

NSG

GROUP

NSG Group
Quarter 1 Results
(from 1 April 2009 to 30 June 2009)

10 August 2009

Mike Powell – Group Finance Director

NSG Group Quarter 1 Results



(from 1 April 2009 to 30 June 2009)

Agenda

- Financial Results
- Business Update
- Restructuring
- Funding
- Summary

Key Points - April 09 to June 09

- Results reflect stabilized market conditions
- Restructuring on schedule
- Controlled cash management reducing impact from operating performance
- Debt maturity profile improved with recent funding secured
- On track for full year forecast announced in May

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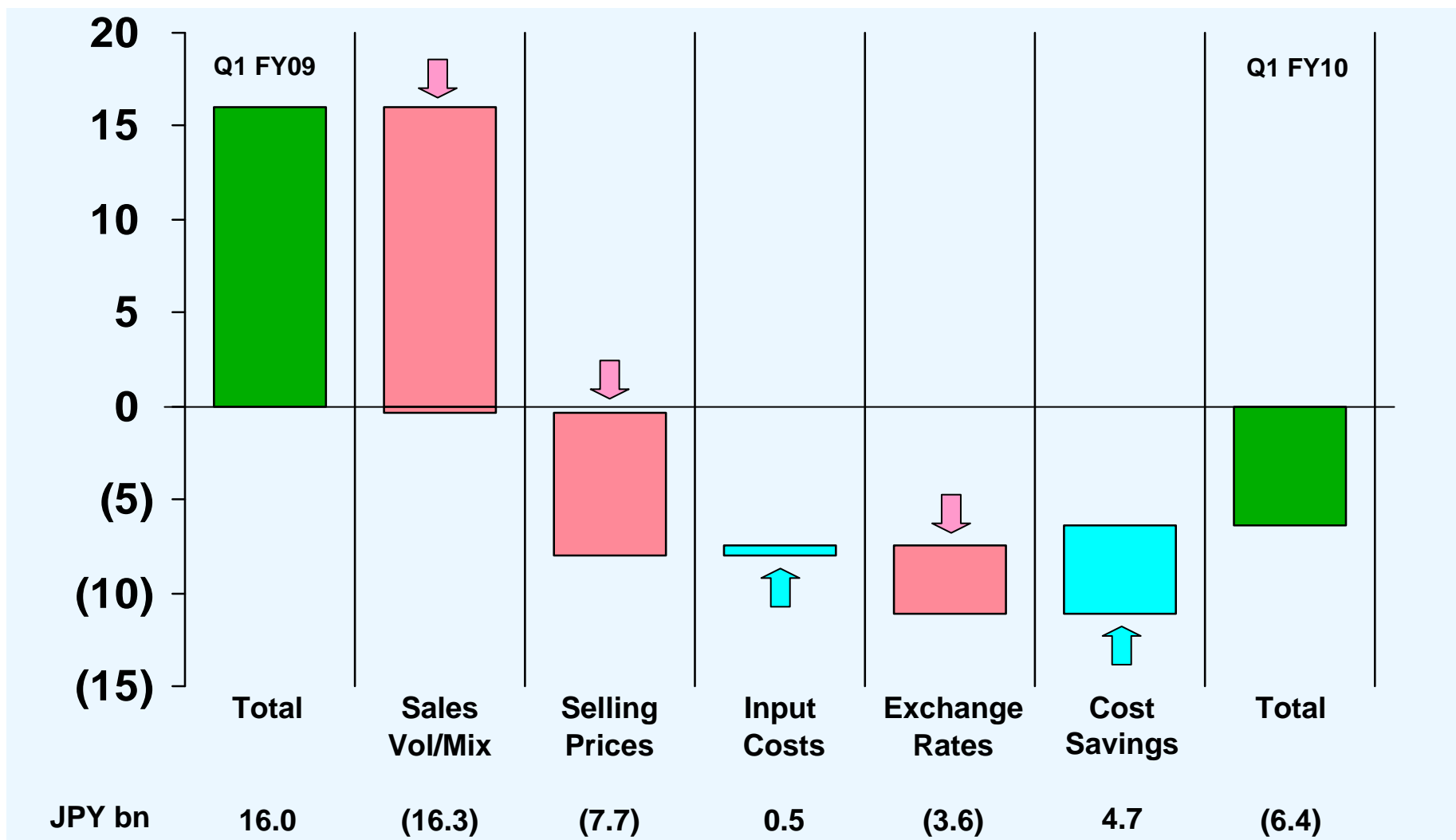
Consolidated Income Statement

<u>(JPY bn)</u>	<u>Q1 FY10</u>	<u>Q1 FY09</u>	<u>Change from FY2009</u>	<u>FY10 Forecast</u>
Revenue	143.6	221.5	-35%	580
Op.Income before amortization*	(6.4)	16.0		(12)
Amortization*	(4.6)	(5.9)		
Operating Income	(11.0)	10.1		(30)
Non-operating items	(4.8)	(3.2)		
Ordinary income	(15.8)	6.9		(47)
Extraordinary items	(1.1)	38.0		
Pre-tax Income	(16.9)	44.9		(57)
Net Income	(15.7)	27.8		(50)
EBITDA	4.2	28.2	-85%	

* Amortization arising from the acquisition of Pilkington plc only

Operating result sharply reduced in-line with economic downturn

Operating Income Change Analysis



Market deterioration partially offset by cost savings

Non-operating Items

	Q1 FY10 (JPY bn)	Q1 FY09 (JPY bn)
Interest and dividend income	0.6	2.0
Interest expenses	(3.4)	(5.4)
Joint ventures and associates	(0.6)	1.9
Other income and expenses	(1.4)	(1.7)
	(4.8)	(3.2)

Declining trading conditions for affiliates

Extraordinary Items

	Q1 FY10 (JPY bn)	Q1 FY09 (JPY bn)
Gain from sale of securities	4.1	7.4
Gain on disposal of associates and joint ventures	0.1	29.6
Restructuring	(5.4)	-
Others	0.1	1.0
	(1.1)	38.0

Restructuring on schedule

Consolidated Cash Flow Summary

	Q1 FY10 (JPY bn)	Q1 FY09 (JPY bn)
Income before income taxes and minority interests	(16.9)	44.9
Depreciation and amortization	15.2	18.1
Increase in working capital	(5.6)	(21.3)
Tax paid	(9.4)	(3.8)
Addback profit on disposal of subsidiaries/investments	(4.1)	(7.4)
EC fine	-	(22.5)
Others	7.5	(10.7)
Net cash provided by (used in) operating activities	(13.3)	(2.7)
Purchase of fixed assets	(5.6)	(11.5)
Disposal of subsidiaries/investments	7.2	50.0
Others	(1.8)	-
Net cash provided by investing activities	(0.2)	38.5
Cash flow before financing activities	(13.5)	35.8

Controlled cash management reducing impact from operating performance

Key Performance Indicators

	<u>30-Jun-09</u>	<u>31-Mar-09</u>
Net Debt (JPY bn)	357	331
Net Debt/EBITDA	8.1x	4.9x
Net Debt/Equity Ratio	1.41	1.29
	<u>Q1 FY10</u>	<u>Q1 FY09</u>
EBITDA Interest Cover (annualized)	3.6x	4.1x
Operating Return on Sales*	-4.5%	7.2%

* Before amortization arising from acquisition of Pilkington plc

Ratios weaker on declining EBITDA

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 - Building Products
 - Automotive
 - Specialty Glass
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Business Update

- The first quarter of FY2009 and FY2010 experienced unprecedented differences in market conditions
- A detailed comparison of the first quarter of FY2010 with the fourth quarter of FY2009 is a more relevant evaluation of each business line's recent performance
- Due to this, the following results have been presented with this format
- A comparison of the first quarters of FY2009 and FY2010 can be found in the appendix

