

NSG

GROUP

NSG Group

FY11 Full-Year Results

(from 1 April 2010 to 31 March 2011)

Nippon Sheet Glass Co., Ltd.
12 May 2011

Craig Naylor

Chief Executive Officer

Mike Powell

Group Finance Director

NSG Group FY11 Full Year Results



(from 1 April 2010 to 31 March 2011)

Agenda

- Financial Results
- Update on Strategic Management Plan
- FY2012 Outlook
- Summary

Key Points - April 10 to March 11

- Full-year results consistent with previous forecast
- Building Products results reflect higher volumes and realization of cost savings
- Strong demand across Automotive markets with improved revenue and profits
- Specialty Glass benefited from robust consumer electronics markets
- Strong performance from joint ventures and associates
- Limited FY11 financial impact from Tohoku earthquake and tsunami, more significant in FY12
- Improving underlying profitability forecast through FY12, in line with Strategic Management Plan

NSG Group FY11 Full Year Results



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Consolidated Income Statement

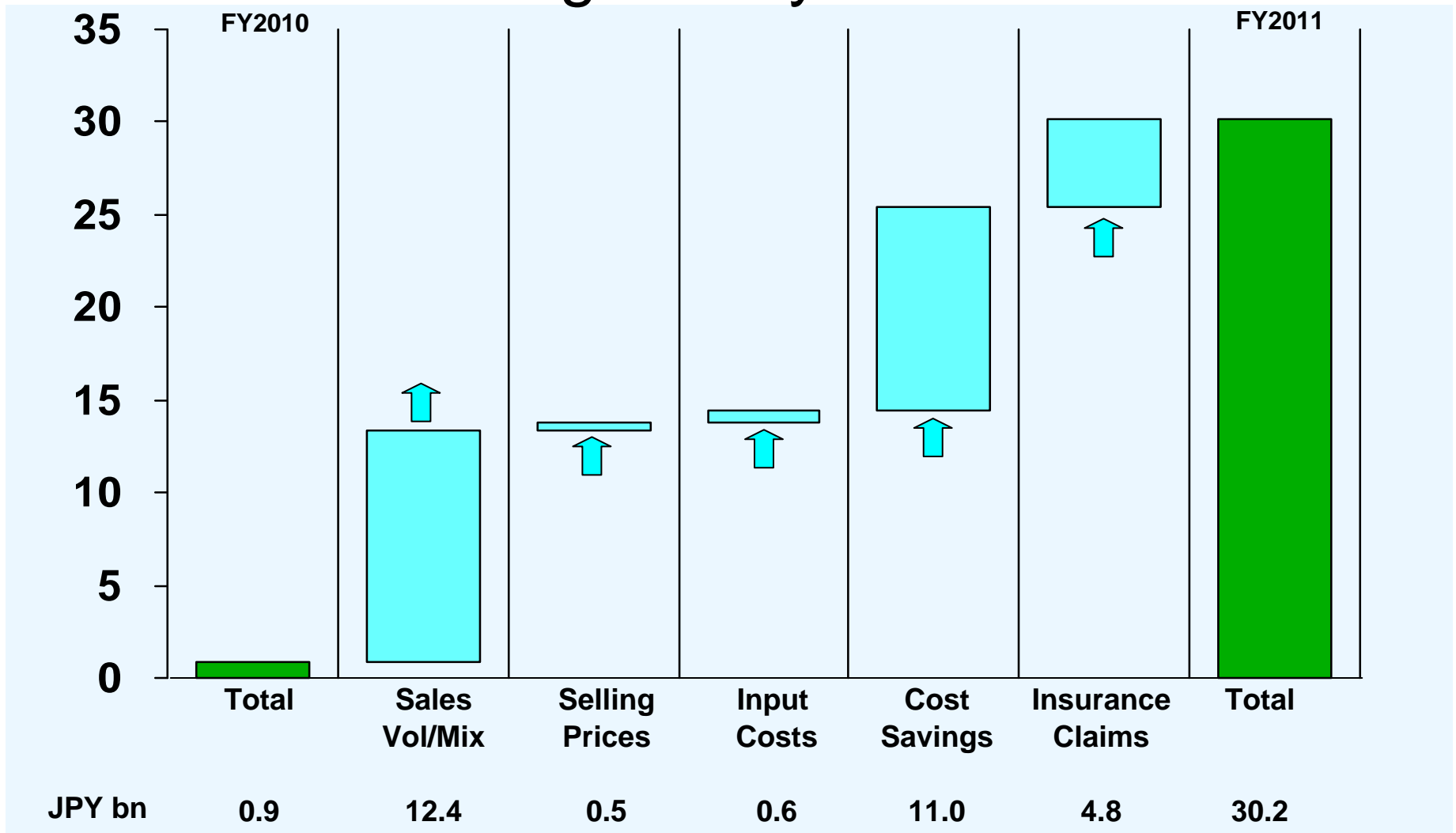
<u>(JPY bn)</u>	<u>FY2011</u>	<u>FY2010</u>	<u>Change from FY2010</u>
Revenue	577.2	588.4	- 2%**
Op.Income before amortization*	30.2	0.9	
Amortization*	(15.9)	(18.1)	
Operating income	14.3	(17.2)	
Non-operating items	(6.6)	(11.4)	
Ordinary income	7.7	(28.6)	
Extraordinary items	(4.3)	(13.8)	
Pre-tax income	3.4	(42.4)	
Net Income	1.7	(41.3)	
EBITDA	62.5	41.0	+ 52%

* Amortization arising from the acquisition of Pilkington plc only

** +6% based on constant exchange rates

Improved profitability from all business lines

Operating Income (before amortization) Change Analysis



Volumes increased and costs savings realized

Non-operating Items

	<u>FY2011</u> (JPY bn)	<u>FY2010</u> (JPY bn)
Joint ventures and associates	8.1	2.4
Net interest expense	(10.7)	(11.6)
Other income and expenses	(4.0)	(2.2)
	<u>(6.6)</u>	<u>(11.4)</u>

