

LIBBEY INC
Form 10-Q
May 09, 2014
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended March 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

Commission file number 1-12084

Libbey Inc.

(Exact name of registrant as specified in its charter)

Delaware

34-1559357

(State or other jurisdiction of incorporation or
organization)

(IRS Employer Identification No.)

300 Madison Avenue, Toledo, Ohio

43604

(Address of principal executive offices) (Zip Code)

419-325-2100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value 21,477,692 shares at April 30, 2014.

Table of Contents

TABLE OF CONTENTS

| | |
|--|-----------|
| <u>Item 1. Financial Statements</u> | <u>3</u> |
| <u>Condensed Consolidated Statements of Operations</u> | <u>4</u> |
| <u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u> | <u>5</u> |
| <u>Condensed Consolidated Balance Sheets</u> | <u>6</u> |
| <u>Condensed Consolidated Statements of Cash Flows</u> | <u>7</u> |
| <u>Notes to Condensed Consolidated Financial Statements</u> | <u>8</u> |
| <u>1. Description of the Business</u> | <u>8</u> |
| <u>2. Significant Accounting Policies</u> | <u>8</u> |
| <u>3. Balance Sheet Details</u> | <u>10</u> |
| <u>4. Borrowings</u> | <u>11</u> |
| <u>5. Restructuring Charges</u> | <u>14</u> |
| <u>6. Income Taxes</u> | <u>15</u> |
| <u>7. Pension and Non-pension Postretirement Benefits</u> | <u>16</u> |
| <u>8. Net Income (Loss) per Share of Common Stock</u> | <u>17</u> |
| <u>9. Derivatives</u> | <u>18</u> |
| <u>10. Comprehensive Income (Loss)</u> | <u>20</u> |
| <u>11. Condensed Consolidated Guarantor Financial Statements</u> | <u>21</u> |
| <u>12. Segments</u> | <u>26</u> |
| <u>13. Fair Value</u> | <u>28</u> |
| <u>14. Other Income (Expense)</u> | <u>28</u> |
| <u>15. Contingencies</u> | <u>29</u> |
| <u>16. Subsequent Events</u> | <u>29</u> |
| <u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u> | <u>30</u> |
| <u>Item 3. Qualitative and Quantitative Disclosures about Market Risk</u> | <u>39</u> |
| <u>Item 4. Controls and Procedures</u> | <u>39</u> |
| <u>PART II — OTHER INFORMATION</u> | <u>40</u> |
| <u>Item 1A. Risk Factors</u> | <u>40</u> |
| <u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u> | <u>40</u> |
| <u>Item 6. Exhibits</u> | <u>40</u> |
| <u>EXHIBIT INDEX</u> | <u>41</u> |
| <u>SIGNATURES</u> | <u>44</u> |
| EX-31.1 | |
| EX-31.2 | |
| EX-32.1 | |
| EX-32.2 | |
| EX-101 INSTANCE DOCUMENT | |
| EX-101 SCHEMA DOCUMENT | |
| EX-101 CALCULATION LINKBASE DOCUMENT | |
| EX-101 LABELS LINKBASE DOCUMENT | |
| EX-101 PRESENTATION LINKBASE DOCUMENT | |
| EX-101 DEFINITION LINKBASE DOCUMENT | |

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements of Libbey Inc. and all majority-owned subsidiaries (collectively, Libbey or the Company) have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Item 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

The balance sheet at December 31, 2013 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Table of Contents

Libbey Inc.
Condensed Consolidated Statements of Operations
(dollars in thousands)
(unaudited)

| | Three months ended March 31, | |
|--|------------------------------|-----------|
| | 2014 | 2013 |
| Net sales | \$181,581 | \$183,476 |
| Freight billed to customers | 814 | 752 |
| Total revenues | 182,395 | 184,228 |
| Cost of sales | 150,056 | 141,996 |
| Gross profit | 32,339 | 42,232 |
| Selling, general and administrative expenses | 28,878 | 26,397 |
| Special charges | — | 4,314 |
| Income from operations | 3,461 | 11,521 |
| Other income (expense) | (322 |) (435 |
| Earnings before interest and income taxes | 3,139 | 11,086 |
| Interest expense | 7,701 | 8,435 |
| Income (loss) before income taxes | (4,562 |) 2,651 |
| Provision (benefit) for income taxes | (1,178 |) 662 |
| Net income (loss) | \$(3,384 |) \$1,989 |
| Net income (loss) per share: | | |
| Basic | \$(0.16 |) \$0.09 |
| Diluted | \$(0.16 |) \$0.09 |
| Dividends per share | \$— | \$— |
| See accompanying notes | | |

Table of Contents

Libbey Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(dollars in thousands)

(unaudited)

| | Three months ended March 31, | |
|--|---------------------------------|-----------|
| | 2014 | 2013 |
| Net income (loss) | \$(3,384 |) \$1,989 |
| Other comprehensive income (loss): | | |
| Pension and other postretirement benefit adjustments, net of tax | 1,349 | 2,671 |
| Change in fair value of derivative instruments, net of tax | 138 | 1,045 |
| Foreign currency translation adjustments | (588 |) (2,925 |
| Other comprehensive income, net of tax | 899 | 791 |
| Comprehensive income (loss) | \$(2,485 |) \$2,780 |
| See accompanying notes | | |

Table of Contents

Libbey Inc.

Condensed Consolidated Balance Sheets

(dollars in thousands, except per share amounts)

| | March 31, 2014 (unaudited) | December 31, 2013 |
|--|-------------------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$24,473 | \$42,208 |
| Accounts receivable — net | 87,046 | 94,549 |
| Inventories — net | 174,179 | 163,121 |
| Prepaid and other current assets | 31,899 | 24,838 |
| Total current assets | 317,597 | 324,716 |
| Pension asset | 34,147 | 33,615 |
| Purchased intangible assets — net | 19,051 | 19,325 |
| Goodwill | 167,379 | 167,379 |
| Deferred income taxes | 5,734 | 5,759 |
| Other assets | 13,134 | 13,534 |
| Total other assets | 239,445 | 239,612 |
| Property, plant and equipment — net | 264,618 | 265,662 |
| Total assets | \$821,660 | \$829,990 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Accounts payable | \$74,099 | \$79,620 |
| Salaries and wages | 26,796 | 32,403 |
| Accrued liabilities | 46,899 | 41,418 |
| Accrued income taxes | — | 1,374 |
| Pension liability (current portion) | 3,161 | 3,161 |
| Non-pension postretirement benefits (current portion) | 4,758 | 4,758 |
| Derivative liability | 1,644 | — |
| Long-term debt due within one year | 5,351 | 5,391 |
| Total current liabilities | 162,708 | 168,125 |
| Long-term debt | 406,808 | 406,512 |
| Pension liability | 40,254 | 40,033 |
| Non-pension postretirement benefits | 58,822 | 59,065 |
| Deferred income taxes | 11,670 | 11,672 |
| Other long-term liabilities | 11,732 | 13,774 |
| Total liabilities | 691,994 | 699,181 |
| Shareholders' equity: | | |
| Common stock, par value \$.01 per share, 50,000,000 shares authorized, 21,440,055 shares issued in 2014 (21,316,480 shares issued in 2013) | 214 | 213 |
| Capital in excess of par value | 324,708 | 323,367 |
| Retained deficit | (122,995) | (119,611) |
| Accumulated other comprehensive loss | (72,261) | (73,160) |
| Total shareholders' equity | 129,666 | 130,809 |
| Total liabilities and shareholders' equity | \$821,660 | \$829,990 |

See accompanying notes

Table of Contents

Libbey Inc.

Condensed Consolidated Statements of Cash Flows

(dollars in thousands)

(unaudited)

| | Three months ended March 31, | |
|--|------------------------------|-----------|
| | 2014 | 2013 |
| Operating activities: | | |
| Net income (loss) | \$(3,384 |) \$1,989 |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Depreciation and amortization | 10,676 | 10,774 |
| (Gain) loss on asset sales and disposals | (4 |) 2 |
| Change in accounts receivable | 3,082 | (6,043 |
| Change in inventories | (11,195 |) (10,635 |
| Change in accounts payable | (5,315 |) (7,745 |
| Accrued interest and amortization of discounts and finance fees | 7,256 | 8,131 |
| Pension & non-pension postretirement benefits | 1,372 | 3,700 |
| Restructuring | (243 |) 4,314 |
| Accrued liabilities & prepaid expenses | (12,369 |) (15,792 |
| Income taxes | (3,153 |) (1,626 |
| Share-based compensation expense | 1,003 | 824 |
| Other operating activities | (95 |) (573 |
| Net cash used in operating activities | (12,369 |) (12,680 |
| Investing activities: | | |
| Additions to property, plant and equipment | (9,901 |) (8,882 |
| Proceeds from furnace malfunction insurance recovery | 4,346 | — |
| Proceeds from asset sales and other | 4 | 4 |
| Net cash used in investing activities | (5,551 |) (8,878 |
| Financing activities: | | |
| Other repayments | (50 |) (59 |
| Stock options exercised | 336 | 537 |
| Net cash provided by financing activities | 286 | 478 |
| Effect of exchange rate fluctuations on cash | (101 |) (179 |
| Increase (decrease) in cash | (17,735 |) (21,259 |
| Cash at beginning of period | 42,208 | 67,208 |
| Cash at end of period | \$24,473 | \$45,949 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period for interest | \$184 | \$288 |
| Cash paid during the period for income taxes | \$1,816 | \$1,884 |

See accompanying notes

Table of Contents

Libbey Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Description of the Business

Libbey is a leading global manufacturer and marketer of glass tableware products. We believe we have the largest manufacturing, distribution and service network among glass tableware manufacturers in the Western Hemisphere, in addition to supplying to key markets throughout the world. We produce glass tableware in five countries and sell to customers in over 100 countries. We design and market, under our Libbey[®], Crisa[®], Royal Leerdam[®], World[®] Tableware, Syracuse[®] China and Crisal Glass[®] brand names (among others), an extensive line of high-quality glass tableware, ceramic dinnerware, metal flatware, hollowware and serveware items for sale primarily in the foodservice, retail and business-to-business markets. Our sales force presents our products to the global marketplace in a coordinated fashion. We own and operate two glass tableware manufacturing plants in the United States as well as glass tableware manufacturing plants in the Netherlands (Libbey Holland), Portugal (Libbey Portugal), China (Libbey China) and Mexico (Libbey Mexico). In addition, we import products from overseas in order to complement our line of manufactured items. The combination of manufacturing and procurement allows us to compete in the global tableware market by offering an extensive product line at competitive prices.

Our website can be found at www.libbey.com. We make available, free of charge, at this website all of our reports filed or furnished pursuant to Section 13(a) or 15(d) of Securities Exchange Act of 1934, including our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, as well as amendments to those reports. These reports are made available on our website as soon as reasonably practicable after their filing with, or furnishing to, the Securities and Exchange Commission and can also be found at www.sec.gov.

Our shares are traded on the NYSE MKT exchange under the ticker symbol LBY.

2. Significant Accounting Policies

See our Form 10-K for the year ended December 31, 2013 for a description of significant accounting policies not listed below.

Basis of Presentation

The Condensed Consolidated Financial Statements include Libbey Inc. and its majority-owned subsidiaries (collectively, Libbey or the Company). Our fiscal year end is December 31st. All material intercompany accounts and transactions have been eliminated. The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. Actual results could differ materially from management's estimates.

Condensed Consolidated Statements of Operations

Net sales in our Condensed Consolidated Statements of Operations include revenue earned when products are shipped and title and risk of loss have passed to the customer. Revenue is recorded net of returns, discounts and incentives offered to customers. Cost of sales includes cost to manufacture and/or purchase products, warehouse, shipping and delivery costs and other costs.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. dollars at exchange rates in effect at the balance sheet date, with the resulting translation adjustments directly recorded to a separate component of accumulated other comprehensive loss. Income and expense accounts are translated at average exchange rates during the year. The effect of exchange rate changes on transactions denominated in currencies other than the functional currency is recorded in other income (expense).

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax attribute carry-forwards. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Financial Accounting Standards Board Accounting Standards Codification™ (FASB ASC) Topic 740, “Income Taxes,”

Table of Contents

requires that a valuation allowance be recorded when it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Deferred income tax assets and liabilities are determined separately for each tax jurisdiction in which we conduct our operations or otherwise incur taxable income or losses. In the United States, Portugal and the Netherlands, we have recorded valuation allowances against our deferred income tax assets. See note 6 for further discussion.

Stock-Based Compensation Expense

We account for stock-based compensation expense in accordance with FASB ASC Topic 718, "Compensation — Stock Compensation," and FASB ASC Topic 505-50, "Equity — Equity-Based Payments to Non-Employees". Stock-based compensation cost is measured based on the fair value of the equity instruments issued. FASB ASC Topics 718 and 505-50 apply to all of our outstanding unvested stock-based payment awards. Under the terms of the CEO retention award agreement, 115,687 cash settled restricted stock units were granted during the first quarter of 2014. These awards cliff vest on December 31, 2018. Accordingly, awards that will be settled in cash are subject to liability accounting and the fair value of such awards will be remeasured at the end of each reporting period until settled or expired. Stock-based compensation expense charged to the Condensed Consolidated Statements of Operations is as follows:

| | Three months ended March 31, | |
|----------------------------------|------------------------------|--------|
| (dollars in thousands) | 2014 | 2013 |
| Stock-based compensation expense | \$ 1,003 | \$ 824 |

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

New Accounting Standards

There are no new accounting standards effective in 2014 that are applicable to us.