Consolidated Income Statement

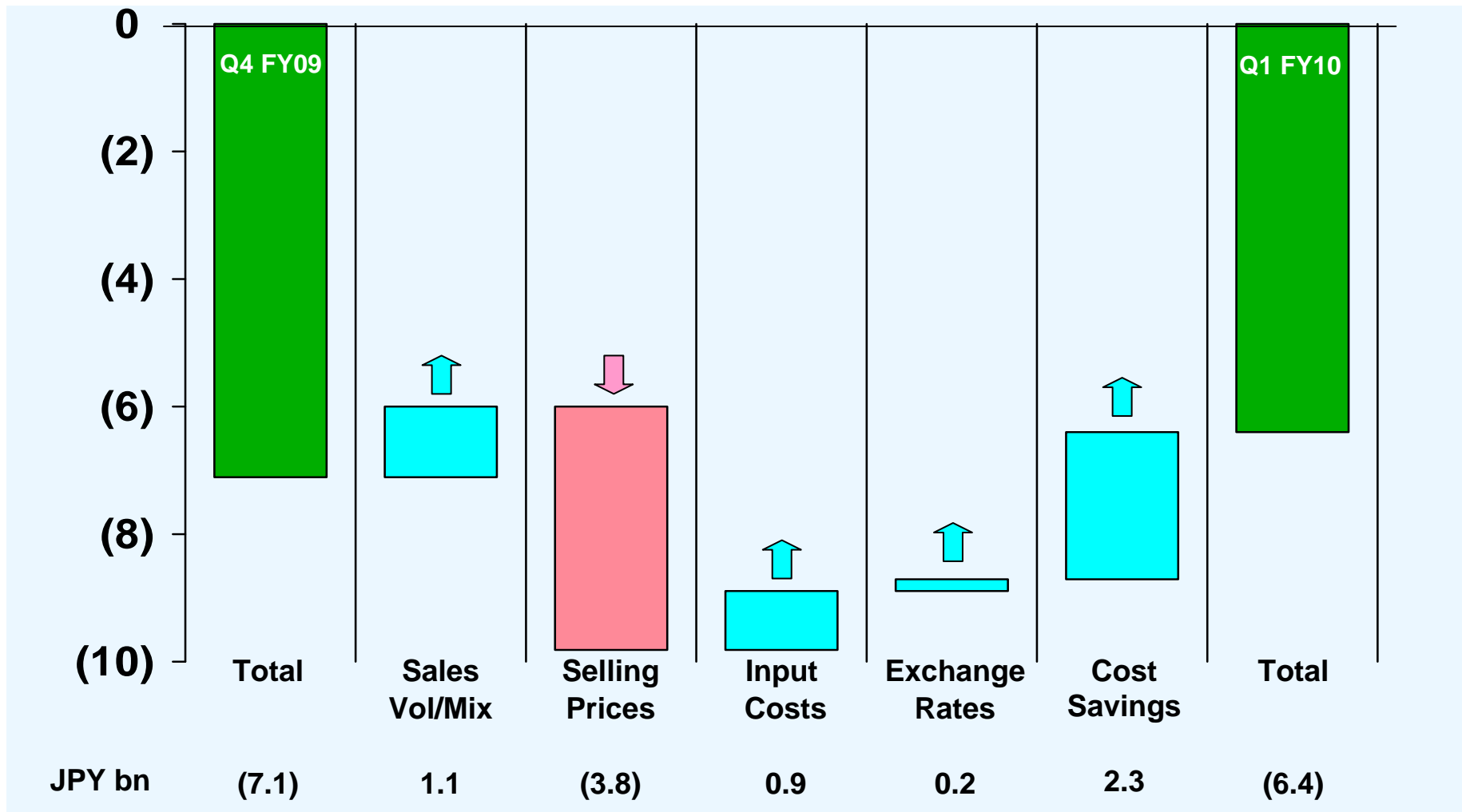
<u>(JPY bn)</u>	<u>Q1 FY10</u>	<u>Q4 FY09</u>	<u>Change from Q4 FY09</u>
Sales	143.6	153.0	-6%
Op.Income before amortization	(6.4)	(7.1)	10%
Amortization*	(4.6)	(4.4)	
Operating Income	(11.0)	(11.5)	4%
Non-operating items	(4.8)	(5.4)	
Ordinary income	(15.8)	(16.9)	7%
Extraordinary items	(1.1)	(27.0)	
Pre-tax Income	(16.9)	(43.9)	
Net Income	(15.7)	(38.9)	60%
EBITDA	4.2	3.7	14%

* Amortization arising from the acquisition of Pilkington plc only

Note: Q4 FY09 includes an adjustment for standardizing the statutory year end. On a like-for-like basis sales are up 11 percent.