Improved performance of joint ventures and associates

Consolidated Cash Flow Summary

	FY2011 (JPY bn)	FY2010 (JPY bn)
Income before income taxes	3.4	(42.4)
Depreciation and amortization	48.1	57.3
Increase in working capital	(0.6)	0.9
Tax paid	(8.9)	(18.6)
Equity in earnings of affiliates	(8.1)	(2.4)
Others	(2.7)	2.4
Net cash provided by operating activities	31.2	(2.8)
Purchase of fixed assets	(29.9)	(15.7)
Others	2.1	9.8
Net cash used in investing activities	(27.8)	(5.9)
Cash flow before financing activities	3.4	(8.7)

Sustaining cash generation remains key

Key Performance Indicators

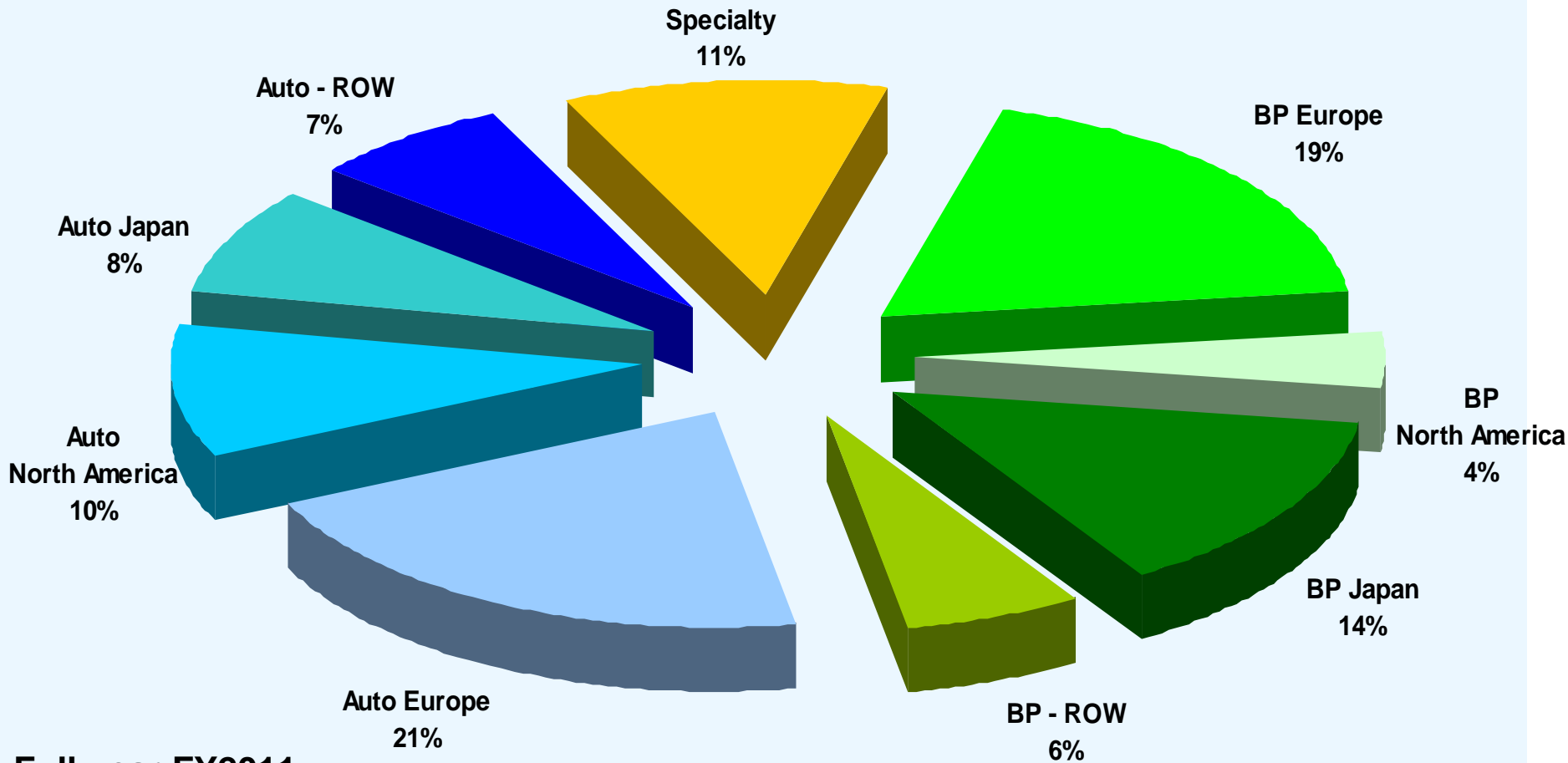
	<u>31-Mar-11</u>	<u>31-Mar-10</u>
Net Debt (JPY bil)	309	315
Net Debt/EBITDA	4.9x	7.7x
Net Debt/Equity Ratio	1.4	1.3
	<u>FY2011</u>	<u>FY2010</u>
EBITDA Interest Cover	5.5x	3.1x
Operating Return* on Sales	5.2%	0.2%

