

NSG
GROUP



NSG Group

FY2013 Quarter 2 Results

(from 1 April 2012 to 30 September 2012)

Nippon Sheet Glass Co., Ltd.
31 October 2012

Keiji Yoshikawa

Chief Executive Officer

Clemens Miller

Chief Operating Officer

Mark Lyons

Chief Financial Officer

FY2013 Quarter 2 Results

(from 1 April 2012 to 30 September 2012)



Agenda

Key Points

Financial Results

Business Update

Restructuring Actions Update

Summary

Key Points - April to September 2012



- Second quarter results consistent with previous forecast
- Full-year forecast maintained
- Markets still challenging, particularly in Europe
- Restructuring program progressing to plan

FY2013 Quarter 2 Results

(from 1 April 2012 to 30 September 2012)



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Consolidated Income Statement



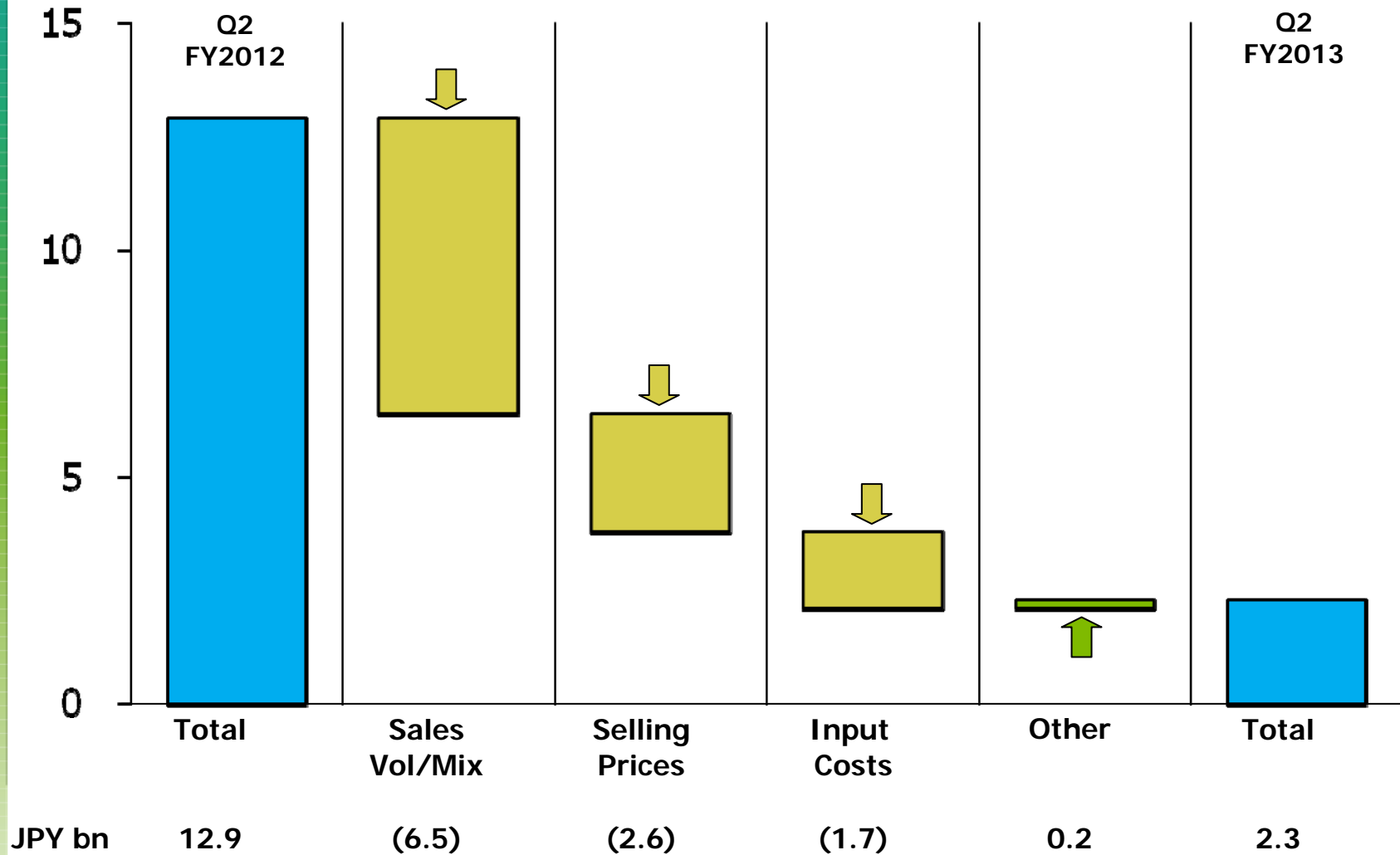
<u>(JPY bn)</u>	<u>Cum Q2 FY2013</u>	<u>Cum Q2 FY2012</u>	<u>Change from Cum Q2 FY2012</u>
Revenue	260.7	288.5	-10%**
Operating profit before amortization	2.3	12.9	
Amortization*	(3.3)	(3.7)	
Operating profit/(loss) before exceptional items	(1.0)	9.2	
Exceptional items	(10.1)	-	
Operating profit/(loss)	(11.1)	9.2	
Finance expenses (net)	(6.8)	(7.1)	
Share of JVs and associates	0.2	4.3	
Profit/(loss) before taxation	(17.7)	6.4	
Profit/(loss) for the period	(16.6)	6.3	
Profit/(loss) attributable to owners of the parent	(16.9)	5.7	
EBITDA	16.4	29.0	-43%