Operating result reflects stabilizing market conditions

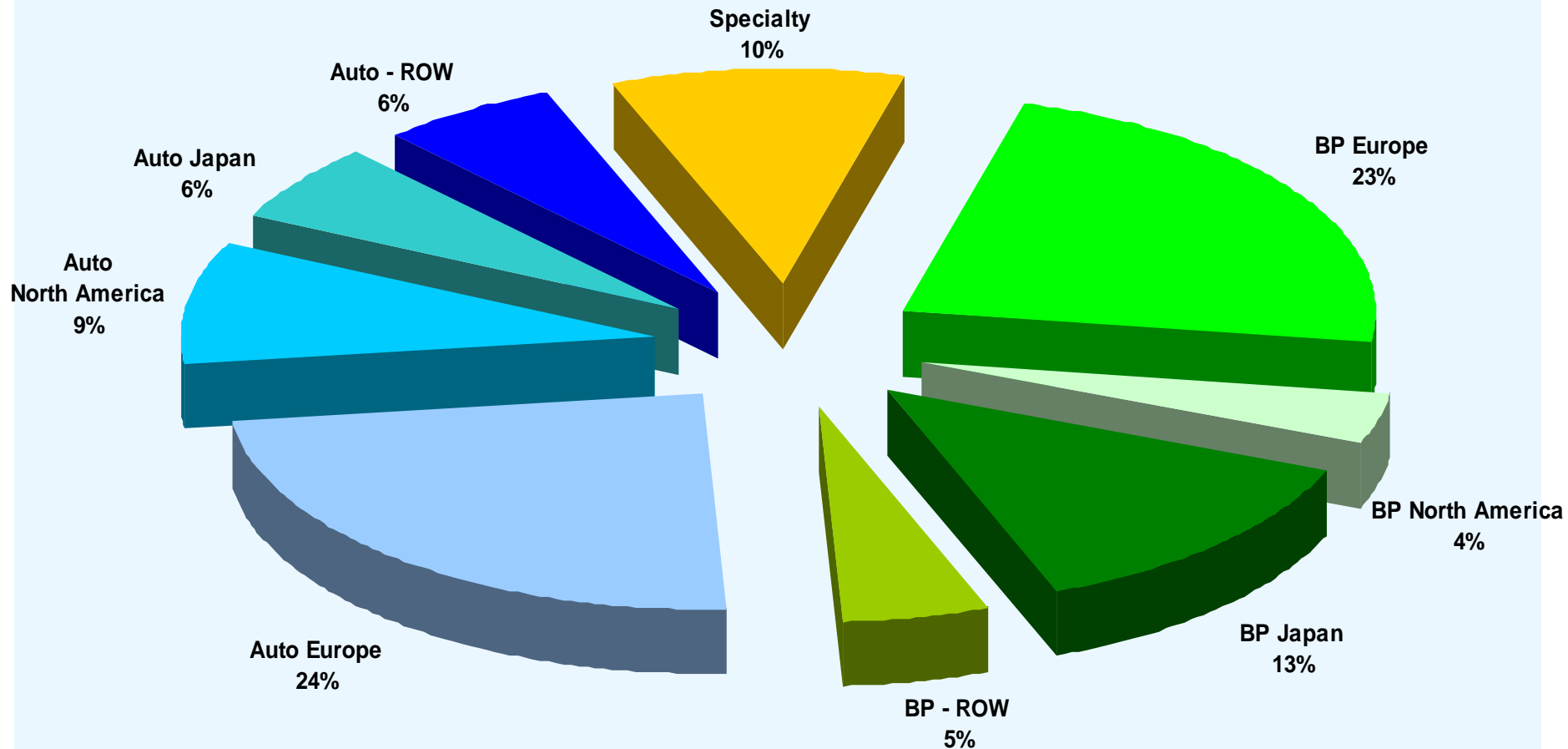
Operating Income Change Analysis



Improving volumes and cost savings offsetting price declines

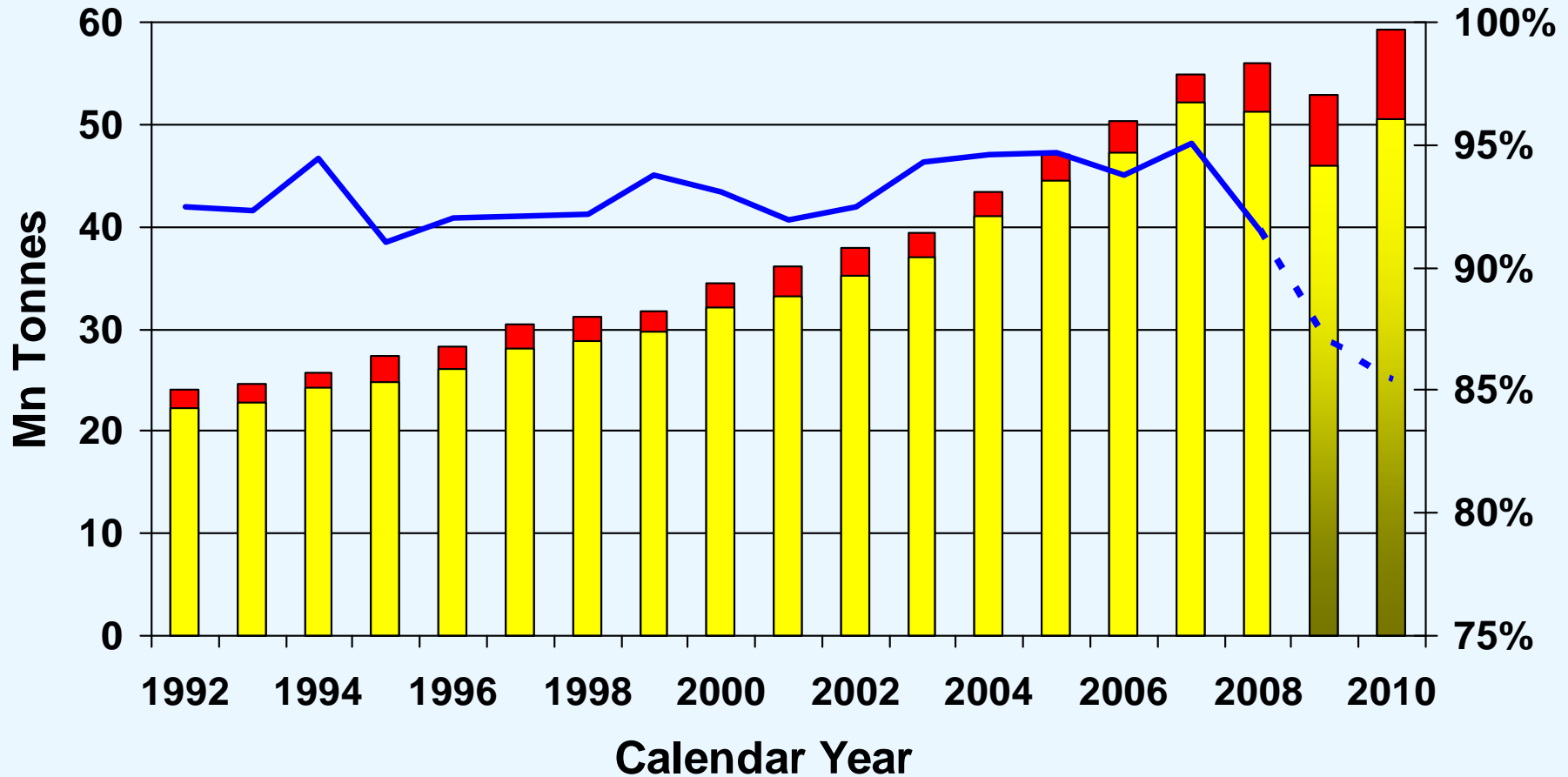
External Sales – Group Businesses

¥ 144 billion



Global Flat Glass Capacity and Utilization

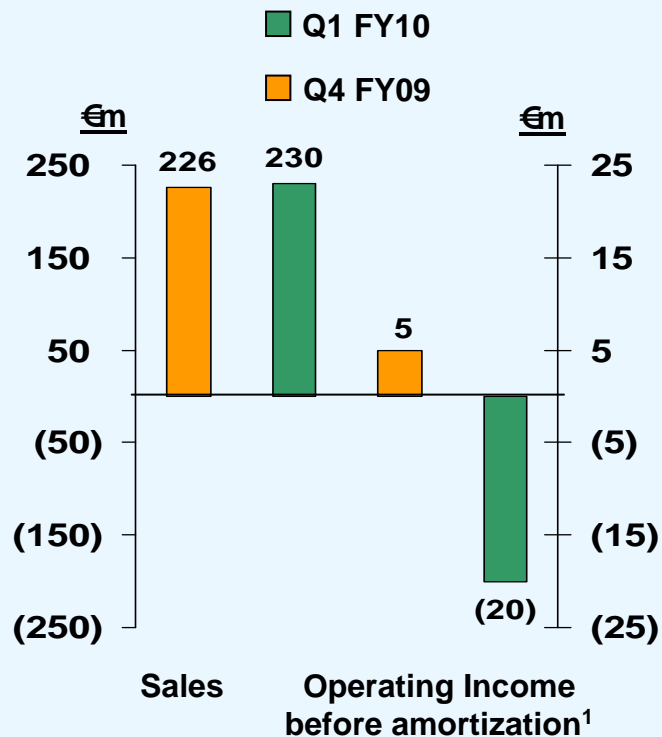
■ Available Capacity
 ■ Demand
 — Capacity Utilization



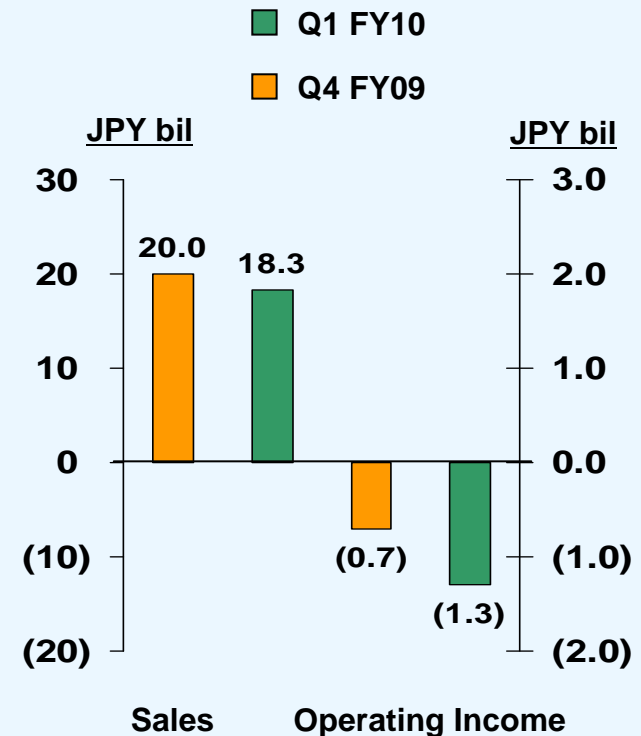
Building Products

Q1 FY10 v Q4 FY09

Europe



Japan²



- Revenues flat as lower prices offset by higher seasonal volumes.
- Operating income declines due to lower selling prices, offset in part by lower input costs.

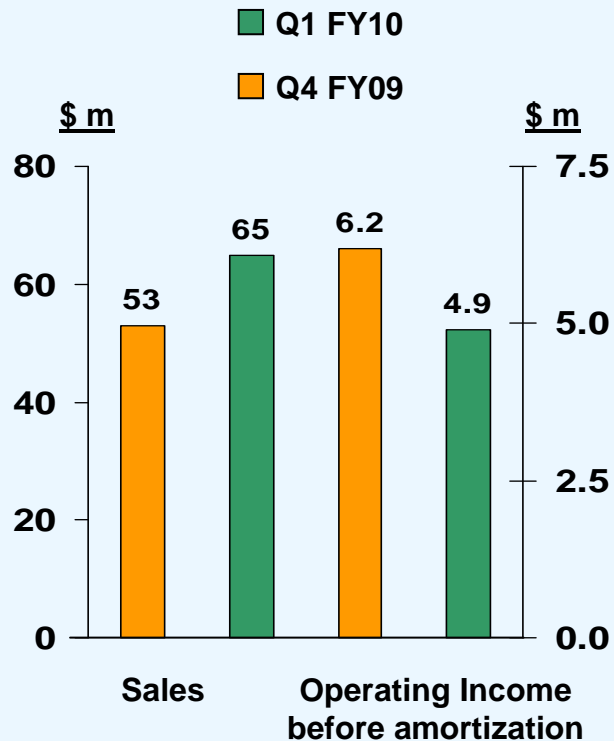
- Revenues reduced due to lower volumes.
- Operating income declines due to lower volumes offset in part by restructuring benefits.

Note. ¹ Amortization is only that arising on acquisition of Pilkington plc
² Q4 FY09 excludes adjustment for standardizing statutory year end.

