

**NSG**

**GROUP**

NSG Group  
Cumulative Quarter 2 Results  
(from 1 April 2010 to 30 September 2010)

Nippon Sheet Glass Co., Ltd.  
04 November 2010

# NSG Group Cumulative Quarter 2 Results

(from 1 April 2010 to 30 September 2010)

## Agenda

- Financial Results
- Business Update
- Summary

# Key Points - April to September 2010

- Cumulative results reflect improved market conditions from the previous year's low levels
- Strengthening performance within joint ventures and associates
- Successful issuance of new ordinary shares in the Quarter 2
- Strategic Management Plan announced 4 November, covering financial years FY12 to FY14

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# NSG Group Cumulative Quarter 2 Results



(from 1 April 2010 to 30 September 2010)

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# Consolidated Income Statement

<u>(JPY bn)</u>	<u>Cum Q2</u> <u>FY11</u>	<u>Cum Q2</u> <u>FY10</u>	<u>Change</u> <u>from Cum</u> <u>Q2 FY10</u>
Revenue	293.7	293.0	0%**
Op.Income before amortization*	18.5	(7.0)	
Amortization*	(8.0)	(9.2)	
<b>Operating income</b>	<b>10.5</b>	<b>(16.2)</b>	
Non-operating items	(4.0)	(8.5)	
<b>Ordinary income</b>	<b>6.5</b>	<b>(24.7)</b>	
Extraordinary items	(0.7)	(2.0)	
<b>Pre-tax income</b>	<b>5.8</b>	<b>(26.7)</b>	
<b>Net Income</b>	<b>0.0</b>	<b>(26.2)</b>	
EBITDA	34.7	13.3	+ 161%

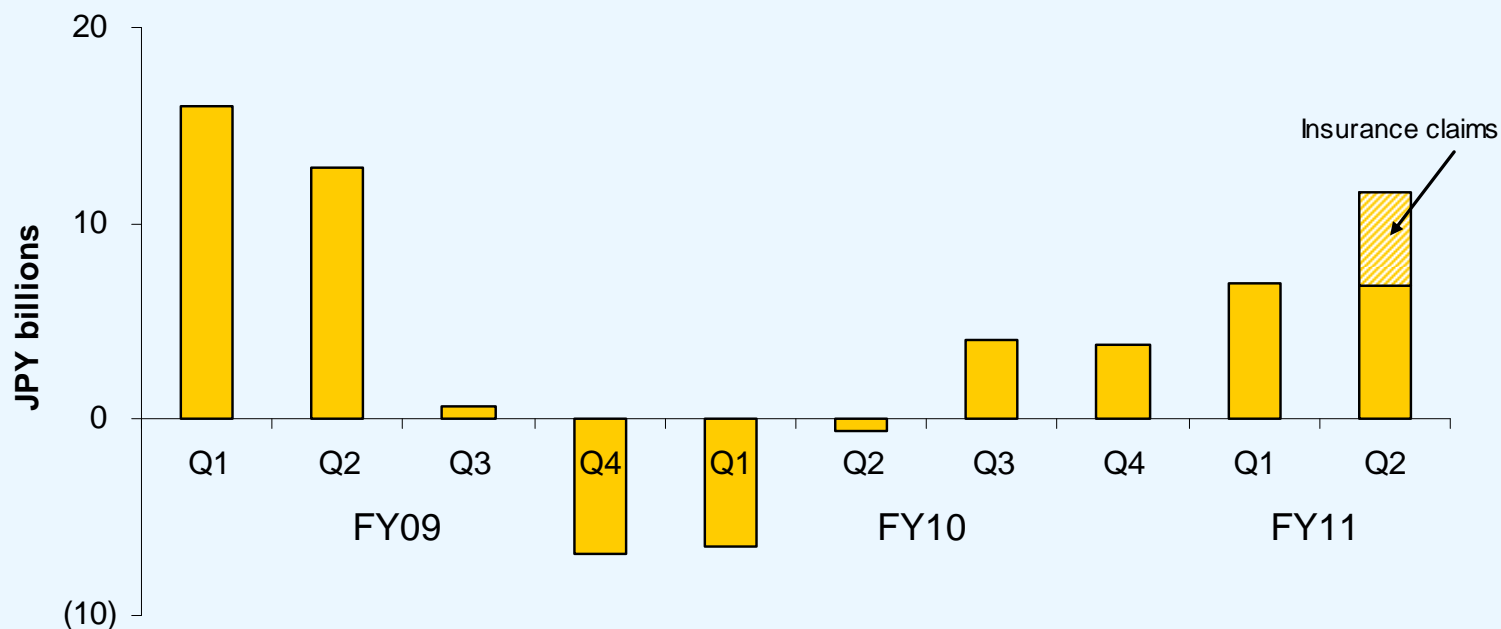
\* Amortization arising from the acquisition of Pilkington plc only