Table of Contents

3. Balance Sheet Details

The following table provides detail of selected balance sheet items:

| (dollars in thousands) | March 31, 2014 | December 31, 2013 |
|---|----------------|-------------------|
| Accounts receivable: | | |
| Trade receivables | \$85,472 | \$87,499 |
| Other receivables (see note 15) | 1,574 | 7,050 |
| Total accounts receivable, less allowances of \$6,216 and \$5,846 | \$87,046 | \$94,549 |
| Inventories: | | |
| Finished goods | \$156,237 | \$144,945 |
| Work in process | 1,650 | 1,615 |
| Raw materials | 4,300 | 4,558 |
| Repair parts | 10,766 | 10,550 |
| Operating supplies | 1,226 | 1,453 |
| Total inventories, less loss provisions of \$4,784 and \$4,913 | \$174,179 | \$163,121 |
| Prepaid and other current assets: | | |
| Value added tax | \$9,732 | \$6,697 |
| Prepaid expenses | 10,590 | 8,396 |
| Deferred income taxes | 5,840 | 5,840 |
| Prepaid income taxes | 5,164 | 3,511 |
| Derivative asset | 573 | 394 |
| Total prepaid and other current assets | \$31,899 | \$24,838 |
| Other assets: | | |
| Deposits | \$944 | \$919 |
| Finance fees — net of amortization | 10,023 | 10,472 |
| Other assets | 2,167 | 2,143 |
| Total other assets | \$13,134 | \$13,534 |
| Accrued liabilities: | | |
| Accrued incentives | \$15,801 | \$17,830 |
| Workers compensation | 7,178 | 7,108 |
| Medical liabilities | 3,246 | 3,433 |
| Interest | 10,138 | 3,331 |
| Commissions payable | 856 | 1,067 |
| Withholdings and other non-income tax accruals | 2,829 | 1,929 |
| Other accrued liabilities | 6,851 | 6,720 |
| Total accrued liabilities | \$46,899 | \$41,418 |
| Other long-term liabilities: | | |
| Deferred liability | \$7,863 | \$7,424 |
| Derivative liability | — | 2,073 |
| Other long-term liabilities | 3,869 | 4,277 |
| Total other long-term liabilities | \$11,732 | \$13,774 |

Table of Contents

4. Borrowings

Borrowings consist of the following:

| (dollars in thousands) | Interest Rate | Maturity Date | March 31, 2014 | December 31, 2013 |
|---|---------------|--------------------------------|----------------|-------------------|
| Borrowings under ABL Facility | floating | May 18, 2017 | \$— | \$ — |
| Senior Secured Notes | 6.875% | (1) May 15, 2020 | 405,000 | 405,000 |
| Promissory Note | 6.00% | April, 2014 to September, 2016 | 624 | 681 |
| RMB Working Capital Loan | floating | September, 2014 | 5,112 | 5,157 |
| AICEP Loan | 0.00% | January, 2016 to July 30, 2018 | 2,388 | 2,389 |
| Total borrowings | | | 413,124 | 413,227 |
| Plus — carrying value adjustment on debt related to the Interest Rate Agreement (1) | | | (965 |) (1,324 |
| Total borrowings — net | | | 412,159 | 411,903 |
| Less — long term debt due within one year | | | 5,351 | 5,391 |
| Total long-term portion of borrowings — net | | | \$406,808 | \$ 406,512 |

(1) See Interest Rate Agreement under “Senior Secured Notes” below and in note 9.

Amended and Restated ABL Credit Agreement

Libbey Glass and Libbey Europe entered into an Amended and Restated Credit Agreement, dated as of February 8, 2010 and amended as of April 29, 2011 and May 18, 2012 (as amended, the ABL Facility), with a group of four financial institutions. The ABL Facility provides for borrowings of up to \$100.0 million, subject to certain borrowing base limitations, reserves and outstanding letters of credit.

All borrowings under the ABL Facility are secured by:

- a first-priority security interest in substantially all of the existing and future personal property of Libbey Glass and its domestic subsidiaries (Credit Agreement Priority Collateral);
- a first-priority security interest in:
 - 100 percent of the stock of Libbey Glass and 100 percent of the stock of substantially all of Libbey Glass’s present and future direct and indirect domestic subsidiaries;
 - 100 percent of the non-voting stock of substantially all of Libbey Glass’s first-tier present and future foreign subsidiaries; and
 - 65 percent of the voting stock of substantially all of Libbey Glass’s first-tier present and future foreign subsidiaries
- a first priority security interest in substantially all proceeds and products of the property and assets described above; and
- a second-priority security interest in substantially all of the owned real property, equipment and fixtures in the United States of Libbey Glass and its domestic subsidiaries, subject to certain exceptions and permitted liens (Notes Priority Collateral).

Additionally, borrowings by Libbey Europe under the ABL Facility are secured by:

- a first-priority lien on substantially all of the existing and future real and personal property of Libbey Europe and its Dutch subsidiaries; and
- a first-priority security interest in:
 - 100 percent of the stock of Libbey Europe and 100 percent of the stock of substantially all of the Dutch subsidiaries; and
 - 100 percent (or a lesser percentage in certain circumstances) of the outstanding stock issued by the first-tier foreign subsidiaries of Libbey Europe and its Dutch subsidiaries.

Swingline borrowings are limited to \$15.0 million, with swingline borrowings for Libbey Europe being limited to the U.S. equivalent of \$7.5 million. Loans comprising each CBFR (CB Floating Rate) Borrowing, including each Swingline Loan, bear interest at the CB Floating Rate plus the Applicable Rate, and euro-denominated swingline borrowings (Eurocurrency Loans) bear interest calculated at the Netherlands swingline rate, as defined in the ABL Facility. The Applicable Rates for CBFR Loans and Eurocurrency Loans vary depending on our aggregate remaining availability. The Applicable Rates for CBFR Loans and Eurocurrency Loans were 0.50 percent and 1.50 percent, respectively, at March 31, 2014. Libbey pays a quarterly Commitment

Table of Contents

Fee, as defined by the ABL Facility, on the total credit provided under the ABL Facility. The Commitment Fee was 0.375 percent at March 31, 2014. No compensating balances are required by the Agreement. The Agreement does not require compliance with a fixed charge coverage ratio covenant unless aggregate unused availability falls below \$10.0 million. If our aggregate unused ABL availability were to fall below \$10.0 million, the fixed charge coverage ratio requirement would be 1:00 to 1:00. Libbey Glass and Libbey Europe have the option to increase the ABL Facility by \$25.0 million. There were no Libbey Glass or Libbey Europe borrowings under the facility at March 31, 2014 or at December 31, 2013. Interest is payable on the last day of the interest period, which can range from one month to six months depending on the maturity of each individual borrowing on the facility.

The borrowing base under the ABL Facility is determined by a monthly analysis of the eligible accounts receivable and inventory. The borrowing base is the sum of (a) 85 percent of eligible accounts receivable and (b) the lesser of (i) 85 percent of the net orderly liquidation value (NOLV) of eligible inventory, (ii) 65 percent of eligible inventory, or (iii) \$75.0 million.

The available total borrowing base is offset by rent reserves totaling \$0.7 million. There were no mark-to-market reserves for natural gas contracts offsetting the borrowing base as of March 31, 2014. The ABL Facility also provides for the issuance of \$30.0 million of letters of credit, which are applied against the \$100.0 million limit. At March 31, 2014, we had \$6.2 million in letters of credit outstanding under the ABL Facility. Remaining unused availability under the ABL Facility was \$75.5 million at March 31, 2014, compared to \$70.5 million under the ABL Facility at December 31, 2013.

We amended and restated this ABL facility in April 2014. See note 16 for further discussion of this subsequent event.

Senior Secured Notes

On May 18, 2012, Libbey Glass closed its offering of the \$450.0 million Senior Secured Notes. The notes offering was issued at par and had related fees of approximately \$13.2 million. These fees will be amortized to interest expense over the life of the notes.

The Senior Secured Notes were issued pursuant to an Indenture, dated May 18, 2012 (Notes Indenture), between Libbey Glass, the Company, the domestic subsidiaries of Libbey Glass listed as guarantors therein (Subsidiary Guarantors and together with the Company, Guarantors), and The Bank of New York Mellon Trust Company, N.A., as trustee (Notes Trustee) and collateral agent. Under the terms of the Notes Indenture, the Senior Secured Notes bear interest at a rate of 6.875 percent per year and will mature on May 15, 2020. Although the Notes Indenture does not contain financial covenants, the Notes Indenture contains other covenants that restrict the ability of Libbey Glass and the Guarantors to, among other things:

- incur, assume or guarantee additional indebtedness;
- pay dividends, make certain investments or other restricted payments;
- create liens;
- enter into affiliate transactions;
- merge or consolidate, or otherwise dispose of all or substantially all the assets of Libbey Glass and the Guarantors;
- and
- transfer or sell assets.

The Notes Indenture provides for customary events of default. In the case of an event of default arising from bankruptcy or insolvency as defined in the Notes Indenture, all outstanding Senior Secured Notes will become due and payable immediately without further action or notice. If any other event of default under the Notes Indenture occurs or is continuing, the Notes Trustee or holders of at least 25 percent in aggregate principal amount of the then

outstanding Senior Secured Notes may declare all the Senior Secured Notes to be due and payable immediately.

The Senior Secured Notes and the related guarantees under the Notes Indenture are secured by (i) first priority liens on the Notes Priority Collateral and (ii) second priority liens on the Credit Agreement Priority Collateral.

Prior to May 15, 2015, we may redeem in the aggregate up to 35 percent of the Senior Secured Notes with the net cash proceeds of one or more equity offerings at a redemption price of 106.875 percent of the principal amount, provided that at least 65 percent of the original principal amount of the Senior Secured Notes must remain outstanding after each redemption and that each redemption occurs within 90 days of the closing of the equity offering. In addition, prior to May 15, 2015, but not more than once in any twelve-month period, we may redeem up to 10 percent of the Senior Secured Notes at a redemption price of 103 percent plus accrued and unpaid interest. The Senior Secured Notes are redeemable at our option, in whole or in part, at any time on or after May 15, 2015 at set redemption prices together with accrued and unpaid interest.

Table of Contents

On May 7, 2013, Libbey Glass redeemed an aggregate principal amount of \$45.0 million of the Senior Secured Notes in accordance with the terms of the Notes Indenture. Pursuant to the terms of the Notes Indenture, the redemption price for the Senior Secured Notes was 103 percent of the principal amount of the redeemed Senior Secured Notes, plus accrued and unpaid interest. At completion of the redemption, the aggregate principal amount of the Senior Secured Notes outstanding was \$405.0 million. In conjunction with this redemption, we recorded \$2.5 million of expense, representing \$1.3 million for an early call premium and \$1.2 million for the write off of a pro rata amount of financing fees.

The Senior Secured Notes were repurchased in April and May 2014 in conjunction with a \$440.0 million debt offering. See note 16 for a further discussion of this subsequent event.

On June 18, 2012, we entered into an Interest Rate Agreement with respect to \$45.0 million of our Senior Secured Notes as a means to manage our fixed to variable interest rate ratio. The Interest Rate Agreement effectively converts this portion of our long-term borrowings from fixed rate debt to variable rate debt. Prior to May 15, 2015, but not more than once in any twelve-month period, the counterparty may call up to 10 percent of the Interest Rate Agreement at a call price of 103 percent. The Interest Rate Agreement is callable at the counterparty's option, in whole or in part, at any time on or after May 15, 2015 at set call premiums. The variable interest rate for our borrowings related to the Interest Rate Agreement at March 31, 2014, excluding applicable fees, is 5.5 percent. The Interest Rate Agreement expires on May 15, 2020. Total remaining Senior Secured Notes not covered by the Interest Rate Agreement have a fixed interest rate of 6.875 percent per year through May 15, 2020. Since we intend to settle the Interest Rate Agreement in the second quarter of 2014 in connection with the refinancing of our Senior Notes, the related derivative liability is classified as current at March 31, 2014. If the counterparty to this Interest Rate Agreement were to fail to perform, this Interest Rate Agreement would no longer afford us a variable rate. However, we do not anticipate non-performance by the counterparty. The interest rate swap counterparty was rated A+, as of March 31, 2014, by Standard and Poor's.

The fair market value and related carrying value adjustment are as follows:

| (dollars in thousands) | March 31, 2014 | December 31, 2013 |
|--|----------------|----------------------|
| Fair market value of Rate Agreement - asset (liability) | \$(1,644 |) \$(2,073 |
| Adjustment to increase (decrease) carrying value of the related long-term debt | \$(965 |) \$(1,324 |

The fair value of the Interest Rate Agreement is based on the market standard methodology of netting the discounted expected future fixed cash receipts and the discounted future variable cash payments. The variable cash payments are based on an expectation of future interest rates derived from observed market interest rate forward curves. See note 9 for further discussion and the net impact recorded on the Condensed Consolidated Statements of Operations.

Promissory Note

In September 2001, we issued a \$2.7 million promissory note at an interest rate of 6.0 percent in connection with the purchase of our Laredo, Texas warehouse facility. At March 31, 2014, we had \$0.6 million outstanding on the promissory note. Principal and interest with respect to the promissory note are paid monthly.

Notes Payable

We have an overdraft line of credit for a maximum of €1.0 million. At March 31, 2014, there were no borrowings under the facility, which has an interest rate of 5.80 percent. Interest with respect to the note is paid monthly.

RMB Working Capital Loan

On September 2, 2013, Libbey China entered into a RMB 31.5 million (approximately \$5.1 million) working capital loan with CCB to cover seasonal working capital needs. The 364-day loan matures on September 1, 2014, and bears interest at a variable rate as announced by the People's Bank of China. The annual interest rate was 6.3 percent at March 31, 2014, and interest is paid monthly. The obligation is secured by a mortgage lien on the Libbey China facility.

AICEP Loan

In July 2012, Libbey Portugal entered into a loan agreement with Agencia para Investimento Comercio Externo de Portugal, EPE (AICEP), the Portuguese Agency for investment and external trade. The amount of the loan is €1.7 million (approximately

Table of Contents

\$2.4 million) at March 31, 2014, and has an interest rate of 0.0 percent. Semi-annual installments of principal are due beginning in January 2016 through the maturity date in July 2018.

Fair Value of Borrowings

The fair value of our debt has been calculated based on quoted market prices (Level 1 in the fair value hierarchy) for the same or similar issues. Our \$405.0 million Senior Secured Notes had an estimated fair value of \$442.5 million at March 31, 2014. At December 31, 2013, the Senior Secured Notes had an estimated fair value of \$437.4 million. The fair value of the remainder of our debt approximates carrying value at March 31, 2014 and December 31, 2013 due to variable rates.

Capital Resources and Liquidity

Historically, cash flows generated from operations, cash on hand and our borrowing capacity under our ABL Facility have enabled us to meet our cash requirements, including capital expenditures and working capital requirements. At March 31, 2014, we had no borrowings under our ABL Facility and \$6.2 million in letters of credit issued under that facility. As a result, we had \$75.5 million of unused availability remaining under the ABL Facility at March 31, 2014. In addition, at March 31, 2014, we had \$24.5 million of cash on hand.

Based on our operating plans and current forecast expectations, we anticipate that our level of cash on hand, cash flows from operations and borrowing capacity under our ABL Facility will provide sufficient cash availability to meet our ongoing liquidity needs.

5. Restructuring Charges

Capacity Realignment

In February 2013, we announced plans to discontinue production of certain glassware in North America and reduce manufacturing capacity at our Shreveport, Louisiana, manufacturing facility. As a result, on May 30, 2013, we ceased production of certain glassware in North America, discontinued the use of a furnace at our Shreveport, Louisiana, manufacturing plant and began relocating a portion of the production from the idled furnace to our Toledo, Ohio, and Monterrey, Mexico, locations. In connection with this plan, we expect to incur pretax charges of approximately \$8.0 million. For the three months ended March 31, 2014 and 2013, we recorded a pretax charge of \$1.0 million and \$4.9 million, respectively. These charges included employee termination costs, fixed asset impairment charges, depreciation expense and other restructuring expenses. Employee termination costs include severance, medical benefits and outplacement services for the terminated employees. The write-down of fixed assets was to adjust certain machinery and equipment to the estimated fair market value. These activities are all within the Americas segment and were substantially completed by March 31, 2014.

