



2 November 2011

## FY2012 QUARTER 2 RESULTS

(From 1 April 2011 to 30 September 2011)

- **Operating results consistent with previous forecast**
- **Building Products results reflect softening markets but improving value-added contribution**
- **Automotive profits reduced, following Japan earthquake, but demand now recovered**
- **Specialty Glass markets continue to be robust**
- **Joint ventures and associates' results similar to the previous year**
- **FY2012 forecast revised, reflecting global economic conditions**

### **Operating results consistent with previous forecast**

- Japan earthquake profit effect of ¥ 4.0bn (¥ 3.2bn Automotive, ¥ 0.8bn Specialty Glass), being approximately ¥ 2.0bn less than previously anticipated
- Except for earthquake impact, underlying results below previous expectations
- All results now stated in IFRS, including restatement of previous year
- Cumulative Group revenues ¥ 288.5bn, 2% below previous year (Q2 FY11: ¥ 293.7bn) but 1% above previous year at constant exchange rates
- Operating profits of ¥ 9.2bn (Q2 FY11: ¥ 16.7bn) reflects the impact of the Japan earthquake

### **Building Products results reflect softening markets but improving value-added contribution**

- Solar Energy volume growth slowing but still positive and in line with expectations
- Volume recovery stalling in mature markets of North America and Europe
- Prices stable during the quarter at levels higher than previous year, offsetting higher input costs
- Q2 FY12 Building Products revenue ¥ 128.4bn (Q2 FY11: ¥ 126.2bn) and profits of ¥ 8.1bn (Q2 FY11: ¥ 10.9bn). Previous year includes gain of ¥ 3.3bn on settlement of Chile earthquake insurance claim

### **Automotive profits reduced, following Japan earthquake, but demand now recovered**

- Vehicle manufacturer demand recovered to more normal levels during the quarter
- Higher input costs reducing margins with limited scope for near-term price increases
- European profitability impacted by demand volatility
- AGR business performing well, with improved product mix
- Q2 FY12 Automotive revenue ¥ 128.2bn (Q2 FY11: ¥ 134.7bn) and profits of ¥ 3.7bn (Q2 FY11: ¥ 6.8bn)

### **Specialty Glass markets continue to be robust**


- Further growth experienced in LCDs for mobile devices
- Sales of glass cord continue to improve
- Q2 FY12 Specialty Glass revenue ¥ 31.2bn (Q2 FY11: ¥ 32.0bn) and profits of ¥ 3.9bn (Q2 FY11: ¥ 3.5bn)

### **Joint ventures and associates' results similar to the previous year**

- Share of net income of joint ventures and associates ¥ 4.3bn (Q2 FY11: ¥ 4.2bn)
- Profits were flat at Cebrace (50% owned Building Products JV in Brazil)
- Improved profitability at the Group's joint venture in Russia
- Reduced profits in joint ventures and associates in China

### **FY2012 forecast revised, reflecting global economic conditions**

- Full year revenue forecast revised to ¥ 580bn, operating profit forecast revised to ¥ 25.0bn
- Pace of recovery slowing in many of the Group's core markets
- Over-capacity in China increasingly impacting pricing environment in South East Asia and beyond
- Strengthening yen impacting translation of results

<b>Consolidated Income Statement</b>			
<u>(JPY bn)</u>	<u>Cum Q2 FY2012</u>	<u>Cum Q2 FY2011</u>	<u>Change from Cum Q2 FY2011</u>
Sales	<u>288.5</u>	<u>293.7</u>	-2%**
<b>Op. Income before amortization</b>	<b>12.9</b>	<b>20.5</b>	
Amortization*	(3.7)	(3.8)	
<b>Operating income</b>	<b>9.2</b>	<b>16.7</b>	
Finance expenses (net)	(7.1)	(9.1)	
Share of JVs and associates	4.3	4.2	
<b>Income before taxation</b>	<b>6.4</b>	<b>11.8</b>	
<b>Income after taxation</b>	<b>6.3</b>	<b>8.1</b>	
<b>Income attributable to equity shareholders</b>	<b>5.7</b>	<b>5.0</b>	
EBITDA	29.0	37.5	-23%

\* Amortization arising from the acquisition of Pilkington plc only  
 \*\* +1% based on constant exchange rates

**Operating results consistent with previous forecast**

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