* Before amortization arising from acquisition of Pilkington plc

Improved EBITDA strengthening ratios

External Sales – Group Businesses

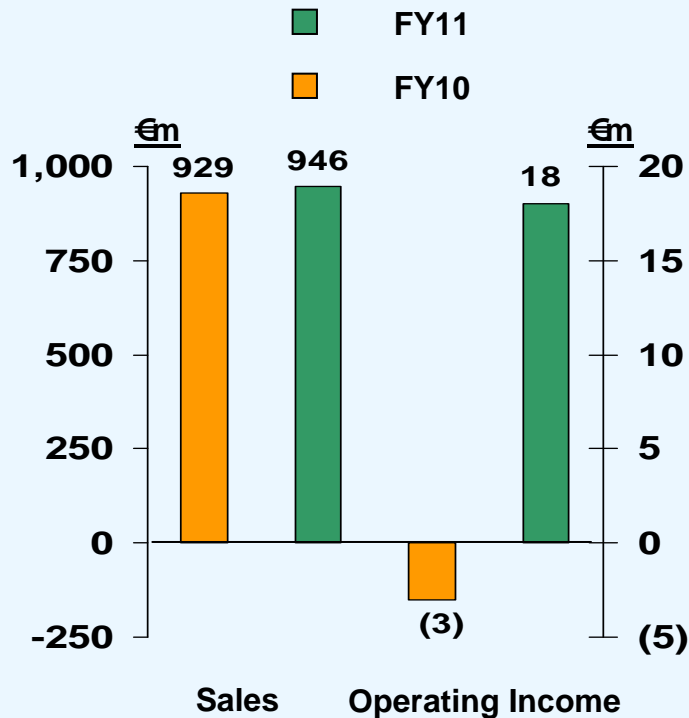
¥ 577 billion



Full-year FY2011

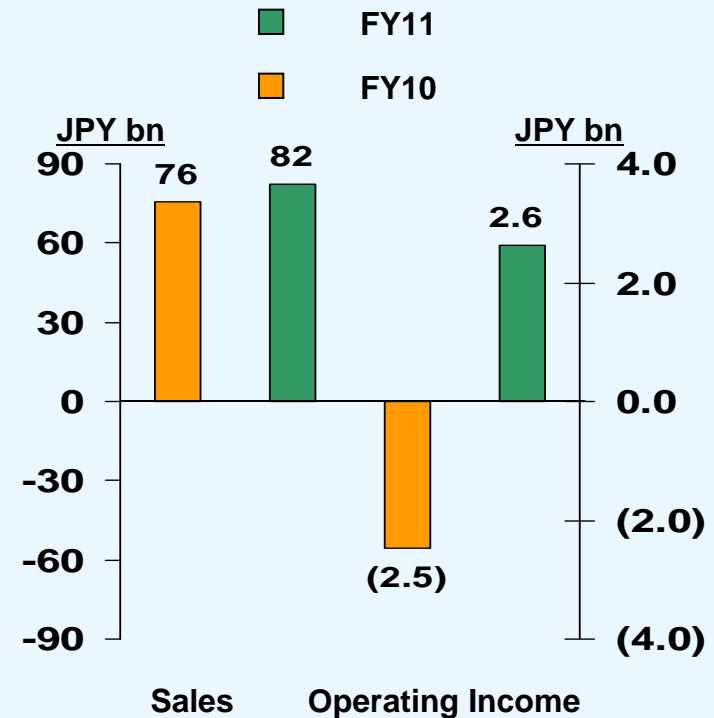
Building Products FY11 v FY10

Europe



- Sales revenue increased, due to higher volumes and prices more than offsetting downstream disposals in France/Switzerland and lower engineering income
- Operating income improved due to higher volumes, prices and cost savings

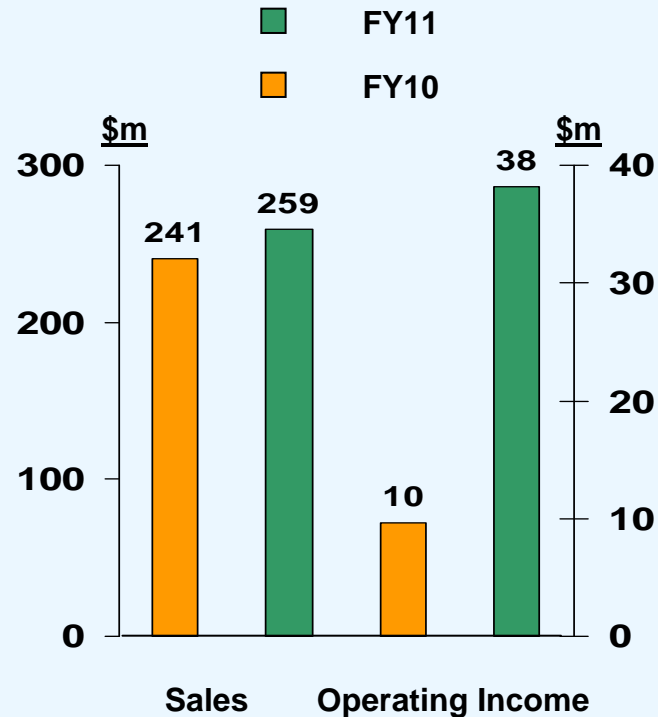
Japan



- Sales revenue increased due to higher volumes of value added products
- Operating income improved as a consequence of higher volumes of value added products and cost savings

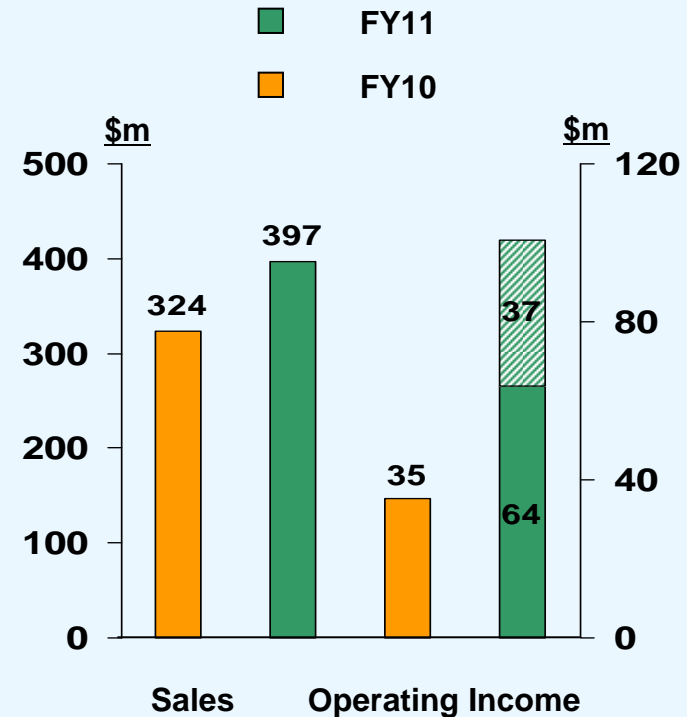
Building Products FY11 v FY10

North America



- Sales revenue higher due to increased volumes of value added products
- Operating income improved as a consequence of more value added product sales and cost savings

