



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

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

2 November 2011 | FY2012 Quarter 2 Results