Building Products

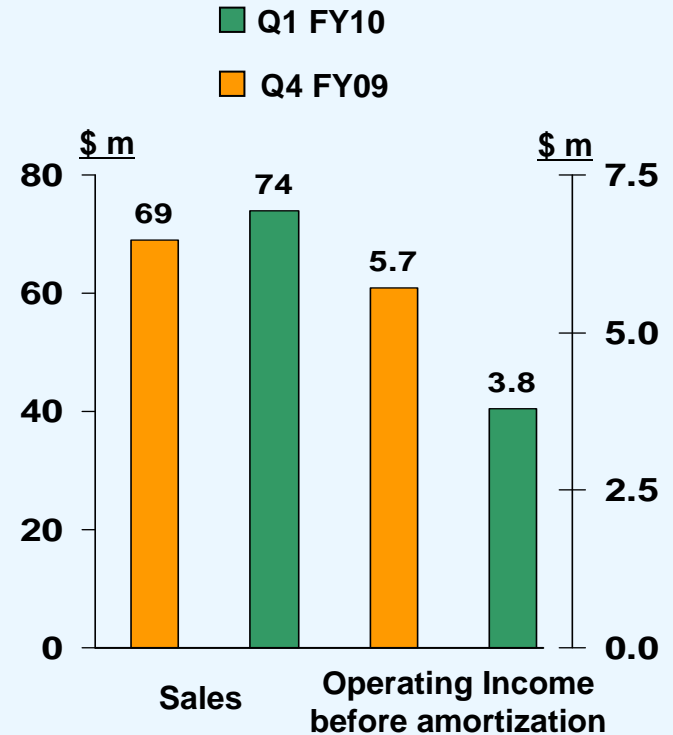
Q1 FY10 v Q4 FY09

North America



- Revenues increase due to higher solar volumes despite lower market prices.
- Operating income decline due to lower asset utilization and lower prices.

Rest of World



- In South America, profits decline due to higher costs, and lower prices and volumes.
- In South East Asia losses reduced as export volume more than offset weakness in domestic market

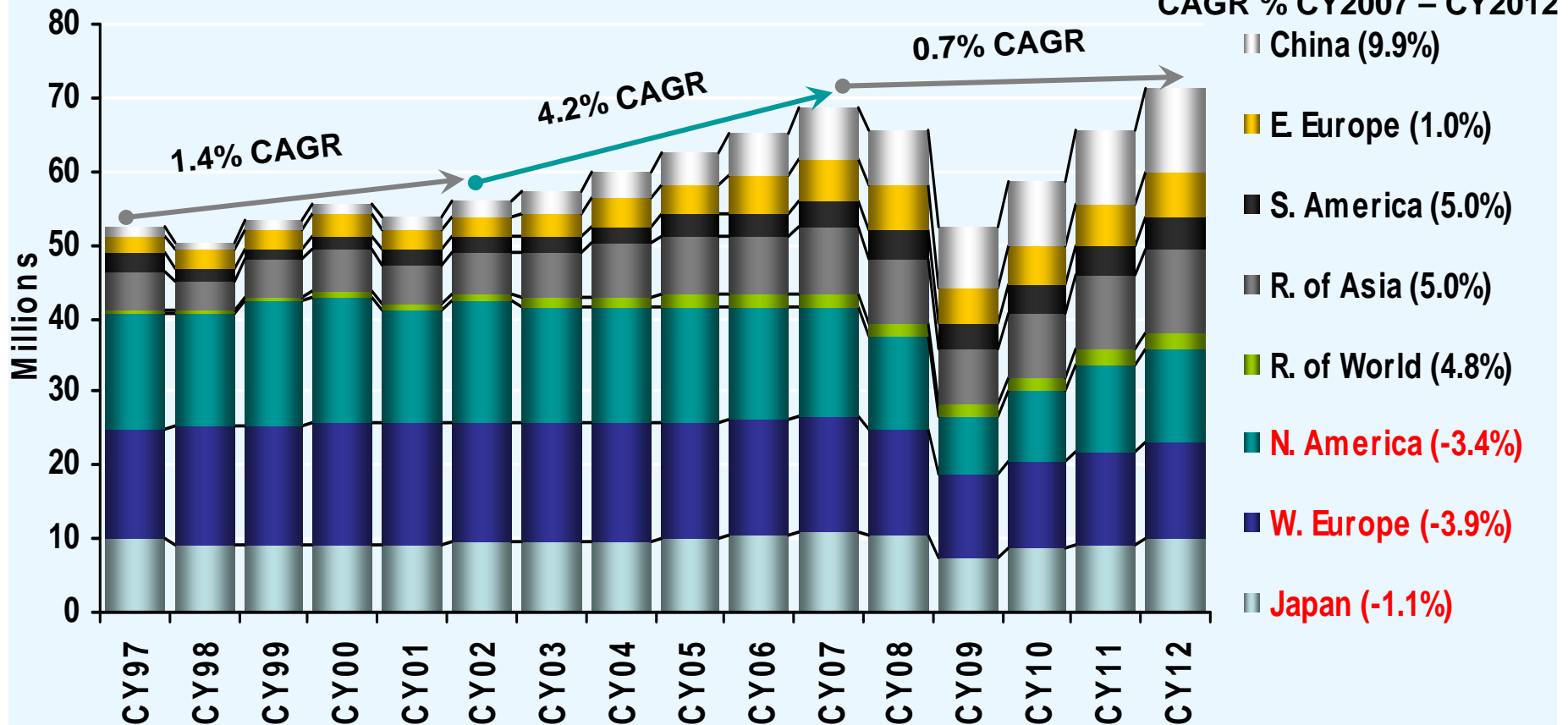
Note. Amortization is only that arising on acquisition of Pilkington plc

Solar Summary

- Solar sales growth 20 percent compared to Q1 FY09
- Q4 FY09 and Q1 FY10 revenues similar
- Volatility in the short term due to economic uncertainty
- Drive for renewable energy and government incentives still give confidence in underlying demand and positive medium term outlook

Global Light Vehicle Build Growth

CAGR = compound annual growth rate

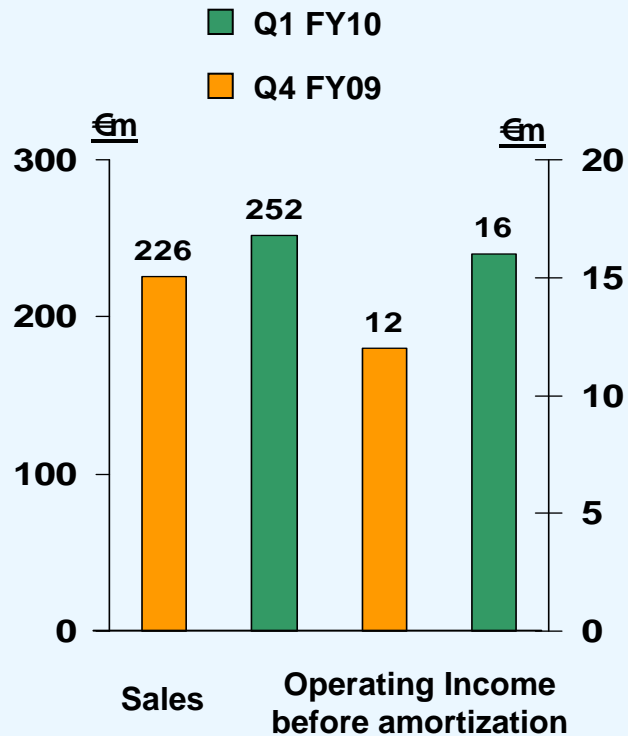


5% decline in CY08 followed by 20% decline in CY09; 11% growth CY10

Automotive

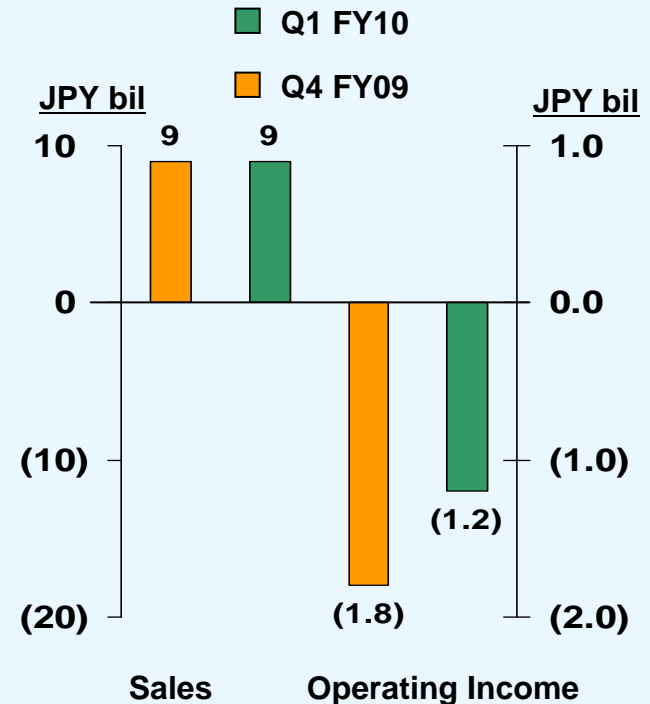
Q1 FY10 v Q4 FY09

Europe



- Improved OE volumes driven by scrappage incentives in major markets
- Restructuring benefits starting to come through
- AGR market results cautiously optimistic

