

NSG
GROUP

NSG Group

FY2012 Quarter 1 Results

(from 1 April 2011 to 30 June 2011)

Nippon Sheet Glass Co., Ltd.
4 August 2011

Mark Lyons

Chief Financial Officer

Iain Smith

Group Financial Controller

NSG Group FY2012 Quarter 1 Results



(from 1 April 2011 to 30 June 2011)

Agenda

- Financial Results
- Business update
- Summary

Key Points - April 11 to June 11

- Results reflect lower than anticipated Japan earthquake impact
- Otherwise, performance in line with Company expectations
- Building Products results reflect improving volumes of value-added products
- Automotive profits reduced, due to lower OE customer demand following the Japan earthquake
- Specialty Glass markets affected by Japan earthquake, but strong underlying performance
- All results now stated in IFRS, including restatement of previous year
- FY2012 forecast remains unchanged

Japan Earthquake Impact

- Profit effect of ¥3.4bn (¥2.7bn in Automotive and ¥0.7bn in Specialty Glass)
- Q1 impact ¥1.0bn less than expected
- Automotive OE Japan customer demand recovering more quickly than expected
- Specialty Glass, and Automotive outside Japan, as expected
- Full year impact revised to ¥4.8bn from ¥6.0bn

Earthquake impact revised downward to ¥4.8bn

NSG Group FY2012 Quarter 1 Results



(from 1 April 2011 to 30 June 2011)

Agenda

- Financial Results
- Business update
- Summary

Consolidated Income Statement

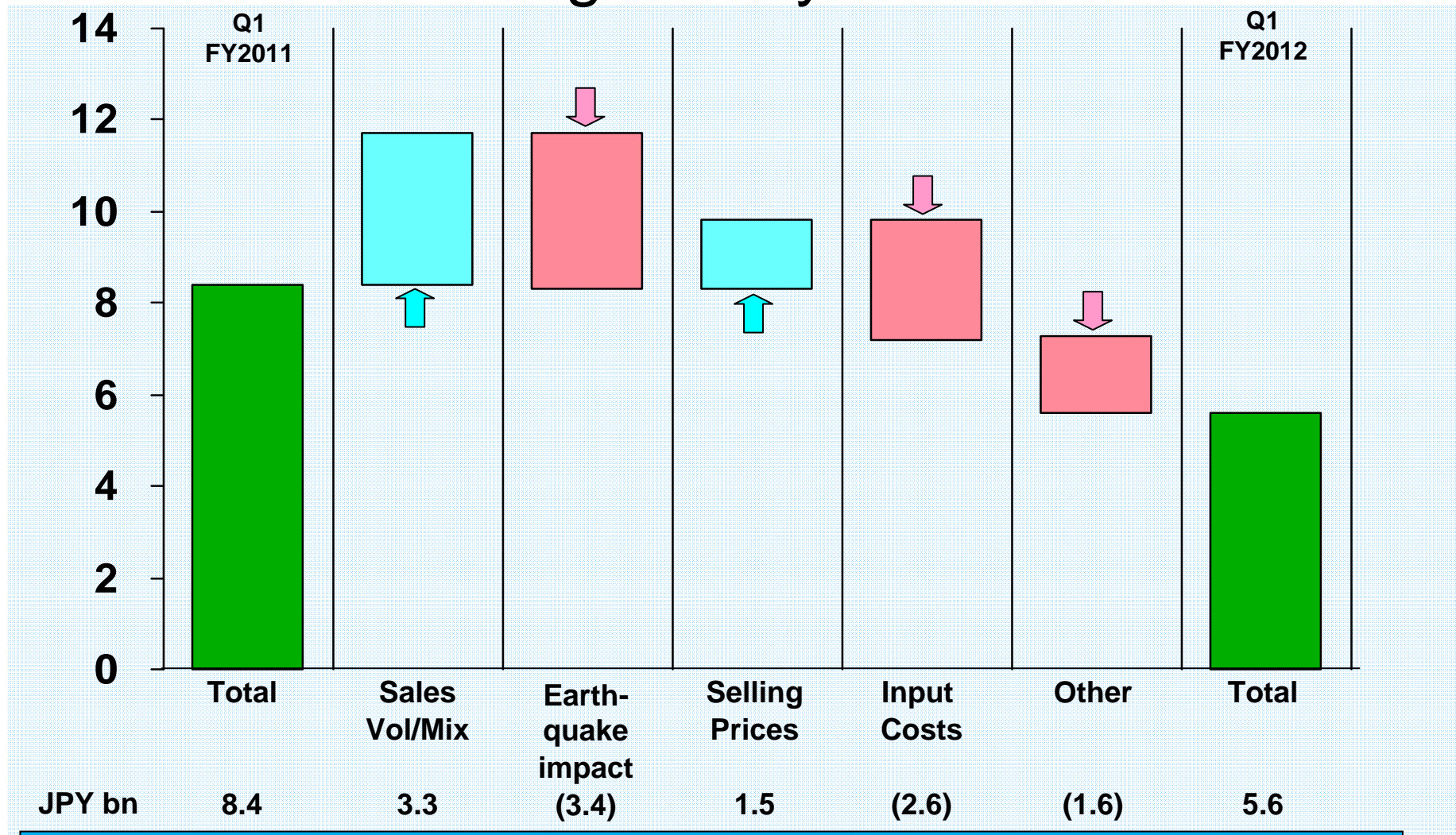
| <u>(JPY bn)</u> | <u>Q1 FY12</u> | <u>Q1 FY11</u> | <u>Change from Q1 FY11</u> |
|---|----------------|----------------|------------------------------------|
| Sales | 145.2 | 148.1 | -2%** |
| Operating profit before amortization | 5.6 | 8.4 | |
| Amortization* | (2.0) | (2.0) | |
| Operating profit | 3.6 | 6.4 | |
| Finance expenses (net) | (3.7) | (4.3) | |
| Share of JVs and associates | 2.0 | 2.2 | |
| Profit before taxation | 1.9 | 4.3 | |
| Profit after taxation | 1.9 | 3.1 | |
| Profit attributable to equity shareholders | 1.6 | 2.7 | |
| EBITDA | 13.8 | 17.1 | -19% |

* Amortization arising from the acquisition of Pilkington plc only

** +1% based on constant exchange rates

Results reflect lower than anticipated Japan earthquake impact

Operating Profit (before amortization) Change Analysis



Underlying volume improvement. Increasing prices partially offset input costs

Consolidated Cash Flow Summary

| | Q1 FY12 (JPY bn) |
|---|---------------------|
| Profit after taxation | 1.9 |
| Depreciation and amortization | 10.2 |
| Net change in working capital | (10.4) |
| Tax paid | (2.4) |
| Share of profit from joint ventures and associates | (2.0) |
| Movement in provisions and retirement benefit obligations | (6.3) |
| Others | 1.0 |
| Net cash used in operating activities | (8.0) |
| Purchase of property, plant and equipment | (8.6) |
| Dividends from joint ventures and associates | 0.1 |
| Others | (1.4) |
| Net cash used in investing activities | (9.9) |
| Cash flow before financing activities | (17.9) |