The following table summarizes the pretax charge incurred in 2014 and 2013:

| (dollars in thousands) | Three months ended March 31, 2014 | 2013 | Total Charges to Date |
|-----------------------------------|---|-------|-----------------------------|
| Accelerated depreciation & other | \$— | \$566 | \$1,685 |
| Other restructuring expenses | 985 | — | 985 |
| Included in cost of sales | 985 | 566 | 2,670 |
| Employee termination cost & other | — | 2,322 | 1,794 |
| Fixed asset write-down | — | 1,992 | 1,924 |

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| | | | |
|------------------------------|-------|---------|---------|
| Other restructuring expenses | — | — | 1,141 |
| Included in special charges | — | 4,314 | 4,859 |
| Total pretax charge | \$985 | \$4,880 | \$7,529 |

14

Table of Contents

The following is the capacity realignment reserve activity for the three months ended March 31, 2014:

| (dollars in thousands) | Reserve Balance at January 1, 2014 | Total Charge to Earnings | Cash (payments) receipts | Non-cash Utilization | Reserve Balance at March 31, 2014 |
|-----------------------------------|--|--------------------------------|--------------------------------|-------------------------|---|
| Employee termination cost & other | \$289 | \$— | \$(243) | \$— | \$46 |
| Other restructuring expenses | — | 985 | (985) | — | — |
| Total | \$289 | \$985 | \$(1,228) | \$— | \$46 |

6. Income Taxes

Our effective tax rate was 25.8 percent for the quarter ended March 31, 2014, compared to 25.0 percent for the quarter ended March 31, 2013. Our effective tax rate differs from the United States statutory tax rate primarily due to valuation allowances, earnings in countries with differing statutory tax rates, accruals related to uncertain tax positions, application of intraperiod tax allocation rules, and tax planning structures. At March 31, 2014 and December 31, 2013, we had \$0.8 million and \$1.3 million, respectively, of gross unrecognized tax benefits, exclusive of interest and penalties. During the quarter ended March 31, 2014, we recorded an income tax benefit, exclusive of interest and penalties, of \$0.5 million due to the reversal of an accrual for an uncertain tax position that expired under the statute of limitations.

FASB ASC 740-20, "Income Taxes - Intraperiod Tax Allocation," requires that the provision for income taxes be allocated between continuing operations and other categories of earnings (such as discontinued operations or other comprehensive income) for each tax jurisdiction. In periods in which there is a year-to-date pre-tax loss from continuing operations and pre-tax income in other categories of earnings, the tax provision is first allocated to the other categories of earnings. A related tax benefit is then recorded in continuing operations. A tax benefit of \$0.6 million was recorded in our income tax provision for the quarter ended March 31, 2014. There was no similar benefit recorded for the quarter ended March 31, 2013.

Our current and future provision for income taxes for 2014 is impacted by valuation allowances. In the United States, the Netherlands and Portugal, we have recorded valuation allowances against our deferred income tax assets. We review the need for valuation allowances on a quarterly basis, or more frequently, if events indicate that a review is required in order to assess the likelihood of the realization of our deferred tax assets. In assessing the need for recording or releasing a valuation allowance, we weigh all available positive and negative evidence. Examples of the evidence we consider are cumulative losses in recent years, losses expected in early future years, a history of potential tax benefits expiring unused, prudent and feasible tax planning strategies that could be implemented, and whether there was an unusual, infrequent or extraordinary item to be considered. Despite recent improvement in financial results in the U.S., management concluded that in consideration of the duration and magnitude of our U.S. operating losses, the current U.S. economic environment and the competitive landscape, it is our judgment that we have not yet achieved profitability of a duration and magnitude sufficient to release our valuation allowance against our deferred tax assets. Accordingly, we continue to maintain a valuation allowance related to our net deferred tax assets in the U.S. and certain foreign jurisdictions.

Income tax payments consisted of the following:

| (dollars in thousands) | Three months ended March 31, | |
|---|------------------------------|---------|
| | 2014 | 2013 |
| Total income tax payments, net of refunds | \$2,728 | \$2,269 |
| Less: credits or offsets | 912 | 385 |
| Cash paid, net | \$1,816 | \$1,884 |

Table of Contents

7. Pension and Non-pension Postretirement Benefits

We have pension plans covering the majority of our employees. Benefits generally are based on compensation and service for salaried employees and job grade and length of service for hourly employees. Our policy is to fund pension plans such that sufficient assets will be available to meet future benefit requirements. In addition, we have an unfunded supplemental employee retirement plan (SERP) that covers certain salaried U.S.-based employees of Libbey hired before January 1, 2006. The U.S. pension plans cover the salaried U.S.-based employees of Libbey hired before January 1, 2006 and most hourly U.S.-based employees (excluding employees hired at Shreveport after 2008 and at Toledo after September 30, 2010). Effective January 1, 2013, we ceased annual company contribution credits to the cash balance accounts in our Libbey U.S. Salaried Pension Plan and SERP. The non-U.S. pension plans cover the employees of our wholly owned subsidiaries in the Netherlands and Mexico. The plan in Mexico is primarily unfunded.

The components of our net pension expense, including the SERP, are as follows:

| Three months ended March 31, (dollars in thousands) | U.S. Plans | | Non-U.S. Plans | | Total | |
|--|------------|----------|----------------|---------|----------|----------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Service cost | \$1,025 | \$1,278 | \$578 | \$722 | \$1,603 | \$2,000 |
| Interest cost | 3,870 | 3,481 | 1,424 | 1,256 | 5,294 | 4,737 |
| Expected return on plan assets | (5,608) | (5,599) | (632) | (481) | (6,240) | (6,080) |
| Amortization of unrecognized: | | | | | | |
| Prior service cost | 265 | 293 | 57 | 62 | 322 | 355 |
| Loss | 1,242 | 2,087 | 258 | 238 | 1,500 | 2,325 |
| Pension expense | \$794 | \$1,540 | \$1,685 | \$1,797 | \$2,479 | \$3,337 |

We have contributed \$1.1 million of cash into our pension plans for the three months ended March 31, 2014. Pension contributions for the remainder of 2014 are estimated to be \$5.2 million.

We provide certain retiree health care and life insurance benefits covering our U.S and Canadian salaried employees hired before January 1, 2004 and a majority of our union hourly employees (excluding employees hired at Shreveport after 2008 and at Toledo after September 30, 2010). Employees are generally eligible for benefits upon retirement and completion of a specified number of years of creditable service. Effective January 1, 2013, we ended our existing healthcare benefit for salaried retirees age 65 and older and instead provide a Retiree Health Reimbursement Arrangement (RHRA) that supports retirees in purchasing a Medicare plan that meets their needs. Also effective January 1, 2013, we reduced the maximum life insurance benefit for salaried retirees to \$10,000. Benefits for most hourly retirees are determined by collective bargaining. The U.S. non-pension postretirement plans cover the hourly and salaried U.S.-based employees of Libbey (excluding those mentioned above). The non-U.S. non-pension postretirement plans cover the retirees and active employees of Libbey who are located in Canada. The postretirement benefit plans are unfunded.

The provision for our non-pension postretirement benefit expense consists of the following:

| Three months ended March 31, (dollars in thousands) | U.S. Plans | | Non-U.S. Plans | | Total | |
|--|------------|---------|----------------|------|---------|---------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Service cost | \$252 | \$392 | \$— | \$— | \$252 | \$392 |
| Interest cost | 710 | 701 | 27 | 23 | 737 | 724 |
| Amortization of unrecognized: | | | | | | |
| Prior service cost | 35 | 34 | — | — | 35 | 34 |
| Loss / (gain) | 67 | 291 | — | (1) | 67 | 290 |
| Non-pension postretirement benefit expense | \$1,064 | \$1,418 | \$27 | \$22 | \$1,091 | \$1,440 |

Our 2014 estimate of non-pension cash payments is \$4.8 million, and we have paid \$1.1 million for the three months ended March 31, 2014.

Table of Contents

8. Net Income (Loss) per Share of Common Stock

The following table sets forth the computation of basic and diluted earnings (loss) per share:

| | Three months ended March 31, | |
|---|------------------------------|------------|
| (dollars in thousands, except earnings per share) | 2014 | 2013 |
| Numerators for earnings per share: | | |
| Net income (loss) that is available to common shareholders | \$ (3,384 |) \$ 1,989 |
| Denominator for basic earnings per share: | | |
| Weighted average shares outstanding | 21,523,077 | 21,114,963 |
| Denominator for diluted earnings per share: | | |
| Effect of stock options and restricted stock units | — | 478,785 |
| Adjusted weighted average shares and assumed conversions | 21,523,077 | 21,593,748 |
| Basic earnings (loss) per share | \$ (0.16 |) \$ 0.09 |
| Diluted earnings (loss) per share | \$ (0.16 |) \$ 0.09 |
| Shares excluded from diluted earnings (loss) per share due to: | | |
| Net loss position (excluded from denominator) | 418,344 | — |
| Inclusion would have been anti-dilutive (excluded from calculation) | 382,109 | 783,843 |

When applicable, diluted shares outstanding includes the dilutive impact of restricted stock units. Diluted shares also include the impact of eligible employee stock options, which are calculated based on the average share price for each fiscal period using the treasury stock method. Under the treasury stock method, the tax-effected proceeds that hypothetically would be received from the exercise of all in-the-money options are assumed to be used to repurchase shares.

Table of Contents

9. Derivatives

We utilize derivative financial instruments to hedge certain interest rate risks associated with our long-term debt, commodity price risks associated with forecasted future natural gas requirements and foreign exchange rate risks associated with transactions denominated in a currency other than the U.S. dollar. Most of these derivatives, except for a portion of our interest rate swap, qualify for hedge accounting since the hedges are highly effective, and we have designated and documented contemporaneously the hedging relationships involving these derivative instruments. While we intend to continue to meet the conditions for hedge accounting, if hedges do not qualify as highly effective or if we do not believe that forecasted transactions would occur, the changes in the fair value of the derivatives used as hedges would be reflected in our earnings. All of these contracts were accounted for under FASB ASC 815 “Derivatives and Hedging.”

Fair Values

The following table provides the fair values of our derivative financial instruments for the periods presented:

| | | Asset Derivatives: | | | |
|---|----------------------------------|------------------------|--|----------------------------------|------------|
| (dollars in thousands) | | March 31, 2014 | | December 31, 2013 | |
| Derivatives designated as hedging instruments under FASB ASC 815: | Location | Fair Value | | Balance Sheet Location | Fair Value |
| Natural gas contracts | Prepaid and other current assets | \$573 | | Prepaid and other current assets | \$394 |
| Natural gas contracts | Other assets | 5 | | Other assets | 19 |
| Total designated | | 578 | | | 413 |
| Total | | \$578 | | | \$413 |
| | | | | | |
| | | Liability Derivatives: | | | |
| (dollars in thousands) | | March 31, 2014 | | December 31, 2013 | |
| Derivatives designated as hedging instruments under FASB ASC 815: | Location | Fair Value | | Balance Sheet Location | Fair Value |
| Interest rate contract | Derivative liability - current | \$1,537 | | Derivative liability - current | \$— |
| Interest rate contract | Other long-term liabilities | — | | Other long-term liabilities | 1,866 |
| Total designated | | 1,537 | | | 1,866 |
| Derivatives not designated as hedging instruments under FASB ASC 815: | | | | | |
| Interest rate contract | Derivative liability - current | 107 | | Derivative liability - current | — |
| Interest rate contract | Other long-term liabilities | — | | Other long-term liabilities | 207 |
| Total undesignated | | 107 | | | 207 |
| Total | | \$1,644 | | | \$2,073 |

Interest Rate Swaps as Fair Value Hedges

In 2012, we entered into an interest rate swap agreement (Rate Agreement) with a notional amount of \$45.0 million that is to mature in 2020. The Rate Agreement was executed in order to convert a portion of the Senior Secured Notes fixed rate debt into floating rate debt and maintain a capital structure containing fixed and floating rate debt. Since we intend to settle the Rate Agreement in the second quarter of 2014 in connection with the refinancing of our Senior

Notes, the related derivative liability is classified as current at March 31, 2014.

\$40.5 million of our Rate Agreement is designated and qualifies as a fair value hedge. The change in the fair value of the derivative instrument related to the future cash flows (gain or loss on the derivative) and the offsetting change in the fair value of the hedged long-term debt attributable to the hedged risk are recognized in current earnings. We include the gain or loss on the hedged long-term debt, along with the offsetting loss or gain on the related interest rate swap, in other income (expense), on the Condensed Consolidated Statements of Operations.

Table of Contents

As of July 1, 2013, we de-designated 10 percent, or \$4.5 million, of our Rate Agreement. As a result, the mark-to-market of the \$4.5 million portion of the Rate Agreement is recorded in other income (expense) on the Condensed Consolidated Statements of Operations. For the three months ended March 31, 2014, the mark-to-market adjustment was income of \$0.1 million.

The following table provides a summary of the gain (loss) recognized on the Condensed Consolidated Statements of Operations from the designated portion of our Rate Agreement:

| (dollars in thousands) | Three months ended March 31, | |
|--------------------------------------|------------------------------|-----------|
| | 2014 | 2013 |
| Interest rate swap - designated | \$329 | \$(356) |
| Related long-term debt | (359) |) 134 |
| Net impact in other income (expense) | \$(30) |) \$(222) |

Commodity Futures Contracts Designated as Cash Flow Hedges

We use commodity futures contracts related to forecasted future North American natural gas requirements. The objective of these futures contracts is to limit the fluctuations in prices paid due to price movements in the underlying commodity. We consider our forecasted natural gas requirements in determining the quantity of natural gas to hedge. We combine the forecasts with historical observations to establish the percentage of forecast eligible to be hedged, typically ranging from 40 percent to 70 percent of our anticipated requirements, up to eighteen months in the future. The fair values of these instruments are determined from market quotes. As of March 31, 2014, we had commodity contracts for 1,470,000 million British Thermal Units (BTUs) of natural gas. At December 31, 2013, we had commodity contracts for 1,520,000 million BTUs of natural gas.

All of our natural gas derivatives qualify and are designated as cash flow hedges at March 31, 2014. Hedge accounting is applied only when the derivative is deemed to be highly effective at offsetting changes in fair values or anticipated cash flows of the hedged item or transaction. For hedged forecasted transactions, hedge accounting is discontinued if the forecasted transaction is no longer probable to occur, and any previously deferred gains or losses would be recorded to earnings immediately. Changes in the effective portion of the fair value of these hedges are recorded in other comprehensive income (loss). The ineffective portion of the change in the fair value of a derivative designated as a cash flow hedge is recognized in current earnings. As the natural gas contracts mature, the accumulated gains (losses) for the respective contracts are reclassified from accumulated other comprehensive loss to current expense in cost of sales in our Condensed Consolidated Statements of Operations. We paid (received) additional cash of \$(0.5) million and \$0.2 million in the three months ended March 31, 2014 and 2013, respectively, due to the difference between the fixed unit rate of our natural gas contracts and the variable unit rate of our natural gas cost from suppliers. Based on our current valuation, we estimate that accumulated losses currently carried in accumulated other comprehensive loss that will be reclassified into earnings over the next twelve months will result in \$0.6 million of loss in our Condensed Consolidated Statements of Operations.