Japan



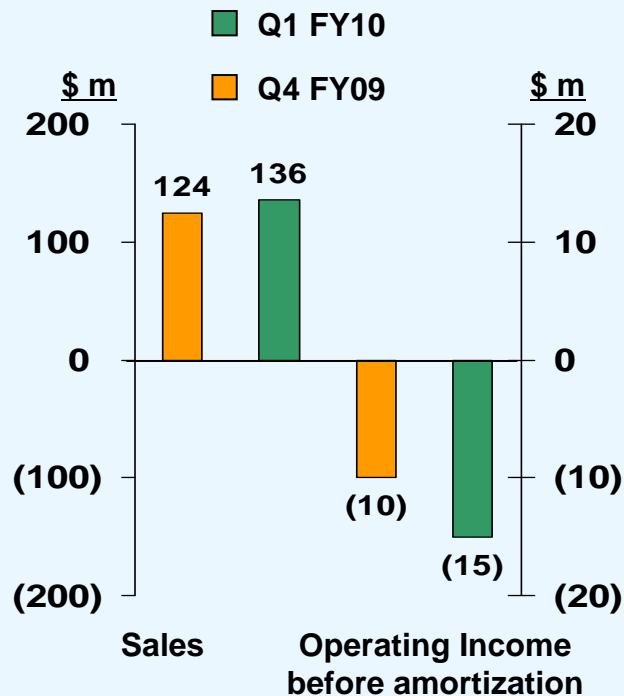
- Q1 sales relatively flat but starting to show signs of improvement.
- Profits helped by operational improvements and reduced costs.

Note. Amortization is only that arising on acquisition of Pilkington plc

Automotive

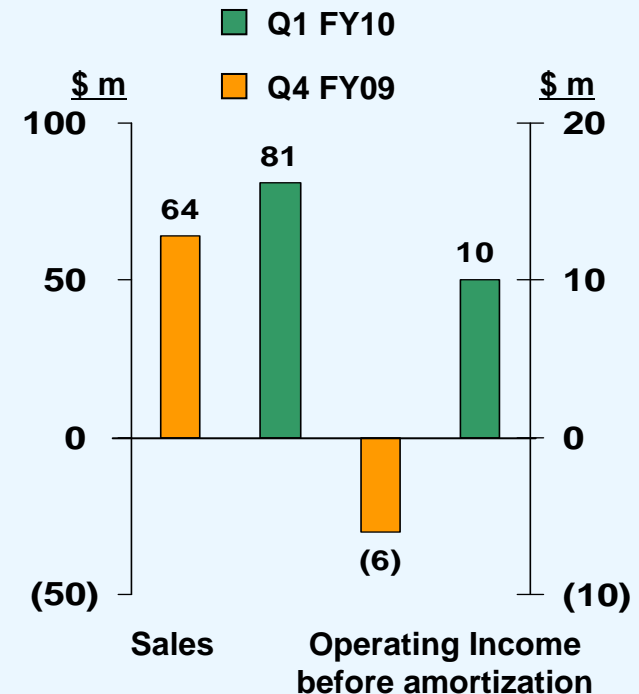
Q1 FY10 v Q4 FY09

North America



- Q1 OE sales improving following VMs' extended Q4 plant closures.
- AGR volumes remained relatively buoyant.
- Operating loss driven by low asset utilization and impact of GM and Chrysler

Rest of World

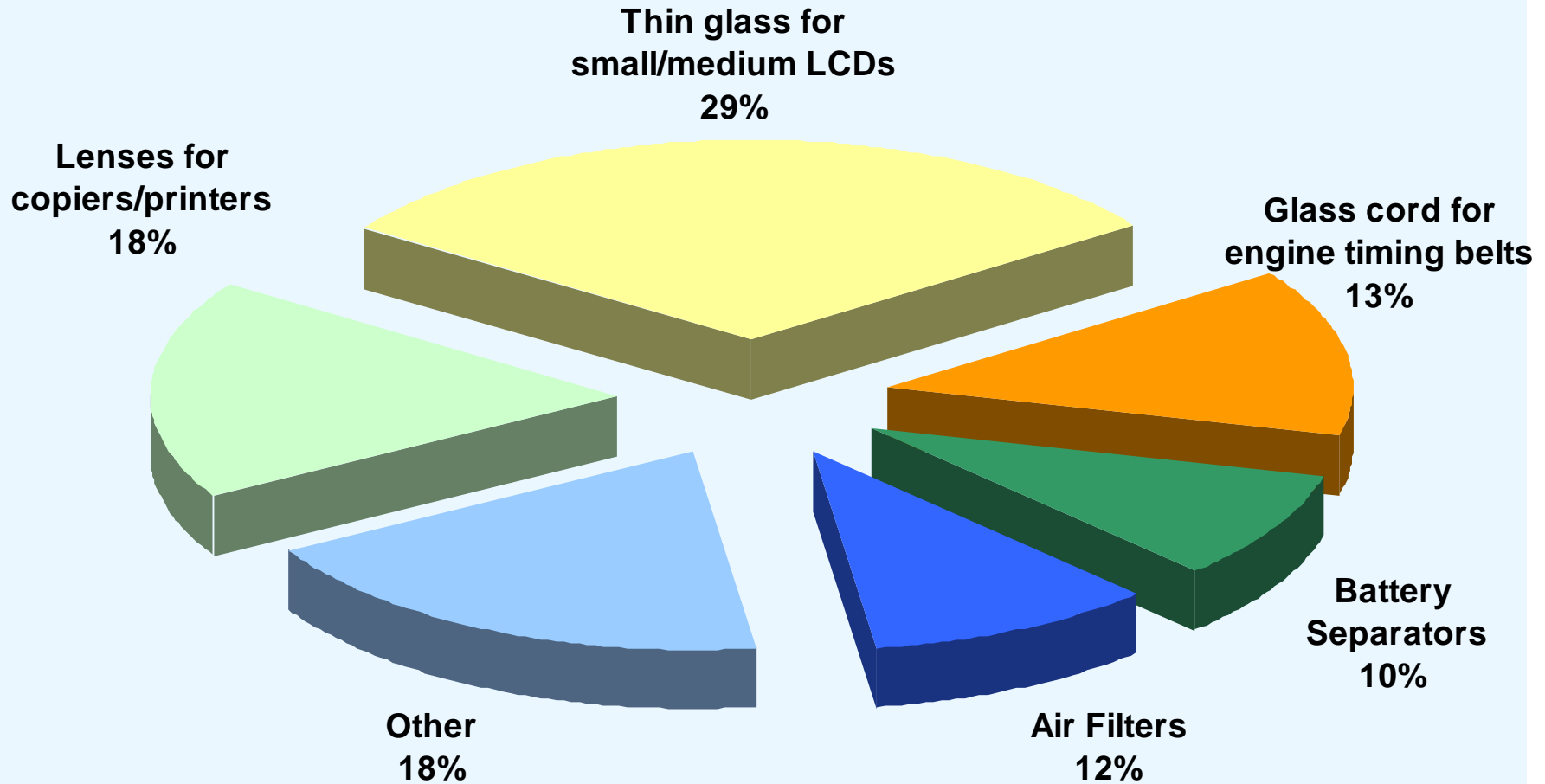


- Revenue improvement driven by growth in OE markets
- Results benefited from improved cost control.
- High input costs affecting operating result.