* Amortization arising from the acquisition of Pilkington plc only

** -5% based on constant exchange rates

Market conditions remain challenging

Operating Profit (before amortization) Change Analysis



Significant market deterioration

Exceptional items



(JPY bn)	Q2 FY2013
Restructuring costs, including employee termination payments	(6.7)
Impairments of non-current assets	(3.8)
Others	0.4
	(10.1)

- Restructuring costs : as at 30 September 2012, 1,750 people had left the Group
- Major impairment of Venice, Italy, float assets

Restructuring program progressing to plan

Consolidated Cash Flow Summary



(JPY bn)	Cum Q2 FY2013	Cum Q2 FY2012
Profit/(loss) for the period	(16.6)	6.3
Depreciation and amortization	17.5	19.8
Net change in working capital	2.4	(20.8)
Tax paid	(3.2)	(2.9)
Others	(2.7)	(14.3)
Net cash used in operating activities	(2.6)	(11.9)
Purchase of property, plant and equipment	(15.7)	(17.4)
Others	0.8	(2.0)
Net cash used in investing activities	(14.9)	(19.4)
Cash flow before financing activities	(17.5)	(31.3)

Improved working capital

Key Performance Indicators



	<u>30-Sep-12</u>	<u>31-Mar-12</u>
Net Debt (JPY bn)	361	351
Net Debt/EBITDA	10.6x	7.6x
Net Debt/Equity Ratio	2.8	2.0
	<u>Q2 FY2013</u>	<u>Q2 FY2012</u>
EBITDA Interest Cover	2.4x	4.1x
Operating Return* on Sales	0.9%	4.5%

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

Key performance indicators reflect market conditions

FY2013 Income Statement Forecast



<u>(JPY bn)</u>	<u>Actuals</u> <u>H1 FY2013</u>	<u>Forecast</u> <u>H2 FY2013</u>	<u>Forecast</u> <u>FY2013</u>
Revenue	261	269	530
Operating profit before amortization	2.3	7.7	10.0
Amortization*	(3.3)	(3.7)	(7.0)
Operating profit/(loss) before exceptional items	(1.0)	4.0	3.0
Exceptional items	(10.1)	(10.9)	(21.0)
Operating loss	(11.1)	(6.9)	(18.0)
Finance expenses (net)	(6.8)	(8.2)	(15.0)
Share of JVs and associates	0.2	2.8	3.0
Loss before taxation	(17.7)	(12.3)	(30.0)
Loss for the period	(16.6)	(10.4)	(27.0)
Loss attributable to owners of the parent	(16.9)	(11.1)	(28.0)

* Amortization arising from the acquisition of Pilkington plc only

Full-year forecast maintained

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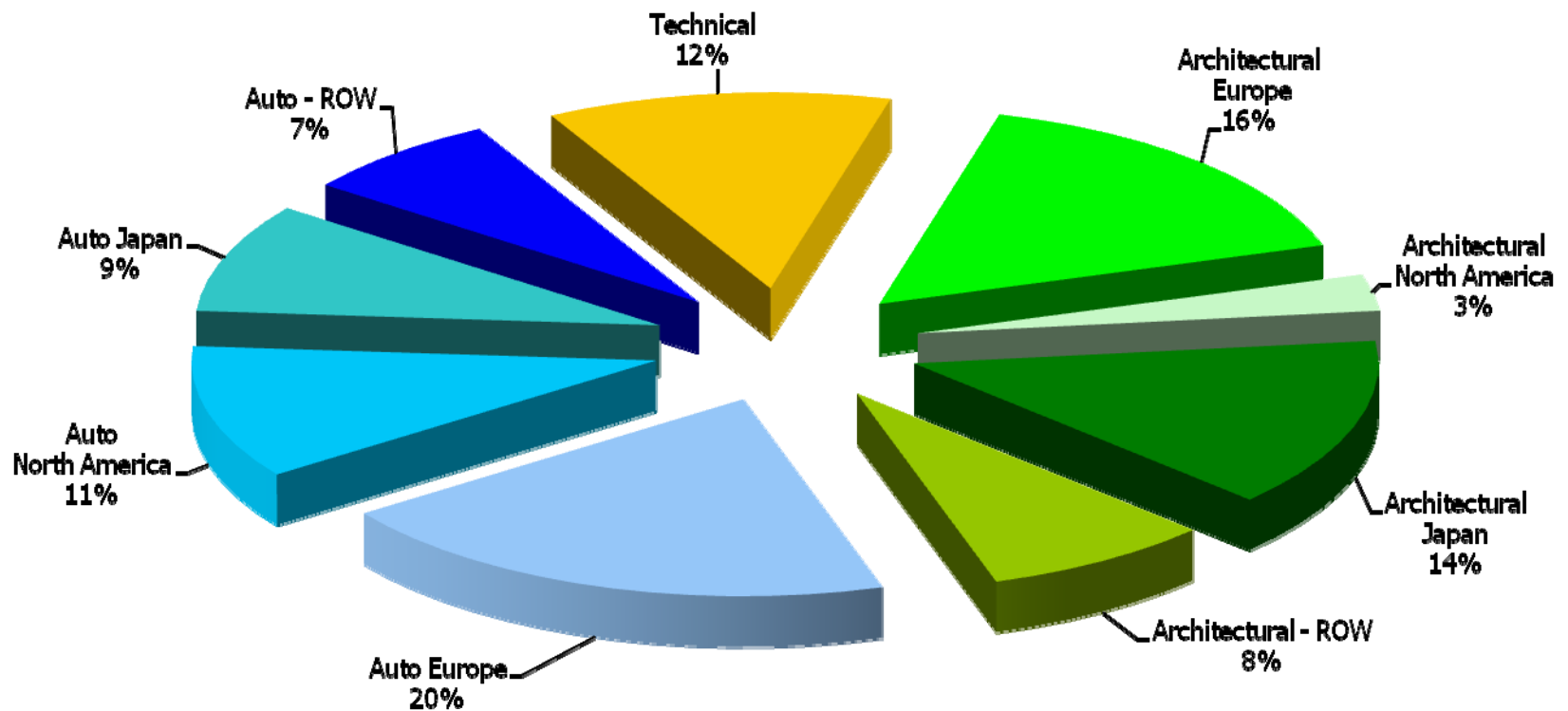
Restructuring Actions Update