\*\* +8% based on constant exchange rates

**Improved profitability**

# Quarterly Profit Results

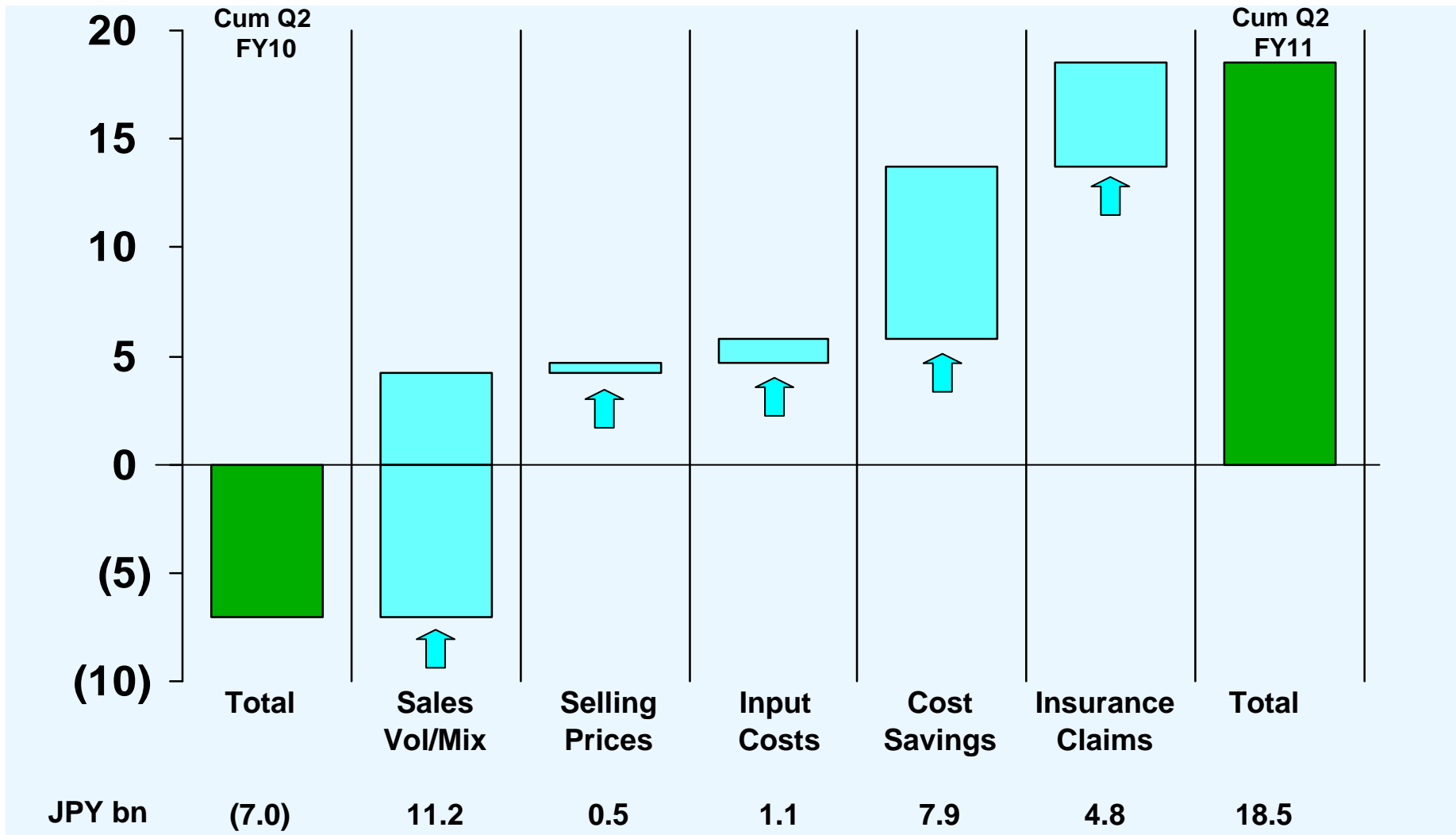
## Operating Income Before Amortization\*



\* Amortization arising from the acquisition of Pilkington plc only

**Results reflect management actions and improving markets**

# Operating Income Change Analysis



**Volumes improving and cost savings being realized**



# Non-operating Items

	<u>Cum Q2 FY11</u>	<u>Cum Q2 FY10</u>
	(JPY bn)	(JPY bn)
Joint ventures and associates	3.9	(0.4)
Net interest expense	(6.0)	(6.5)
Other income and expenses	(1.9)	(1.6)
	<b>(4.0)</b>	<b>(8.5)</b>

**Improved performance of JVs and associates**

# Consolidated Cash Flow Summary

	Cum Q2 FY11 (JPY bn)
Income before income taxes	5.8
Depreciation and amortization	24.2
Increase in working capital	(4.2)
Tax paid	(4.7)
Others	(6.4)
<b>Net cash provided by operating activities</b>	<b>14.7</b>
Purchase of fixed assets	(12.0)
Others	1.7
<b>Net cash used in investing activities</b>	<b>(10.3)</b>
<b>Cash flow before financing activities</b>	<b>4.4</b>

**Sustained cash generation remains key**

# Key Performance Indicators

	<u>30-Sep-10</u>	<u>31-Mar-10</u>
Net Debt (JPY bil)	270	315
Net Debt/EBITDA	4.4x	7.7x
Net Debt/Equity Ratio	1.1	1.3
	<u>Cum Q2 FY11</u>	<u>Cum Q2 FY10</u>
EBITDA Interest Cover	5.2x	2.5x
Operating Return* on Sales	6.3%	-2.4%