The following table provides a summary of the effective portion of derivative gain (loss) recognized in other comprehensive income (loss):

| (dollars in thousands) | Three months ended March 31, | |
|---|------------------------------|-------|
| | 2014 | 2013 |
| Derivatives in Cash Flow Hedging relationships: | | |
| Natural gas contracts | \$630 | \$967 |
| Total | \$630 | \$967 |

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The following table provides a summary of the effective portion of derivative gain (loss) reclassified from accumulated other comprehensive loss to the Condensed Consolidated Statements of Operations:

| | | Three months ended March | |
|-----------------------------------|---------------|--------------------------|----------|
| | | 31, | |
| (dollars in thousands) | | 2014 | 2013 |
| Derivative: | Location: | | |
| Natural gas contracts | Cost of sales | \$465 | \$(246) |
| Total impact on net income (loss) | | \$465 | \$(246) |

Table of Contents

Currency Contracts

Our foreign currency exposure arises from transactions denominated in a currency other than the U.S. dollar primarily associated with our Canadian dollar denominated accounts receivable. We enter into a series of foreign currency contracts to sell Canadian dollars. We had no contracts at March 31, 2014 and December 31, 2013. The fair values of these instruments are determined from market quotes. The values of these derivatives will change over time as cash receipts and payments are made and as market conditions change.

Gains (losses) on derivatives that were not designated as hedging instruments are recorded in current earnings as follows:

| | | Three months ended March | |
|------------------------|---------------------------|--------------------------|-------|
| | | 31, | 2013 |
| (dollars in thousands) | | 2014 | |
| Derivative: | Location: | | |
| Currency contracts | Other income (expense) | \$— | \$251 |
| Total | | \$— | \$251 |

We do not believe we are exposed to more than a nominal amount of credit risk in our interest rate swap, natural gas hedges and currency contracts as the counterparties are established financial institutions. The counterparty for the Rate Agreement is rated A+ and the counterparties for the other derivative agreements are rated BBB+ or better as of March 31, 2014, by Standard and Poor's.

10. Comprehensive Income (Loss)

Accumulated other comprehensive loss, net of tax, is as follows:

| Three months ended March 31, 2014 (dollars in thousands) | Foreign Currency Translation | Derivative Instruments | Pension and Other Postretirement Benefits | Total Accumulated Comprehensive Loss |
|--|------------------------------------|---------------------------|--|---|
| Balance on December 31, 2013 | \$4,554 | \$1,221 | \$(78,935) | \$(73,160) |
| Other comprehensive income (loss) | (588) |) 630 | — | 42 |
| Currency impact | — | — | 13 | 13 |
| Amounts reclassified from accumulated other comprehensive income (loss): | | | | |
| Amortization of actuarial loss ⁽¹⁾ | — | — | 1,567 | 1,567 |
| Amortization of prior service cost ⁽¹⁾ | — | — | 357 | 357 |
| Cost of sales | — | (465) |) — | (465) |
| Current-period other comprehensive income (loss) | (588) |) 165 | 1,937 | 1,514 |
| Tax effect | — | (27) |) (588) | (615) |
| Balance on March 31, 2014 | \$3,966 | \$1,359 | \$(77,586) | \$(72,261) |

Table of Contents

| Three months ended March 31, 2013 (dollars in thousands) | Foreign Currency Translation | Derivative Instruments | Pension and Other Postretirement Benefits | Total Accumulated Comprehensive Loss |
|--|------------------------------------|---------------------------|--|---|
| Balance on December 31, 2012 | \$(1,641 |) \$489 | \$(139,888 |) \$(141,040 |
| Other comprehensive income (loss) | (2,925 |) 967 | — | (1,958 |
| Currency impact | — | — | (352 |) (352 |
| Amounts reclassified from accumulated other comprehensive income (loss): | | | | |
| Amortization of actuarial loss ⁽¹⁾ | — | — | 2,600 | 2,600 |
| Amortization of prior service cost ⁽¹⁾ | — | — | 390 | 390 |
| Cost of sales | — | 246 | — | 246 |
| Current-period other comprehensive income (loss) | (2,925 |) 1,213 | 2,638 | 926 |
| Tax effect | — | (168 |) 33 | (135 |
| Balance on March 31, 2013 | \$(4,566 |) \$1,534 | \$(137,217 |) \$(140,249 |

(1) These accumulated other comprehensive income components are included in the computation of net periodic benefit cost within the cost of sales and selling, general and administrative expenses on the Condensed Consolidated Statements of Operations.

11. Condensed Consolidated Guarantor Financial Statements

Libbey Glass is a direct, 100 percent owned subsidiary of Libbey Inc. and is the issuer of the Senior Secured Notes. The obligations of Libbey Glass under the Senior Secured Notes are fully and unconditionally and jointly and severally guaranteed by Libbey Inc. and by certain indirect, 100 percent owned domestic subsidiaries of Libbey Inc., as described below. All are related parties that are included in the Condensed Consolidated Financial Statements for the three months ended March 31, 2014 and March 31, 2013.

At March 31, 2014, December 31, 2013 and March 31, 2013, Libbey Inc.'s indirect, 100 percent owned domestic subsidiaries were Syracuse China Company, World Tableware Inc., LGA4 Corp., LGA3 Corp., The Drummond Glass Company, LGC Corp., Libbey.com LLC, LGFS Inc., and LGAC LLC (collectively, Subsidiary Guarantors). The following tables contain Condensed Consolidating Financial Statements of (a) the parent, Libbey Inc., (b) the issuer, Libbey Glass, (c) the Subsidiary Guarantors, (d) the indirect subsidiaries of Libbey Inc. that are not Subsidiary Guarantors (collectively, Non-Guarantor Subsidiaries), (e) the consolidating elimination entries, and (f) the consolidated totals.

Table of Contents

Libbey Inc.

Condensed Consolidating Statements of Comprehensive Income (Loss)

(unaudited)

| (dollars in thousands) | Three months ended March 31, 2014 | | | | | |
|--|-----------------------------------|-----------------------|-----------------------|----------------------------|--------------|--------------|
| | Libbey Inc. (Parent) | Libbey Glass (Issuer) | Subsidiary Guarantors | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Net sales | \$— | \$83,792 | \$18,697 | \$98,794 | \$(19,702) | \$181,581 |
| Freight billed to customers | — | 168 | 191 | 455 | — | 814 |
| Total revenues | — | 83,960 | 18,888 | 99,249 | (19,702) | 182,395 |
| Cost of sales | — | 69,020 | 14,998 | 85,740 | (19,702) | 150,056 |
| Gross profit | — | 14,940 | 3,890 | 13,509 | — | 32,339 |
| Selling, general and administrative expenses | — | 14,635 | 2,833 | 11,410 | — | 28,878 |
| Special charges | — | — | — | — | — | — |
| Income (loss) from operations | — | 305 | 1,057 | 2,099 | — | 3,461 |
| Other income (expense) | — | (332) | (10) | 20 | — | (322) |
| Earnings (loss) before interest and income taxes | — | (27) | 1,047 | 2,119 | — | 3,139 |
| Interest expense | — | 5,773 | — | 1,928 | — | 7,701 |
| Income (loss) before income taxes | — | (5,800) | 1,047 | 191 | — | (4,562) |
| Provision (benefit) for income taxes | — | (1,035) | 24 | (167) | — | (1,178) |
| Net income (loss) | — | (4,765) | 1,023 | 358 | — | (3,384) |
| Equity in net income (loss) of subsidiaries | (3,384) | 1,381 | — | — | 2,003 | — |
| Net income (loss) | \$(3,384) | \$(3,384) | \$1,023 | \$358 | \$2,003 | \$(3,384) |
| Comprehensive income (loss) | \$(2,485) | \$(2,485) | \$1,160 | \$164 | \$1,161 | \$(2,485) |
| | Three months ended March 31, 2013 | | | | | |
| (dollars in thousands) | Libbey Inc. (Parent) | Libbey Glass (Issuer) | Subsidiary Guarantors | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Net sales | \$— | \$86,930 | \$18,360 | \$89,379 | \$(11,193) | \$183,476 |
| Freight billed to customers | — | 99 | 234 | 419 | — | 752 |
| Total revenues | — | 87,029 | 18,594 | 89,798 | (11,193) | 184,228 |
| Cost of sales | — | 62,600 | 14,360 | 76,229 | (11,193) | 141,996 |
| Gross profit | — | 24,429 | 4,234 | 13,569 | — | 42,232 |
| Selling, general and administrative expenses | — | 15,057 | 2,669 | 8,671 | — | 26,397 |
| Special charges | — | 4,314 | — | — | — | 4,314 |
| Income (loss) from operations | — | 5,058 | 1,565 | 4,898 | — | 11,521 |
| Other income (expense) | — | (1) | (9) | (425) | — | (435) |
| Earnings (loss) before interest and income taxes | — | 5,057 | 1,556 | 4,473 | — | 11,086 |
| Interest expense | — | 6,420 | — | 2,015 | — | 8,435 |
| Income (loss) before income taxes | — | (1,363) | 1,556 | 2,458 | — | 2,651 |

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| | | | | | | |
|---|---------|---------|---------|----------|------------|-----------|
| Provision (benefit) for income taxes | — | (819 |) 2 | 1,479 | — | 662 |
| Net income (loss) | — | (544 |) 1,554 | 979 | — | 1,989 |
| Equity in net income (loss) of subsidiaries | 1,989 | 2,533 | — | — | (4,522 |) — |
| Net income (loss) | \$1,989 | \$1,989 | \$1,554 | \$979 | \$(4,522 |) \$1,989 |
| Comprehensive income (loss) | \$2,780 | \$2,780 | \$1,696 | \$(1,552 |) \$(2,924 |) \$2,780 |

22

Table of ContentsLibbey Inc.
Condensed Consolidating Balance Sheet

| (dollars in thousands) | March 31, 2014 (unaudited) | | | | | |
|---|----------------------------|-----------------------------|--------------------------|-----------------------------------|--------------|--------------|
| | Libbey Inc. (Parent) | Libbey Glass (Issuer) | Subsidiary Guarantors | Non- Guarantor Subsidiaries | Eliminations | Consolidated |
| Cash and equivalents | \$— | \$8,300 | \$40 | \$16,133 | \$— | \$24,473 |
| Accounts receivable — net | — | 32,658 | 5,944 | 48,444 | — | 87,046 |
| Inventories — net | — | 58,314 | 22,636 | 93,229 | — | 174,179 |
| Other current assets | — | 25,444 | 4,278 | 23,272 | (21,095) | 31,899 |
| Total current assets | — | 124,716 | 32,898 | 181,078 | (21,095) | 317,597 |
| Other non-current assets | — | 37,192 | 1,379 | 15,051 | (607) | 53,015 |
| Investments in and advances to subsidiaries | 129,666 | 314,506 | 199,079 | (48,583) | (594,668) | — |
| Goodwill and purchased intangible assets — net | — | 27,423 | 12,347 | 146,660 | — | 186,430 |
| Total other assets | 129,666 | 379,121 | 212,805 | 113,128 | (595,275) | 239,445 |
| Property, plant and equipment — net | — | 67,758 | 266 | 196,594 | — | 264,618 |
| Total assets | \$129,666 | \$571,595 | \$245,969 | \$490,800 | \$(616,370) | \$821,660 |
| Accounts payable | \$— | \$14,458 | \$2,444 | \$57,197 | \$— | \$74,099 |
| Accrued and other current liabilities | — | 49,633 | 27,076 | 27,644 | (21,095) | 83,258 |
| Notes payable and long-term debt due within one year | — | 239 | — | 5,112 | — | 5,351 |
| Total current liabilities | — | 64,330 | 29,520 | 89,953 | (21,095) | 162,708 |
| Long-term debt | — | 404,420 | — | 2,388 | — | 406,808 |
| Other long-term liabilities | — | 64,542 | 8,036 | 50,507 | (607) | 122,478 |
| Total liabilities | — | 533,292 | 37,556 | 142,848 | (21,702) | 691,994 |
| Total shareholders' equity | 129,666 | 38,303 | 208,413 | 347,952 | (594,668) | 129,666 |
| Total liabilities and shareholders' equity | \$129,666 | \$571,595 | \$245,969 | \$490,800 | \$(616,370) | \$821,660 |

Table of ContentsLibbey Inc.
Condensed Consolidating Balance Sheet

| (dollars in thousands) | December 31, 2013 | | | | | |
|---|----------------------------|-----------------------------|--------------------------|-----------------------------------|--------------|--------------|
| | Libbey Inc. (Parent) | Libbey Glass (Issuer) | Subsidiary Guarantors | Non- Guarantor Subsidiaries | Eliminations | Consolidated |
| Cash and equivalents | \$— | \$22,070 | \$62 | \$20,076 | \$— | \$42,208 |
| Accounts receivable — net | — | 41,193 | 4,562 | 48,794 | — | 94,549 |
| Inventories — net | — | 51,571 | 22,907 | 88,643 | — | 163,121 |
| Other current assets | — | 23,183 | 3,999 | 18,751 | (21,095) | 24,838 |
| Total current assets | — | 138,017 | 31,530 | 176,264 | (21,095) | 324,716 |
| Other non-current assets | — | 38,661 | 1,379 | 13,475 | (607) | 52,908 |
| Investments in and advances to subsidiaries | 130,809 | 304,266 | 199,573 | (41,361) | (593,287) | — |
| Goodwill and purchased intangible assets — net | — | 27,423 | 12,347 | 146,934 | — | 186,704 |
| Total other assets | 130,809 | 370,350 | 213,299 | 119,048 | (593,894) | 239,612 |
| Property, plant and equipment — net | — | 67,836 | 278 | 197,548 | — | 265,662 |
| Total assets | \$130,809 | \$576,203 | \$245,107 | \$492,860 | \$(614,989) | \$829,990 |
| Accounts payable | \$— | \$16,086 | \$3,404 | \$60,130 | \$— | \$79,620 |
| Accrued and other current liabilities | — | 50,292 | 26,243 | 27,674 | (21,095) | 83,114 |
| Notes payable and long-term debt due within one year | — | 235 | — | 5,156 | — | 5,391 |
| Total current liabilities | — | 66,613 | 29,647 | 92,960 | (21,095) | 168,125 |
| Long-term debt | — | 404,122 | — | 2,390 | — | 406,512 |
| Other long-term liabilities | — | 67,225 | 8,205 | 49,721 | (607) | 124,544 |
| Total liabilities | — | 537,960 | 37,852 | 145,071 | (21,702) | 699,181 |
| Total shareholders' equity | 130,809 | 38,243 | 207,255 | 347,789 | (593,287) | 130,809 |
| Total liabilities and shareholders' equity | \$130,809 | \$576,203 | \$245,107 | \$492,860 | \$(614,989) | \$829,990 |