Rest of World

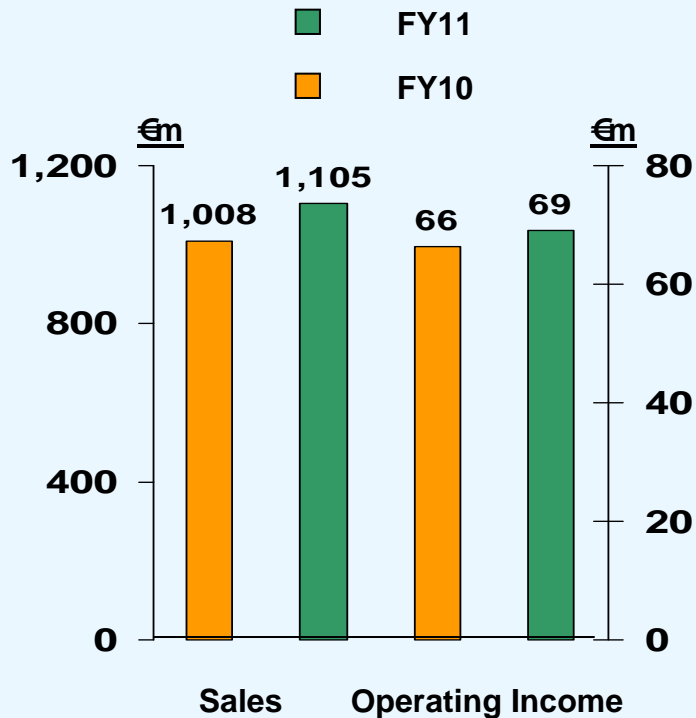


- Sales and operating income growth due to higher prices and the consolidation of Pilkington Solar (Taicang) 1st April
- Shaded area is the one off impact of the Chile insurance settlement

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

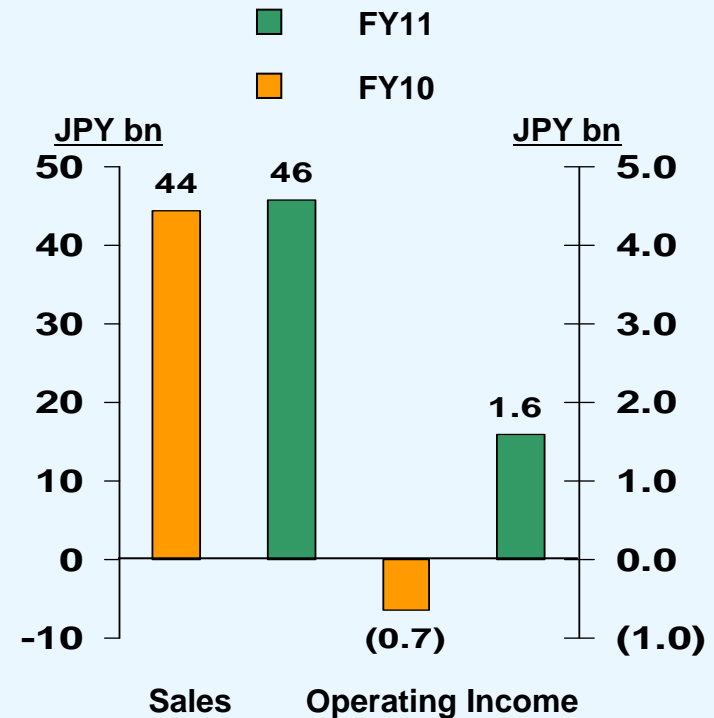
Automotive FY11 v FY10

Europe



- Growth in OE as market recovers, supported by strong customer exports
- AGR results similar to previous year
- Increasing raw material and energy costs with strong internal actions to offset

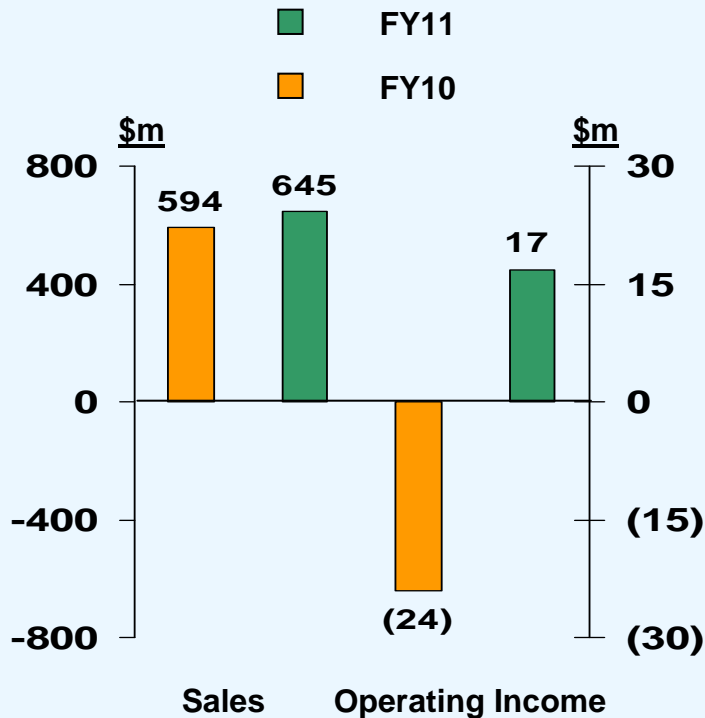
Japan



- Increased underlying demand and improved efficiency
- OE profit improvement disrupted by March earthquake and tsunami
- AGR continues to improve