Seasonally negative cash flows in Q1

Key Performance Indicators

Key Performance Indicators

| | <u>30-Jun-11</u> | <u>31-Mar-11</u> |
|----------------------------|------------------|------------------|
| Net Debt (JPY bil) | 331 | 313 |
| Net Debt/EBITDA | 5.4x | 4.9x |
| Net Debt/Equity Ratio | 1.5 | 1.4 |
| | <u>Q1 FY2012</u> | <u>Q1 FY2011</u> |
| EBITDA Interest Cover | 3.7x | 4.0x |
| Operating Return* on Sales | 3.8% | 5.7% |

* Before amortization arising from acquisition of Pilkington plc

Reduced EBITDA affecting ratios

NSG Group FY2012 Quarter 1 Results

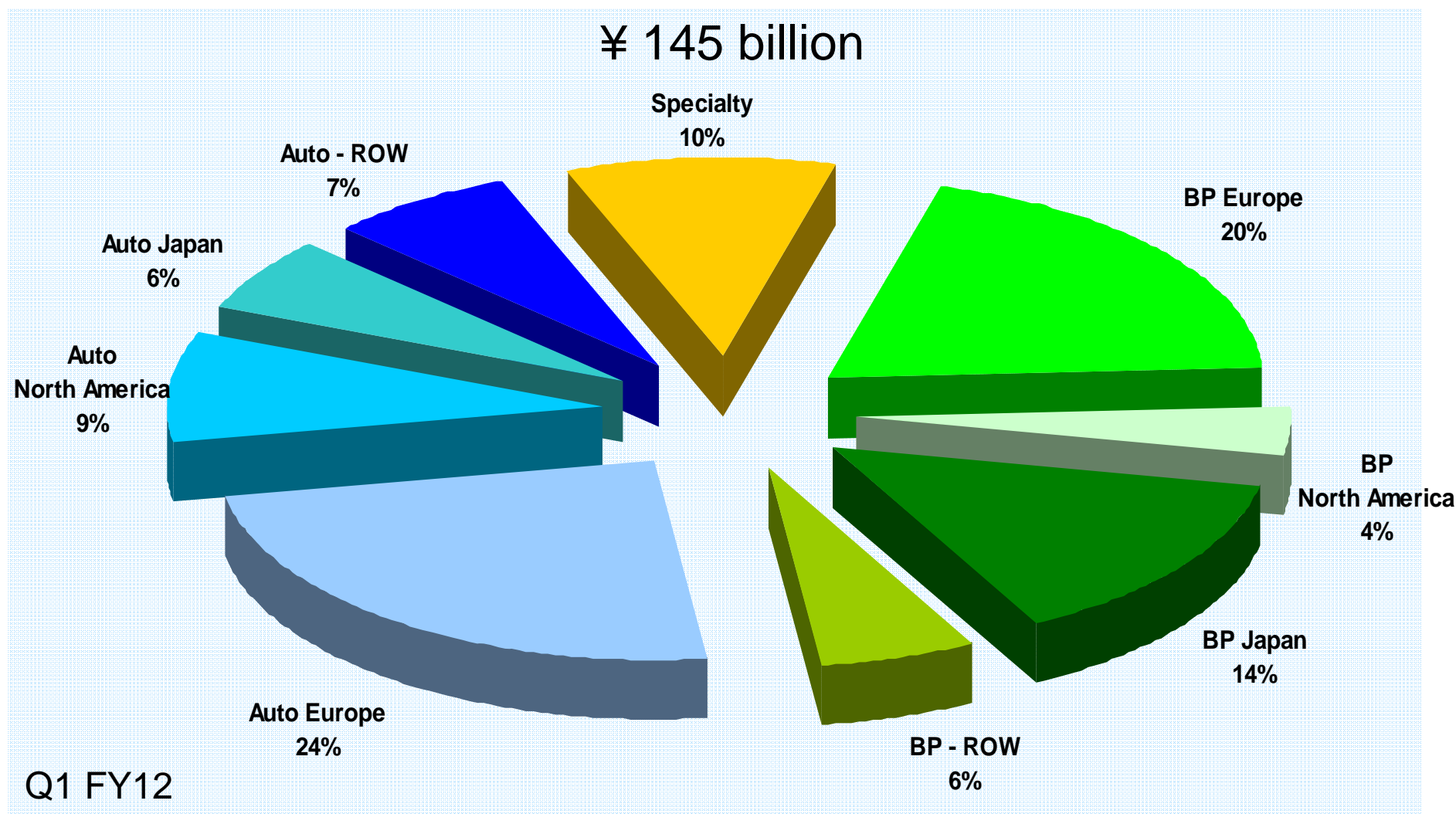


(from 1 April 2011 to 30 June 2011)

Agenda

- Financial Results
- Business Update
 - Building Products
 - Automotive
 - Specialty Glass
 - Joint ventures and associates
- Summary