\* Before amortization arising from acquisition of Pilkington plc

**Ratios stronger on improving EBITDA**

# NSG Group Cumulative Quarter 2 Results



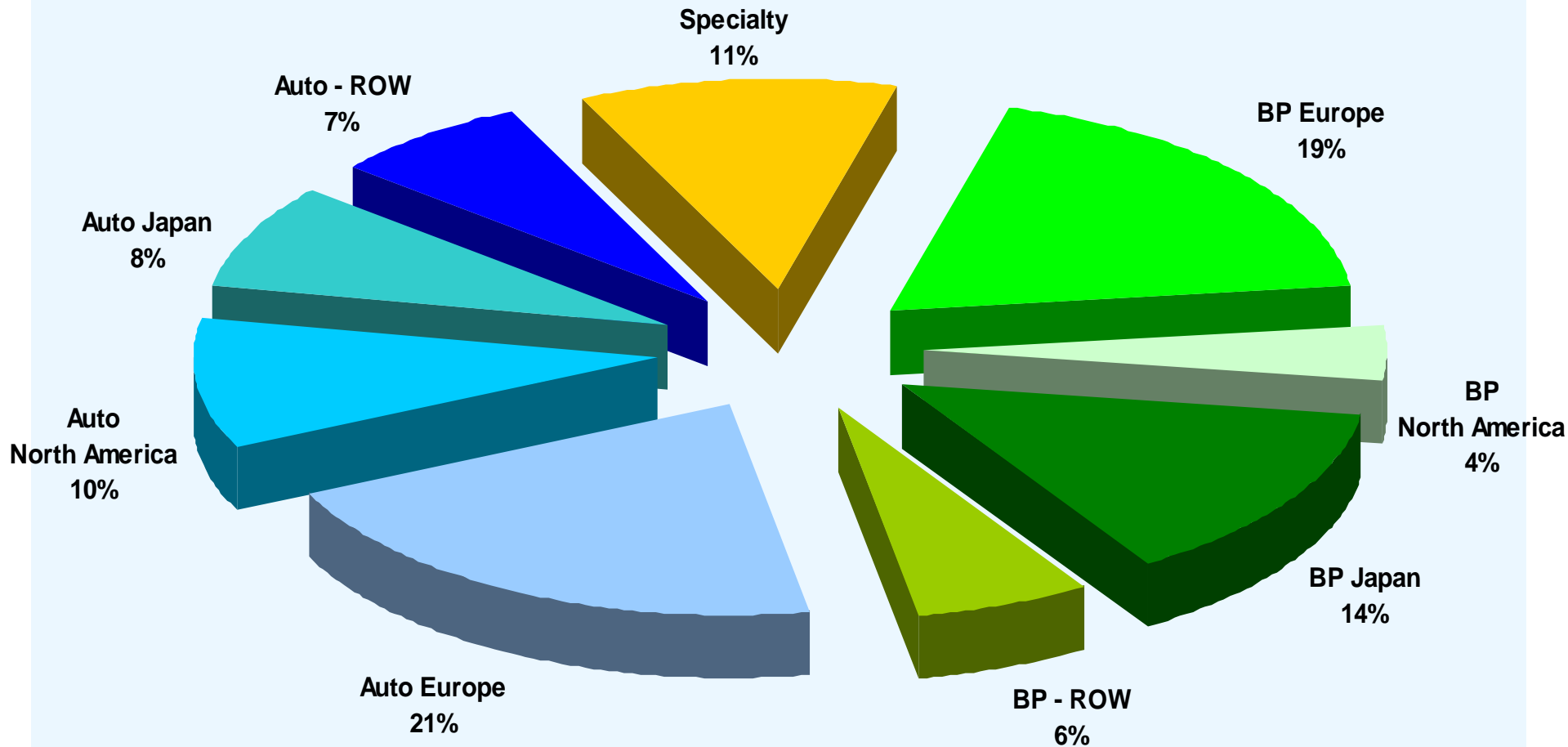
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- Business Update
  - Building Products
  - Automotive
  - Specialty Glass
- Summary

# External Sales – Group Businesses

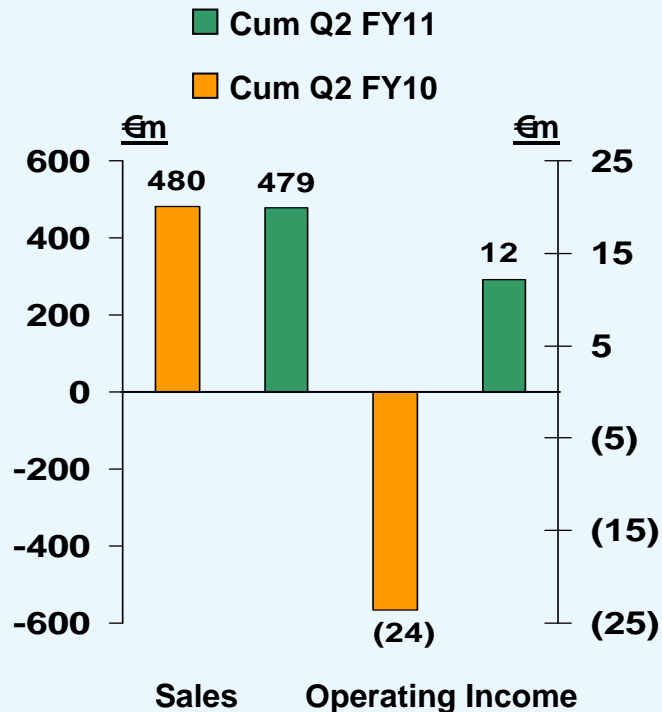
¥ 294 billion



# Building Products

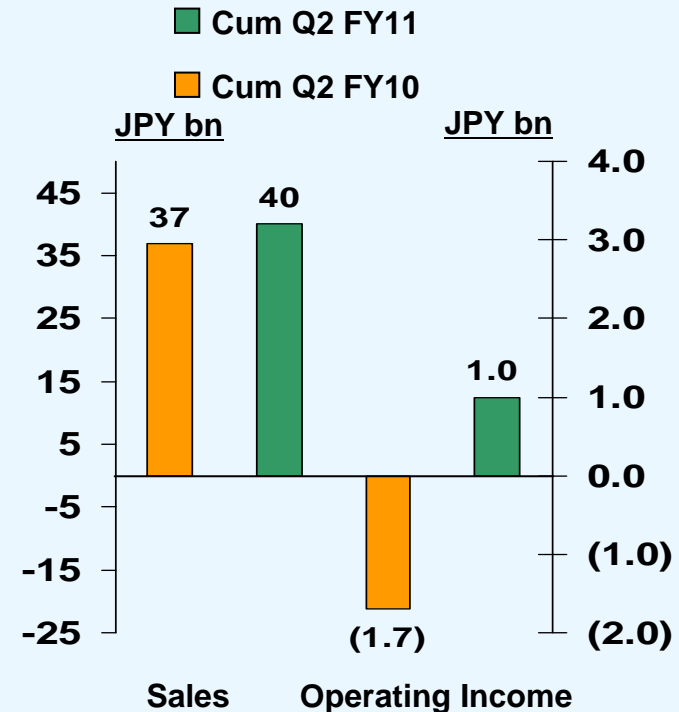
## Cum Q2 FY11 v Cum Q2 FY10

### Europe



- Sales flat as higher volumes and prices offset the downstream disposals in Switzerland/France
- Operating income improved due to higher selling prices, increased volumes and cost savings

