10 May 2012

# FY2012 RESULTS

(From 1 April 2011 to 31 March 2012)

- **Operating results in line with previous forecast**
- **Building Products results reflect softening markets**
- **Automotive profits reduced due to increased input costs and high levels of demand volatility**
- **Specialty Glass markets mixed**
- **New management team's immediate strategic focus is profitability improvement**
- **Final FY12 dividend reduced and FY13 dividend removed, reflecting current business performance**
- **FY2013 forecast reflects globally challenging economic conditions and restructuring actions**

**Operating results in line with previous forecast**

- Cumulative Group revenues ¥ 552.2bn, 4% below previous year (FY11: ¥ 577.1bn) but similar to the previous year at constant exchange rates
- Operating profits, before amortization and exceptional costs, of ¥ 14.9bn (FY11: ¥ 30.5bn) reflect the challenging trading conditions, particularly during the third and fourth quarters
- Exceptional costs of ¥ 3.3bn include the initial stages of the Group's restructuring program

**Building Products results reflect softening markets**

- Markets generally weak, with increasing levels of over-capacity, particularly in Europe
- Solar Energy volumes were similar to FY11 but demand fell during the third and fourth quarters
- Increased input costs only partly offset by higher sales prices due to market weakness
- FY12 Building Products revenue ¥ 239.4bn (FY11: ¥ 248.6bn) and profits of ¥ 9.1bn (FY11: ¥ 13.8bn). Previous year includes gain of ¥ 3.3bn on settlement of Chile earthquake insurance claim
- Joint Ventures and associates experiencing challenging building products markets

**Automotive profits reduced due to increased input costs and high levels of demand volatility**

- Profits in most markets affected by demand volatility during the year
- Higher input costs reducing margins and not recoverable through prices in near-term
- AGR demand fell slightly, but benefiting from an improving product mix
- FY12 Automotive revenue ¥ 251.2bn (FY11: ¥ 264.0bn) and profits of ¥ 5.1bn (FY11: ¥ 11.9bn)

**Specialty Glass markets mixed**

- Demand growing in smartphone and tablet sectors, where the Group's UFF glass is used in touch panels
- Sales of glass cord impacted by weakening European automotive market
- FY12 Specialty Glass revenue ¥ 60.2bn (FY11: ¥ 62.9bn) and profits of ¥ 6.9bn (FY11: ¥ 7.7bn)

**New management team's immediate strategic focus is profitability improvement**

- Strategic Management Plan issued in November 2010 has been reviewed in light of recent market developments and company performance
- Restoration of profitability will take precedence over growth in the immediate future
- Restructuring programs and efficiency enhancements will continue and accelerate
- Management committed to restructuring program as previously announced, additional measures now being considered and will be announced when finalized

**Final FY12 dividend reduced and FY13 dividend removed, reflecting current business performance**

- Reduction in final dividend for FY12 and removal of dividend for FY13 reflect current level of business performance

**FY2013 forecast reflects globally challenging economic conditions and restructuring actions**

- Full year revenue forecast of ¥ 560bn similar to FY12 with no significant market improvements expected
- Operating profits, before amortization and exceptional items expected to increase to ¥ 22bn with cost reductions of ¥ 5bn realized through the year
- Loss for the year of ¥ 10bn reflects exceptional costs anticipated of ¥ 19bn

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Extract from NSG Group FY2012 financial results presentation, 10 May 2012.

## Consolidated Income Statement

| (JPY bn) | FY2012 | FY2011 | Change from FY2011 |
|---|---|---|---|
| **Revenue** | **552.2** | **577.1** | **-4%**** |
| **Operating profit before amortization and exceptional items** | **14.9** | **30.5** | |
| Amortization* | (7.2) | (7.6) | |
| **Operating profit before exceptional items** | **7.7** | **22.9** | |
| **Exceptional items** | **(3.3)** | **-** | |
| **Operating profit** | **4.4** | **22.9** | |
| Finance expenses (net) | (14.3) | (16.3) | |
| Share of JVs and associates | 5.1 | 8.7 | |
| **Profit / (loss) before taxation** | **(4.8)** | **15.3** | |
| **Profit / (loss) for the period** | **(1.7)** | **15.8** | |
| **Profit / (loss) attributable to owners of the parent** | **(2.8)** | **12.4** | |
| EBITDA | 46.4 | 64.2 | -28% |

* Amortization arising from the acquisition of Pilkington plc only

** No change at constant exchange rates

**Results in line with previous forecast**



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