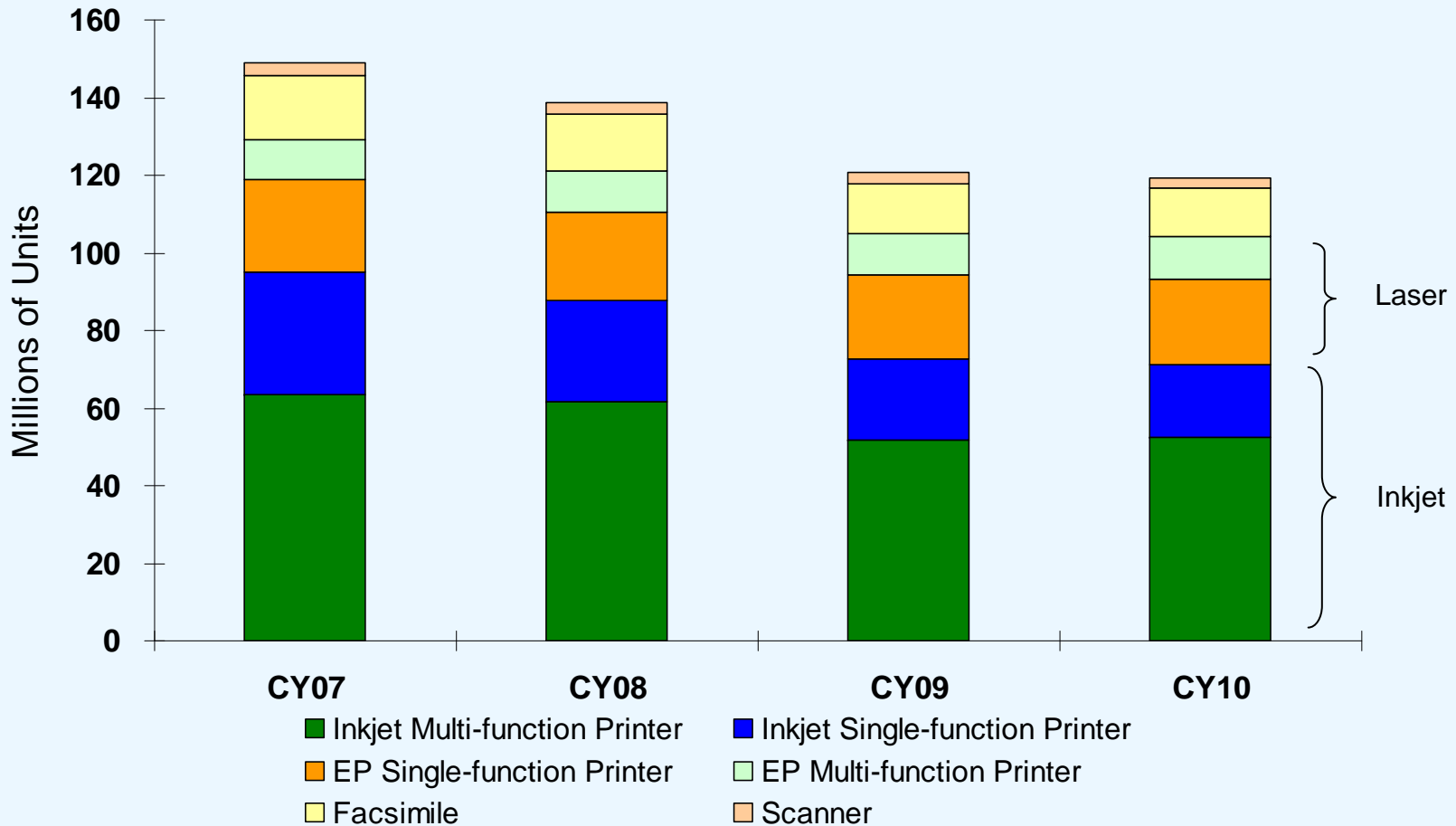
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Specialty Glass

Quarter 1 FY2010 external sales by product

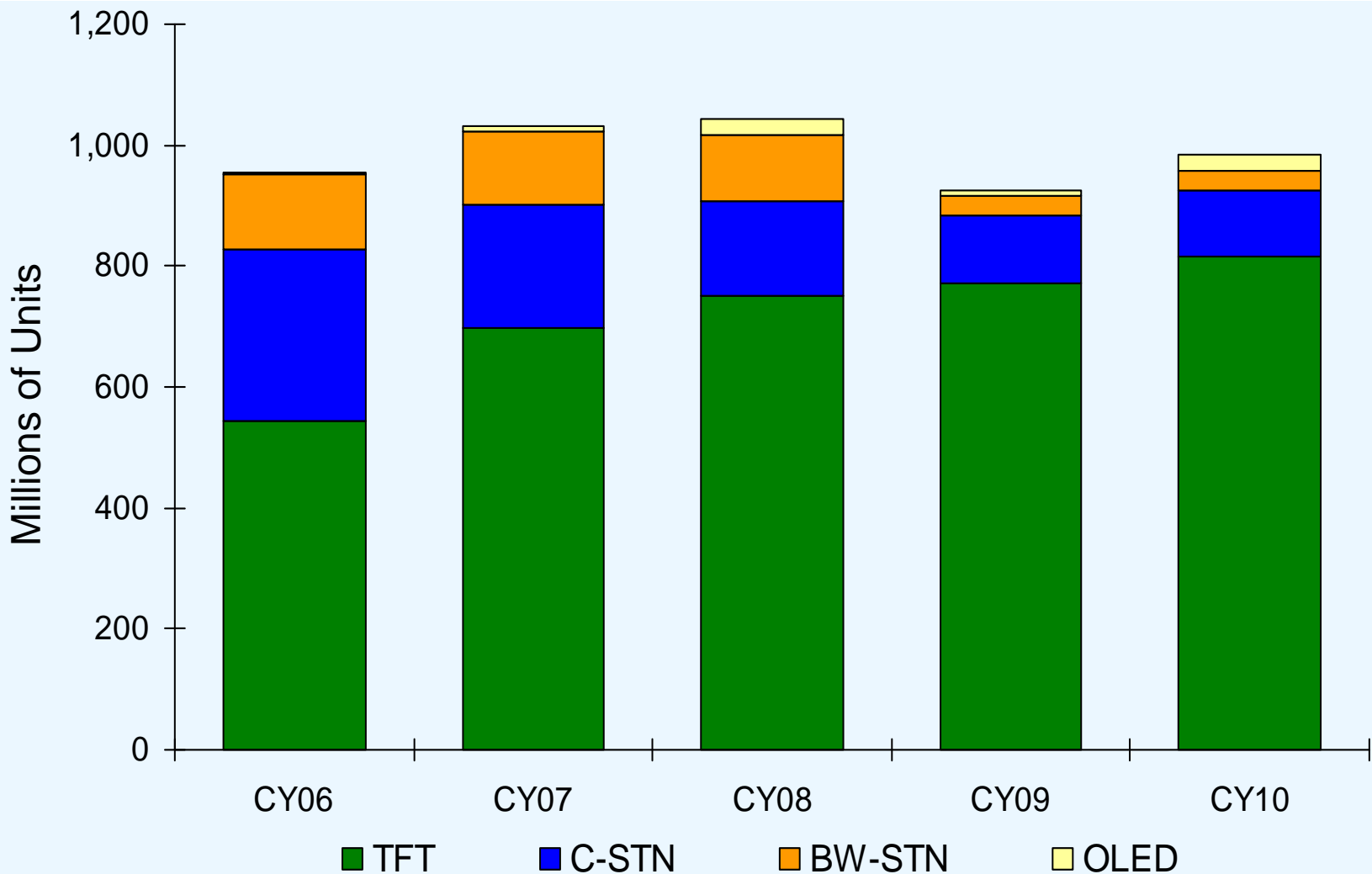


Market Overview - Printers



Source : JEITA & NSG estimates

Market Overview - Mobile Phones

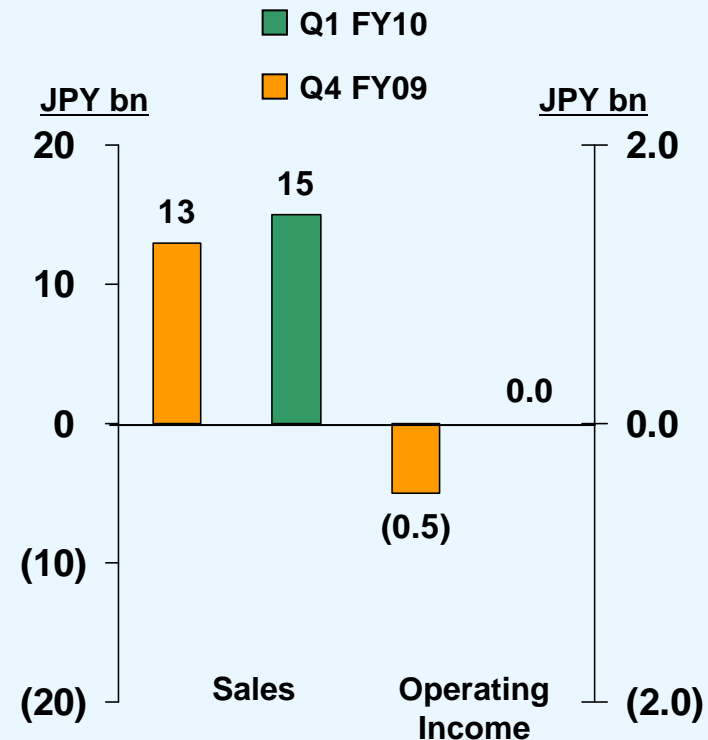


NSG Estimates

Specialty Glass

Q1 FY10 v Q4 FY09

- Signs of recovery as market fundamentals improved
- Glass cord and battery separator segment healthier due to automotive market upturn
- Printer and scanner components improved as consumer electronic demand increased
- Display market recovery in China; other regions still weak