### Japan

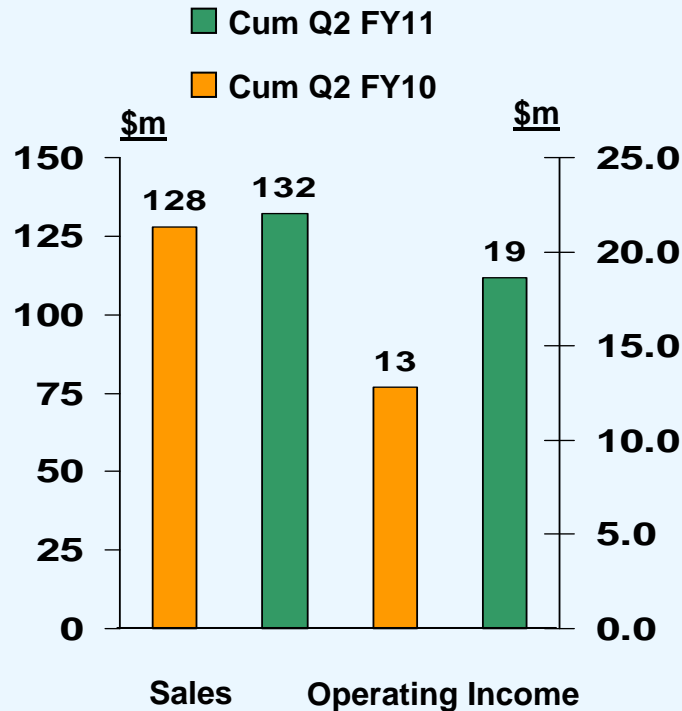


- Sales increased as higher volumes offset lower prices
- Operating income improved due to higher volumes and cost savings

# Building Products

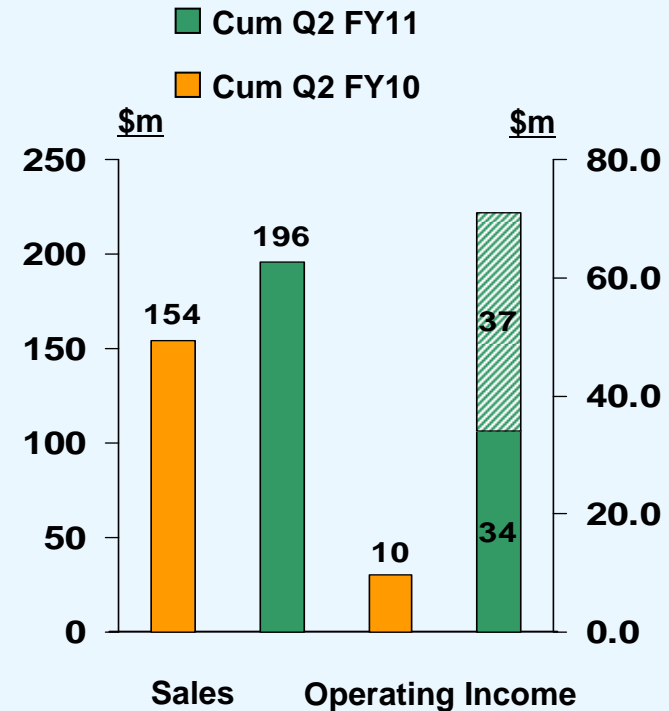
## Cum Q2 FY11 v Cum Q2 FY10

### North America



- Sales revenue higher due to increased volumes
- Operating income improved due to volumes and cost savings

### Rest of World\*



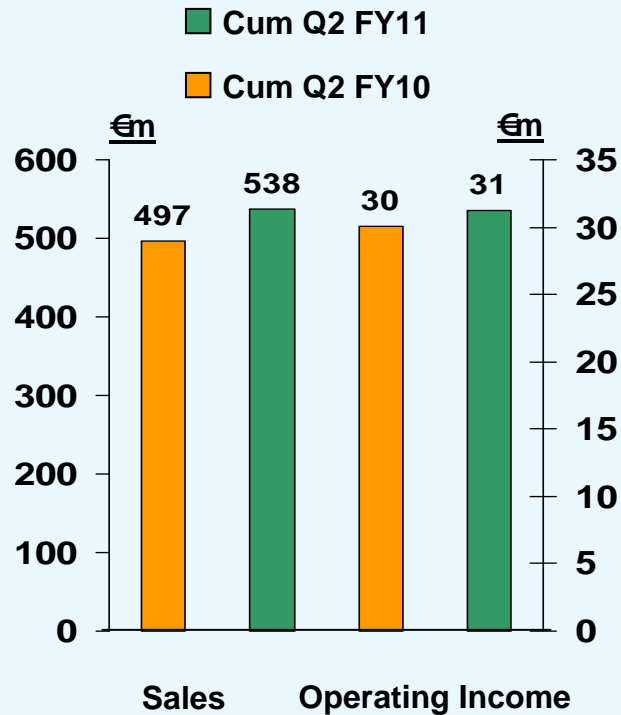
- Sales growth due to higher prices, volumes and the consolidation of Pilkington Solar (Taicang) Ltd
- Operating income increased due to higher prices and volumes and the one-off impact of the Chile insurance settlement (\$37m).

\*: Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

# Automotive

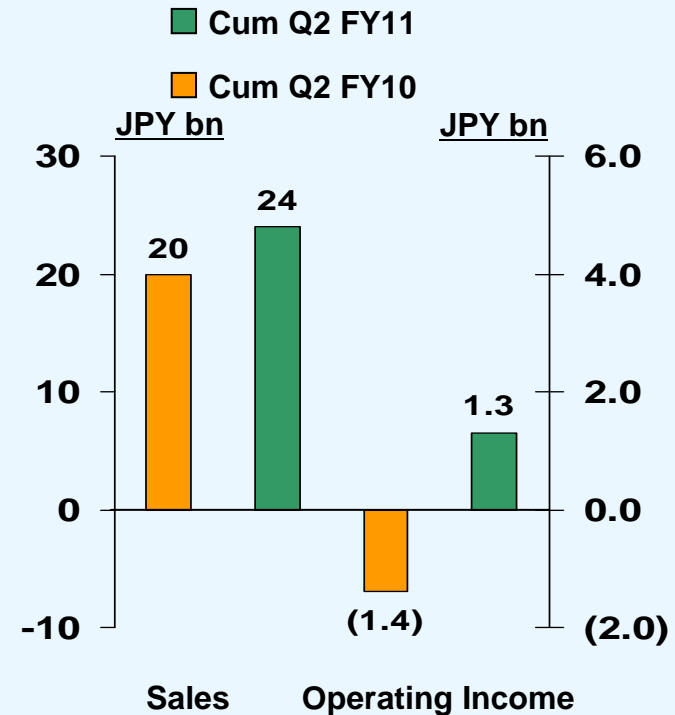
## Cum Q2 FY11 v Cum Q2 FY10

### Europe



- Sales recovery helped by buoyant exports
- Price pressure continues
- Input costs increased, especially in energy