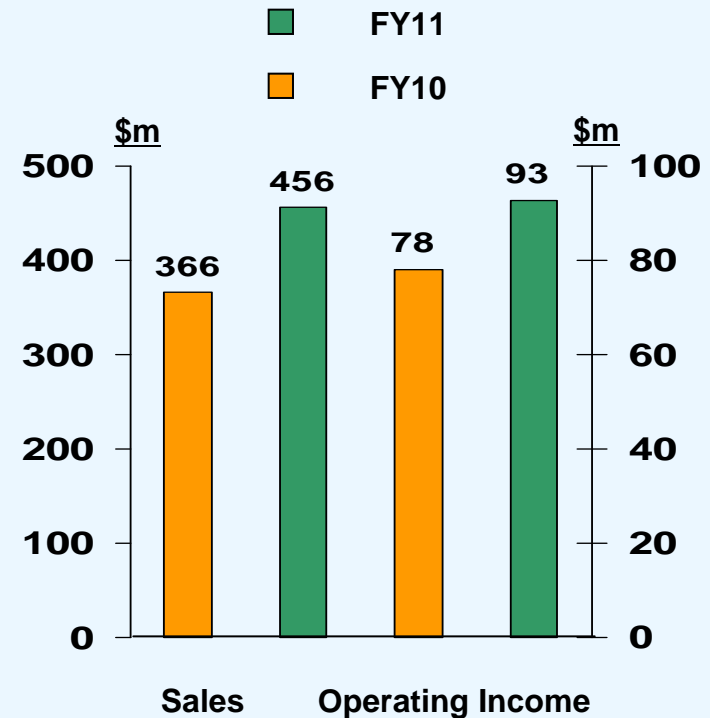
Automotive FY11 v FY10

North America



- Strong OE market recovery and growth in AGR
- Improved profitability driven from higher volumes and efficiency gains

Rest of World

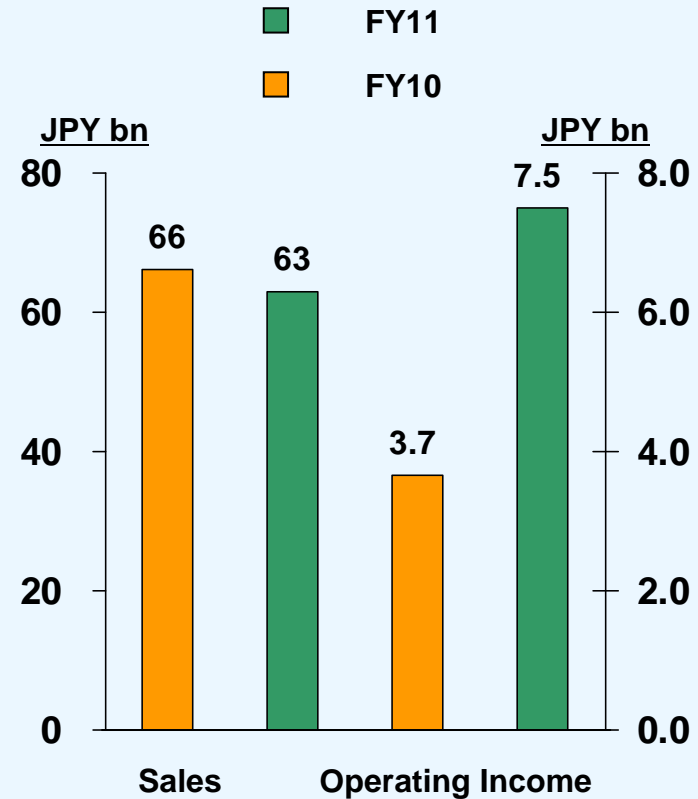


- Strong market growth in OE and AGR
- Increased volumes and improved efficiency driving higher profits

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

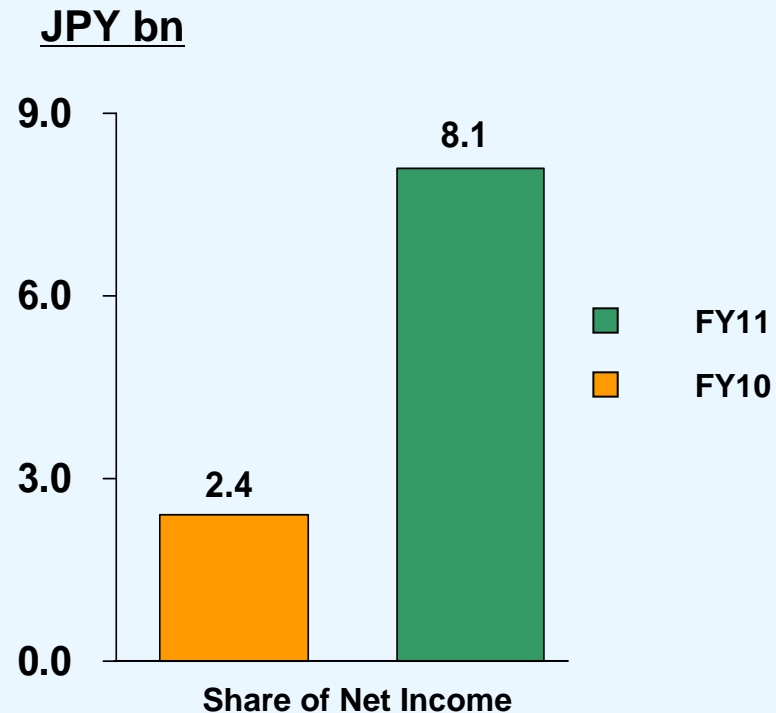
Specialty Glass FY11 v FY10

- Most Specialty Glass businesses experienced strong market conditions, increasing profits
- Consumer electronics markets continue to drive demand for touch panel technology for mobile devices
- Printer/Scanner market improving despite strong Japanese yen
- Glass cord sales supported by robust vehicle production in Europe



Joint Ventures and Associates

- Cebrace result reflects strong markets in South America
- Improved performance from Building Products joint ventures and associates in China and Russia



Strong performance from JVs and associates

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Strategic Management Plan

- The Strategic Management Plan will drive the next stage of our development
- NSG Group is particularly well placed to leverage its global footprint, reduced cost base, technology and brands to meet growing demand for environmental and other value-added products
- Priority areas of focus are
 - **Building Products** - expansion in Solar Energy, low-e and South America
 - **Automotive** - expansion in South America, Eastern Europe & Mexico.
 - **Specialty Glass** – UFF, SLA® and Battery Separator

Strategic Management Plan

All Strategic Management Plan financial targets still relevant and appropriate in IFRS