Note: Q4 FY09 excludes additional three months sales of ¥ 4bn

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Restructuring

- A further 1,100 employees left the Group during the quarter, taking cumulative reductions to 5,600 of the 6,700 total reductions anticipated
- ¥ 5.4 billion charged to the income statement, in line with plan
- Second half result will increasingly benefit from restructuring actions
- Restructuring program to be largely completed by end FY2010

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Debt Maturity

- ¥ 30 billion of preference shares issued 1 July 2009 at 9.25 percent for seven years as previously announced
- ¥ 47.5 billion debt facilities signed during July and August 2009
- Average cost of new debt facilities are 2.2 percent above TIBOR which at current rates would be approximately 2.8 percent
- Average term to maturity of new debt facilities is 4.4 years

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Summary

- Results reflect stabilized global market conditions
- Debt maturity improved
- Further progress made on restructuring initiatives
- Cost saving programs and recovery in market conditions will improve second half year results and re-establish profit growth from FY2011
- Full year forecast maintained

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 – Q1 FY2010

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	18.3	30.4	6.3	7.2	62.2
Automotive	9.0	33.3	13.2	7.9	63.4
Specialty	9.1	1.4	0.4	4.2	15.1
Others	1.1	1.8	0.0	0.0	2.9
Total	37.5	66.9	19.9	19.3	143.6

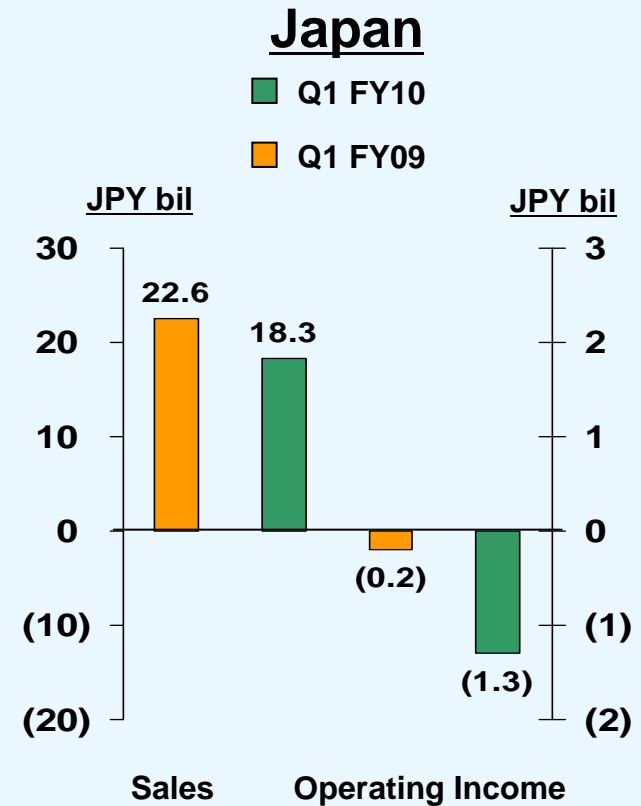
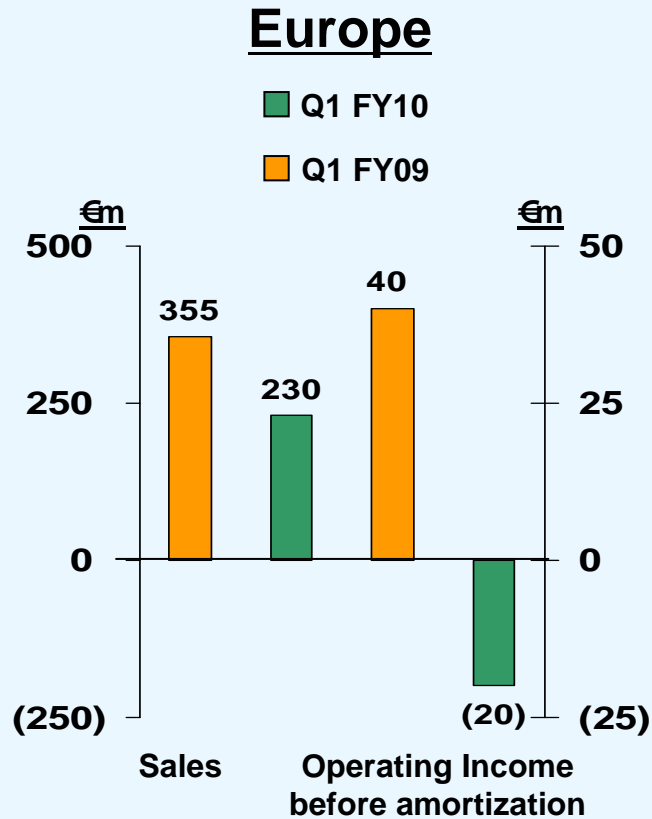
Operating Income before Amortization – Q1 FY2010

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	(1.3)	(2.6)	0.5	0.5	(2.9)	-5%
Automotive	(1.2)	2.1	(1.5)	1.0	0.4	1%
Specialty	(0.4)	0.1	0.0	0.3	0.0	0%
Others	(1.1)	(2.8)	0.0	0.0	(3.9)	
Total	(4.0)	(3.2)	(1.0)	1.8	(6.4)	-4%
Ratio on Sales	-11%	-5%	-5%	9%	-4%	

Operating Income after Amortization – Q1 FY2010

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	(1.3)	(4.3)	0.2	0.2	(5.2)	-8%
Automotive	(1.2)	0.6	(2.0)	0.6	(2.0)	-3%
Specialty	(0.4)	0.1	0.0	0.3	0.0	0%
Others	(1.1)	(2.7)	0.0	0.0	(3.8)	
Total	(4.0)	(6.3)	(1.8)	1.1	(11.0)	-8%
Ratio on Sales	-11%	-9%	-9%	6%	-8%	

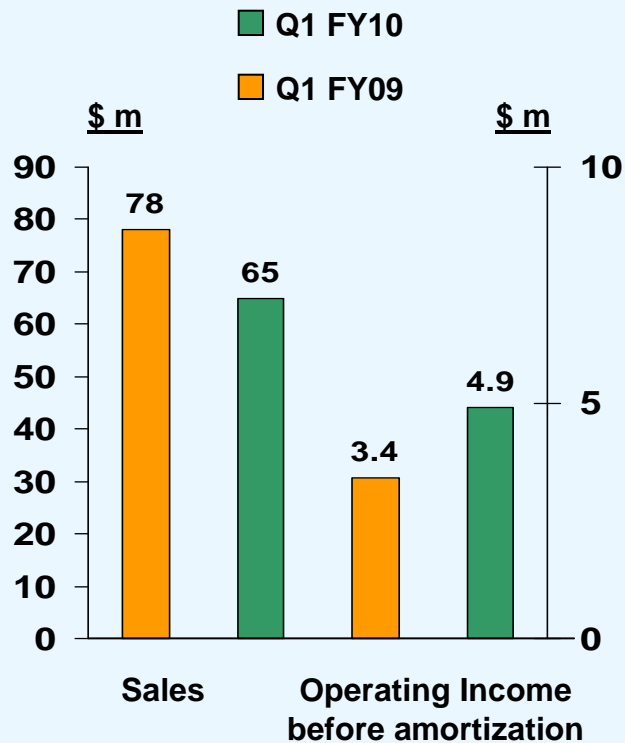
Building Products (Q1 FY09 v Q1 FY10)



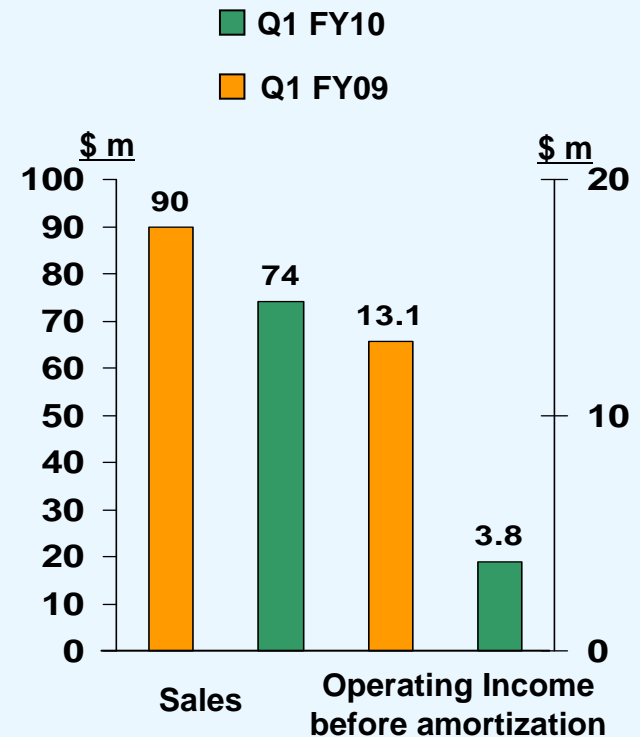
Note. Amortization is only that arising on acquisition of Pilkington plc