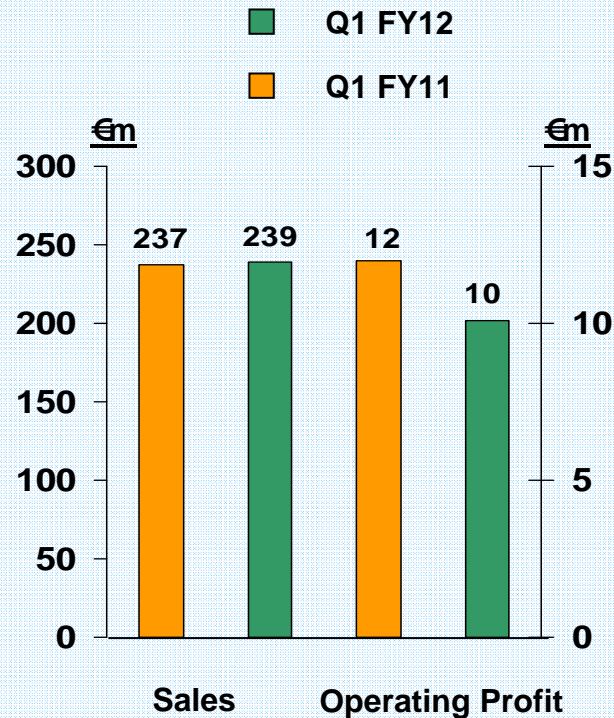
External Sales – Group Businesses



Building Products

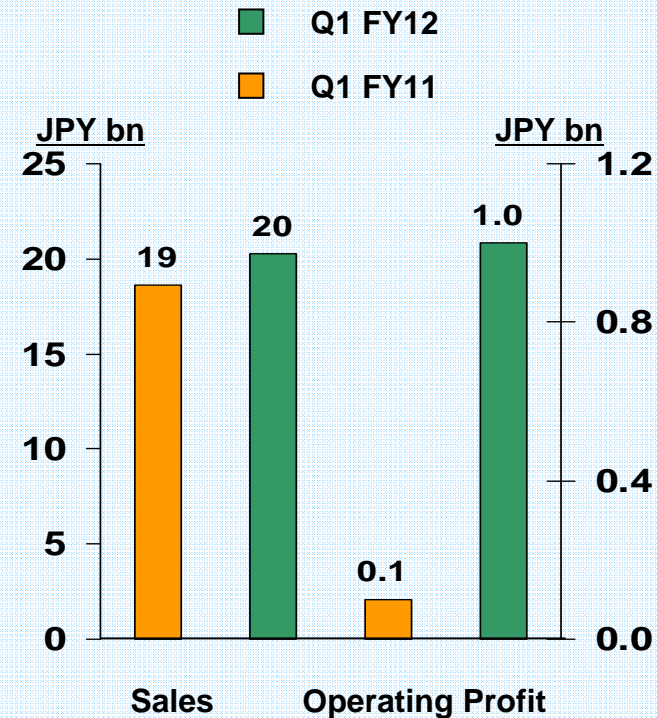
Q1 FY12 v Q1 FY11

Europe



- Improving prices offset higher input costs
- Operating profit hit by start up costs on new UK Solar Energy line.

Japan



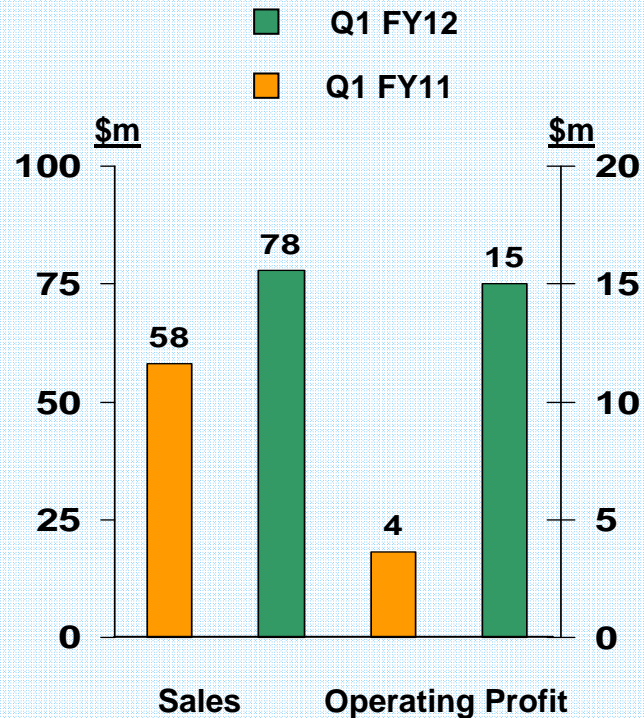
- Increased downstream volumes
- Improving mix, with greater proportion of value-added products

Building Products

Q1 FY12 v Q1 FY11

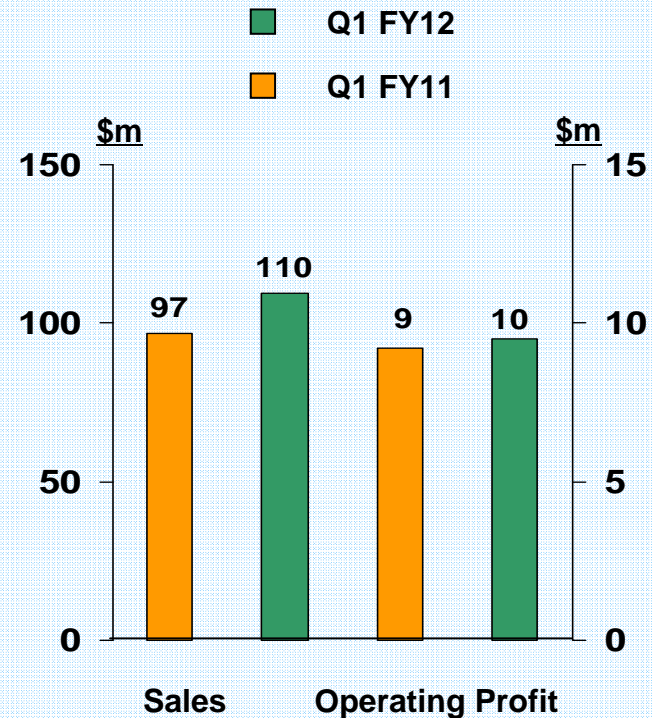


North America



- Improving mix, with greater proportion of value added products
- Weak domestic market for commodity products

Rest of World



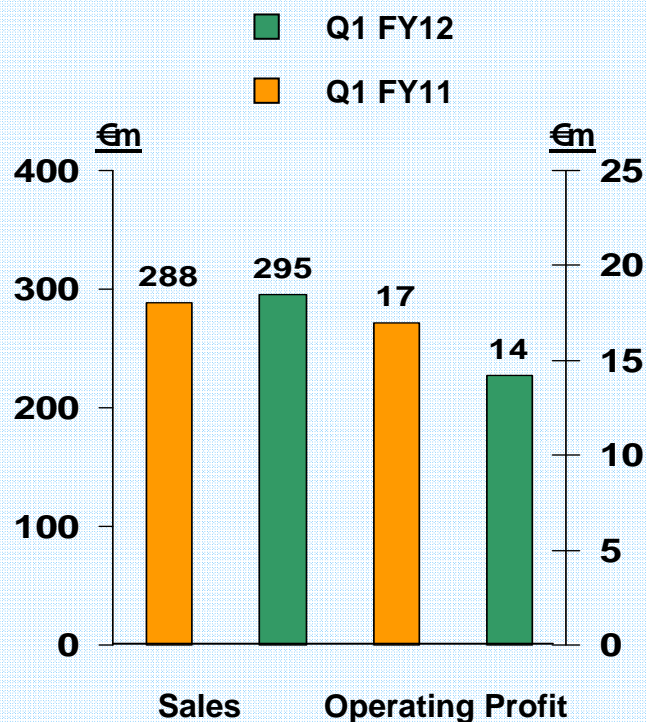
- Strong results in South America with further volume growth
- Weak prices and volumes in South East Asia