### Japan



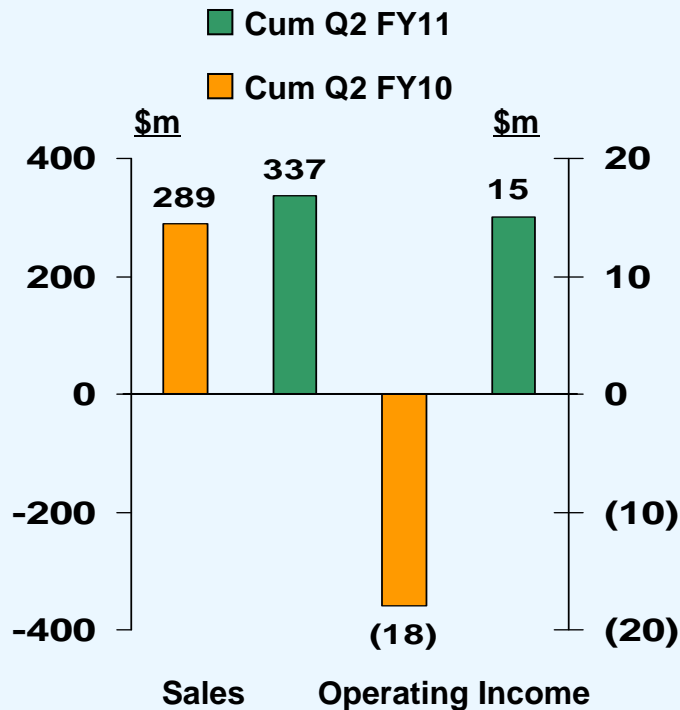
- Incentive-led market growth
- Profit increase driven by higher volumes and operational efficiencies
- Improved AGR market



# Automotive

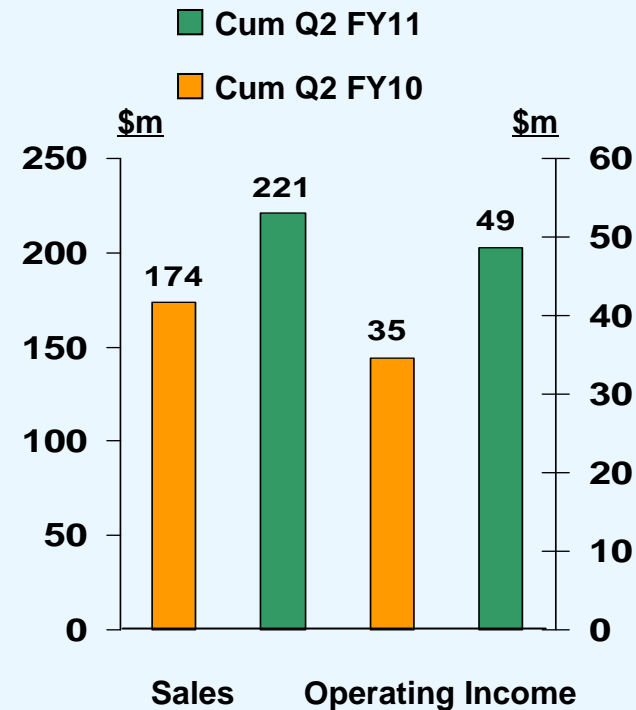
## Cum Q2 FY11 v Cum Q2 FY10

### North America



- Sales rebound from low levels of previous year
- Profit increasing as result of improved volumes and cost efficiencies
- AGR profitability improving in stable market

### Rest of World\*



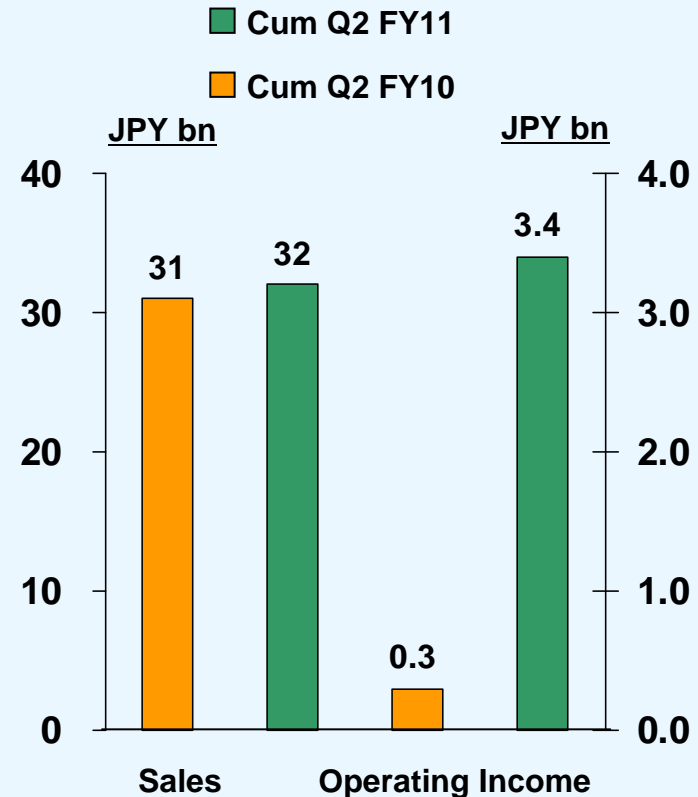
- Continuing market growth
- Increased OE & AGR volumes drive profitability

