NSG

GROUP

NSG Group

FY2013 Annual Results

(from 1 April 2012 to 31 March 2013)

Nippon Sheet Glass Co., Ltd.
16 May 2013

Keiji Yoshikawa
Chief Executive Officer

Clemens Miller
Chief Operating Officer

Mark Lyons
Chief Financial Officer

FY2013 Annual Results
(from 1 April 2012 to 31 March 2013)

NSG GROUP

Agenda

Key Points - April to March 2013

NSG GROUP

- Results reflect low levels of activity in the Group's major markets
- Challenging market conditions persist but signs of improvement in some areas
- Profit improvement program ahead of target
  - Steady improvement in profit through the year
- Significant improvement in cash flow performance
- Management will continue to focus on returning the Group to profitability

FY2013 Annual Results
(from 1 April 2012 to 31 March 2013)

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Consolidated Income Statement

NSG GROUP

(JPY bn)	FY2013	FY2012	Change from FY2012
Revenue	**521.3**	**552.2**	**-6%**
Trading profit	**9.0**	**14.9**	
Amortization*	(7.0)	(7.2)	
Operating profit before exceptional items	**2.0**	**7.7**	
Exceptional items	**(19.2)**	**(3.3)**	
Operating profit/(loss)	**(17.2)**	**4.4**	
Finance expenses (net)	(14.1)	(14.3)	
Share of JVs and associates	2.3	5.1	
Loss before taxation	**(29.0)**	**(4.8)**	
Loss for the period	**(31.9)**	**(1.7)**	
Loss attributable to owners of the parent	**(32.8)**	**(2.8)**	
EBITDA	37.5	46.4	-19%

* Amortization arising from the acquisition of Pilkington plc only

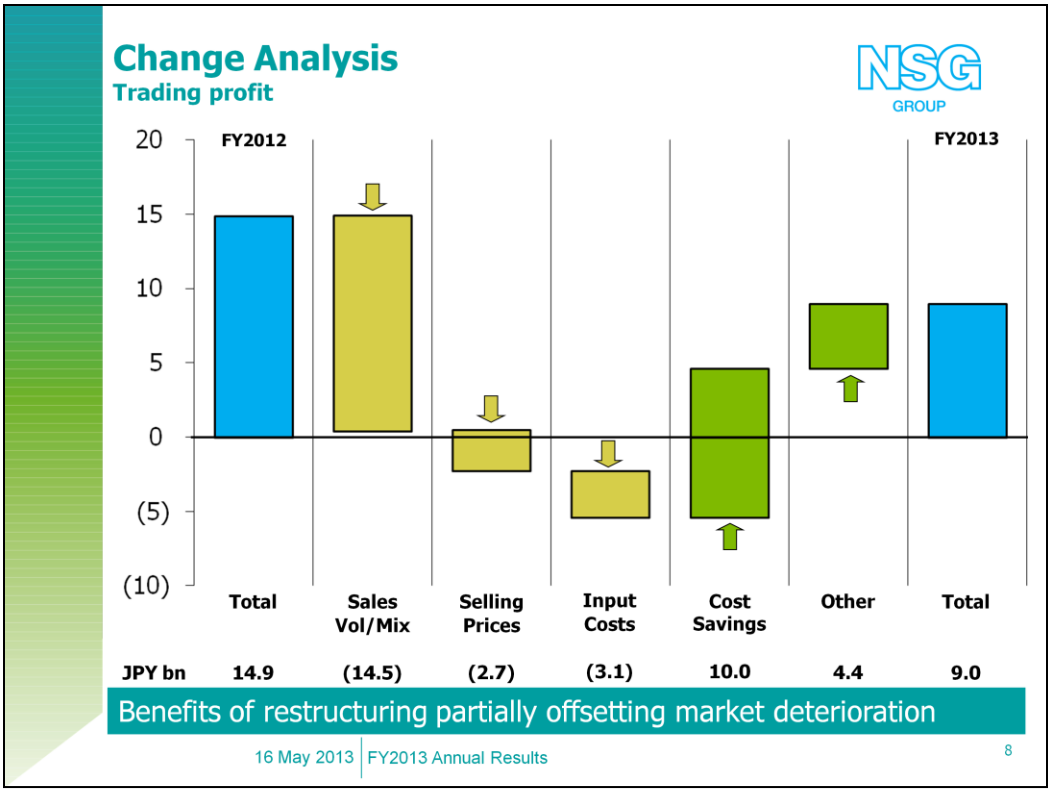
Results impacted by challenging market conditions

On slide 7, we have the Group's income statement for the year to March 2013.