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

Automotive

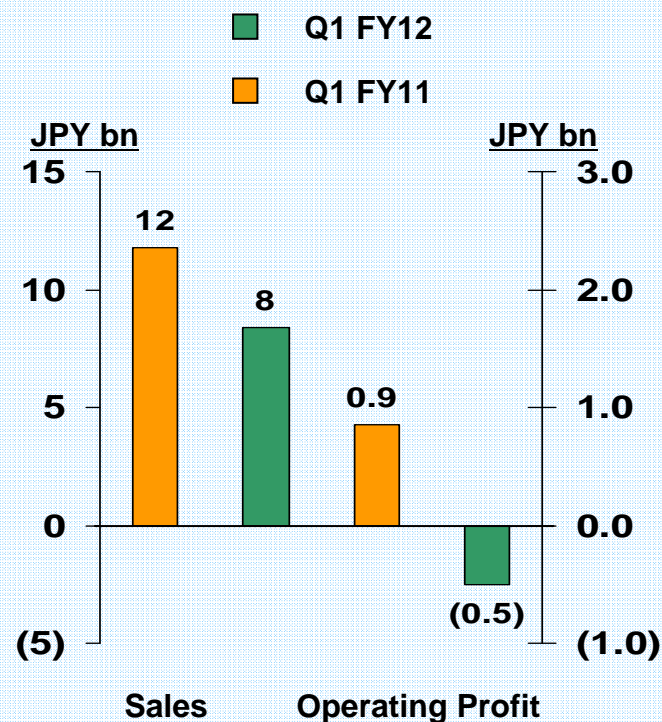
Q1 FY12 v Q1 FY11

Europe



- OE sales increased due to improving demand
- Profit impacted through demand volatility and material cost inflation, forward look smoother
- AGR results robust with higher average pricing levels

Japan

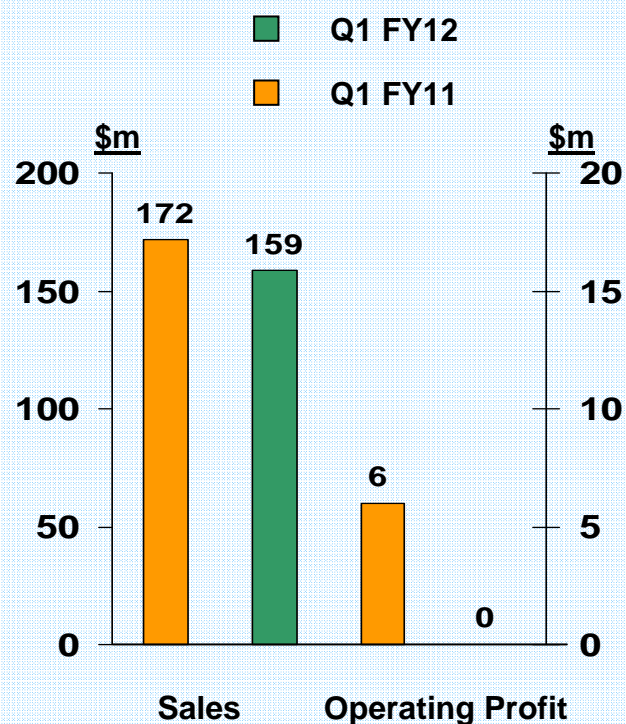


- Sales and operating profit significantly lower as customers reduced production due to component shortages
- Demand gradually improving during Q1 and anticipated to move towards normal levels in Q2

Automotive

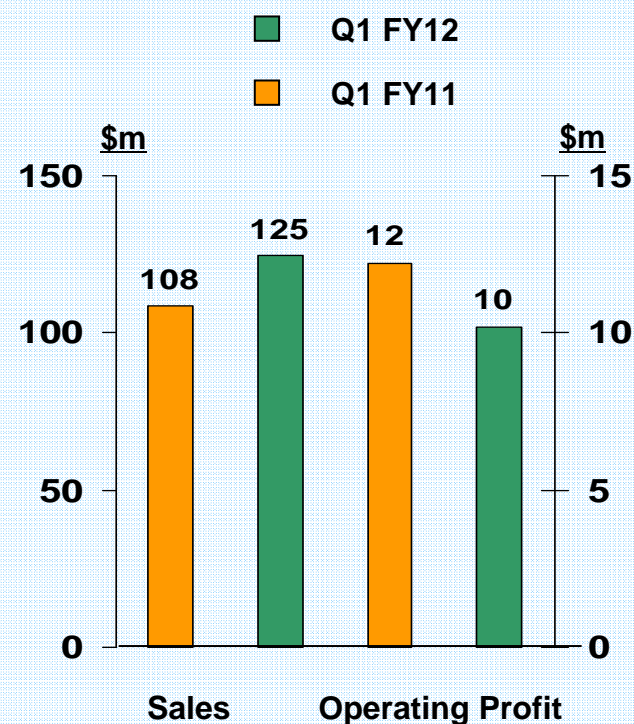
Q1 FY12 v Q1 FY11

North America



- Dealer inventory reductions offset relatively strong consumer demand
- Component shortages affecting OE customers, following Japan earthquake
- AGR profitability increased due to higher prices

Rest of World



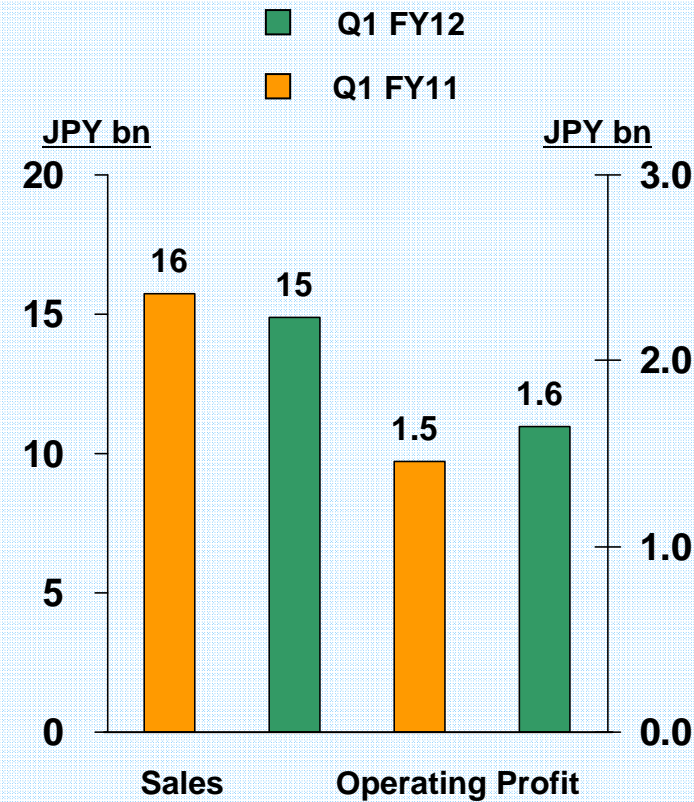
- Further growth in volumes, particularly in South America
- Japan earthquake impacting Q1 demand in South East Asia
- Start up costs of new investments and increased input costs reduced operating profit. However, still at satisfactory levels