\*:Rest of world includes Brazil, Argentina, Malaysia and China

# Specialty Glass

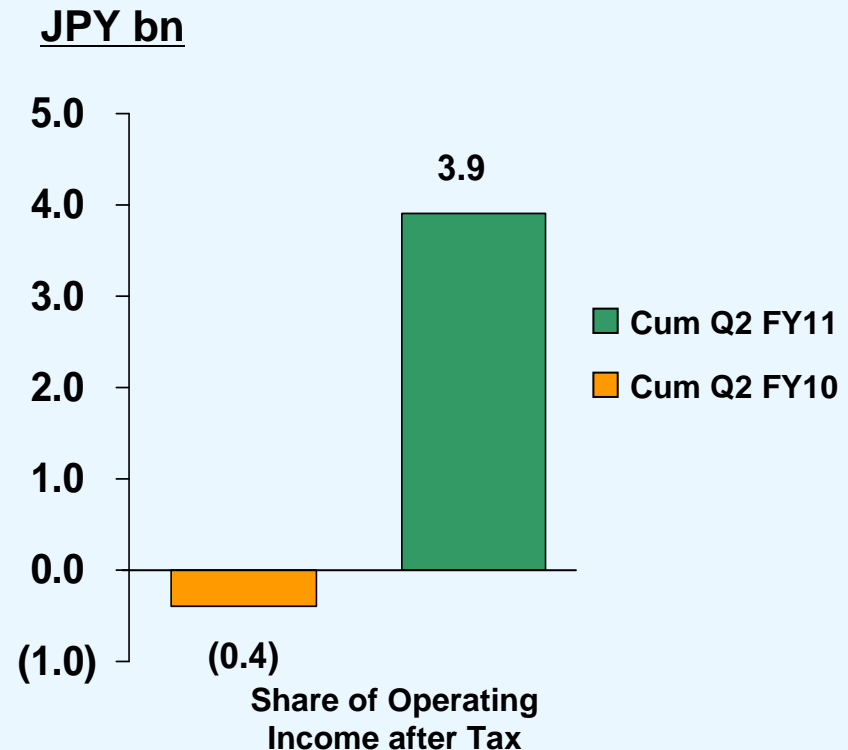
## Cum Q2 FY11 v Cum Q2 FY10

- Mobile device display products, in particular touch panel, continue to be driven by market trends and emerging market demand
- Strong demand experienced for glass cord products, particularly in Europe
- Robust demand in the printer/scanner market partially offset by strengthening Japanese yen
- Battery separator sales resilient despite termination of eco-friendly incentive schemes in Japan
- Cost savings from prior restructuring programs boosting profit



# Joint Ventures and Associates

- Cebrace result reflects strong conditions in South America
- Improving performance from China Building Products joint ventures and associates



**Improved performance of JVs and associates**

# NSG Group Cumulative Quarter 2 Results



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# Summary

- Cumulative results reflect improved market conditions from the previous year's low levels
- Joint ventures and associates increasingly important, performance improving
- Successful issuance of new ordinary shares in the Quarter 2
- Full-year forecast maintained

# Notice

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

Nippon Sheet Glass Co., Ltd.

# Appendices

# Revenue by Business – Cum Q2 FY2011

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	39.6	54.4	11.8	17.4	123.2
Automotive	24.1	61.1	29.9	19.6	134.7
Specialty	16.4	3.3	0.5	11.8	32.0
Others	3.6	0.2	0.0	0.0	3.8
Total	83.7	119.0	42.2	48.8	293.7



# Operating Income before Amortization – Cum Q2 FY2011

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	1.0	1.3	1.7	6.3	10.3	8%
Automotive	1.3	3.6	1.3	4.3	10.5	8%
Specialty	3.2	0.2	0.0	0.0	3.4	11%
Others	(1.6)	(3.6)	(0.6)	0.1	(5.7)	
Total	3.9	1.5	2.4	10.7	18.5	6%
Ratio on Sales	5%	1%	6%	22%	6%	

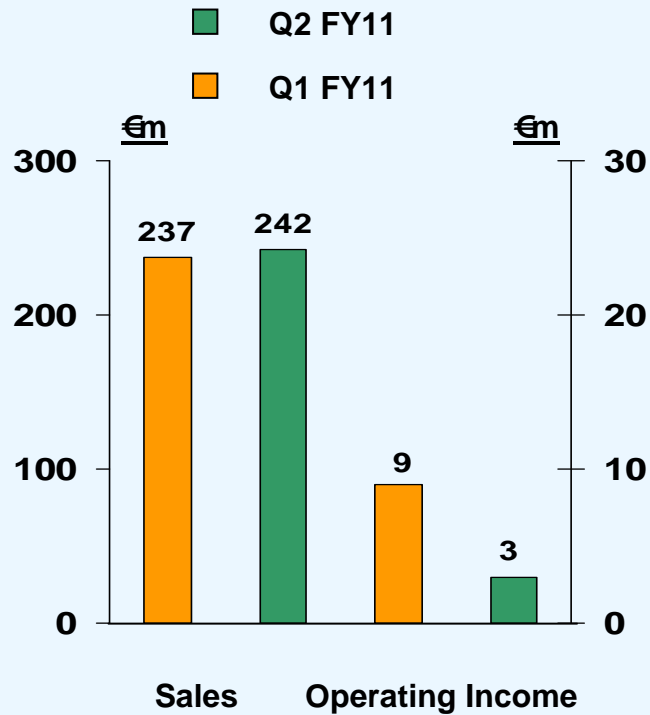
# Operating Income after Amortization – Cum Q2 FY2011

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	1.0	1.3	1.7	6.3	10.3	8%
Automotive	1.3	3.6	1.3	4.3	10.5	8%
Specialty	3.2	0.2	0.0	0.0	3.4	11%
Others	(1.6)	(8.8)	(2.1)	(1.2)	(13.7)	
Total	3.9	(3.7)	0.9	9.4	10.5	4%
Ratio on Sales	5%	-3%	2%	19%	4%	