Table of Contents

Libbey Inc.
Condensed Consolidating Statements of Cash Flows
(unaudited)

| (dollars in thousands) | Three months ended March 31, 2014 | | | | | |
|---|-----------------------------------|-----------------------|-----------------------|----------------------------|--------------|--------------|
| | Libbey Inc. (Parent) | Libbey Glass (Issuer) | Subsidiary Guarantors | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Net income (loss) | \$(3,384) | \$(3,384) | \$1,023 | \$358 | \$2,003 | \$(3,384) |
| Depreciation and amortization | — | 3,199 | 11 | 7,466 | — | 10,676 |
| Other operating activities | 3,384 | (15,119) | (1,056) | (4,867) | (2,003) | (19,661) |
| Net cash provided by (used in) operating activities | — | (15,304) | (22) | 2,957 | — | (12,369) |
| Additions to property, plant & equipment | — | (3,098) | — | (6,803) | — | (9,901) |
| Other investing activities | — | 4,346 | — | 4 | — | 4,350 |
| Net cash (used in) investing activities | — | 1,248 | — | (6,799) | — | (5,551) |
| Net borrowings (repayments) | — | (50) | — | — | — | (50) |
| Other financing activities | — | 336 | — | — | — | 336 |
| Net cash provided by (used in) financing activities | — | 286 | — | — | — | 286 |
| Exchange effect on cash | — | — | — | (101) | — | (101) |
| Increase (decrease) in cash | — | (13,770) | (22) | (3,943) | — | (17,735) |
| Cash at beginning of period | — | 22,070 | 62 | 20,076 | — | 42,208 |
| Cash at end of period | \$— | \$8,300 | \$40 | \$16,133 | \$— | \$24,473 |

| (dollars in thousands) | Three months ended March 31, 2013 | | | | | |
|---|-----------------------------------|-----------------------|-----------------------|----------------------------|--------------|--------------|
| | Libbey Inc. (Parent) | Libbey Glass (Issuer) | Subsidiary Guarantors | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Net income (loss) | \$1,989 | \$1,989 | \$1,554 | \$979 | \$(4,522) | \$1,989 |
| Depreciation and amortization | — | 4,114 | 17 | 6,643 | — | 10,774 |
| Other operating activities | (1,989) | (19,007) | (1,548) | (7,421) | 4,522 | (25,443) |
| Net cash provided by (used in) operating activities | — | (12,904) | 23 | 201 | — | (12,680) |
| Additions to property, plant & equipment | — | (2,004) | — | (6,878) | — | (8,882) |
| Other investing activities | — | 1 | — | 3 | — | 4 |
| Net cash (used in) investing activities | — | (2,003) | — | (6,875) | — | (8,878) |
| Net borrowings (repayments) | — | (54) | — | (5) | — | (59) |
| Other financing activities | — | 537 | — | — | — | 537 |
| Net cash provided by (used in) financing activities | — | 483 | — | (5) | — | 478 |
| Exchange effect on cash | — | — | — | (179) | — | (179) |

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| | | | | | | | |
|-----------------------------|-----|----------|------|----------|-----|----------|---|
| Increase (decrease) in cash | — | (14,424 |) 23 | (6,858 |) — | (21,259 |) |
| Cash at beginning of period | — | 43,558 | 70 | 23,580 | — | 67,208 | |
| Cash at end of period | \$— | \$29,134 | \$93 | \$16,722 | \$— | \$45,949 | |

Table of Contents

12. Segments

Our reporting segments align with our regionally focused organizational structure, which we believe enables us to better serve customers across the globe. Under this structure, we report financial results for the Americas; Europe, the Middle East and Africa (EMEA); U.S. Sourcing and Other. In addition, sales and segment EBIT reflect end market reporting pursuant to which sales and related costs are included in segment EBIT based on the geographical destination of the sale. Our three reportable segments are defined below. Our operating segment that does not meet the criteria to be a reportable segment is disclosed as Other.

Americas—includes worldwide sales of manufactured and sourced glass tableware having an end market destination in North and South America.

EMEA—includes worldwide sales of manufactured and sourced glass tableware having an end market destination in Europe, the Middle East and Africa.

U.S. Sourcing—includes U.S. sales of sourced ceramic dinnerware, metal tableware, hollowware, and serveware.

Other —includes worldwide sales of manufactured and sourced glass tableware having an end market destination in Asia Pacific.

Our measure of profit for our reportable segments is Segment Earnings before Interest and Taxes (Segment EBIT) and excludes amounts related to certain items we consider not representative of ongoing operations as well as certain retained corporate costs and other allocations that are not considered by management when evaluating performance. We use Segment EBIT, along with net sales and selected cash flow information, to evaluate performance and to allocate resources. Segment EBIT for reportable segments includes an allocation of some corporate expenses based on the costs of services performed.

Certain activities not related to any particular reportable segment are reported within retained corporate costs. These costs include certain headquarter, administrative and facility costs, and other costs that are global in nature and are not allocable to the reporting segments.

The accounting policies of the reportable segments are the same as those described in note 2. We do not have any customers who represent 10 percent or more of total sales. Inter-segment sales are consummated at arm's length and are reflected at end market reporting below.

Table of Contents

| (dollars in thousands) | Three months ended March | |
|--|--------------------------|------------|
| | 2014 | 2013 |
| Net Sales: | | |
| Americas | \$ 121,925 | \$ 123,535 |
| EMEA | 34,398 | 34,242 |
| U.S. Sourcing | 17,734 | 17,484 |
| Other | 7,524 | 8,215 |
| Consolidated | \$ 181,581 | \$ 183,476 |
| Segment EBIT: | | |
| Americas | \$ 14,989 | \$ 18,802 |
| EMEA | 253 | (1,362) |
| U.S. Sourcing | 868 | 1,541 |
| Other | 445 | 2,285 |
| Total Segment EBIT | \$ 16,555 | \$ 21,266 |
| Reconciliation of Segment EBIT to Net Income (Loss): | | |
| Segment EBIT | \$ 16,555 | \$ 21,266 |
| Retained corporate costs | (7,125) | (5,300) |
| Furnace malfunction | (5,306) | — |
| Restructuring charges (note 5) | (985) | (4,880) |
| Interest expense | (7,701) | (8,435) |
| Income taxes | 1,178 | (662) |
| Net income (loss) | \$ (3,384) | \$ 1,989 |
| Depreciation & Amortization: | | |
| Americas | \$ 5,959 | \$ 6,528 |
| EMEA | 2,626 | 2,486 |
| U.S. Sourcing | 7 | 9 |
| Other | 1,644 | 1,374 |
| Corporate | 440 | 377 |
| Consolidated | \$ 10,676 | \$ 10,774 |
| Capital Expenditures: | | |
| Americas | \$ 7,132 | \$ 6,875 |
| EMEA | 1,561 | 1,296 |
| U.S. Sourcing | — | — |
| Other | 572 | 335 |
| Corporate | 636 | 376 |
| Consolidated | \$ 9,901 | \$ 8,882 |

Table of Contents

13. Fair Value

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.

Level 3 — Unobservable inputs based on our own assumptions.

| Asset / (Liability) (dollars in thousands) | Fair Value at March 31, 2014 | | | | Fair Value at December 31, 2013 | | | |
|---|---------------------------------|------------|---------|------------|------------------------------------|------------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Commodity futures natural gas contracts | \$— | \$578 | \$— | \$578 | \$— | \$413 | \$— | \$413 |
| Currency contracts | — | — | — | — | — | — | — | — |
| Interest rate agreement | — | (1,644) | — | (1,644) | — | (2,073) | — | (2,073) |
| Net derivative asset (liability) | \$— | \$(1,066) | \$— | \$(1,066) | \$— | \$(1,660) | \$— | \$(1,660) |

The fair values of our commodity futures natural gas contracts and currency contracts are determined using observable market inputs. The fair value of our interest rate agreement is based on the market standard methodology of netting the discounted expected future fixed cash receipts and the discounted future variable cash payments. The variable cash payments are based on an expectation of future interest rates derived from observed market interest rate forward curves. Since these inputs are observable in active markets over the terms that the instruments are held, the derivatives are classified as Level 2 in the hierarchy. We also evaluate Company and counterparty risk in determining fair values. The commodity futures natural gas contracts, interest rate agreements and currency contracts are hedges of either recorded assets or liabilities or anticipated transactions. Changes in values of the underlying hedged assets and liabilities or anticipated transactions are not reflected in the above table.

The total derivative position is recorded on the Condensed Consolidated Balance Sheets as follows:

| Asset / (Liability) (dollars in thousands) | March 31, 2014 | December 31, 2013 |
|---|----------------|----------------------|
| Prepaid and other current assets | \$573 | \$394 |
| Other assets | 5 | 19 |
| Derivative liability | (1,644) | — |
| Other long-term liabilities | — | (2,073) |
| Net derivative asset (liability) | \$(1,066) | \$(1,660) |

14. Other Income (Expense)

Items included in other income (expense) in the Condensed Consolidated Statements of Operations are as follows:

| (dollars in thousands) | Three months ended March 31, | |
|--------------------------------------|---------------------------------|----------|
| | 2014 | 2013 |
| Gain (loss) on currency translation | \$(275) | \$(283) |
| Hedge ineffectiveness | 70 | (222) |
| Other non-operating income (expense) | (117) | 70 |

Other income (expense) \$(322) \$(435)

28

Table of Contents

15. Contingencies

Legal Proceedings

From time to time, we are identified as a "potentially responsible party" (PRP) under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) and/or similar state laws that impose liability without regard to fault for costs and damages relating to the investigation and clean-up of contamination resulting from releases or threatened releases of hazardous substances. We are also subject to similar laws in some of the countries where our facilities are located. Our environmental, health, and safety department monitors compliance with applicable laws on a global basis.

On October 30, 2009, the United States Environmental Protection Agency ("U.S. EPA") designated Syracuse China Company ("Syracuse China"), our wholly-owned subsidiary, as one of eight PRPs with respect to the Lower Ley Creek sub-site of the Onondaga Lake Superfund site located near the ceramic dinnerware manufacturing facility that Syracuse China operated from 1995 to 2009 in Syracuse, New York. As a PRP, we may be required to pay a share of the costs of investigation and clean-up of the Lower Ley Creek sub-site.

Although U.S. EPA has completed its Remedial Investigation (RI), U.S. EPA has not yet issued a Feasibility Study (FS), Risk Assessment (RA) or Proposed Remedial Action Plan (PRAP) with respect to the Lower Ley Creek sub-site. Accordingly, the nature of any plan of remediation, and the costs of any such plan of remediation, are not yet known. Additionally, it is not yet known whether amounts previously recovered by U.S. EPA are adequate to cover the costs associated with any such plan of remediation, nor is it known how any excess costs may be allocated among the PRPs.

Depending on the results of the FS, RA and PRAP, it is reasonably possible that Syracuse China may be required to record a liability related to remediation costs at the Ley Creek sub-site. As of March 31, 2014, the possible loss or range of loss is not reasonably estimable. To the extent that Syracuse China may have liability with respect to this sub-site and to the extent that the liability arose prior to our 1995 acquisition of the Syracuse China assets, the liability would be subject to the indemnification provisions contained in the Asset Purchase Agreement between the Company and The Pfaltzgraff Co. (now known as TPC-York, Inc. ("TPC York")) and certain of its subsidiaries. Accordingly, Syracuse China has notified TPC York of its claim for indemnification under the Asset Purchase Agreement. Although we cannot predict the ultimate impact of this proceeding, we believe that the outcome will not have a material impact on our financial condition, results of operations or liquidity.

Insurance claim

We currently have an open insurance claim related to a 2013 furnace malfunction at our manufacturing facility in Toledo, Ohio. At December 31, 2013, partial insurance proceeds of \$5.0 million were recognized in accounts receivable. Cash was received in the first quarter of 2014 with \$4.3 million recorded as an investing activity and \$0.7 million recorded as cash from operations on the Condensed Consolidated Statements of Cash Flows. The insurance claim is still ongoing and the amount of any future recovery is uncertain at this time.

16. Subsequent Events

On April 9, 2014, we completed the refinancing of substantially all of the existing indebtedness of our wholly-owned subsidiaries Libbey Glass and Libbey Europe B.V. The refinancing included:

- the entry into an amended and restated credit agreement with respect to our ABL Facility;

-

the issuance of \$440.0 million in aggregate principal amount of the Senior Secured Term Loan B facility of Libbey Glass due 2021, which bears an interest rate of LIBOR plus 3.0 percent, subject to a LIBOR "floor" of 0.75 percent. The interest rate was 3.75 percent at commencement; and

the repurchase and cancellation of all Libbey Glass's then outstanding \$405.0 million in aggregate principal amount Senior Secured Notes (\$360.0 million on April 9, 2014 and \$45.0 million on May 9, 2014).

Libbey Glass used the proceeds of the Senior Secured Term Loan B facility, together with cash on hand and borrowings under the ABL Facility, to repurchase \$360.0 million of the Senior Secured Notes, redeem the remaining \$45.0 million of the Senior Secured Notes, and pay certain related fees and expenses.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes thereto appearing elsewhere in this report and in our Annual Report filed with the Securities and Exchange Commission. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ from those anticipated in these forward-looking statements as a result of many factors. Our risk factors are set forth in Part I, Item 1A. "Risk Factors" in our 2013 Annual Report on Form 10-K for the year ended December 31, 2013.

Overview

During the first quarter of 2014, we continued to operate in a fragile and challenged world marketplace. The pressures on retailers, restaurants and consumer durables companies experienced in 2013 around the globe continued in 2014. The U.S. experienced the negative effects of more severe winter weather in the first quarter of 2014 as compared to that of the first quarter of 2013. The severe winter weather not only impacted our sales within the U.S. by \$2.7 million, but it also impacted our U.S. production facilities. For example, on several occasions the severe weather prevented workers from traveling and we could not adequately staff our Toledo facility for full production on those days. U.S. consumer sentiment remains low and major foodservice indices indicate continued softness in restaurant traffic for the first quarter of 2014. The significant fiscal reform that was adopted in Mexico in late 2013 is continuing in the first quarter of 2014 to reduce consumer confidence, which drives a sizable portion of the Mexican economy. The European economy is slowly improving, but the geopolitical situation between Europe and Russia continues to worsen, causing the European economy to be uneven. The rate of economic growth within the consumer segment in China continues to be weak. Specifically affecting our business is the very tight credit environment and Chinese government crack down on consumption and entertaining referred to collectively as the "Eight Regulations." As a result of the combination of these factors, our consolidated net sales were down 1.0 percent for the first quarter as compared to the first quarter of 2013.