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

Specialty Glass

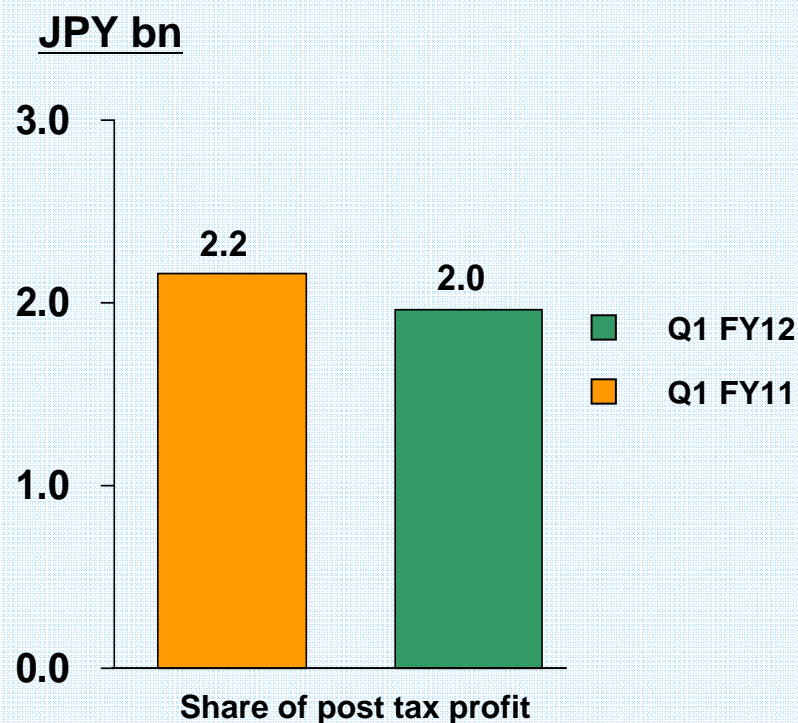
Q1 FY12 v Q1 FY11

- Further growth experienced in LCDs for mobile devices
- Printer/Scanner market affected by component shortages arising from Japan earthquake
- Robust vehicle production in Europe continues to support glass cord sales



Joint Ventures and Associates

- Cebrace profits flat, but still at satisfactory level
- Improved profitability in Russia
- Reduced profits in China



Results similar to the previous year

NSG Group FY2012 Quarter 1 Results

(from 1 April 2011 to 30 June 2011)



Agenda

- Financial Results
- Business update
- Summary

Summary

- Results reflect lower than anticipated Japan earthquake impact
- Otherwise, performance in line with Company expectations
- Building Products results reflect improving volumes of value-added products
- Automotive profits reduced, due to lower OE customer demand following the Japan earthquake
- Specialty Glass markets affected by Japan earthquake, but strong underlying performance
- All results now stated in IFRS, including restatement of previous year
- FY2012 forecast remains unchanged

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

Sales by Business – Q1 FY2012



| (JPY bn) | Japan | Europe | North America | Rest of World | Total |
|-------------------|-------|--------|---------------|---------------|-------|
| Building Products | 20.3 | 28.1 | 6.4 | 8.9 | 63.7 |
| Automotive | 8.4 | 34.7 | 12.9 | 10.2 | 66.2 |
| Specialty | 7.7 | 1.9 | 0.3 | 5.0 | 14.9 |
| Others | 0.3 | 0.1 | 0.0 | 0.0 | 0.4 |
| | | | | | |
| Total | 36.7 | 64.8 | 19.6 | 24.1 | 145.2 |

Operating Profit before Amortization – Q1 FY2012



| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 1.0 | 1.2 | 1.2 | 0.8 | 4.2 | 7% |
| Automotive | (0.5) | 1.7 | 0.0 | 0.8 | 2.0 | 3% |
| Specialty | 1.4 | 0.2 | 0.0 | 0.0 | 1.6 | 11% |
| Others | (1.1) | (1.1) | 0.0 | 0.0 | (2.2) | |
| | | | | | | |
| Total | 0.8 | 2.0 | 1.2 | 1.6 | 5.6 | 4% |
| Ratio on Sales | 2% | 3% | 6% | 7% | 4% | |

Operating Profit after Amortization – Q1 FY2012

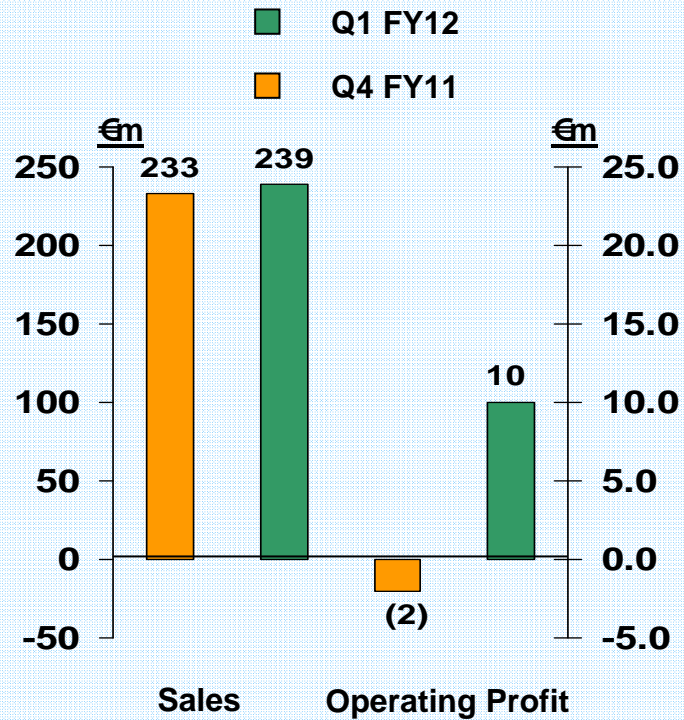


| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 1.0 | 1.2 | 1.2 | 0.8 | 4.2 | 7% |
| Automotive | (0.5) | 1.7 | 0.0 | 0.8 | 2.0 | 3% |
| Specialty | 1.4 | 0.2 | 0.0 | 0.0 | 1.6 | 11% |
| Others | (1.1) | (2.4) | (0.4) | (0.3) | (4.2) | |
| | | | | | | |
| Total | 0.8 | 0.7 | 0.8 | 1.3 | 3.6 | 2% |
| Ratio on Sales | 2% | 1% | 4% | 5% | 2% | |