FY11 → FY14

5% CAGR*

- SALES**

DOUBLE, AS A MINIMUM

- OPERATING PROFIT
(pre-amortization)**

5% → >10%

- EBITA MARGIN**

50% INCREASE, AS A MINIMUM

- EBITDA**

4.5x → <3x

- NET DEBT/EBITDA**

Nil → LOW DOUBLE DIGIT %

- RETURN ON EQUITY**

*CAGR = Compound Annual Growth Rate

On schedule to achieve SMP targets

SMP-related Announcements

- November 2010 – Announcement of new float line in North East Brazil
- December 2010 –Automotive expansion in Mexico
- January 2011 - Reopening of Vietnam float line dedicated to Solar Energy market
- February 2011 – Automotive Expansion in South America
- March 2011 Expansion of Automotive glazing capacity and capability in Poland.
- April 2011 - Off-line coating capacity expansion in UK



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Earthquake and Tsunami Impact

- FY11 operating income reduction of ¥ 0.7bn and increase in extraordinary items of ¥ 1.0bn
- FY12 operating income impact estimated as ¥ 6.0bn, mainly in Automotive but also in Specialty Glass
- Building Products Japan business at full capacity supporting rebuilding effort

Limited FY11 financial impact - more significant in FY12

IFRS Income Statement Outlook

(JPY bn)

	<u>IFRS Forecast</u>			<u>IFRS</u>
	<u>H1 FY2012</u>	<u>H2 FY2012</u>	<u>FY2012</u>	<u>FY2011*</u>
Sales	280	320	600	577
Operating income before amortization	13	22	35	30
Operating income	9	18	27	23
Income before taxation	8	15	23	15
Income after taxation	7	12	19	15
Income attributable to equity shareholders	6	12	18	12

*Note: unaudited figures for illustrative purposes

Further improvement in underlying performance

FY2012 Key Points

- FY12 forecast produced using International Financial Reporting Standards (IFRS)
- FY12 operating income earthquake impact estimated as ¥ 6.0bn, mainly in Automotive but also in Specialty Glass
- Improvement in underlying profitability, particularly from the second half of the year
- Improved volumes helping to mitigate impact of higher input costs for energy
- Opportunities to increase prices to be actively pursued
- Strategic Management Plan announced in November 2010 positions the Group for profit growth in FY2012 and beyond

Further improvement in underlying performance

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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 – FY2011

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	82.2	106.7	22.1	33.8	244.8
Automotive	45.7	124.5	55.0	38.8	264.0
Specialty	33.4	6.6	1.0	22.0	63.0
Others	5.1	0.3	0.0	0.0	5.4
Total	166.4	238.1	78.1	94.6	577.2

Operating Income before Amortization – FY2011

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	2.6	2.0	3.3	8.6	16.5	7%
Automotive	1.6	7.8	1.4	7.9	18.7	7%
Specialty	6.3	0.5	0.1	0.6	7.5	12%
Others	(3.5)	(6.6)	(2.4)	0.0	(12.5)	
Total	7.0	3.7	2.4	17.1	30.2	5%
Ratio on Sales	4%	2%	3%	18%	5%	

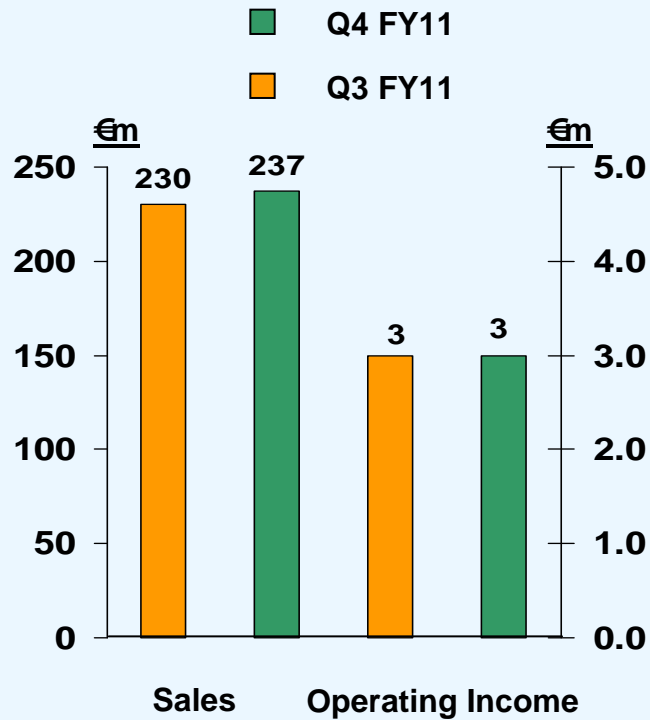
Operating Income after Amortization – FY2011

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	2.6	2.0	3.3	8.6	16.5	7%
Automotive	1.6	7.8	1.4	7.9	18.7	7%
Specialty	6.3	0.5	0.1	0.6	7.5	12%
Others	(3.5)	(17.2)	(5.2)	(2.5)	(28.4)	
Total	7.0	(6.9)	(0.4)	14.6	14.3	2%
Ratio on Sales	4%	-3%	-1%	15%	2%	