Summary

External Revenue – Group Businesses



¥ 261 billion



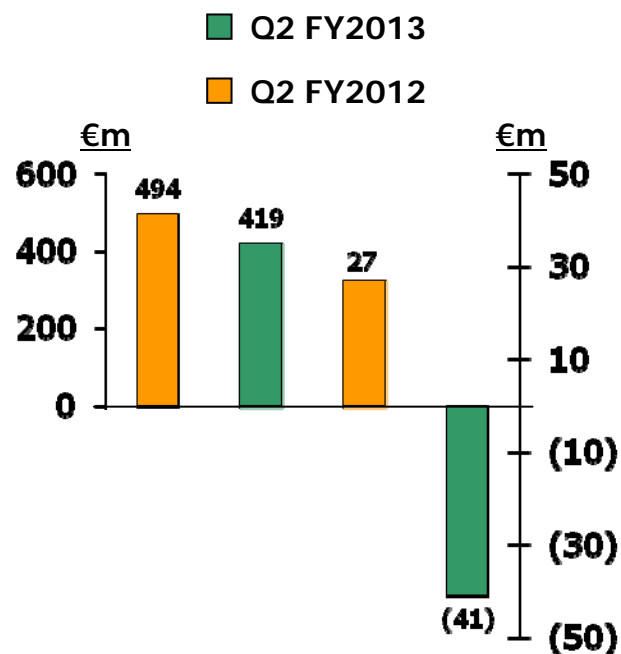
Cumulative Q2 FY2013

Architectural

Q2 FY2013 v Q2 FY2012



Europe

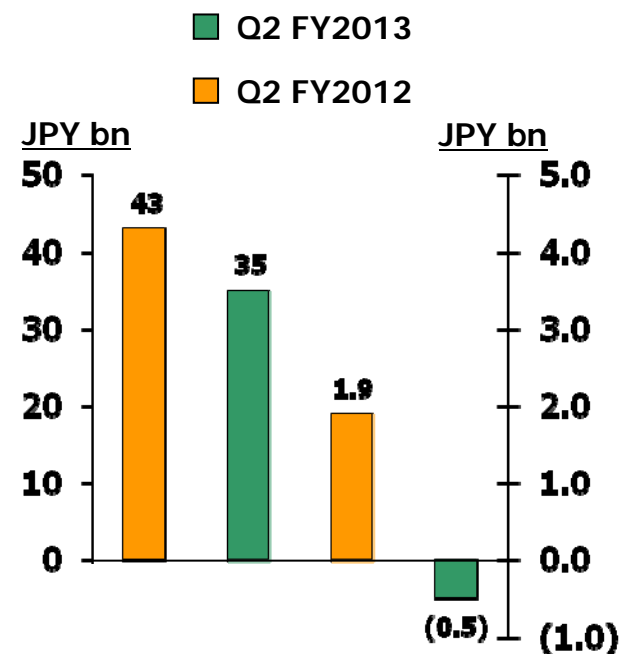


Revenue Operating Profit*

- Volumes and prices significantly below FY12 levels
- Reduced solar dispatches
- Capacity reductions progressing
- Price increases implemented during Q2

*Operating profit before exceptional items

Japan



Revenue Operating Profit*

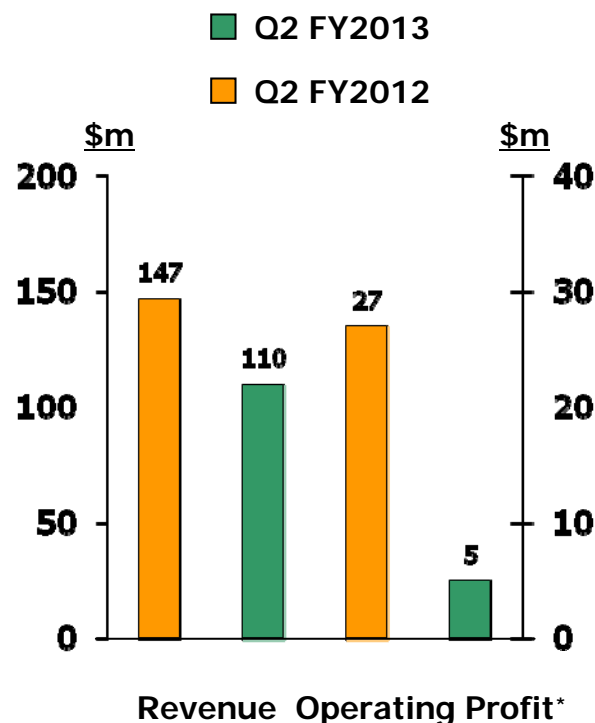
- Domestic markets were flat but signs of recovery during Q2
- Solar dispatches lower than previous year