Revenues of 521bn are 6% down on the previous year and profits are also lower due to the challenging market conditions experienced in the Group's major markets.

The operating results are generally in-line with our previous forecast, and have improved quarter on quarter throughout the year.

After exceptional charges and interest costs, the Group recorded a recorded a net loss for FY2013 of 32.8 bn yen.



On slide 8 we can see the key factors influencing the movement in operating profit before amortisation.

Market volumes have been weak, particularly in Europe, which comprises a significant proportion of the Group's sales. European Automotive volumes in FY2013 fell to their lowest levels in over 15 years.

Prices have, on average, been below the levels of the previous year. Architectural prices were stable during the forth quarter but remained at historically low levels.

The acceleration of the Group's restructuring activities has enabled the Group to generate benefits of JPY 10bn. This is a significant improvement on the Groups originally anticipated benefit of JPY 5bn for FY2013.

Exceptional items

(JPY bn)	FY2013	FY2012
Restructuring costs*	(22.7)	(2.8)
Impairments of non-current assets	(9.1)	(2.1)
Retirement benefit obligations curtailment	5.6	4.3
Gain on disposal of an associate	5.3	-
Others	1.7	(2.7)
	(19.2)	**(3.3)**

- Restructuring costs: as at 31 March 2013, 3,000 people had left the Group
- Impairment of float assets in Venice, Italy and Halmstad, Sweden
- Action to reduce retirement benefit obligation risk
- Disposal of FMC Wyoming

* Restructuring costs include the cost of the Group's restructuring program and the operating costs of idle facilities

Restructuring program progressing to plan

Consolidated Cash Flow Summary

NSG GROUP

(JPY bn)	FY2013	FY2012
Loss for the period	(31.9)	(1.7)
Depreciation and amortization	36.6	38.7
Net change in working capital	21.7	(20.0)
Tax paid	(6.0)	(5.5)
Others	(6.2)	(21.4)
Net cash inflow/(outflow) from operating activities	**14.2**	**(9.9)**
Purchase of property, plant and equipment	(25.6)	(27.9)
Others	18.6	1.6
Net cash outflow from investing activities	**(7.0)**	**(26.3)**
Cash flow before financing activites	**7.2**	**(36.2)**

Significant improvement in cash generation

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Slide 10 shows the cash flow.

The cash inflow of JPY 7.2bn yen reflects the Group's efforts to improve cash generation.

As we have previously set out, working capital is an area of particular focus, and the Group generated an inflow of cash from reducing working capital levels during the fourth quarter.

Capital expenditure continues to be managed within the level of depreciation.

Key Performance Indicators

NSG GROUP

	31-Mar-13	31-Mar-12
Net Debt (JPY bn)	361	351
Net Debt/EBITDA	9.6x	7.6x
Net Debt/Equity Ratio	2.3	2.0
	FY2013	**FY2012**
EBITDA Interest Cover	2.7x	3.2x
Operating Return* on Sales	1.7%	2.7%

* Before amortization arising from acquisition of Pilkington plc and exceptional items

Key performance indicators reflect challenging market conditions

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The key financial ratios are shown on slide 11.

Net debt has increased compared to the prior year due mainly to the weakening of the Japanese yen.

Shareholders equity has improved for the same reason however.

The net debt / EBITDA ratio has deteriorated from the previous year primarily as a result of the low EBITDA, although it has improved during the fourth quarter with the gradual recovery in profitability. I would expect this ratio to continue to improve during FY2014.