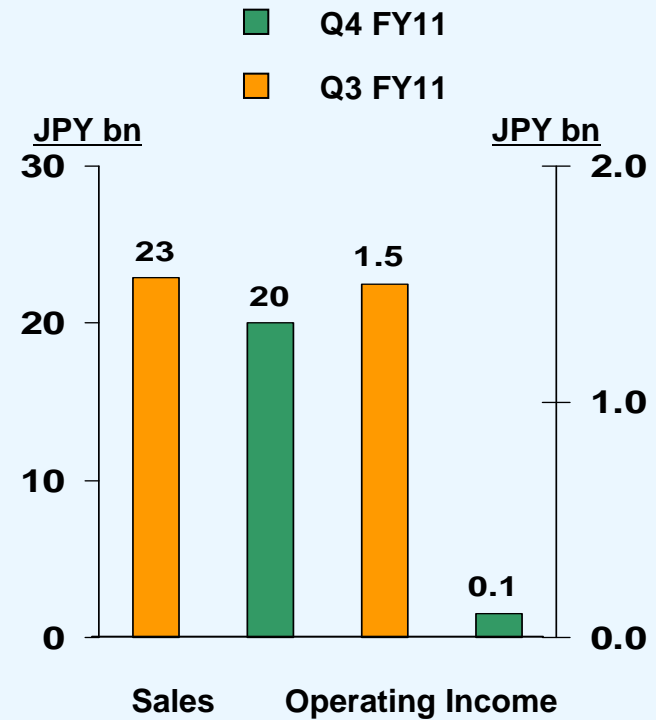
Building Products

Q4 FY11 v Q3 FY11

Europe



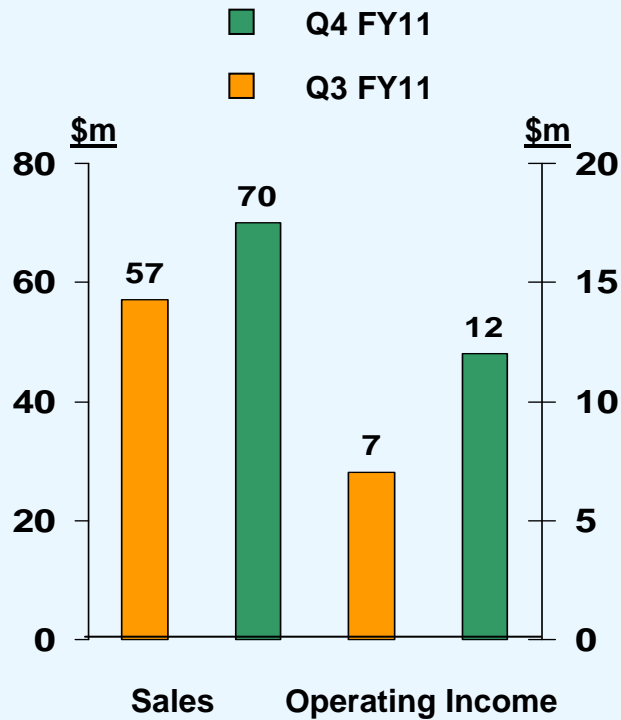
Japan



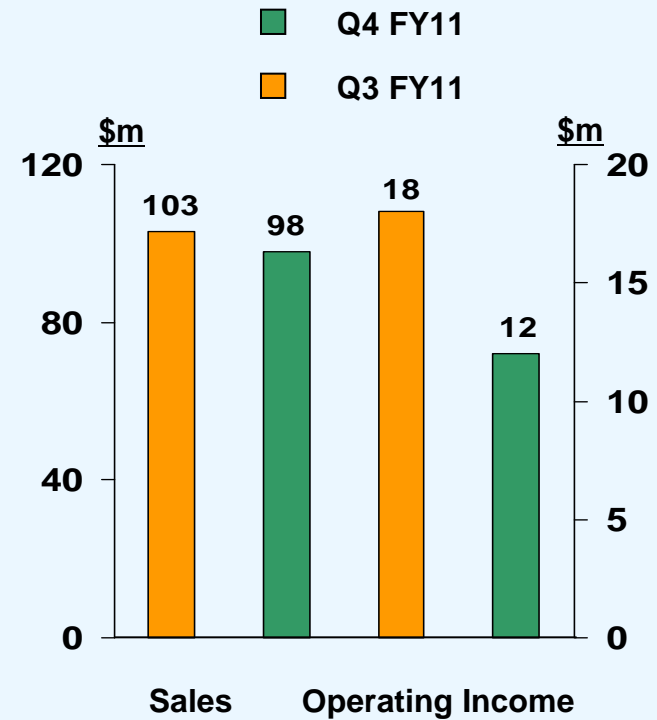
Building Products

Q4 FY11 v Q3 FY11

North America



Rest of World*



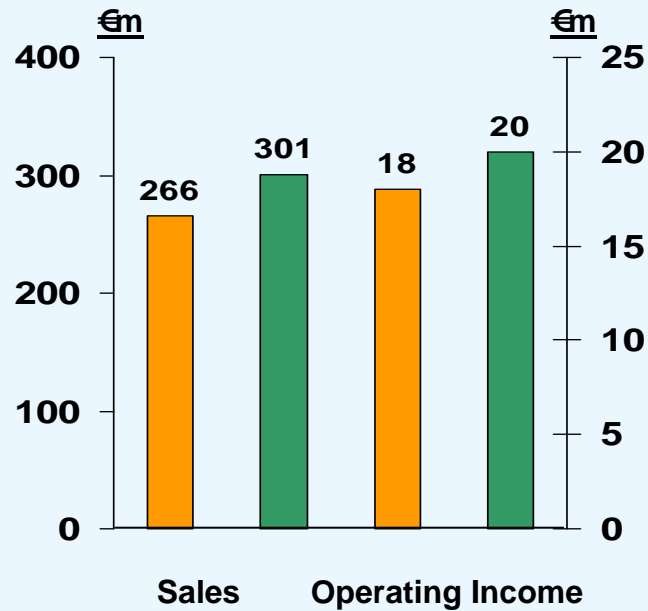
*: Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