Architectural

Q2 FY2013 v Q2 FY2012

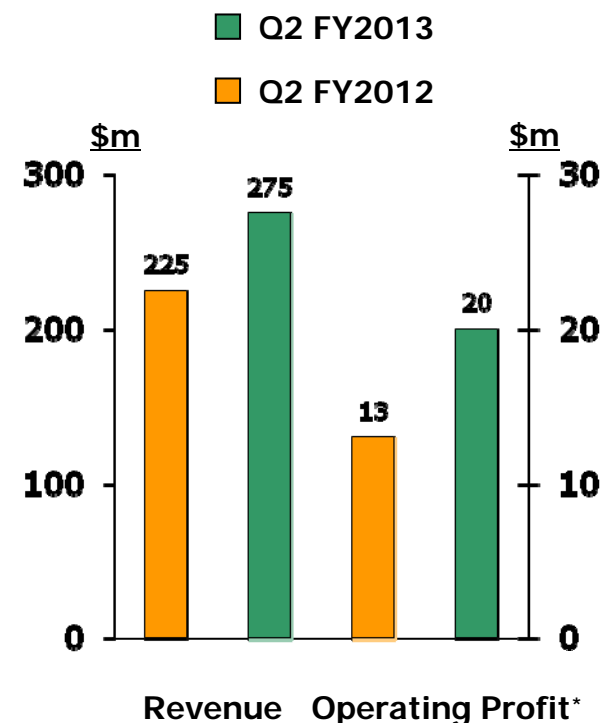


North America



- Domestic markets flat, but some signs of recovery
- Solar dispatches lower than previous year

Rest of World**



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

*Operating profit before exceptional items

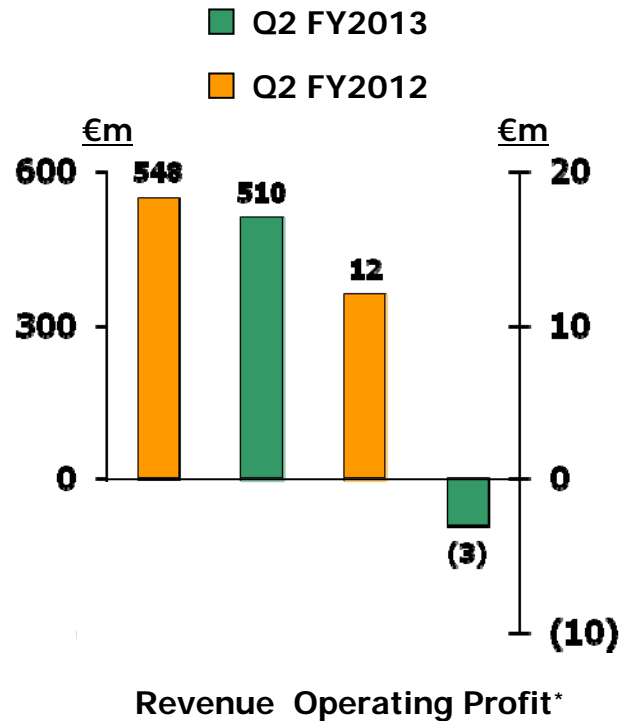
**Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

Automotive

Q2 FY2013 v Q2 FY2012

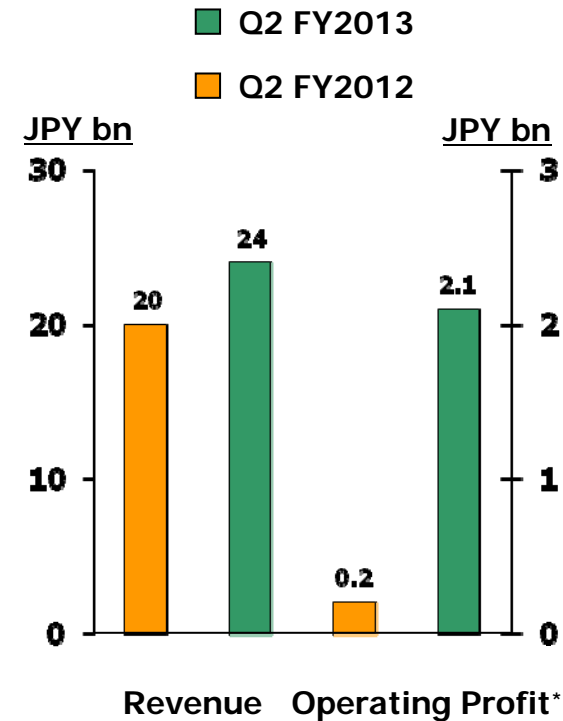


Europe



- Revenue and profits affected by reduced demand

Japan



- Demand remains strong following recovery in second half of FY12

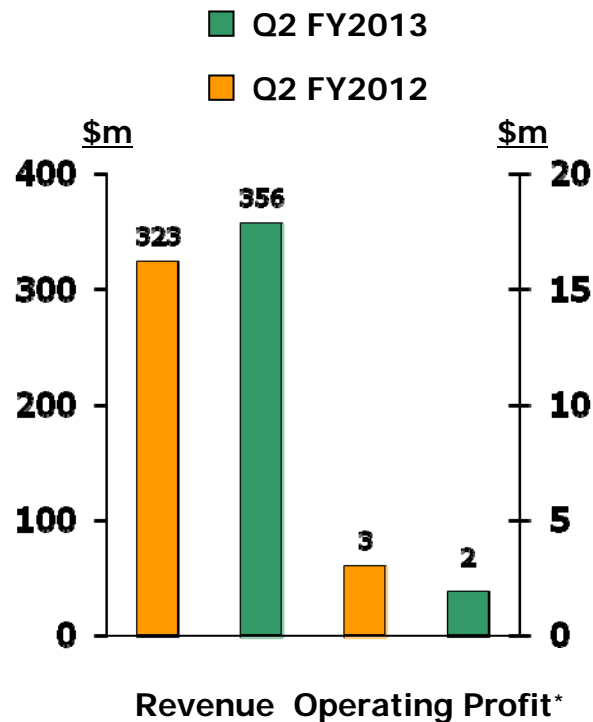
*Operating profit before exceptional items