Adjusted EBITDA for the first quarter of 2014 was \$20.1 million, a reduction from \$26.2 million in the prior year period. The decline was primarily attributable to higher input costs for natural gas, packaging and electricity of \$4.0 million, weather related factors of \$1.3 million, and negative currency effects of \$2.0 million primarily in Mexico, partially offset by savings of \$0.9 million from the recently completed North American capacity realignment.

We continue to evaluate our balance sheet and debt structure. On April 9, 2014, we completed the refinancing of substantially all of the existing indebtedness of our wholly-owned subsidiaries Libbey Glass and Libbey Europe B.V. The refinancing included:

the entry into an amended and restated credit agreement with respect to our ABL Facility;

the issuance of \$440.0 million in aggregate principal amount of the Senior Secured Term Loan B facility of Libbey Glass due 2021, which bears an interest rate of LIBOR plus 3.0 percent, subject to a LIBOR "floor" of 0.75 percent. The interest rate was 3.75 percent at commencement; and

the repurchase and cancellation of all Libbey Glass's then outstanding \$405.0 million in aggregate principal amount Senior Secured Notes (\$360.0 million on April 9, 2014 and \$45.0 million on May 9, 2014).

Libbey Glass used the proceeds of the Senior Secured Term Loan B facility, together with cash on hand and borrowings under the ABL Facility, to repurchase \$360.0 million of the Senior Secured Notes, redeem the remaining \$45.0 million of the Senior Secured Notes, and pay certain related fees and expenses. Based on current LIBOR rates,

the Senior Secured Term Loan B facility is expected to generate annual interest expense savings in excess of \$10.0 million.

Our three reportable segments are defined below. Our operating segment that does not meet the criteria to be a reportable segment is disclosed as Other.

Americas—includes worldwide sales of manufactured and sourced glass tableware having an end market destination in North and South America.

EMEA —includes worldwide sales of manufactured and sourced glass tableware having an end market destination in Europe, the Middle East and Africa.

U.S. Sourcing—includes U.S. sales of sourced ceramic dinnerware, metal tableware, hollowware, and serveware.

30

Table of Contents

Other —includes worldwide sales of manufactured and sourced glass tableware having an end market destination in Asia Pacific.

Results of Operations

The following table presents key results of our operations for the three months ended March 31, 2014 and 2013:

| (dollars in thousands, except percentages and per-share amounts) | Three months ended March 31, | |
|--|------------------------------|-----------|
| | 2014 | 2013 |
| Net sales | \$181,581 | \$183,476 |
| Gross profit ⁽²⁾ | \$32,339 | \$42,232 |
| Gross profit margin | 17.8 | % 23.0 |
| Income from operations (IFO) ⁽²⁾⁽³⁾ | \$3,461 | \$11,521 |
| IFO margin | 1.9 | % 6.3 |
| Earnings before interest and income taxes(EBIT) ⁽¹⁾⁽²⁾⁽³⁾ | \$3,139 | \$11,086 |
| EBIT margin | 1.7 | % 6.0 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) ⁽¹⁾⁽²⁾⁽³⁾ | \$13,815 | \$21,860 |
| EBITDA margin | 7.6 | % 11.9 |
| Adjusted EBITDA ⁽¹⁾ | \$20,106 | \$26,174 |
| Adjusted EBITDA margin | 11.1 | % 14.3 |
| Net income (loss) ⁽²⁾⁽³⁾ | \$(3,384) |) \$1,989 |
| Net income (loss) margin | (1.9 |)% 1.1 |
| Diluted net income (loss) per share | \$(0.16 |) \$0.09 |

We believe that EBIT, EBITDA and Adjusted EBITDA, all non-GAAP financial measures, are useful metrics for evaluating our financial performance, as they are measures that we use internally to assess our performance. For a (1)reconciliation from net income (loss) to EBIT, EBITDA, and Adjusted EBITDA, see the "Adjusted EBITDA" section below in the Discussion of First Quarter 2014 Compared to First Quarter 2013 and the reasons we believe these non-GAAP financial measures are useful.

The three months ended March 31, 2014 includes \$5.3 million for the loss of production at our Toledo, Ohio, manufacturing facility due to a furnace malfunction; and \$1.0 million of charges related to discontinuing production of certain glassware in North America and reducing manufacturing capacity at our Shreveport, (2)Louisiana, facility. The three months ended March 31, 2013 includes \$0.6 million of accelerated depreciation on fixed assets that were impaired from discontinuing production of certain glassware in North America and reducing manufacturing capacity at our Shreveport, Louisiana, manufacturing facility. (See note 5 to the Condensed Consolidated Financial Statements.)

In addition to item (2) above, the three month period ended March 31, 2013 includes \$4.3 million in charges (3)related to discontinuing production of certain glassware in North America and reducing manufacturing capacity at our Shreveport, Louisiana, facility. (See note 5 to the Condensed Consolidated Financial Statements.)

Table of Contents

Discussion of First Quarter 2014 Compared to First Quarter 2013

Net Sales

For the quarter ended March 31, 2014, net sales decreased 1.0 percent to \$181.6 million, compared to \$183.5 million in the year-ago quarter. When adjusted for currency impact, net sales were down 1.2 percent. The decrease in net sales was attributable to decreased sales of \$2.3 million in the Americas and Other, partially offset by the increased net sales in U.S. Sourcing and EMEA.

| (dollars in thousands) | Three months ended March 31, | |
|------------------------|------------------------------|------------|
| | 2014 | 2013 |
| Americas | \$ 121,925 | \$ 123,535 |
| EMEA | 34,398 | 34,242 |
| U.S. Sourcing | 17,734 | 17,484 |
| Other | 7,524 | 8,215 |
| Consolidated | \$ 181,581 | \$ 183,476 |

Net Sales — Americas

Net sales in the Americas were \$121.9 million, compared to \$123.5 million in the first quarter of 2013, a decrease of 1.3 percent (a decrease of 0.4 percent excluding currency fluctuation). The primary contributor was a 8.1 percent decrease in sales within our retail channel of distribution. Our retail channel was impacted by our decision to exit the sale of certain low margin items as we reconfigured our Americas manufacturing footprint, a loss of share on very price competitive items, the severe winter weather in much of the U.S., softness in consumer spending and reduced retail traffic. Net sales in our business-to-business channel grew 8.2 percent, as compared to the prior year quarter, due to increased volume while the foodservice channel sales were relatively flat over the comparative prior year quarter. In aggregate the severe winter weather in the U.S. and Canada during the quarter reduced sales by \$2.0 million with over half of the impact in the food service channel.

Net Sales — EMEA

Net sales in EMEA were \$34.4 million, compared to \$34.2 million in the first quarter of 2013, an increase of 0.5 percent (a decrease of 3.1 percent excluding currency fluctuation). The primary contributors to the increased net sales were the favorable currency impact and a sales increase in the foodservice channel of 19.3 percent, offset by retail and business-to-business channel declines of 3.4 percent and 2.3 percent, respectively.

Net Sales — U.S. Sourcing

Net sales in U.S. Sourcing were \$17.7 million, compared to \$17.5 million in the first quarter of 2013, an increase of 1.4 percent. The increase in sales resulted from increased shipments in our foodservice channel. Sales in this segment were reduced by \$0.7 million due to the severe winter weather experienced during the quarter.

Gross Profit

Gross profit decreased to \$32.3 million in the first quarter of 2014, compared to \$42.2 million in the prior year quarter. Gross profit as a percentage of net sales decreased to 17.8 percent in the first quarter of 2014, compared to 23.0 percent in the prior year period. The primary drivers of the \$9.9 million decline in gross profit were the unfavorable impact of the severe winter weather of \$1.3 million, higher input costs for natural gas, packaging and electricity of \$4.0 million, the loss of production related to the furnace malfunction at our Toledo, Ohio, manufacturing facility of \$5.3 million and an unfavorable currency impact of \$1.9 million. Partially offsetting these factors was a net increase in production activity of \$3.2 million compared to the first quarter of 2013, when a significant furnace rebuild resulted in a reduction in capacity utilization.

Income From Operations

Income from operations for the quarter ended March 31, 2014 decreased \$8.1 million, to \$3.5 million, compared to \$11.5 million in the prior year quarter. Income from operations as a percentage of net sales was 1.9 percent for the quarter ended March 31, 2014, compared to 6.3 percent in the prior year quarter. The decrease in income from operations is the result of the decrease in gross profit (discussed above) and an increase in selling, general and administrative expense of \$2.5 million, which is primarily the result of a \$1.0 million increase in labor and benefits, including added sales and marketing professionals, and a

Table of Contents

\$0.7 million increase in legal and professional fees. Partially offsetting these factors was the favorable impact in the first quarter of 2014 of a reduction in special charges compared to the prior-year quarter, when we recorded \$4.3 million of special charges related to the discontinuation of production of certain glassware in North America and the reduction of manufacturing capacity at our Shreveport, Louisiana, manufacturing facility.

Earnings Before Interest and Income Taxes (EBIT)

EBIT for the quarter ended March 31, 2014 decreased by \$7.9 million, to \$3.1 million from \$11.1 million in the first quarter of 2013. EBIT as a percentage of net sales decreased to 1.7 percent in the first quarter of 2014, compared to 6.0 percent in the prior year quarter. The decrease in EBIT is primarily the result of the decrease in income from operations (discussed above).

Segment EBIT

The following table summarizes the change in Segment EBIT⁽¹⁾ by reportable segments:

| (dollars in thousands) | Three months ended March 31, | | |
|---|------------------------------|------------|---------------|
| | Americas | EMEA | U.S. Sourcing |
| Segment EBIT, March 31, 2013 | \$ 18,802 | \$(1,362) | \$ 1,541 |
| Sales, excluding currency | (1,540) | 543 | (252) |
| Manufacturing and distribution | 9 | 1,245 | (257) |
| Selling, general, administrative and other income/expense | (120) | (299) | (164) |
| Effects of changing foreign currency rates | (2,162) | 126 | — |
| Segment EBIT, March 31, 2014 | \$ 14,989 | \$ 253 | \$ 868 |

Segment EBIT represents earnings before interest and taxes and excludes amounts related to certain items we consider not representative of ongoing operations as well as certain retained corporate costs and other allocations that are not considered by management when evaluating performance. See note 12 to the Condensed Consolidated Financial Statements for reconciliation of Segment EBIT to net income (loss).

Segment EBIT — Americas

Segment EBIT decreased to \$15.0 million in the first quarter of 2014, compared to \$18.8 million in the first quarter of 2013. Segment EBIT as a percentage of net sales for the Americas decreased to 12.3 percent in the first quarter of 2014, compared to 15.2 percent in the prior year period. The primary drivers of the \$3.8 million decline in Segment EBIT were the unfavorable impact of the severe winter weather of \$1.1 million; higher input costs for natural gas, packaging and electricity of \$3.5 million; and an unfavorable currency impact of \$2.2 million. These unfavorable items were partially offset by the realization of savings of \$0.9 million from the recently completed North American capacity realignment. We also realized a net \$2.0 million from increased production activity due to a significant furnace rebuild during the first quarter of 2013 partially offset by some production inefficiencies.

Segment EBIT — EMEA

Segment EBIT increased to \$0.3 million in the first quarter of 2014, compared to \$(1.4) million in the first quarter of 2013. Segment EBIT as a percentage of net sales for EMEA increased to 0.7 percent in the first quarter of 2014, compared to (4.0) percent in the prior-year period. The primary driver of the \$1.6 million increase in Segment EBIT was increased production activity net of volume-related production costs of \$2.0 million. This favorable item was partially offset by increased selling, general, administrative and other income (expense) of \$0.3 million primarily resulting from higher labor and benefit expenses.

Segment EBIT — U.S. Sourcing

Segment EBIT decreased to \$0.9 million in the first quarter of 2014, compared to \$1.5 million in the first quarter of 2013. Segment EBIT as a percentage of net sales for U.S. Sourcing decreased to 4.9 percent in the first quarter of 2014, compared to 8.8 percent in the prior-year period. The primary drivers of the \$0.7 million decrease in Segment EBIT were an unfavorable sales impact of \$0.3 million, primarily the result of the severe winter weather experienced in the first quarter of 2014, and \$0.2 million in increased freight and input costs.

Table of Contents

Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)

EBITDA decreased by \$8.0 million in the first quarter 2014, to \$13.8 million, compared to \$21.9 million in the year-ago quarter. As a percentage of net sales, EBITDA decreased to 7.6 percent in the first quarter of 2014, from 11.9 percent in the year-ago quarter. The key contributors to the decrease in EBITDA were those factors discussed above under Earnings Before Interest and Income Taxes (EBIT).

Adjusted EBITDA

Adjusted EBITDA decreased by \$6.1 million in the first quarter of 2014, to \$20.1 million, compared to \$26.2 million in the first quarter of 2013. As a percentage of net sales, Adjusted EBITDA was 11.1 percent for the first quarter of 2014, compared to 14.3 percent in the year-ago quarter. The key contributors to the decrease in Adjusted EBITDA were those factors discussed above under Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) and the elimination of the special items noted below, in the reconciliation of net income (loss) to EBIT, EBITDA and Adjusted EBITDA.

| (dollars in thousands) | Three months ended March 31, | |
|--|------------------------------|----------|
| | 2014 | 2013 |
| Net income (loss) | \$(3,384) | \$1,989 |
| Add: Interest expense | 7,701 | 8,435 |
| Add: Provision (benefit) for income taxes | (1,178) | 662 |
| Earnings before interest and income taxes (EBIT) | 3,139 | 11,086 |
| Add: Depreciation and amortization | 10,676 | 10,774 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 13,815 | 21,860 |
| Add: Special items before interest and taxes: | | |
| Furnace malfunction (see note 15) ⁽¹⁾ | 5,306 | — |
| Restructuring charges (see note 5) ⁽²⁾ | 985 | 4,880 |
| Less: Accelerated depreciation expense included in special items and also in depreciation and amortization above | — | (566) |
| Adjusted EBITDA | \$20,106 | \$26,174 |

(1) Furnace malfunction relates to loss of production at our Toledo, Ohio, manufacturing facility.

(2) Restructuring charges relate to discontinuing production of certain glassware in North America and reducing manufacturing capacity at our Shreveport, Louisiana, facility.

We sometimes refer to data derived from condensed consolidated financial information but not required by GAAP to be presented in financial statements. Certain of these data are considered “non-GAAP financial measures” under Securities and Exchange Commission (SEC) Regulation G. We believe that certain non-GAAP data provide investors with a more complete understanding of underlying results in our core business and trends. In addition, we use non-GAAP data internally to assess performance. Although we believe that the non-GAAP financial measures presented enhance investors’ understanding of our business and performance, these non-GAAP measures should not be considered an alternative to GAAP.

We define EBIT as net income (loss) before interest expense and income taxes. The most directly comparable U.S. GAAP financial measure is net income (loss).