Automotive

Q4 FY11 v Q3 FY11

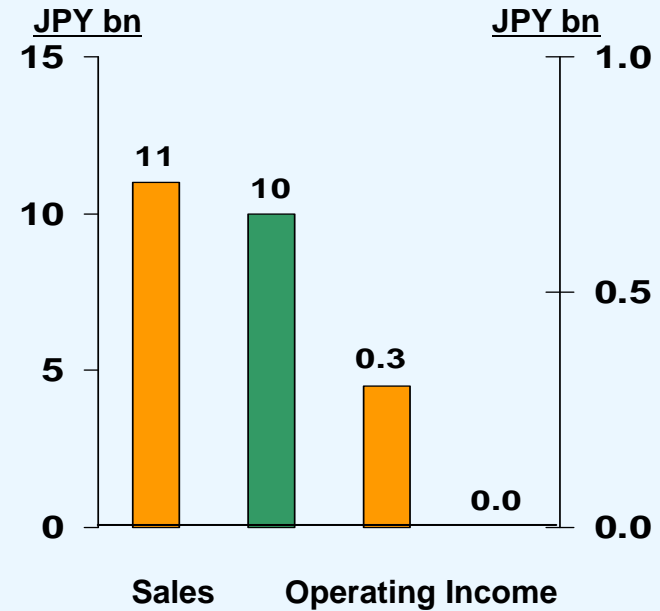
Europe

■ Q4 FY11
■ Q3 FY11



Japan

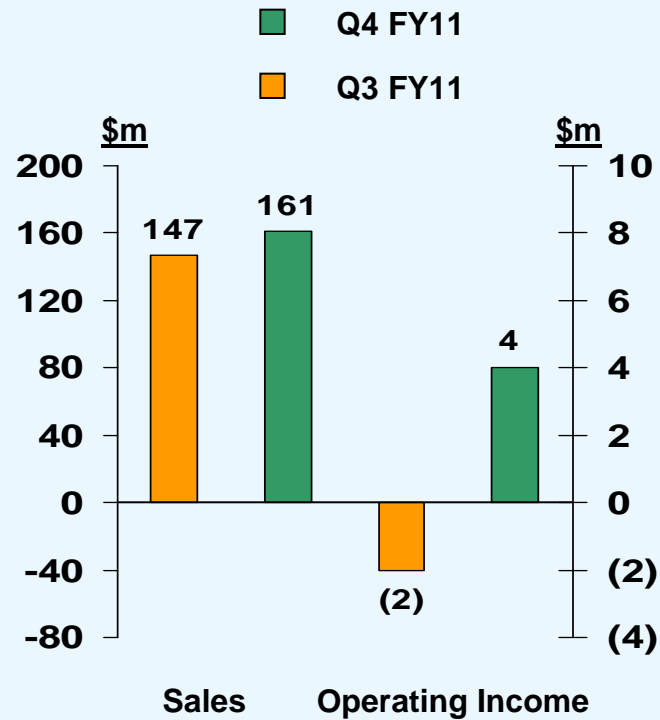
■ Q4 FY11
■ Q3 FY11



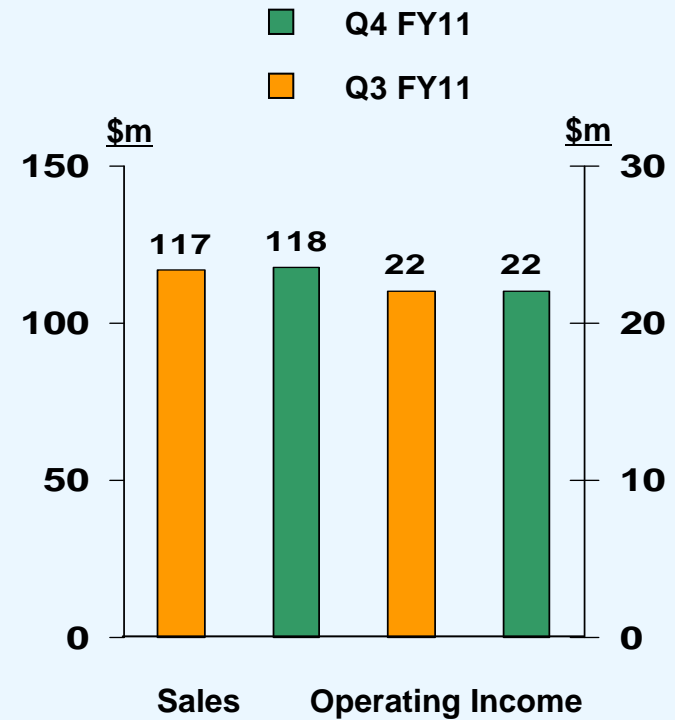
Automotive

Q4 FY11 v Q3 FY11

North America



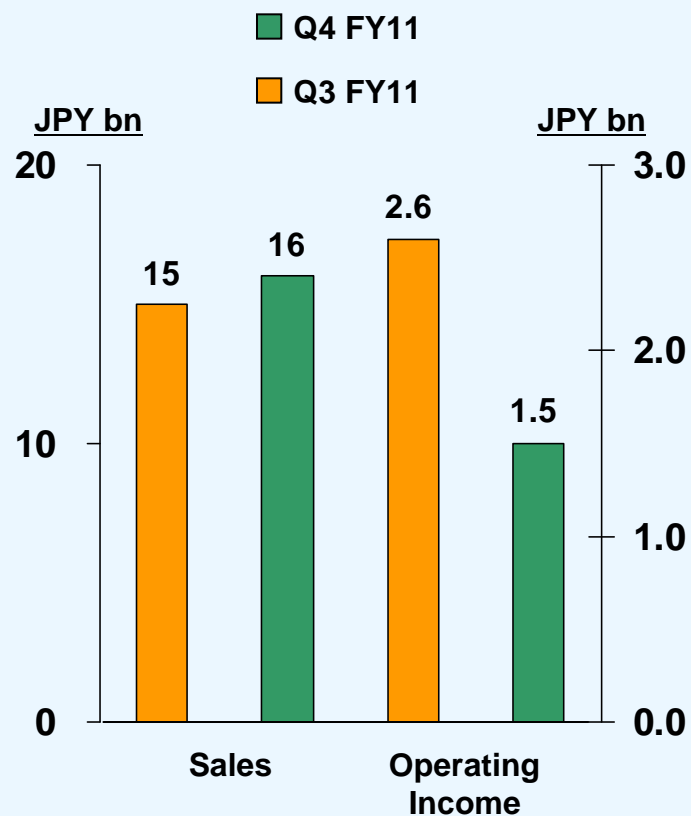
Rest of World*



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

Specialty Glass

Q4 FY11 v Q3 FY11



Assumptions

	Q4 FY11	Q4 FY10	FY12 Forecast
Average rates used:			
JPY/GBP	133	148	130
JPY/EUR	113	131	115
JPY/USD	85	93	85
Closing rates used:			
JPY/GBP	134	140	
JPY/EUR	117	125	
JPY/USD	83	93	
Oil USD			100

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