Automotive

Q2 FY2013 v Q2 FY2012

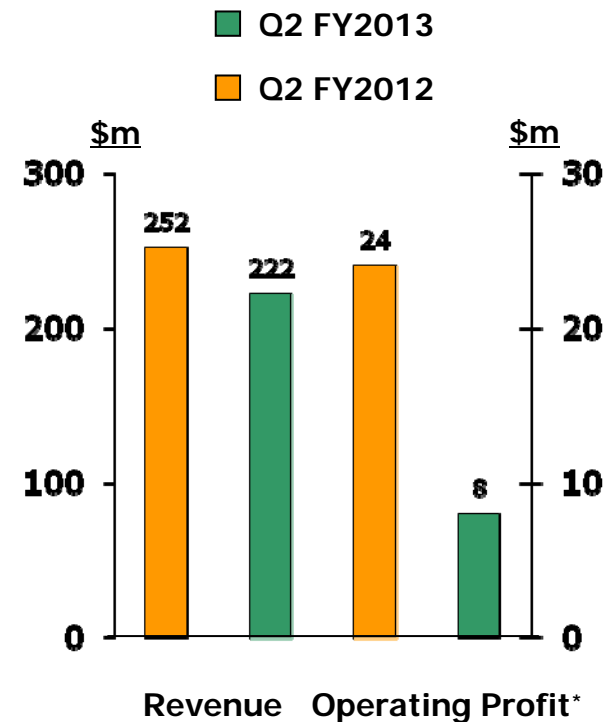


North America



- Revenues improving on increased volumes
- Profitability remains weak

Rest of World**



- Market conditions in South America remain challenging
- Slowing demand in China and South East Asia

*Operating profit before exceptional items

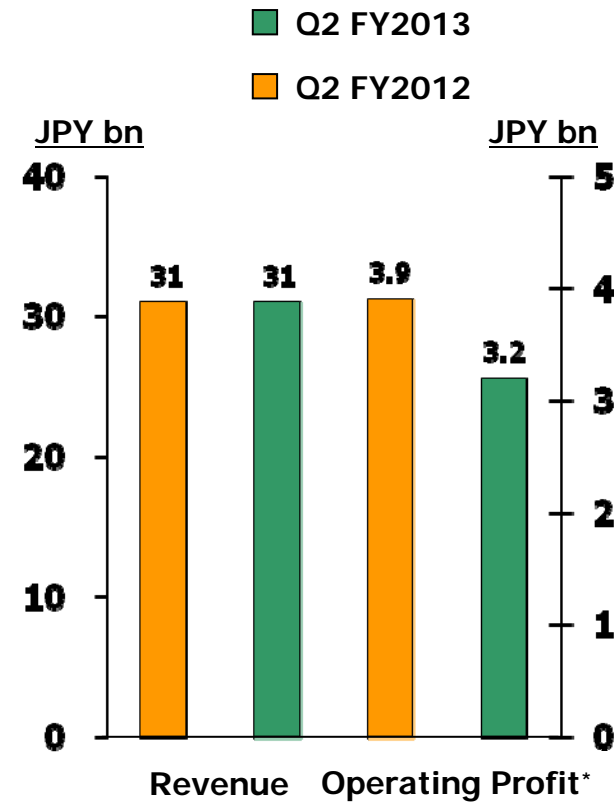
**Rest of world includes Brazil, Argentina, Malaysia and China

Technical Glass

Q2 FY2013 v Q2 FY2012



- Smart phones and tablet pc markets remain strong
- Glass cord results reflect weak European Automotive markets
- Recovering demand in the office printer market

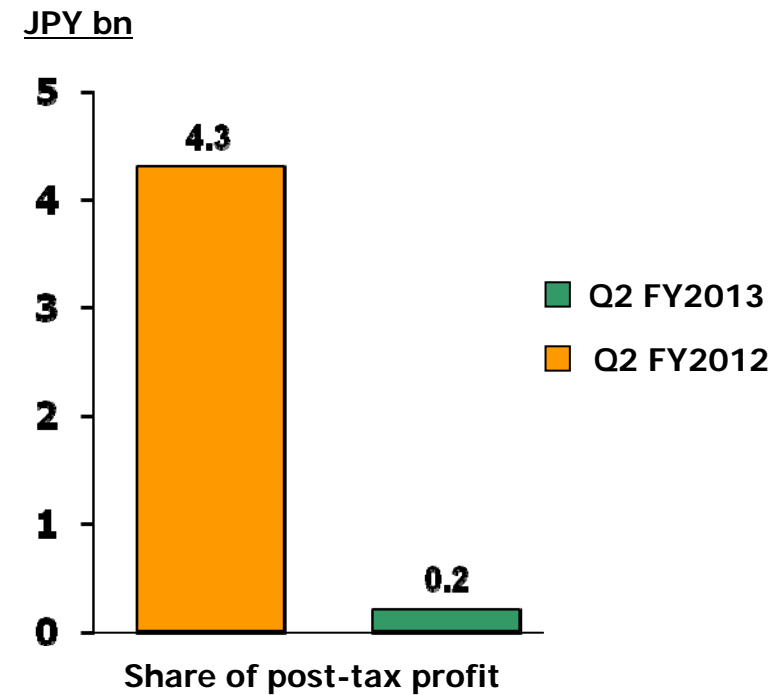


*Operating profit before exceptional items

Joint Ventures and Associates



- Cebrace profits fell, due to reduced volumes and prices
- Profits reduced in China