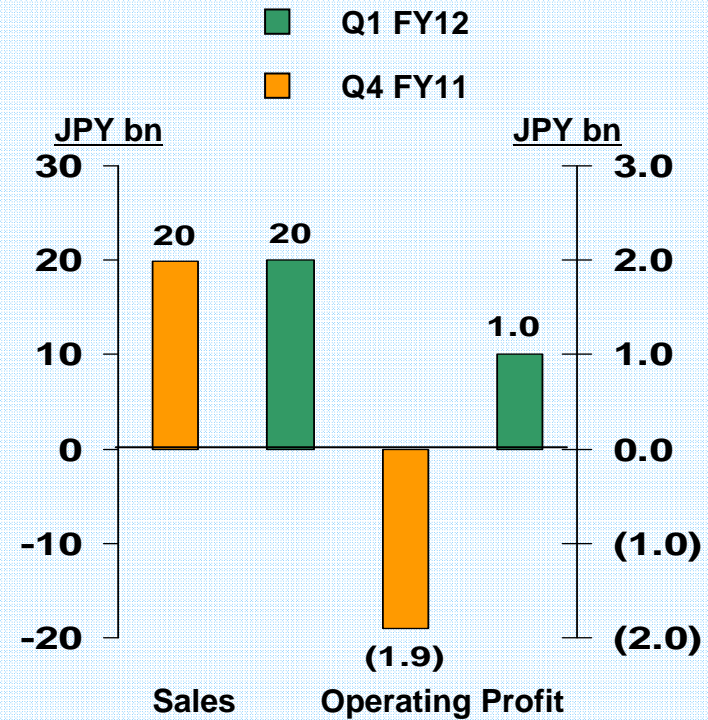
Building Products

Q1 FY12 v Q4 FY11

Europe



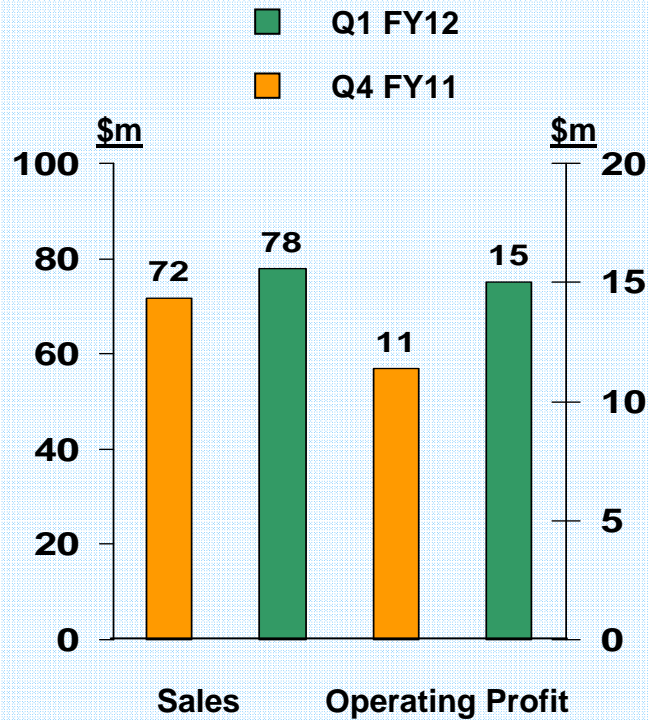
Japan



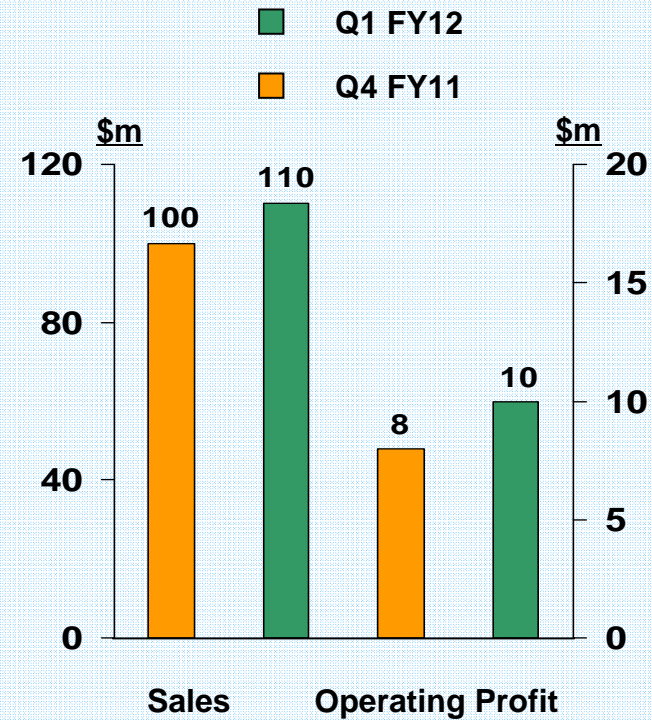
Building Products

Q1 FY12 v Q4 FY11

North America



Rest of World*

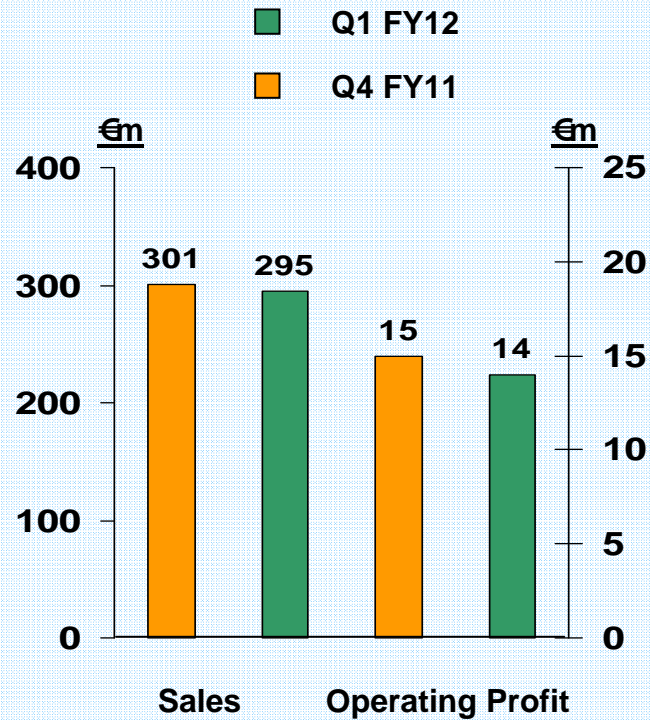


*: Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

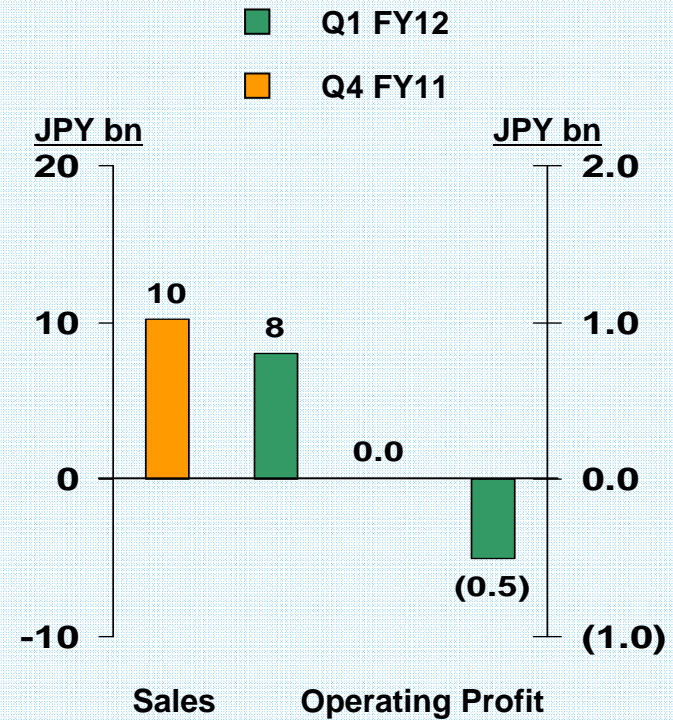
Automotive

Q1 FY12 v Q4 FY11

Europe



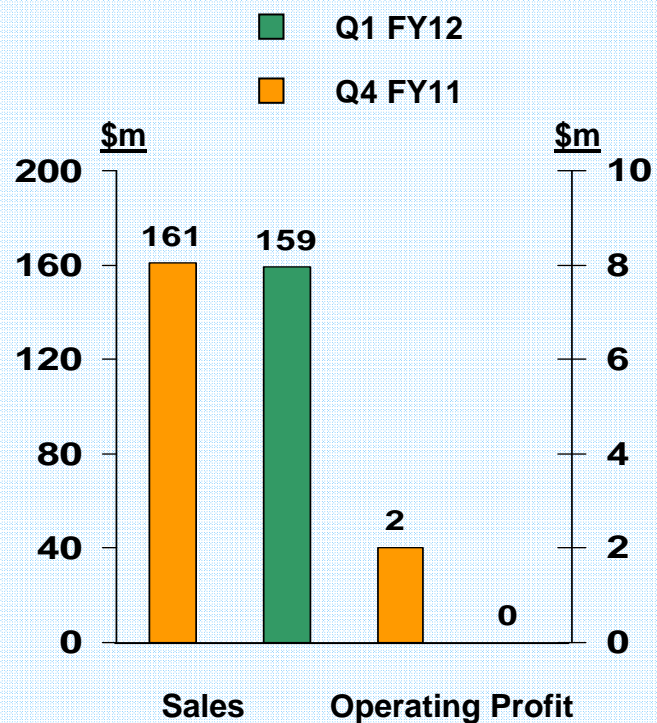
Japan



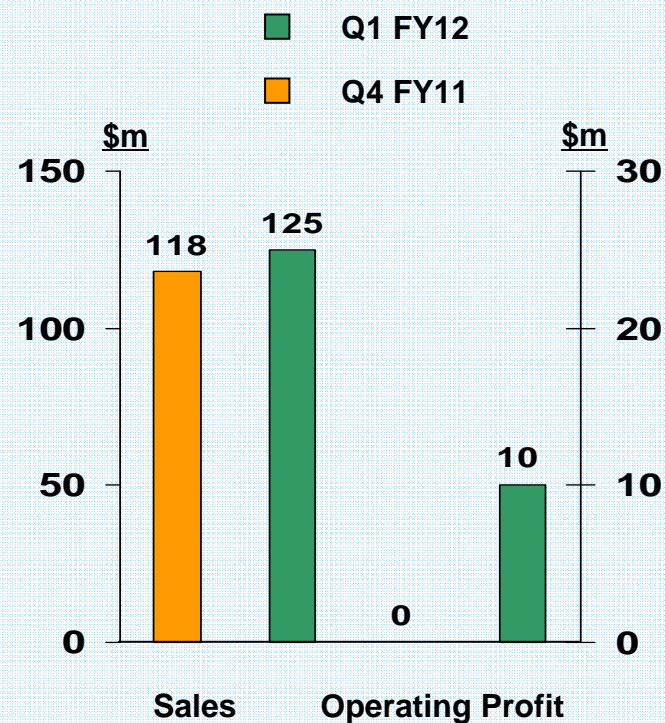
Automotive

Q1 FY12 v Q4 FY11

North America



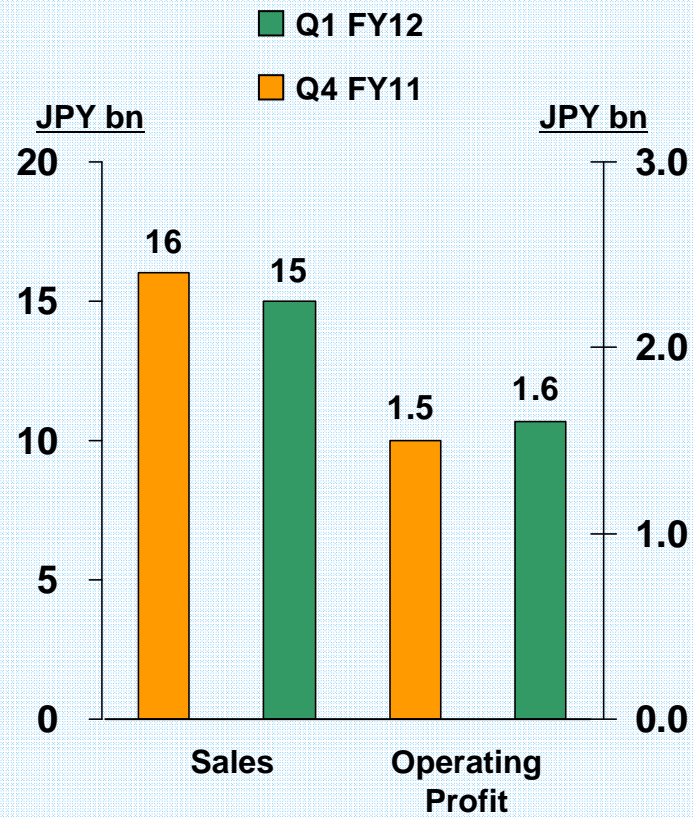
Rest of World*



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

Specialty Glass

Q1 FY12 v Q4 FY11



Sales by Business – Q1 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total |
|-------------------|-------|--------|---------------|---------------|-------|
| Building Products | 18.7 | 27.7 | 5.3 | 8.9 | 60.6 |
| Automotive | 11.8 | 33.7 | 15.8 | 10.0 | 71.3 |
| Specialty | 8.0 | 1.8 | 0.3 | 5.7 | 15.8 |
| Others | 0.3 | 0.1 | 0.0 | 0.0 | 0.4 |
| | | | | | |
| Total | 38.8 | 63.3 | 21.4 | 24.6 | 148.1 |

Operating Profit before Amortization – Q1 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 0.1 | 1.4 | 0.3 | 0.9 | 2.7 | 4% |
| Automotive | 0.8 | 2.0 | 0.6 | 1.1 | 4.5 | 6% |
| Specialty | 1.8 | 0.2 | 0.0 | (0.5) | 1.5 | 9% |
| Others | (0.7) | 0.6 | (0.2) | 0.0 | (0.3) | |
| | | | | | | |
| Total | 2.0 | 4.2 | 0.7 | 1.5 | 8.4 | 6% |
| Ratio on Sales | 5% | 7% | 3% | 6% | 6% | |