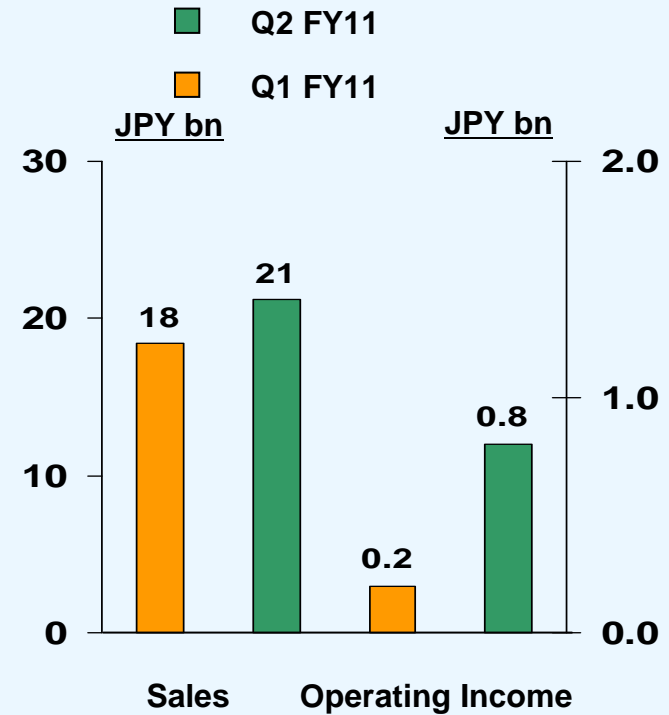
# Building Products

## Q2 FY11 v Q1 FY11

### Europe



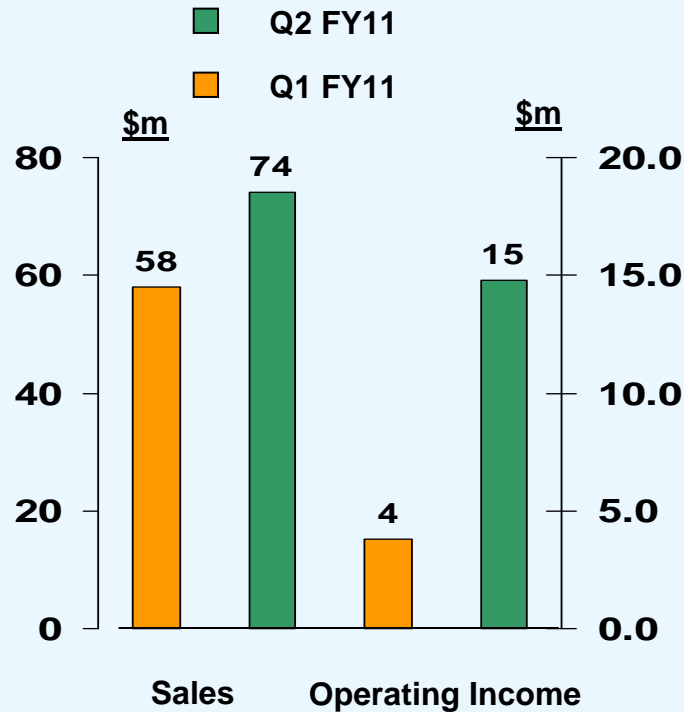
### Japan



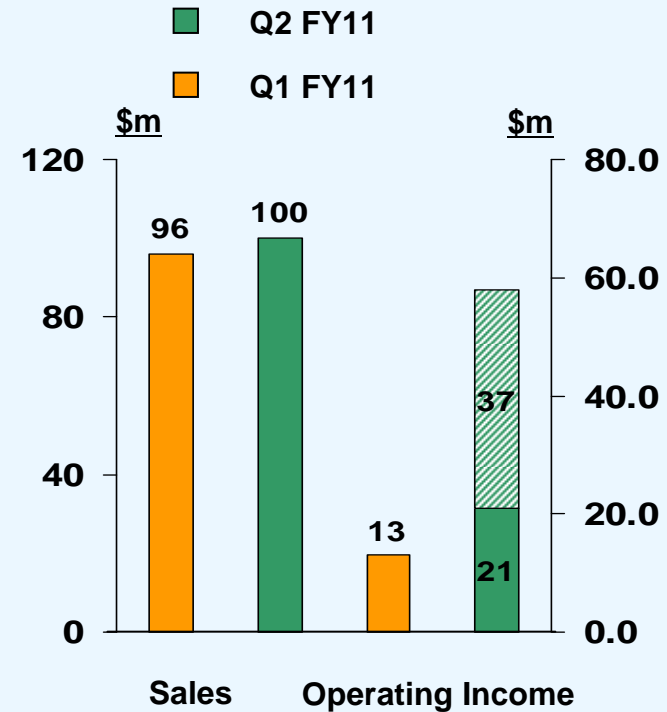
# Building Products

## Q2 FY11 v Q1 FY11

### North America



### Rest of World\*

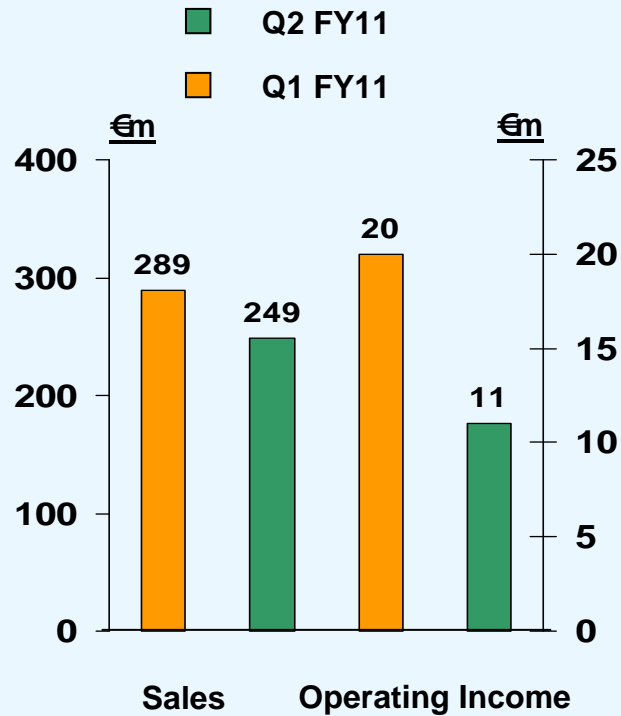


\*: Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

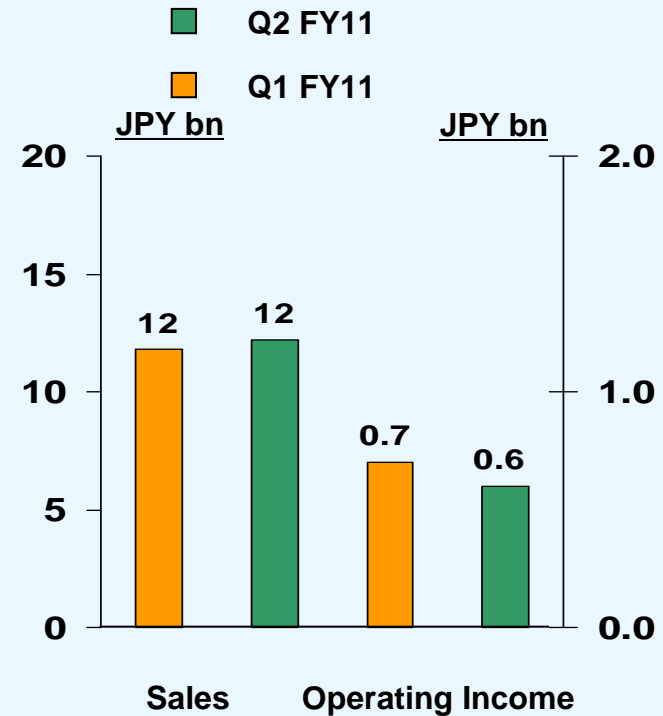
# Automotive

## Q2 FY11 v Q1 FY11

### Europe



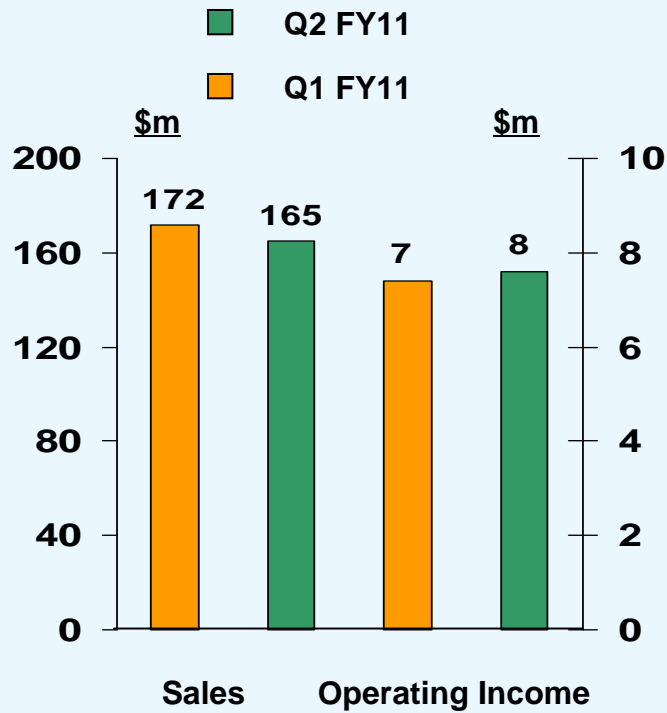