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Restructuring Actions - Update



Elements

- Capacity reduction
 - 30% Architectural float reduction in Europe
 - 25% Architectural float reduction in North America
- Overhead reductions
 - 25% overall reduction in senior management population
- Operational improvement actions progressing
- Cash improvement initiatives
 - Reduction in working capital
 - Capital expenditure reduced to below depreciation
 - Disposal of non-core assets

On track to deliver annual benefits of ¥ 25bn

Restructuring Actions



Actions initiated since 2 August Q1 announcement include the following

- Closure of Automotive fabrication sites in Finland and Sweden (in consultation)
- Closure of 2 Architectural downstream sites in the Netherlands
- Closure of 2 Architectural downstream sites in the UK
- Transfer of European back-office activities to low-cost shared service center
- Further reductions in management overhead costs in all regions

Restructuring programs and efficiency enhancements progressing to plan

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Summary



- Results for first two quarters reflect challenging markets, particularly in Europe
- Full-year forecast maintained
- Restructuring programs and efficiency enhancements progressing to plan
- Near-term strategic focus on profit improvement. Value-added products key to longer-term growth plans

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 Quarter 2



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	35.1	42.3	8.8	21.9	108.1
Automotive	23.6	51.4	28.4	17.7	121.1
Technical	18.7	2.8	0.4	8.9	30.8
Others	0.6	0.1	0.0	0.0	0.7
Total	78.0	96.6	37.6	48.5	260.7

Operating Profit before Amortization*

FY2013 Quarter 2



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Architectural	(0.5)	(4.1)	0.4	1.6	(2.6)	-2%
Automotive	2.1	(0.3)	0.2	0.7	2.7	2%
Technical	2.5	0.4	0.0	0.3	3.2	10%
Others	(1.5)	0.5	0.0	0.0	(1.0)	
Total	2.6	(3.5)	0.6	2.6	2.3	1%
Ratio on Sales	3%	-4%	2%	5%	1%	

*Operating profit before amortization and exceptional items

Operating Profit after Amortization*

FY2013 Quarter 2



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Architectural	(0.5)	(4.1)	0.4	1.6	(2.6)	-2%
Automotive	2.1	(0.3)	0.2	0.7	2.7	2%
Technical	2.5	0.4	0.0	0.3	3.2	10%
Others	(1.5)	(1.7)	(0.6)	(0.5)	(4.3)	
Total	2.6	(5.7)	0.0	2.1	(1.0)	0%
Ratio on Sales	3%	-6%	0%	4%	0%	

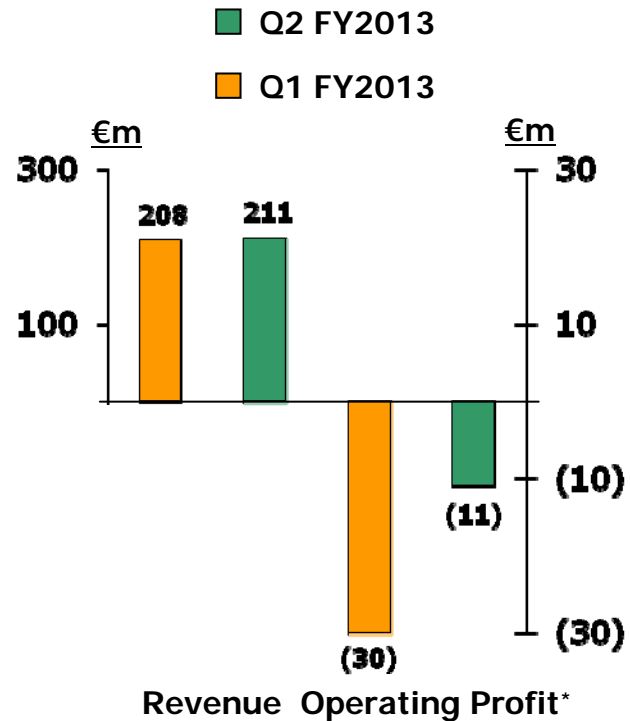
*Operating profit after amortization but before exceptional items