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Agenda

- Key Points
- Financial Results
- FY2014 Forecast
- Financing Update
- Business Update
- Restructuring Actions Update
- Summary

FY2014 Income Statement Forecast
Full-year forecast

NSG GROUP

(JPY bn)	Forecast FY2014	FY2013
Revenue	**600**	**521**
Trading profit	**22.0**	**9.0**
Amortization*	(8.0)	(7.0)
Operating profit before exceptional items	**14.0**	**2.0**
Exceptional items	(11.0)	(19.2)
Operating profit/(loss)	**3.0**	**(17.2)**
Finance expenses (net)	(20.0)	(14.1)
Share of JVs and associates	2.0	2.3
Loss before taxation	**(15.0)**	**(29.0)**
Loss for the period	**(20.0)**	**(31.9)**
Loss attributable to owners of the parent	**(21.0)**	**(32.8)**

* Amortization arising from the acquisition of Pilkington plc only

Increased payback from restructuring actions in FY14

On this slide we can see the Group's forecast income statement for FY2014.

We expect revenues to increase to JPY 600bn mainly as a result of the weakening of the Japanese yen. The forecast does not assume a significant improvement in conditions within our major markets.

We expect the headline operating profits before amortisation and exceptional items to be better than in FY2013, mainly due to the increased payback from our restructuring actions.

Restructuring actions will continue in FY2014 but the cost will be lower as a significant proportion of the major projects envisaged have now been completed.

Finance costs increase as a result of changes to IAS19, the international accounting standard on pensions.

FY2013 Annual Results
(from 1 April 2012 to 31 March 2013)

NSG GROUP

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- Key Points
- Financial Results
- FY2014 Forecast
- **Financing Update**
- Business Update
- Restructuring Actions Update
- Summary

Financing Update

NSG GROUP

As announced on 28 March, refinancing of debt has progressed as follows:

- Syndicated loan of JPY 70bn
- New bilateral finance arrangements of JPY 9bn
- New committed revolving credit facility of JPY 25bn
- Further facilities are being arranged and will be announced when finalized

FY2013 Annual Results
(from 1 April 2012 to 31 March 2013)

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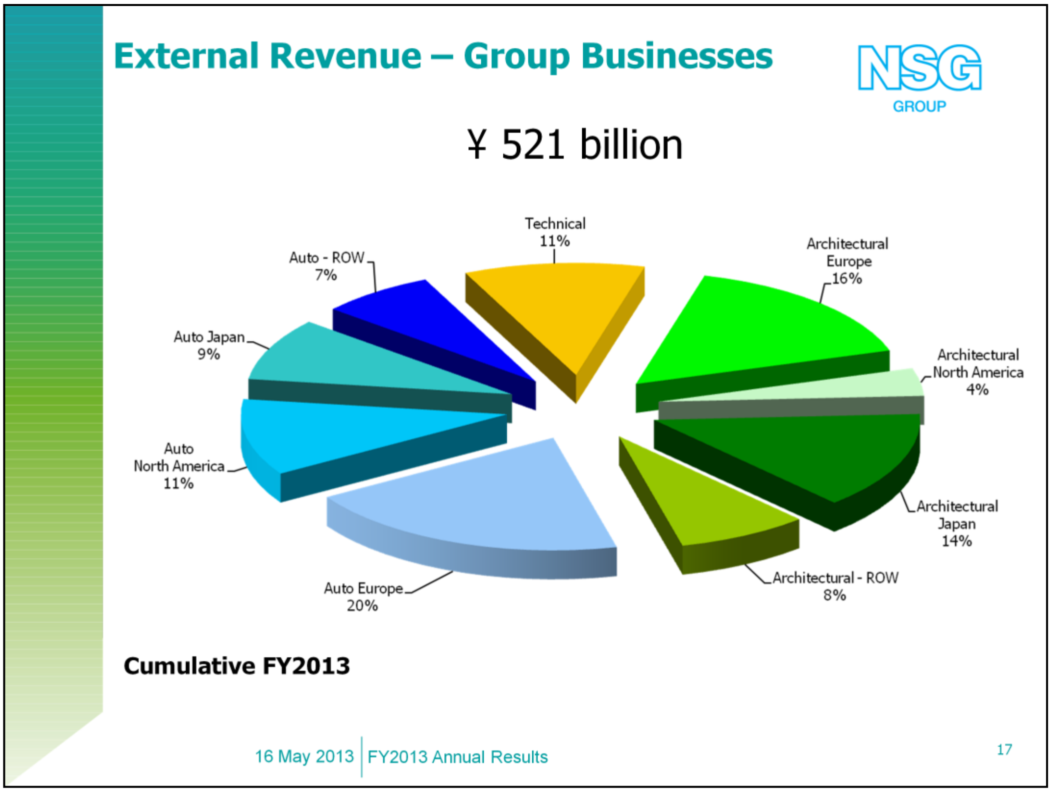


