directors believe this measure provides useful information to evaluate the performance of the business. Non-GAAP profit measures are not uniformly defined and the measure used in this document may not be comparable with measures used by other companies.

About Metro Performance Glass

Metro Performance Glass (NZX.MPG; ASX.MPP) is the largest value added glass processor in New Zealand. It produces a range of customised glass products that are predominantly used in residential and non-residential construction applications such as windows, doors, internal partitions, balustrades, facades, showers, mirrors, furniture and splash backs. Metro Performance Glass has national coverage through 17 decentralised sites, including five major processing sites, a fleet of over 260 service vehicles and more than 700 employees across New Zealand. Learn more: www.metroglass.co.nz

Metro Performance Glass Limited
Interim Financial Statements
For the period ended 30 September 2014

Statement of Comprehensive Income

	Consolidated
	Unaudited¹
	<i>\$'000</i>
Sales revenue	31,555
Cost of sales	(14,805)
Gross Profit	16,750
Distribution and glazing related expenses	(5,177)
Selling and marketing expenses	(1,235)
Administration expenses	(7,262)
Operating profit	3,076
Interest expense	(432)
Interest income	8
Profit before income taxation	2,652
Income taxation expense	(1,846)
Profit for the period	806
Other Comprehensive Income	
Items that may be subsequently reclassified to profit or loss:	
Cash flow hedges	1,783
Total comprehensive income for the period attributable to shareholders	2,589

Earnings per share

Basic Earnings per share (cents per share)	0.44
Diluted Earnings per share (cents per share)	0.44

¹ Represents two months of trading following the acquisition of Metroglass Holdings Limited on 29 July 2014 (refer note 12).

Metro Performance Glass Limited
Interim Financial Statements
For the period ended 30 September 2014

**Statement of Financial Position
as at 30 September 2014**

Assets

Current assets

Cash and cash equivalents
Trade and other receivables
Inventories
Derivative financial instruments
Current income tax asset
Other current assets

Total current assets

Non-current assets

Property, plant and equipment
Deferred tax assets
Intangible assets

Total non-current assets

Total assets

Liabilities

Current liabilities

Trade and other payables
Provisions

Total current liabilities

Non-current liabilities

Interest bearing liabilities

Total non-current liabilities

Total liabilities

Net assets

Equity

Contributed equity
Accumulated losses
Share based payments reserve
Cashflow hedge reserve

Total equity

Consolidated
Unaudited
\$'000
7,380
24,279
8,206
1,271
87
10,935
52,158
30,073
672
126,395
157,140
209,298
16,580
3,359
19,939
55,000
55,000
74,939
134,359
302,746
(169,859)
557
915
134,359

Metro Performance Glass Limited
Interim Financial Statements
For the period ended 30 September 2014

Statement of Changes in Equity

Opening balance as at 30 May 2014
Profit for the period
Other comprehensive income for the period
Total comprehensive income for the period
Issue of share capital
Group reorganisation
Movement in share based payment reserve
Total transactions with owners, recognised directly in equity
Balance as at 30 September 2014

Consolidated			
Unaudited			
Contributed equity	Reserves	Retained earnings	Total
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	806	806
-	1,783	-	1,783
-	1,783	806	2,589
302,746	-	-	302,746
-	194	(170,665)	(170,471)
-	(505)	-	(505)
302,746	(311)	(170,665)	131,770
302,746	1,472	(169,859)	134,359

Metro Performance Glass Limited
Interim Financial Statements
For the period ended 30 September 2014

Statement of Cash Flows

Cash flows from operating activities

Receipts from customers
Payments to suppliers and employees
Interest received
Interest paid
Income taxes paid

Net cash inflow from operating activities

Cash flows from investing activities

Payments for property, plant & equipment, and intangible assets
Acquisition of Metroglass Holdings Limited (net of cash acquired)

Net cash outflow from investing activities

Cash flows from financing activities

Repayment of borrowings
Drawdown of borrowings
Ordinary shares issued
Expenses on issue of ordinary shares

Net cash inflow from financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at end of the period

Consolidated
Unaudited ¹
\$'000
29,362
(21,918)
8
(225)
(2,600)
4,627
(2,437)
(219,096)
(221,533)
(64,000)
55,000
244,236
(10,950)
224,286
7,380
-
7,380

¹ Represents two months of trading following the acquisition of Metroglass Holdings Limited on 29 July 2014 (refer note 12).

Metro Performance Glass Limited
Interim Financial Statements
For the period ended 30 September 2014

Statement of Cash Flows (cont'd)

Reconciliation of profit after income tax to net inflow from operating activities

Profit for the period

Items not involving cash flows

Depreciation expense
Amortisation of intangible assets
Movement in deferred tax
Movement in doubtful debt provision

Impact of changes in working capital items

Accounts receivable and prepayments
Inventory
Trade creditors & employee entitlements
Interest accruals
Goods & services tax (GST) payable
Income tax liability

Items classified as investing or financing activities

Surplus on disposal of assets
Expenses on issue of ordinary shares in profit for the period

Net cash flow from operating activities

Consolidated
Unaudited
\$'000
806
637
255
(178)
134
848
(452)
(73)
452
207
(489)
(576)
(931)
(1)
3,905
3,904
4,627