### Japan



# Automotive

## Q2 FY11 v Q1 FY11

### North America



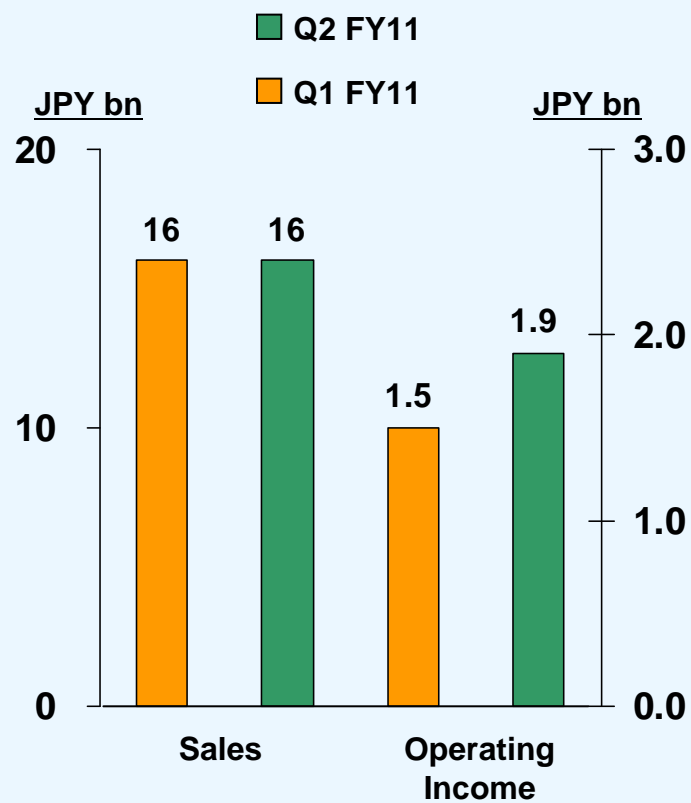
### Rest of World\*



\*:Rest of world includes Brazil, Argentina, Malaysia and China

# Specialty Glass

Q2 FY11 v Q1 FY11



# Exchange Rate Assumptions

	Q2 FY11	Q2 FY10
Average rates used:		
JPY/GBP	135	152
JPY/EUR	113	133
JPY/USD	89	96
Closing rates used:		
JPY/GBP	132	144
JPY/EUR	114	131
JPY/USD	84	89



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