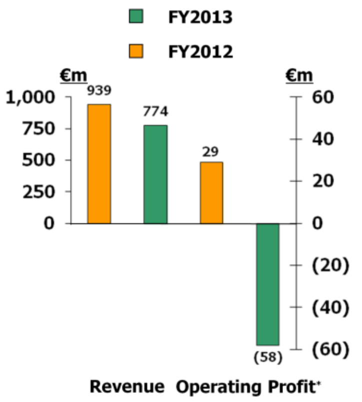
Slide number 17 shows the proportion of sales generated by each of the Group's businesses.

Approximately 40 percent of the Group's sales are in Europe, 30 percent in Japan, 15 percent in North America and 15 percent in the rest of the world.

I will now take you through each of these sectors.

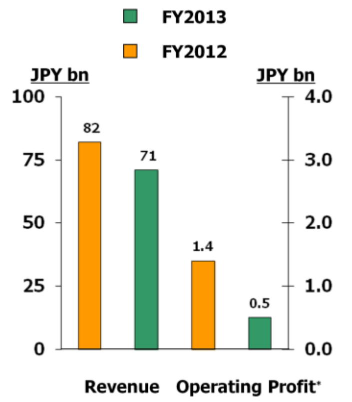
Architectural
FY2013 v FY2012

Europe



- Volumes and prices below FY12 levels
- Reduced solar dispatches
- Capacity reductions benefitted final quarter

Japan

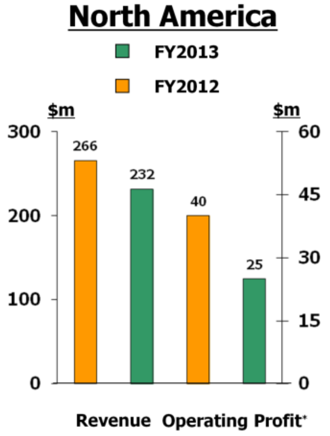


- Domestic markets improving
- Reduced solar dispatches

*Operating profit before exceptional items

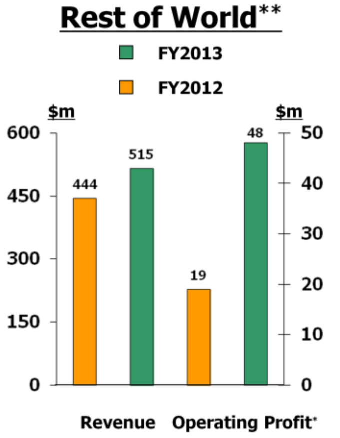
Architectural
FY2013 v FY2012

North America



- Domestic market volumes improving
- Solar dispatches lower than previous year

Rest of World**

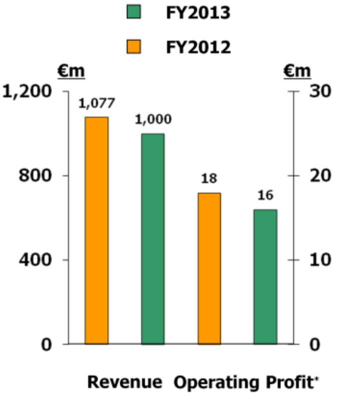


- FY2013 revenues and profits benefiting from a full period of solar dispatches from Vietnam
- South American volumes similar to previous year
- Market conditions in South East Asia improving in Q4

*Operating profit before exceptional items
**Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

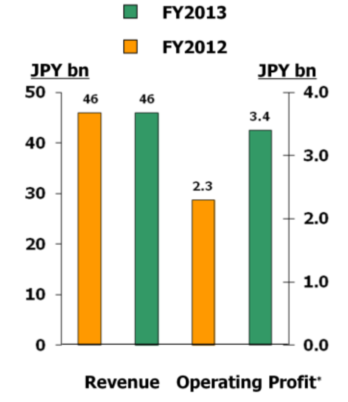
Automotive
FY2013 v FY2012

Europe



- OE revenue and profits affected by reduced demand
- AGR performance was similar to FY12
- Capacity and cost reduction programs progressing