Operating Profit after Amortization – Q1 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 0.1 | 1.4 | 0.3 | 0.9 | 2.7 | 4% |
| Automotive | 0.8 | 2.0 | 0.6 | 1.1 | 4.5 | 6% |
| Specialty | 1.8 | 0.2 | 0.0 | (0.5) | 1.5 | 9% |
| Others | (0.7) | (0.7) | (0.6) | (0.3) | (2.3) | |
| | | | | | | |
| Total | 2.0 | 2.9 | 0.3 | 1.2 | 6.4 | 4% |
| Ratio on Sales | 5% | 5% | 1% | 5% | 4% | |

Sales by Business – Cum. Q2 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total |
|-------------------|-------|--------|---------------|---------------|-------|
| Building Products | 40.7 | 55.4 | 12.1 | 18.0 | 126.2 |
| Automotive | 24.1 | 61.1 | 29.9 | 19.6 | 134.7 |
| Specialty | 16.4 | 3.3 | 0.5 | 11.8 | 32.0 |
| Others | 0.6 | 0.2 | 0.0 | 0.0 | 0.8 |
| | | | | | |
| Total | 81.8 | 120.0 | 42.5 | 49.4 | 293.7 |

Operating Profit before Amortization – Cum. Q2 FY2011

| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 1.0 | 2.5 | 1.7 | 5.7 | 10.9 | 9% |
| Automotive | 0.4 | 3.2 | 1.1 | 2.1 | 6.8 | 5% |
| Specialty | 3.1 | 0.4 | 0.0 | 0.0 | 3.5 | 11% |
| Others | (1.4) | (0.4) | 1.1 | 0.0 | (0.7) | |
| | | | | | | |
| Total | 3.1 | 5.7 | 3.9 | 7.8 | 20.5 | 7% |
| Ratio on Sales | 4% | 5% | 9% | 16% | 7% | |

Operating Profit after Amortization – Cum. Q2 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 1.0 | 2.5 | 1.7 | 5.7 | 10.9 | 9% |
| Automotive | 0.4 | 3.2 | 1.1 | 2.1 | 6.8 | 5% |
| Specialty | 3.1 | 0.4 | 0.0 | 0.0 | 3.5 | 11% |
| Others | (1.4) | (2.8) | 0.3 | (0.6) | (4.5) | |
| | | | | | | |
| Total | 3.1 | 3.3 | 3.1 | 7.2 | 16.7 | 6% |
| Ratio on Sales | 4% | 3% | 7% | 15% | 6% | |

Sales by Business – Cum. Q3 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total |
|-------------------|-------|--------|---------------|---------------|-------|
| Building Products | 63.9 | 81.9 | 16.8 | 26.8 | 189.4 |
| Automotive | 35.5 | 91.3 | 42.1 | 29.4 | 198.3 |
| Specialty | 24.5 | 4.8 | 0.8 | 17.0 | 47.1 |
| Others | 0.9 | 0.2 | 0.0 | 0.0 | 1.1 |
| | | | | | |
| Total | 124.8 | 178.2 | 59.7 | 73.2 | 435.9 |

Operating Profit before Amortization – Cum. Q3 FY2011

| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 2.5 | 3.0 | 2.3 | 6.7 | 14.5 | 8% |
| Automotive | 1.2 | 5.2 | 0.9 | 2.9 | 10.2 | 5% |
| Specialty | 5.0 | 0.6 | 0.1 | 0.5 | 6.2 | 13% |
| Others | (2.5) | (1.8) | 0.3 | 0.0 | (4.0) | |
| | | | | | | |
| Total | 6.2 | 7.0 | 3.6 | 10.1 | 26.9 | 6% |
| Ratio on Sales | 5% | 4% | 6% | 14% | 6% | |

Operating Profit after Amortization – Cum. Q3 FY2011

| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 2.5 | 3.0 | 2.3 | 6.7 | 14.5 | 8% |
| Automotive | 1.2 | 5.2 | 0.9 | 2.9 | 10.2 | 5% |
| Specialty | 5.0 | 0.6 | 0.1 | 0.5 | 6.2 | 13% |
| Others | (2.5) | (5.5) | (0.8) | (0.9) | (9.7) | |
| | | | | | | |
| Total | 6.2 | 3.3 | 2.5 | 9.2 | 21.2 | 5% |
| Ratio on Sales | 5% | 2% | 4% | 13% | 5% | |

Sales by Business – Cum. Q4 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total |
|-------------------|-------|--------|---------------|---------------|-------|
| Building Products | 83.8 | 107.5 | 22.7 | 34.7 | 248.7 |
| Automotive | 45.6 | 124.5 | 55.0 | 38.9 | 264.0 |
| Specialty | 33.3 | 6.6 | 1.0 | 22.0 | 62.9 |
| Others | 1.2 | 0.3 | 0.0 | 0.0 | 1.5 |
| | | | | | |
| Total | 163.9 | 238.9 | 78.7 | 95.6 | 577.1 |

Operating Profit before Amortization – Cum. Q4 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|-------|----------------|
| Building Products | 0.6 | 2.7 | 3.2 | 7.3 | 13.8 | 6% |
| Automotive | 1.1 | 6.9 | 1.0 | 2.9 | 11.9 | 5% |
| Specialty | 6.4 | 0.8 | 0.1 | 0.4 | 7.7 | 12% |
| Others | (4.7) | 0.9 | 0.8 | 0.0 | (3.0) | |
| | | | | | | |
| Total | 3.4 | 11.3 | 5.1 | 10.6 | 30.4 | 5% |
| Ratio on Sales | 2% | 5% | 6% | 11% | 5% | |

Operating Profit after Amortization – Cum. Q4 FY2011



| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|-------------------|-------|--------|---------------|---------------|--------|----------------|
| Building Products | 0.6 | 2.7 | 3.2 | 7.3 | 13.8 | 6% |
| Automotive | 1.1 | 6.9 | 1.0 | 2.9 | 11.9 | 5% |
| Specialty | 6.4 | 0.8 | 0.1 | 0.4 | 7.7 | 12% |
| Others | (4.7) | (4.0) | (0.6) | (1.3) | (10.6) | |
| | | | | | | |
| Total | 3.4 | 6.4 | 3.7 | 9.3 | 22.8 | 4% |
| Ratio on Sales | 2% | 3% | 5% | 10% | 4% | |

Assumptions

| | Q1 FY12 | Q1 FY11 |
|---------------------|---------|---------|
| Average rates used: | | |
| JPY/GBP | 133 | 137 |
| JPY/EUR | 118 | 117 |
| JPY/USD | 82 | 92 |
| Closing rates used: | | |
| JPY/GBP | 129 | 133 |
| JPY/EUR | 116 | 108 |
| JPY/USD | 80 | 88 |

NSG
GROUP