Architectural

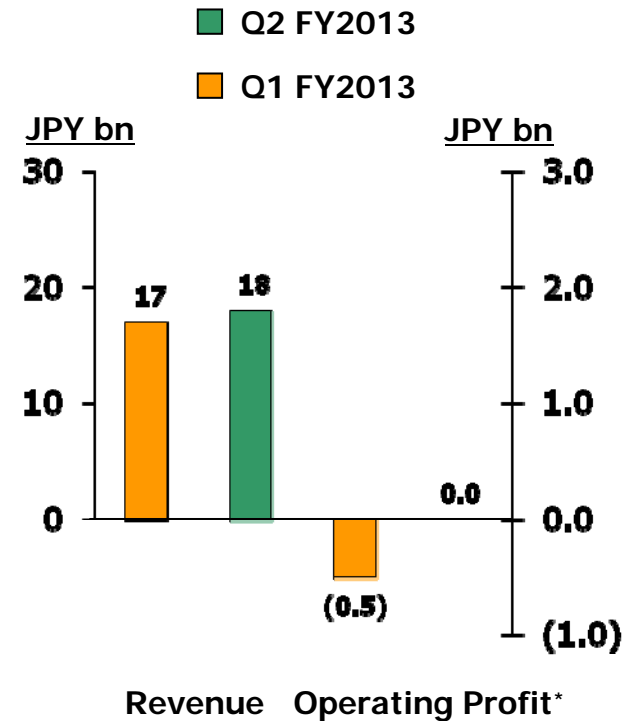
Q2 FY2013 v Q1 FY2013



Europe



Japan



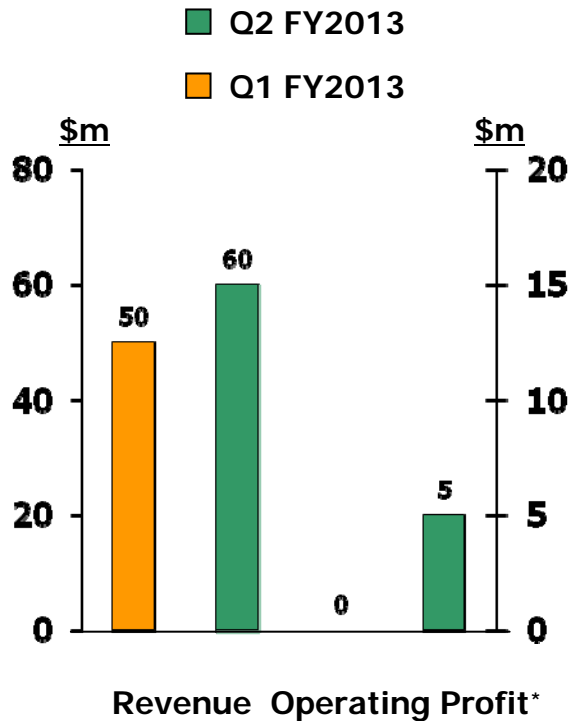
*Operating profit before exceptional items