Japan

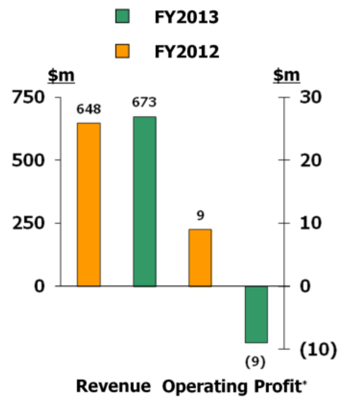


- FY12 impacted by Earthquake and Tsunami
- Volumes recovered strongly in second half of FY12 and stabilized during FY13
- Profitability reflects more stable demand pattern

*Operating profit before exceptional items

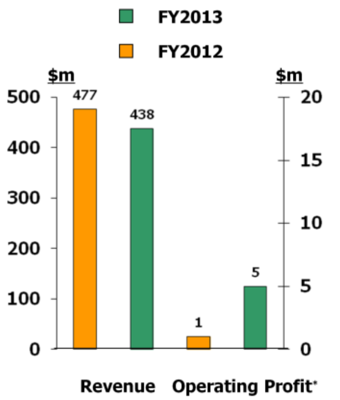
Automotive
FY2013 v FY2012

North America



- Revenues improving on increased volumes
- Profitability remains weak

Rest of World**



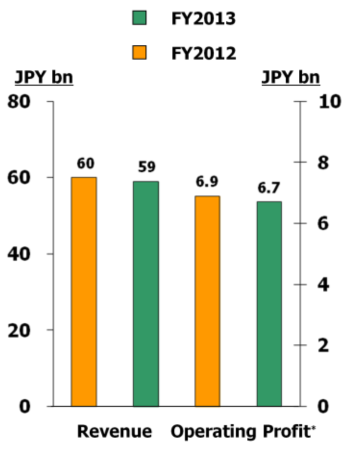
- Improving market conditions
- Profitability still at a low level

*Operating profit before exceptional items
**Rest of world includes Brazil, Argentina, Malaysia and China

Technical Glass
FY2013 v FY2012

NSG GROUP

- Robust smart phones and tablet pc markets
- Glass cord results reflect weak European Automotive markets
- Demand in the office printer market softened



*Operating profit before exceptional items

Joint Ventures and Associates

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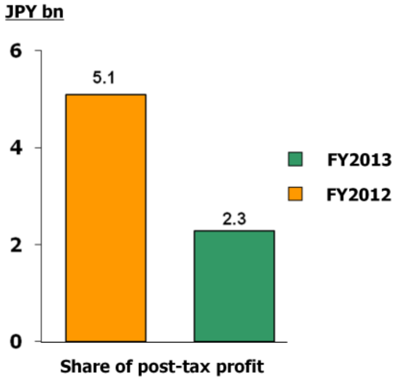
- Cebrace profits fell, due to reduced volumes and prices
- Profits reduced in China
- Russia recorded profits similar to the previous year



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Restructuring Summary

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Capacity reductions

- Rationalization of capacity to meet customer demand
  - 2 Float lines closed, Italy and Sweden
  - 2 Float lines idled, Germany & UK
  - Announced intention to close Automotive plants in Sweden and Finland, closures to be completed in FY2014
  - Architectural downstream – 8 sites either closed or closure negotiations in progress

Significant reduction in European capacity

Restructuring Summary (continued)

NSG GROUP

Overhead cost reductions

- European back office activities centralized in Poland
- Reductions in administrative costs, especially UK and Japan
- Global reductions in plant overheads

Headcount

- At 31 March 2013 3,000 people had left the Group

Significant reduction in overhead costs

Restructuring Summary (continued)

NSG GROUP

Cash improvement activities

- Significant improvement in working capital
- Capital expenditure maintained below the level of depreciation
- Selective disposals of non-core assets completed in FY2013
  - FMC Wyoming disposed in March 2013
  - Various financial investments divested

Strong cash focus

Restructuring Summary (continued)

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JPY bn	FY12	FY13	FY14	FY15	Total
Savings:					
June 2012 projection	-	5	15	25	45
May 2013 projection	-	10	20	30	60
Restructuring costs:					
June 2012 projection	(3)	(11)	(11)	-	(25)
May 2013 projection	(3)	(18)	(9)	-	(30)
Impairments:					
June 2012 projection	-	(7)	(2)	-	(9)
May 2013 projection	-	(9)	-	-	(9)

Increased savings achieved and forecasted

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Slide 28 summarises our previous projections on the restructuring and our revised position today.