Building Products (Q1 FY09 v Q1 FY10)

North America



Rest of World

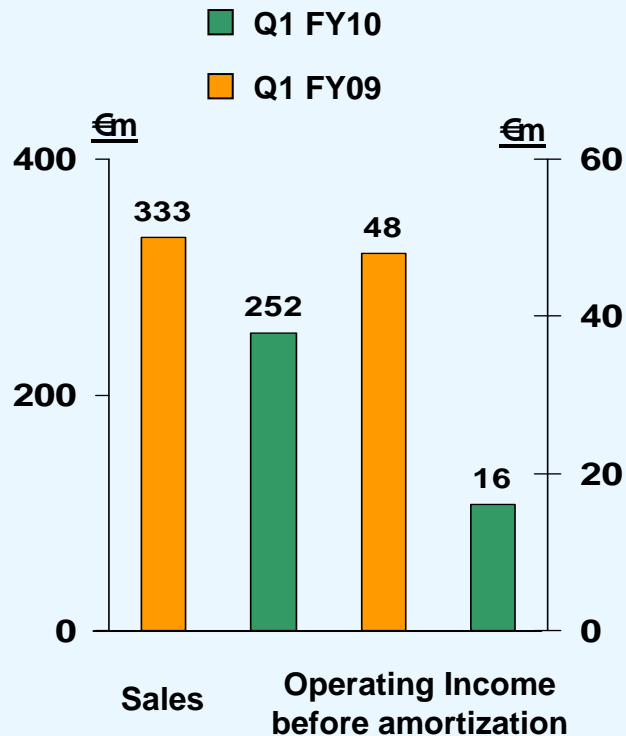


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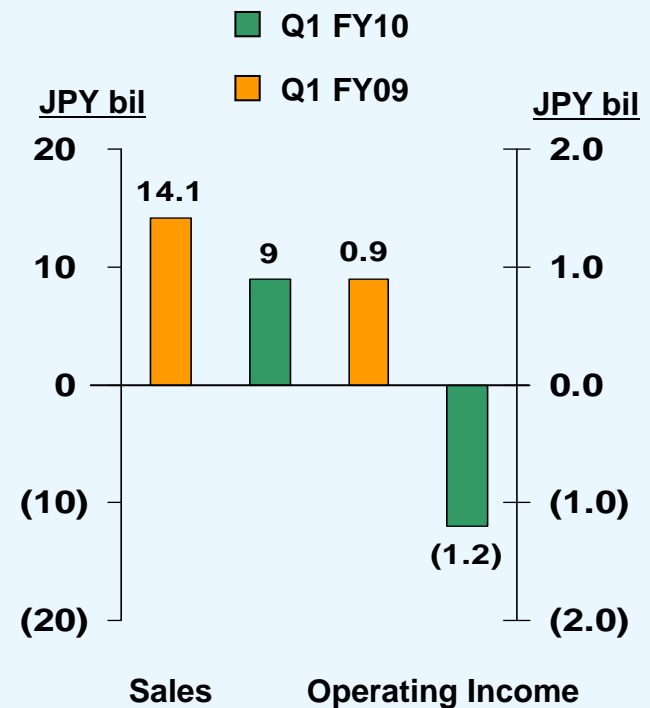
Automotive

(Q1 FY09 v Q1 FY10)

Europe



Japan

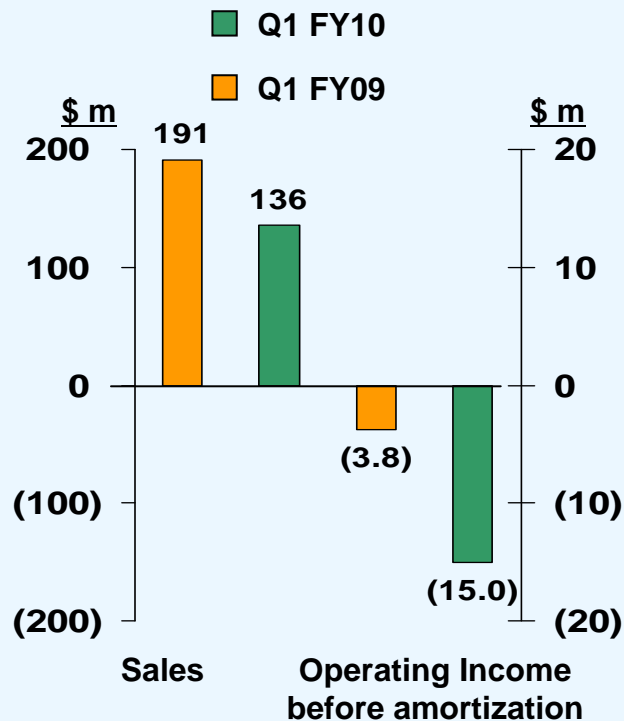


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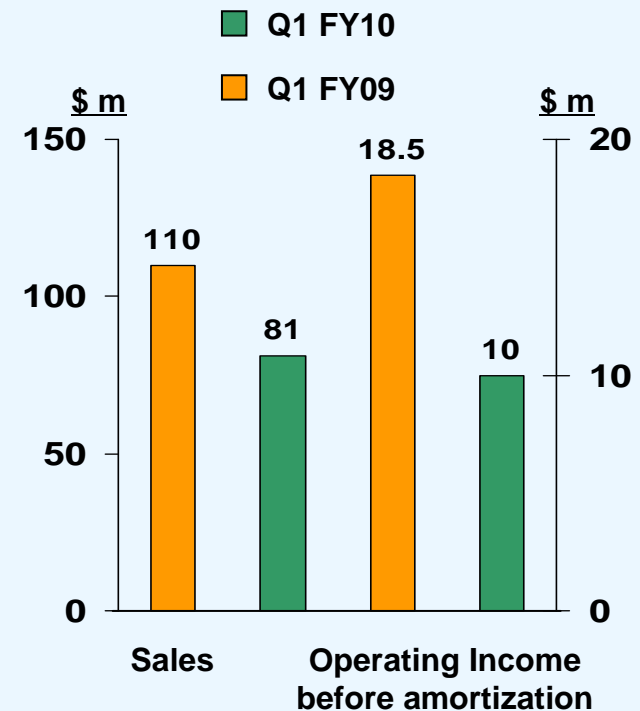
Automotive

(Q1 FY09 v Q1 FY10)

North America



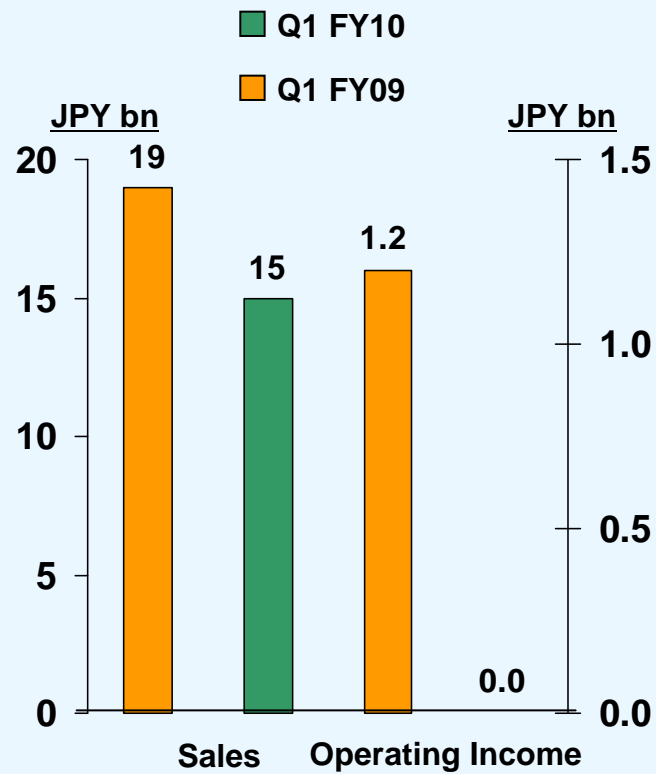
Rest of World



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Specialty Glass

(Q1 FY09 v Q1 FY10)



Exchange Rate Assumptions

	Q1 FY10	Q1 FY09	FY2009
Average rates used:			
JPY/GBP	151	207	174
JPY/EUR	132	163	145
JPY/USD	97	105	101
Closing rates used:			
JPY/GBP	160	212	140
JPY/EUR	136	167	130
JPY/USD	96	105	98

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