We believe that EBIT is an important supplemental measure for investors in evaluating operating performance in that it provides insight into company profitability. Libbey’s senior management uses this measure internally to measure profitability. EBIT also allows for a measure of comparability to other companies with different capital and legal structures, which accordingly may be subject to different interest rates and effective tax rates.

The non-GAAP measure of EBIT does have certain limitations. It does not include interest expense, which is a necessary and ongoing part of our cost structure resulting from debt incurred to expand operations. Because this is a

material and recurring item, any measure that excludes it has a material limitation. EBIT may not be comparable to similarly titled measures reported by other companies.

We define EBITDA as net income (loss) before interest expense, income taxes, depreciation and amortization. The most directly comparable U.S. GAAP financial measure is net income (loss).

We believe that EBITDA is an important supplemental measure for investors in evaluating operating performance in that it provides insight into company profitability and cash flow. Libbey's senior management uses this measure internally to measure

Table of Contents

profitability. EBITDA also allows for a measure of comparability to other companies with different capital and legal structures, which accordingly may be subject to different interest rates and effective tax rates, and to companies that may incur different depreciation and amortization expenses or impairment charges.

The non-GAAP measure of EBITDA does have certain limitations. It does not include interest expense, which is a necessary and ongoing part of our cost structure resulting from debt incurred to expand operations. EBITDA also excludes depreciation and amortization expenses. Because these are material and recurring items, any measure that excludes them has a material limitation. EBITDA may not be comparable to similarly titled measures reported by other companies.

We present Adjusted EBITDA because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted EBITDA internally to measure profitability and to set performance targets for managers.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;

- Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and

- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Net Income (Loss) and Diluted Net Income (Loss) Per Share

We recorded a net loss of \$(3.4) million, or \$(0.16) per diluted share, in the first quarter of 2014, compared to net income of \$2.0 million, or \$0.09 per diluted share, in the year-ago quarter. Net income (loss) as a percentage of net sales was (1.9) percent in the first quarter of 2014, compared to 1.1 percent in the year-ago quarter. The decrease in net income and diluted net income per share is due to the factors discussed in Earnings Before Interest and Income Taxes (EBIT) above, partially offset by a \$1.8 million decrease in the provision for income taxes and a \$0.7 million reduction in interest expense. The decrease in interest expense is primarily driven by lower debt levels. The effective tax rate was 25.8 percent for the first quarter of 2014, compared to 25.0 percent in the year-ago quarter. The effective tax rate was influenced by jurisdictions with recorded valuation allowances, application of intraperiod tax allocation rules, and changes in the mix of earnings in countries with differing statutory tax rates.

Capital Resources and Liquidity

Historically, cash flows generated from operations, cash on hand and our borrowing capacity under our ABL Facility have enabled us to meet our cash requirements, including capital expenditures and working capital requirements. At March 31, 2014, we had no borrowings under our ABL Facility and we had \$6.2 million in letters of credit issued under that facility. As a result, we had \$75.5 million of unused availability remaining under the ABL Facility at March 31, 2014. In addition, we had \$24.5 million of cash on hand at March 31, 2014, compared to \$42.2 million of cash on hand at December 31, 2013. Of our total cash on hand at March 31, 2014 and December 31, 2013, \$16.1

million and \$20.1 million, respectively, were held in foreign subsidiaries and can be repatriated primarily through the repayment of intercompany loans without creating additional income tax expense. For further information regarding potential dividends from our non-U.S. subsidiaries, see note 8, Income Taxes, in our 2013 Annual Report on Form 10-K for the year ended December 31, 2013.

On April 9, 2014, we completed the refinancing of substantially all of the existing indebtedness of our wholly-owned subsidiaries Libbey Glass and Libbey Europe B.V. The refinancing included:

the entry into an amended and restated credit agreement with respect to our ABL Facility;

Table of Contents

the issuance of \$440.0 million in aggregate principal amount of the Senior Secured Term Loan B facility of Libbey Glass due 2021, which bears an interest rate of LIBOR plus 3.0 percent, subject to a LIBOR "floor" of 0.75 percent. The interest rate was 3.75 percent at commencement; and

the repurchase and cancellation of all Libbey Glass's then outstanding \$405.0 million in aggregate principal amount Senior Secured Notes (\$360.0 million on April 9, 2014 and \$45.0 million on May 9, 2014).

Libbey Glass used the proceeds of the Senior Secured Term Loan B facility, together with cash on hand and borrowings under the ABL Facility to repurchase \$360.0 million of the Senior Secured Notes, redeem the remaining \$45.0 million of the Senior Secured Notes, and pay certain related fees and expenses.

Based on our operating plans and current forecast expectations, we anticipate that our level of cash on hand, cash flows from operations and our borrowing capacity under our ABL Facility will provide sufficient cash availability to meet our ongoing liquidity needs.

Balance Sheet and Cash Flows

Cash and Equivalents

See the cash flow section below for a discussion of our cash balance.

Working Capital

The following table presents our working capital components:

| (dollars in thousands, except percentages and DSO, DIO, DPO and DWC) | March 31, 2014 | December 31, 2013 |
|--|----------------|-------------------|
| Accounts receivable — net | \$87,046 | \$94,549 |
| Less: Receivable on furnace malfunction insurance claim | — | 5,000 |
| Accounts receivable — net, excluding receivable on insurance claim | \$87,046 | \$89,549 |
| DSO ⁽¹⁾ | 38.9 | 39.9 |
| Inventories — net | \$174,179 | \$163,121 |
| DIO ⁽²⁾ | 77.8 | 72.7 |
| Accounts payable | \$74,099 | \$79,620 |
| DPO ⁽³⁾ | 33.1 | 35.5 |
| Working capital ⁽⁴⁾ | \$187,126 | \$173,050 |
| DWC ⁽⁵⁾ | 83.6 | 77.1 |
| Percentage of net sales | 22.9 | 21.1 |

(1) Days sales outstanding (DSO) measures the number of days it takes to turn receivables into cash.

(2) Days inventory outstanding (DIO) measures the number of days it takes to turn inventory into cash.

(3) Days payable outstanding (DPO) measures the number of days it takes to pay the balances of our accounts payable.

Working capital is defined as net accounts receivable excluding receivables on insurance claims related to the (4) furnace malfunction plus net inventories less accounts payable. See below for further discussion as to the reasons we believe this non-GAAP financial measure is useful.

(5) Days working capital (DWC) measures the number of days it takes to turn our working capital into cash.

DSO, DIO, DPO and DWC are calculated using the last twelve months' net sales as the denominator and are based on a 365-day year.

We believe that working capital is important supplemental information for investors in evaluating liquidity in that it provides insight into the availability of net current resources to fund our ongoing operations. Working capital is a

measure used by management in internal evaluations of cash availability and operational performance. Working capital is used in conjunction with and in addition to results presented in accordance with U.S. GAAP. Working capital is neither intended to represent nor be an alternative to any measure of liquidity and operational performance recorded under U.S. GAAP. Working capital may not be comparable to similarly titled measures reported by other companies.

Table of Contents

Working capital (as defined above) was \$187.1 million at March 31, 2014, an increase of \$14.1 million from December 31, 2013. Our working capital normally increases during the first quarter of the year due to the seasonality of our business. In particular, inventory normally increases to prepare for seasonally higher orders that typically exceed production levels in the later part of the year. Our increase is primarily due to additional inventories resulting from seasonality. As a result of the factors above, working capital as a percentage of the last twelve-month net sales increased to 22.9 percent at March 31, 2014 from 21.1 percent at December 31, 2013, and was lower compared to the 23.9 percent for the period ended March 31, 2013.

Borrowings

The following table presents our total borrowings:

| (dollars in thousands) | Interest Rate | Maturity Date | March 31, 2014 | December 31, 2013 |
|--|-----------------------|--------------------------------|----------------|-------------------|
| Borrowings under ABL Facility | floating | May 18, 2017 | \$— | \$— |
| Senior Secured Notes | 6.875% ⁽¹⁾ | May 15, 2020 | 405,000 | 405,000 |
| Promissory Note | 6.00% | April, 2014 to September, 2016 | 624 | 681 |
| RMB Working Capital Loan | floating | September, 2014 | 5,112 | 5,157 |
| AICEP Loan | 0.00% | January, 2016 to July 30, 2018 | 2,388 | 2,389 |
| Total borrowings | | | 413,124 | 413,227 |
| Plus — carrying value adjustment on debt related to the Interest Rate Agreement ⁽²⁾ | | | (965 |) (1,324 |
| Total borrowings — net | | | \$412,159 | \$411,903 |

(1) See “Derivatives” below and notes 4 and 9 to the Condensed Consolidated Financial Statements.

(2) The total borrowings — net includes long-term debt due within one year and long-term debt as stated in our Condensed Consolidated Balance Sheets.

We had total borrowings of \$413.1 million and \$413.2 million at March 31, 2014 and December 31, 2013, respectively.

Of our total borrowings, \$50.1 million, or approximately 12.1 percent, was subject to variable interest rates at March 31, 2014. A change of one percentage point in such rates would result in a change in interest expense of approximately \$0.5 million on an annual basis.

Included in interest expense is the amortization of financing fees. These items amounted to \$0.4 million and \$0.5 million for the three months ended March 31, 2014 and 2013, respectively.

Cash Flow

The following table presents key drivers to our free cash flow for the periods presented.

| (dollars in thousands) | Three months ended March 31, | |
|--|------------------------------|--------------|
| | 2014 | 2013 |
| Net cash provided by (used in) operating activities | \$ (12,369 |) \$ (12,680 |
| Capital expenditures | (9,901 |) (8,882 |
| Proceeds from furnace malfunction insurance recovery | 4,346 | — |
| Proceeds from asset sales and other | 4 | 4 |
| Free Cash Flow ⁽¹⁾ | \$ (17,920 |) \$ (21,558 |

(1)

We define Free Cash Flow as net cash provided by (used in) operating activities less capital expenditures plus proceeds from furnace malfunction insurance recovery and proceeds from asset sales and other. The most directly comparable U.S. GAAP financial measure is net cash provided by (used in) operating activities.

We believe that Free Cash Flow is important supplemental information for investors in evaluating cash flow performance in that it provides insight into the cash flow available to fund such things as discretionary debt service, acquisitions and other strategic investment opportunities. It is a measure of performance we use to internally evaluate the overall performance of the business.

Table of Contents

Free Cash Flow is used in conjunction with and in addition to results presented in accordance with U.S. GAAP. Free Cash Flow is neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities recorded under U.S. GAAP. Free Cash Flow may not be comparable to similarly titled measures reported by other companies.

Discussion of First Quarter 2014 vs. First Quarter 2013 Cash Flow

Our net cash used in operating activities was (\$12.4) million in the first quarter of 2014, compared to (\$12.7) million in the first quarter of 2013, an improvement of \$0.3 million. Favorably impacting cash flow from operations was the impact from working capital of \$11.0 million (accounts receivable, inventories, and accounts payable). Partially offsetting this favorable item were lower net income of \$5.4 million, unfavorable changes in prepaid expenses and non-wage related accruals of \$2.3 million and \$2.4 million, respectively, and increased pension and non-pension postretirement payments of \$0.5 million.

Our net cash used in investing activities was (\$5.6) million and (\$8.9) million in the first quarter of 2014 and 2013, respectively, primarily representing capital expenditures and for 2014 capital expenditures are partially offset by receipt of proceeds from the furnace malfunction insurance recovery.

Net cash provided by financing activities was \$0.3 million in the first quarter of 2014, compared to \$0.5 million in the year-ago quarter. Contributing to the reduction in net cash provided by financing activities is a decrease in the stock options exercised of \$(0.2) million.

Our Free Cash Flow was (\$17.9) million during the first quarter of 2014, compared to (\$21.6) million in the year-ago quarter, an improvement of \$3.6 million. The primary contributors to this change were the favorable cash flow impact in the current period of \$0.3 million and \$3.3 million from operating and investing activities, respectively, as discussed above.

Derivatives

In 2012, we entered into an Interest Rate Agreement (Rate Agreement) with a notional amount of \$45.0 million that is to mature in 2020. The Rate Agreement was executed in order to convert a portion of the Senior Secured Notes fixed rate debt into floating rate debt and maintain a capital structure containing fixed and floating rate debt. Prior to May 15, 2015, but not more than once in any twelve-month period, the counterparty may call up to 10 percent of the Rate Agreement at a call price of 103 percent. The Rate Agreement is callable at the counterparty's option, in whole or in part, at any time on or after May 15, 2015 at set call premiums. As of July 1, 2013, we de-designated 10 percent of the Rate Agreement representing \$4.5 million in order to keep the designated notional amount of the Rate Agreement in alignment with 10 percent of our Senior Secured Notes. The variable interest rate for our borrowings related to the Rate Agreement at March 31, 2014, excluding applicable fees, is 5.5 percent. This Rate Agreement expires on May 15, 2020. Total remaining Senior Secured Notes not covered by the Rate Agreement have a fixed interest rate of 6.875 percent per year through May 15, 2020. If the counterparty to this Rate Agreement were to fail to perform, this Rate Agreement would no longer afford us a variable rate. However, we do not anticipate non-performance by the counterparty. The interest rate swap counterparty was rated A+, as of March 31, 2014, by Standard and Poor's.

The fair market value for the Rate Agreement at March 31, 2014 and December 31, 2013, was a \$1.6 million liability and a \$2.1 million liability, respectively. The fair market value of the Rate Agreement is based on the market standard methodology of netting the discounted expected future fixed cash receipts and the discounted future variable cash payments. The variable cash payments are based on an expectation of future interest rates derived from observed market interest rate forward curves.

We also use commodity futures contracts related to forecasted future North American natural gas requirements. The objective of these futures contracts is to reduce the effects of fluctuations and price movements in the underlying commodity. We consider our forecasted natural gas requirements in determining the quantity of natural gas to hedge. We combine the forecasts with historical observations to establish the percentage of forecast eligible to be hedged, typically ranging from 40 percent to 70 percent of our anticipated requirements up to eighteen months in the future. The fair values of these instruments are determined from market quotes. At March 31, 2014, we had commodity futures contracts for 1,470,000 million British Thermal Units (BTUs) of natural gas with a fair market value of a \$0.6 million asset. We have hedged a portion of our forecasted transactions through June 2015. At December 31, 2013, we had commodity futures contracts for 1,520,000 million BTUs of natural gas with a fair market value of a \$0.4 million asset. The counterparties for these derivatives were rated BBB+ or better as of March 31, 2014, by Standard & Poor's.

Table of Contents

Item 3. Qualitative and Quantitative Disclosures about Market Risk

Currency

We are exposed to market risks due to changes in currency values, although the majority of our revenues and expenses are denominated in the U.S. dollar. The currency market risks include devaluations and other major currency fluctuations relative to the U.S. dollar, Canadian dollar, euro, RMB or Mexican peso that could reduce the cost competitiveness of our products compared to foreign competition.