We have achieved JPY 10bn in cost savings in FY2013, 5bn more than forecast and expect this to flow through to FY14 and FY15.

Restructuring and impairment costs increased in FY2013 as projects were brought forward as additional capacity was taken out of the business, as we accelerated our restructuring program.

FY2014 Restructuring

NSG GROUP

FY2014 Actions

- Restructuring actions continuing in FY2014
  - Forecast includes restructuring costs of JPY 9 billion
- Further capacity reductions
- Continued focus on overhead reduction
- Operational improvement actions accelerating
- Selective additional disposals where appropriate

Further restructuring in FY2014

FY2013 Annual Results
(from 1 April 2012 to 31 March 2013)

NSG GROUP

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Summary

NSG GROUP

- Results reflect low levels of activity in the Group's major markets
- Challenging market conditions persist but signs of improvement in some areas
- Profit improvement program ahead of target
  - Steady improvement in profit through the year
- Significant improvement in cash flow performance
- Management will continue to focus on returning the Group to profitability
- FY2014 prospects reflect further realization of cost savings

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
FY2013

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	71.4	82.4	19.2	42.7	215.7
Automotive	46.4	106.5	55.8	36.3	245.0
Technical	35.5	5.7	1.0	17.2	59.4
Others	1.1	0.1	0.0	0.0	1.2
Total	154.4	194.7	76.0	96.2	521.3

Operating Profit before Amortization*
FY2013

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Architectural	0.5	(6.2)	2.0	4.0	0.3	0%
Automotive	3.4	1.7	(0.7)	0.4	4.8	2%
Technical	5.2	0.7	0.2	0.6	6.7	11%
Others	(2.9)	(0.4)	0.5	0.0	(2.8)	
Total	6.2	(4.2)	2.0	5.0	9.0	2%
Ratio on Sales	4%	-2%	3%	5%	2%	

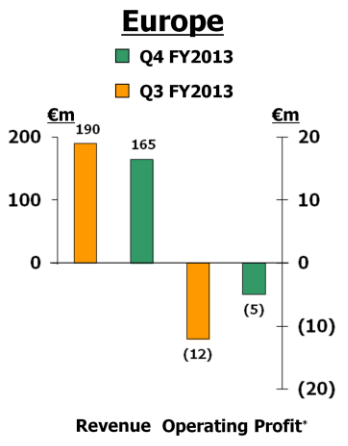
*Operating profit before amortization and exceptional items

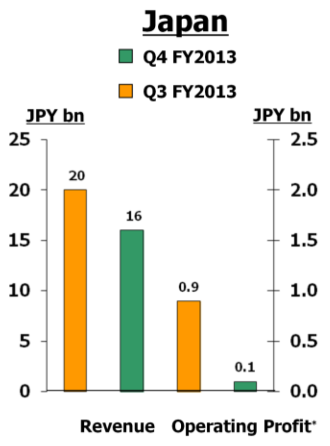
Operating Profit after Amortization*
FY2013

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Architectural	0.5	(6.2)	2.0	4.0	0.3	0%
Automotive	3.4	1.7	(0.7)	0.4	4.8	2%
Technical	5.2	0.7	0.2	0.6	6.7	11%
Others	(2.9)	(5.0)	(0.9)	(1.0)	(9.8)	
Total	6.2	(8.8)	0.6	4.0	2.0	0%
Ratio on Sales	4%	-5%	1%	4%	0%	