Architectural

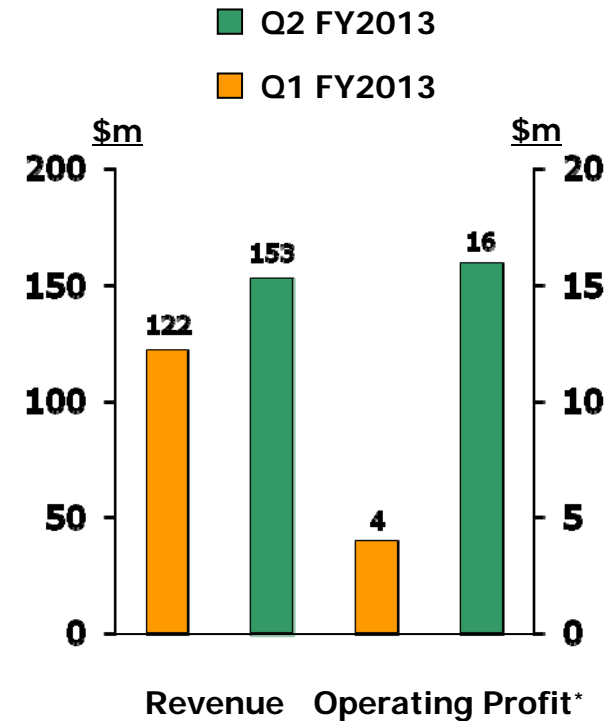
Q2 FY2013 v Q1 FY2013



North America



Rest of World**



*Operating profit before exceptional items

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

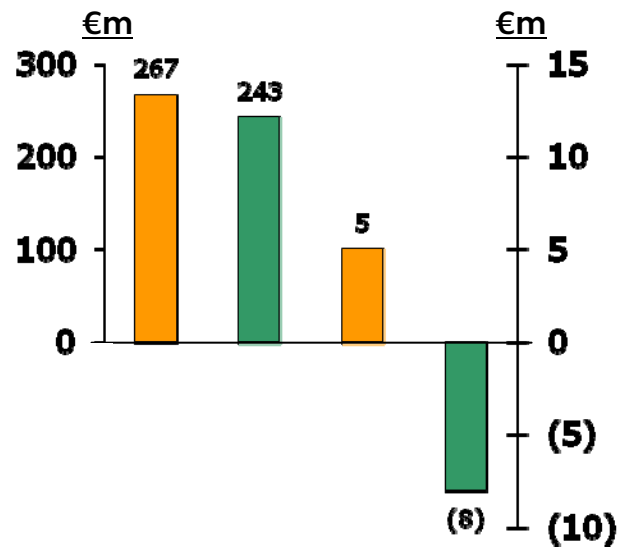
Automotive

Q2 FY2013 v Q1 FY2013



Europe

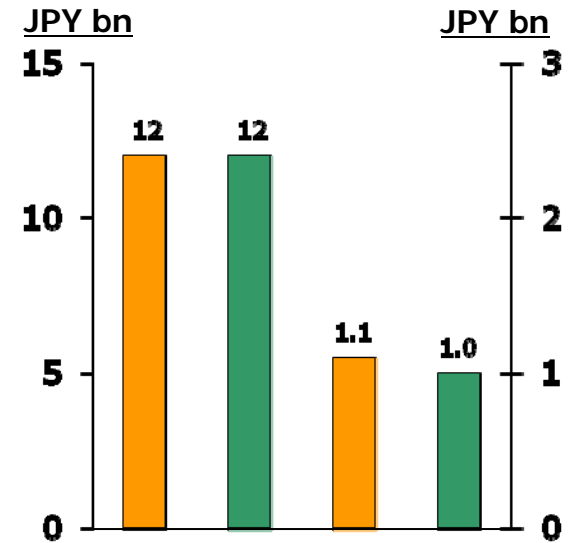
■ Q2 FY2013
■ Q1 FY2013



Revenue Operating Profit*

Japan

■ Q2 FY2013
■ Q1 FY2013



Revenue Operating Profit*

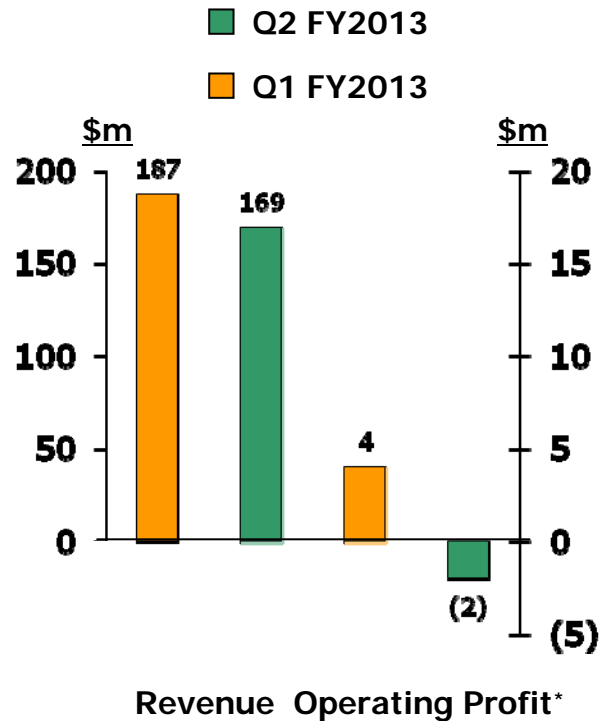
*Operating profit before exceptional items

Automotive

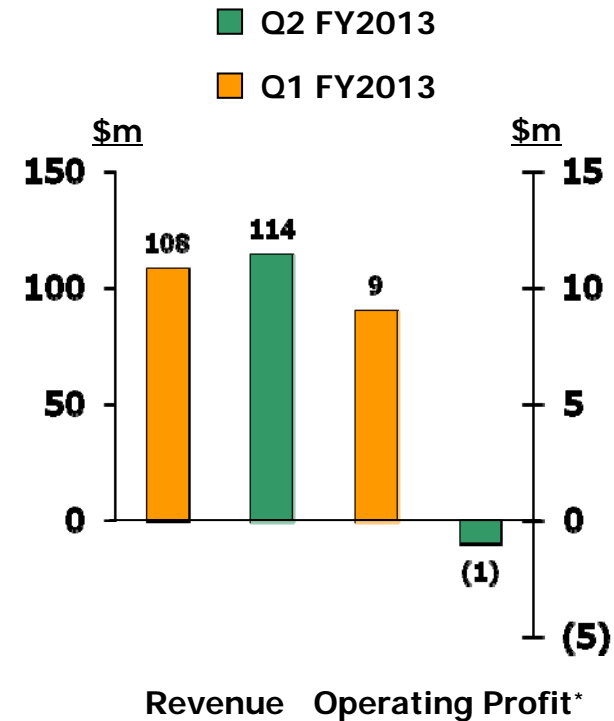
Q2 FY2013 v Q1 FY2013



North America



Rest of World**

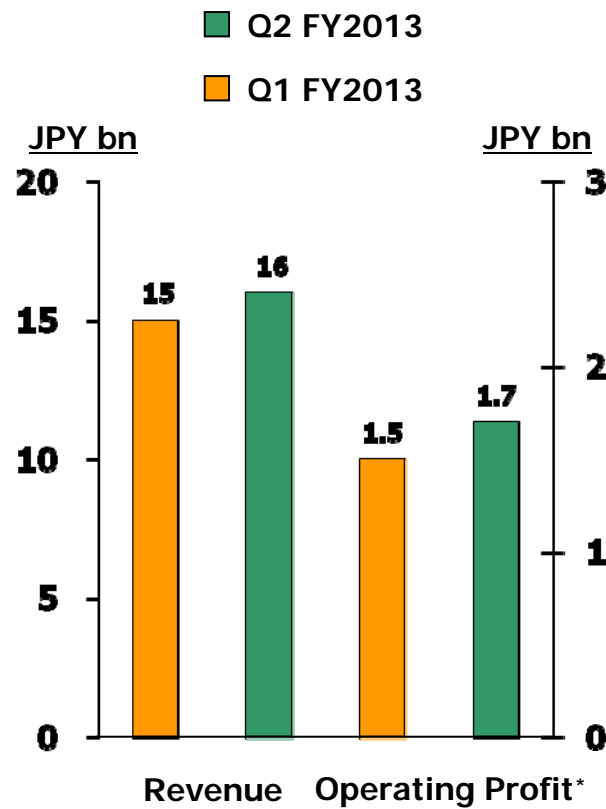


*Operating profit before exceptional items

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

Technical Glass

Q2 FY2013 v Q1 FY2013



*Operating profit before exceptional items

Assumptions



	Q2 FY2012	Q2 FY2013	FY2013 Forecast
Average rates used:			
JPY/GBP	129	126	125
JPY/EUR	113	101	100
JPY/USD	80	80	80
Closing rates used:			
JPY/GBP	119	126	
JPY/EUR	103	100	
JPY/USD	77	78	

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