Interest Rates

We have an Interest Rate Agreement (Rate Agreement) with respect to \$45.0 million of debt in order to convert a portion of the Senior Secured Notes fixed rate debt into floating rate debt and maintain a capital structure containing fixed and floating rate debt. The interest rate for our borrowings related to the Rate Agreement at March 31, 2014 is 5.5 percent per year. The Rate Agreement expires on May 15, 2020. Total remaining Senior Secured Notes not covered by the Rate Agreement have a fixed interest rate of 6.875 percent. If the counterparty to the Rate Agreement were to fail to perform, the Rate Agreement would no longer provide the desired results. However, we do not anticipate nonperformance by the counterparty. The counterparty was rated A+ as of March 31, 2014 by Standard and Poor's.

Natural Gas

We are exposed to market risks associated with changes in the price of natural gas. We use commodity futures contracts related to forecasted future natural gas requirements of our manufacturing operations in North America. The objective of these futures contracts is to limit the fluctuations in prices paid and potential volatility in earnings or cash flows from price movements in the underlying natural gas commodity. We consider the forecasted natural gas requirements of our manufacturing operations in determining the quantity of natural gas to hedge. We combine the forecasts with historical observations to establish the percentage of forecast eligible to be hedged, typically ranging from 40 percent to 70 percent of our anticipated requirements up to six quarters in the future. For our natural gas requirements that are not hedged, we are subject to changes in the price of natural gas, which affect our earnings. If the counterparties to these futures contracts were to fail to perform, we would no longer be protected from natural gas fluctuations by the futures contracts. However, we do not anticipate nonperformance by these counterparties. All counterparties were rated BBB+ or better by Standard and Poor's as of March 31, 2014.

Retirement Plans

We are exposed to market risks associated with changes in the various capital markets. Changes in long-term interest rates affect the discount rate that is used to measure our benefit obligations and related expense. Changes in the equity and debt securities markets affect our pension plans' asset performance and related pension expense. Sensitivity to these key market risk factors is as follows:

• A change of 1.0 percent in the discount rate would change our total annual pension and nonpension postretirement expense by approximately \$4.9 million.

• A change of 1.0 percent in the expected long-term rate of return on plan assets would change annual pension expense by approximately \$3.8 million.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 (the "Exchange Act") reports are recorded, processed, summarized and reported

within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Table of Contents

There has been no change in our controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

This document and supporting schedules contain statements that are not historical facts and constitute projections, forecasts or forward-looking statements. These forward-looking statements reflect only our best assessment at this time, and may be identified by the use of words or phrases such as “anticipate,” “target,” “believe,” “expect,” “intend,” “may,” “planned,” “potential,” “should,” “will,” “would” or similar phrases. Such forward-looking statements involve risks and uncertainty; actual results may differ materially from such statements, and undue reliance should not be placed on such statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Item 1A. Risk Factors

Our risk factors are set forth in Part I, Item 1A. "Risk Factors" in our 2013 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer’s Purchases of Equity Securities

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾ |
|---------------------------------|----------------------------------|------------------------------|--|---|
| January 1 to January 31, 2014 | — | — | — | 1,000,000 |
| February 1 to February 28, 2014 | — | — | — | 1,000,000 |
| March 1 to March 31, 2014 | — | — | — | 1,000,000 |
| Total | — | — | — | 1,000,000 |

We announced on December 10, 2002, that our Board of Directors authorized the purchase of up to 2,500,000 shares of our common stock in the open market and negotiated purchases. There is no expiration date for this plan.

(1) In 2003, 1,500,000 shares of our common stock were purchased for \$38.9 million. No additional shares were purchased from 2004 through the three months ended March 31, 2014. Our ABL Facility and the indentures governing the Senior Secured Notes significantly restrict our ability to repurchase additional shares.

Item 6. Exhibits

Exhibits: The exhibits listed in the accompanying “Exhibit Index” are filed as part of this report.

Table of Contents

EXHIBIT INDEX

| S-K Item 601 No. | Document |
|---------------------|--|
| 3.1 | Restated Certificate of Incorporation of Libbey Inc. (filed as Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference). |
| 3.2 | Amended and Restated By-Laws of Libbey Inc. (filed as Exhibit 3.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 and incorporated herein by reference). |
| 3.3 | Certificate of Incorporation of Libbey Glass Inc. (filed as Exhibit 3.3 to Libbey Glass Inc.'s Form S-4 (Reg No. 333-139358) filed December 14, 2006, and incorporated herein by reference). |
| 3.4 | Amended and Restated By-Laws of Libbey Glass Inc. (filed as Exhibit 3.4 to Libbey Glass Inc.'s Form S-4 (Reg No. 333-139358) filed December 14, 2006, and incorporated herein by reference). |
| 4.1 | Amended and Restated Registration Rights Agreement, dated October 29, 2009, among Libbey Inc. and Merrill Lynch PCG, Inc. (filed as Exhibit 4.4 to Registrant's Form 8-K filed October 29, 2009 and incorporated herein by reference). |
| 4.2 | Amended and Restated Credit Agreement, dated February 8, 2010, among Libbey Glass Inc. and Libbey Europe B.V., as borrowers, Libbey Inc., as a loan guarantor, the other loan parties party thereto as guarantors, JPMorgan Chase Bank, N.A., as administrative agent with respect to the U.S. loans, J.P. Morgan Europe Limited, as administrative agent with respect to the Netherlands loans, Bank of America, N.A. and Barclays Capital, as Co-Syndication Agents, Wells Fargo Capital Finance, LLC, as Documentation Agent and the other lenders and agents party thereto (filed as Exhibit 4.1 to Libbey Inc.'s Current Report on Form 8-K filed on February 12, 2010 and incorporated herein by reference). |
| 4.3 | Amendment No. 1 to Amended and Restated Credit Agreement dated as of January 14, 2011 among Libbey Glass Inc. and Libbey Europe B.V. as borrowers, the other loan parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders with respect to the U.S. loans, and J.P. Morgan Europe Limited, as Administrative Agent for the Lenders with respect to the Netherlands loans (filed as Exhibit 4.6 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011 and incorporated herein by reference). |
| 4.4 | Amendment No. 2 to the Amended and Restated Credit Agreement dated as of April 29, 2011 (filed as Exhibit 10.1 to Libbey Inc.'s Current Report on Form 8-K filed on May 3, 2011 and incorporated herein by reference). |
| 4.5 | Amendment No. 3 to Amended and Restated Credit Agreement dated as of September 14, 2011 among Libbey Glass Inc. and Libbey Europe B.V., as borrowers, the other loan parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders with respect to the U.S. loans, and J.P. Morgan Europe Limited, as Administrative Agent for the Lenders with respect to the Netherlands loans (filed as Exhibit 4.8 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011 and incorporated herein by reference). |
| 4.6 | Amendment No. 4 to Amended and Restated Credit Agreement dated as of May 18, 2012 among Libbey Glass Inc. and Libbey Europe B.V., as borrowers, the other loan parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders with respect to the U.S. loans, and J.P. Morgan Europe Limited, as Administrative Agent for the Lenders with respect to the Netherlands loans (filed as Exhibit |

4.1 to Libbey Inc.'s Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).

4.7 Amendment No. 5 to Amended and Restated Credit Agreement dated as of April 9, 2014 among Libbey Glass Inc. and Libbey Europe B.V., as borrowers, the other loan parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders with respect to the U.S. loans, and J.P. Morgan Europe Limited, as Administrative Agent for the Lenders with respect to the Netherlands loans (filed as Exhibit 4.1 to Libbey Inc.'s Current Report on Form 8-K filed on April 9, 2014 and incorporated herein by reference).

4.8 Indenture, dated May 18, 2012, among Libbey Glass Inc., Libbey Inc., the domestic subsidiaries of Libbey Glass Inc. listed as guarantors therein, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent (filed as Exhibit 4.2 to Libbey Inc.'s Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).

4.9 Registration Rights Agreement, dated May 18, 2012, among Libbey Glass Inc., Libbey Inc., and the domestic subsidiaries of Libbey Glass Inc. listed as guarantors (filed as Exhibit 4.4 to Libbey Inc.'s Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).

4.10 Intercreditor Agreement, dated May 18, 2012, among Libbey Glass Inc., Libbey Inc., and the domestic subsidiaries of Libbey Glass Inc. listed as guarantors (filed as Exhibit 4.5 to Libbey Inc.'s Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).

41

Table of Contents

| S-K Item | Document |
|-------------|---|
| 601 No. | |
| 4.11 | Term Loan B Credit Facility, dated April 9, 2014, among Libbey Glass Inc., Libbey Inc., and the domestic subsidiaries of Libbey Glass Inc. (filed as Exhibit 4.2 to Libbey Inc.'s Current Report on Form 8-K filed on April 9, 2014 and incorporated herein by reference). |
| 4.12 | Intercreditor Agreement, dated April 9, 2014, among Libbey Glass Inc., Libbey Inc., and the domestic subsidiaries of Libbey Glass Inc. (filed as Exhibit 4.3 to Libbey Inc.'s Current Report on Form 8-K filed on April 9, 2014 and incorporated herein by reference). |
| 10.1 | Pension and Savings Plan Agreement dated as of June 17, 1993 between Owens-Illinois, Inc. and Libbey Inc. (filed as Exhibit 10.4 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference). |
| 10.2 | Cross-Indemnity Agreement dated as of June 24, 1993 between Owens-Illinois, Inc. and Libbey Inc. (filed as Exhibit 10.5 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference). |
| 10.3 | Libbey Inc. Guarantee dated as of October 10, 1995 in favor of The Pfaltzgraff Co., The Pfaltzgraff Outlet Co. and Syracuse China Company of Canada Ltd. guaranteeing certain obligations of LG Acquisition Corp. and Libbey Canada Inc. under the Asset Purchase Agreement for the Acquisition of Syracuse China (Exhibit 2.0) in the event certain contingencies occur (filed as Exhibit 10.17 to Libbey Inc.'s Current Report on Form 8-K dated October 10, 1995 and incorporated herein by reference). |
| 10.4 | Susquehanna Pfaltzgraff Co. Guarantee dated as of October 10, 1995 in favor of LG Acquisition Corp. and Libbey Canada Inc. guaranteeing certain obligations of The Pfaltzgraff Co., The Pfaltzgraff Outlet Co. and Syracuse China Company of Canada, Ltd. under the Asset Purchase Agreement for the Acquisition of Syracuse China (Exhibit 2.0) in the event certain contingencies occur (filed as Exhibit 10.18 to Libbey Inc.'s Current Report on Form 8-K dated October 10, 1995 and incorporated herein by reference). |
| 10.5 | First Amended and Restated Libbey Inc. Executive Savings Plan (filed as Exhibit 10.23 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference). |
| 10.6 | Form of Non-Qualified Stock Option Agreement between Libbey Inc. and certain key employees participating in The 1999 Equity Participation Plan of Libbey Inc. (filed as Exhibit 10.69 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 and incorporated herein by reference). |
| 10.7 | The 1999 Equity Participation Plan of Libbey Inc. (filed as Exhibit 10.67 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference). |
| 10.8 | Guaranty, dated May 31, 2006, executed by Libbey Inc. in favor of Fondo Stiva S.A. de C.V. (filed as exhibit 10.2 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and incorporated herein by reference). |
| 10.9 | Guaranty Agreement, dated June 16, 2006, executed by Libbey Inc. in favor of Vitro, S.A. de C.V. (filed as exhibit 10.3 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and |

incorporated herein by reference).

- 10.10 Libbey Inc. Amended and Restated Deferred Compensation Plan for Outside Directors (incorporated by reference to Exhibit 10.61 to Libbey Glass Inc.'s Registration Statement on Form S-4; File No. 333-139358).
- 10.11 2009 Director Deferred Compensation Plan (filed as Exhibit 10.51 to Libbey Inc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference).
- 10.12 Executive Deferred Compensation Plan (filed as Exhibit 10.52 to Libbey Inc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference).
- 10.13 Form of Amended and Restated Indemnity Agreement dated as of December 31, 2008 between Libbey Inc. and the respective officers identified on Appendix 1 thereto (filed as exhibit 10.36 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
- 10.14 Form of Amended and Restated Indemnity Agreement dated as of December 31, 2008 between Libbey Inc. and the respective outside directors identified on Appendix 1 thereto (filed as exhibit 10.37 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
- 10.15 Amended and Restated Libbey Inc. Supplemental Retirement Benefit Plan effective December 31, 2008 (filed as exhibit 10.38 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).

Table of Contents

S-K Item

| 601 No. | Document |
|---------|--|
| 10.16 | Amendment to the First Amended and Restated Libbey Inc. Executive Savings Plan effective December 31, 2008 (filed as exhibit 10.39 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference). |
| 10.17 | Amended and Restated 2006 Omnibus Incentive Plan of Libbey Inc. (filed as Exhibit 10.29 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 and incorporated herein by reference). |
| 10.18 | Employment Agreement dated as of June 22, 2011 between Libbey Inc. and Stephanie A. Streeter (filed as Exhibit 10.30 to Libbey Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 and incorporated herein by reference). |
| 10.19 | Form of Employment Agreement dated as of October 31, 2011 (filed as Exhibit 10.1 to Libbey Inc.'s Current Report on Form 8-K filed on November 3, 2011 and incorporated herein by reference) (as to each of Kenneth A. Boerger, Daniel P. Ibele and Timothy T. Paige). |
| 10.20 | Form of Employment Agreement dated as of October 31, 2011 (filed as Exhibit 10.2 to Libbey Inc.'s Current Report on Form 8-K filed on November 3, 2011 and incorporated herein by reference) (as to Susan A. Kovach). |
| 10.21 | Form of Indemnity Agreement dated as of February 7, 2012 between Libbey Inc. and Stephanie A. Streeter (filed as Exhibit 10.25 to Libbey Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011 and incorporated herein by reference). |
| 10.22 | Form of Change in Control Agreement dated as of August 1, 2012 (filed as Exhibit 10.1 to Libbey Inc.'s Current Report on Form 8-K filed on July 19, 2012 and incorporated herein by reference) (as to Sherry Buck). |
| 10.23 | Executive Severance Compensation Policy dated as of August 1, 2012 (filed as Exhibit 10.2 to Libbey Inc.'s Current Report on Form 8-K filed on July 19, 2012 and incorporated herein by reference). |
| 10.24 | CEO Retention Award Agreement dated as of December 16, 2013 (filed as Exhibit 10.1 to Libbey Inc.'s Current Report on Form 8-K filed on December 18, 2013 and incorporated herein by reference). |
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) (filed herein). |
| 31.2 | Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) (filed herein). |
| 32.1 | Chief Executive Officer Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (filed herein). |
| 32.2 | Chief Financial Officer Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (filed herein). |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Libbey Inc.

Date: May 9, 2014

by: /s/ Sherry L. Buck
Sherry L. Buck
Vice President, Chief Financial Officer