*Operating profit after amortization but before exceptional items

Architectural
Q4 FY2013 v Q3 FY2013

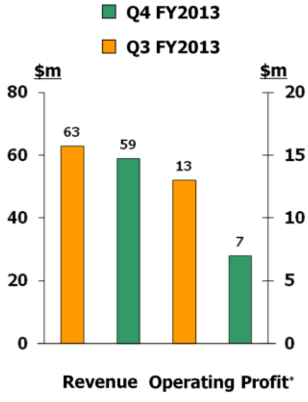




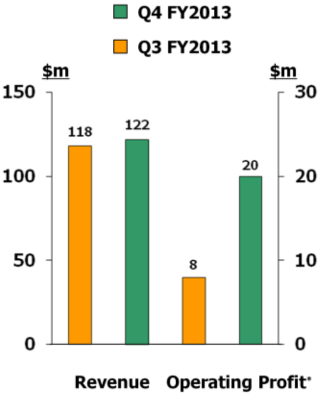
*Operating profit before exceptional items

Architectural
Q4 FY2013 v Q3 FY2013

North America



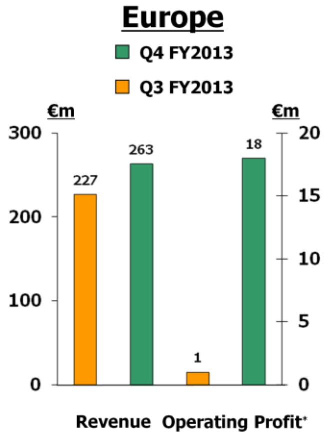
Rest of World**

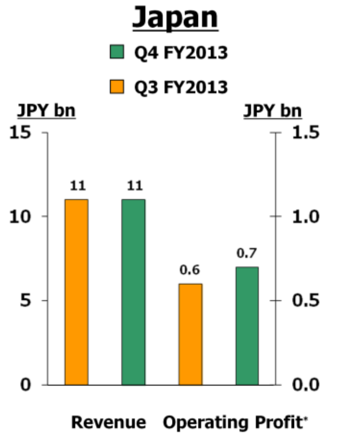


*Operating profit before exceptional items
**Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

Automotive
Q4 FY2013 v Q3 FY2013

NSG GROUP



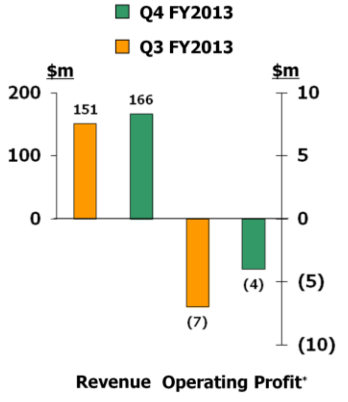


*Operating profit before exceptional items

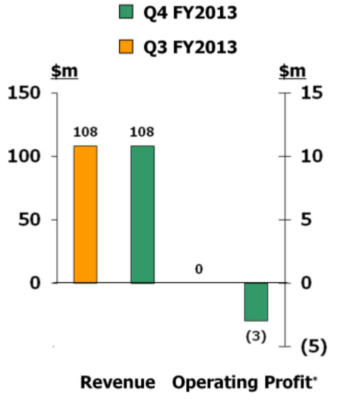
Automotive
Q4 FY2013 v Q3 FY2013

NSG GROUP

North America



Rest of World**



*Operating profit before exceptional items
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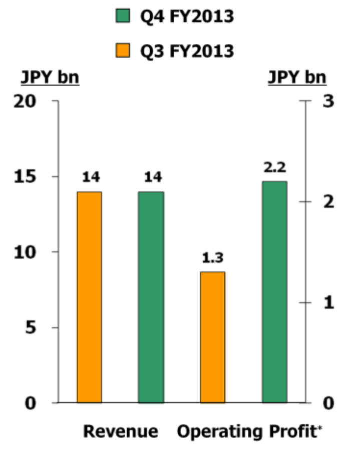
Technical Glass
Q4 FY2013 v Q3 FY2013



*Operating profit before exceptional items

Assumptions

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	FY2012	FY2013	FY2014 Forecast
Average rates used:			
JPY/GBP	126	131	150
JPY/EUR	109	107	130
JPY/USD	79	83	100
Closing rates used:			
JPY/GBP	131	141	
JPY/EUR	109	119	
JPY/USD	82	93	

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