

**NSG**  
**GROUP**



# NSG Group

## FY2012 Quarter 2 Results

(from 1 April 2011 to 30 September 2011)

Nippon Sheet Glass Co., Ltd.  
2 November 2011



**Craig Naylor**  
Chief Executive Officer

**Mark Lyons**  
Chief Financial Officer

# FY2012 Quarter 2 Results

(from 1 April 2011 to 30 September 2011)



## Agenda

Financial Results

Business Update

Summary

## Key Points - April 11 to September 11



- 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

# Japan Earthquake Impact



- Profit effect of ¥4.0bn (¥3.2bn Automotive, ¥0.8bn Specialty Glass)
- Cumulative impact ¥2.0bn less than initial estimate
- No further impact expected

Earthquake impact less than expected

# FY2012 Quarter 2 Results

(from 1 April 2011 to 30 September 2011)



## Agenda

Financial Results

Business Update

Summary

# Consolidated Income Statement



<u>(JPY bn)</u>	<u>Cum Q2 FY2012</u>	<u>Cum Q2 FY2011</u>	<u>Change from Cum Q2 FY2011</u>
<b>Sales</b>	<b>288.5</b>	<b>293.7</b>	<b>-2%**</b>
<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%

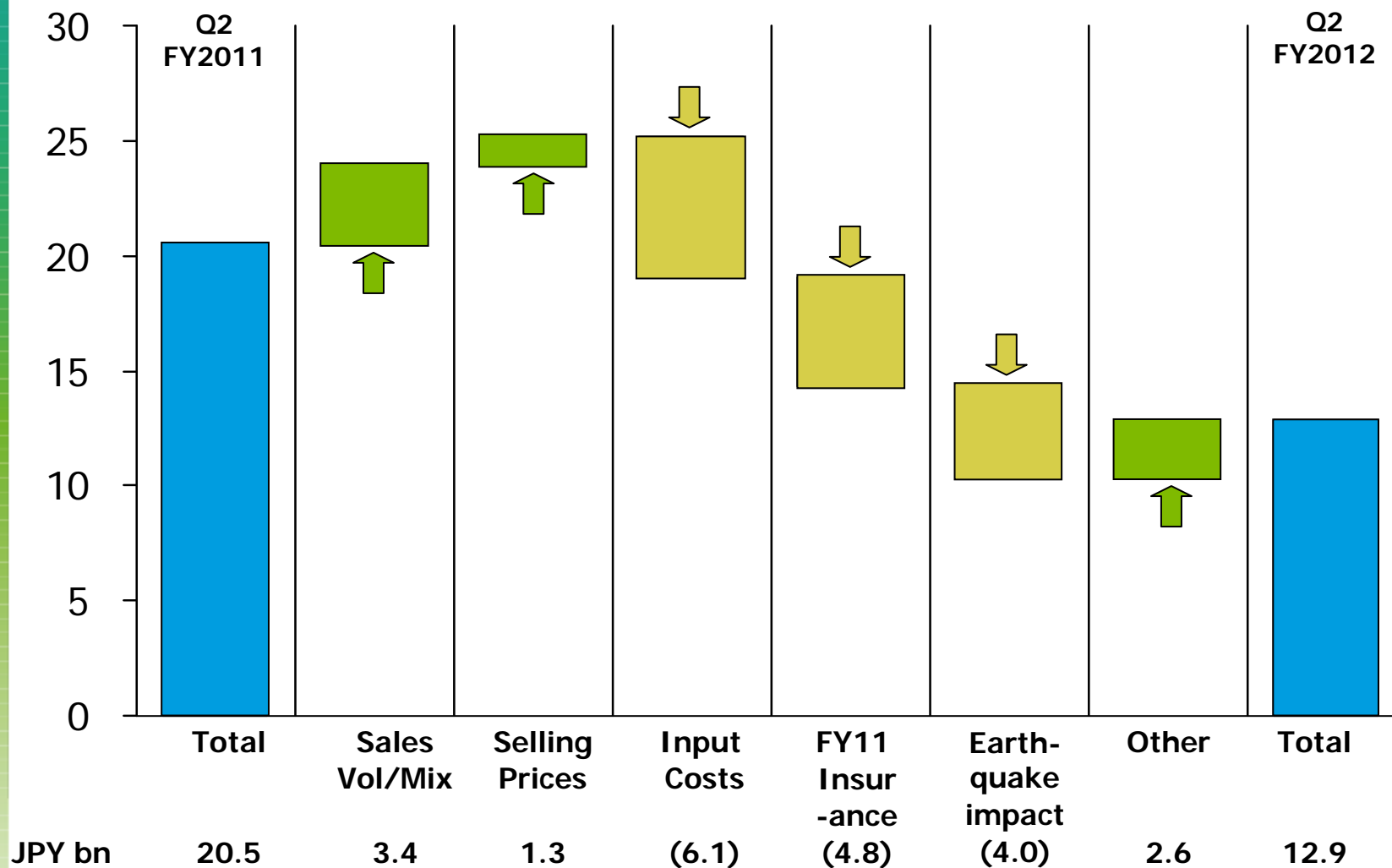
\* Amortization arising from the acquisition of Pilkington plc only

\*\* +1% based on constant exchange rates

Operating results consistent with previous forecast



# Operating Income (before amortization) Change Analysis



Underlying profits slightly improved

# Consolidated Cash Flow Summary



(JPY bn)	Cum Q2 FY2012
Income after taxation	6.3
Depreciation and amortization	19.8
Net change in working capital	(20.8)
Tax paid	(2.9)
Share of profit from joint ventures and associates	(4.3)
Movement in provisions and retirement benefit obligations	(9.6)
Others	(0.4)
<b>Net cash provided by operating activities</b>	<b>(11.9)</b>
Purchase of fixed assets	(17.4)
Dividends from joint ventures and associates	0.5
Others	(2.5)
<b>Net cash used in investing activities</b>	<b>(19.4)</b>
<b>Cash flow before financing activities</b>	<b>(31.3)</b>

Cash flow reflects investment profile

# Key Performance Indicators



## Key Performance Indicators

	<u>30-Sep-11</u>	<u>31-Mar-11</u>
Net Debt (JPY bil)	332	313
Net Debt/EBITDA	5.9x	4.9x
Net Debt/Equity Ratio	2.0	1.4
	<u>Q2 FY2012</u>	<u>Q2 FY2011</u>
EBITDA Interest Cover	4.1x	4.1x
Operating Return* on Sales	4.5%	7.0%

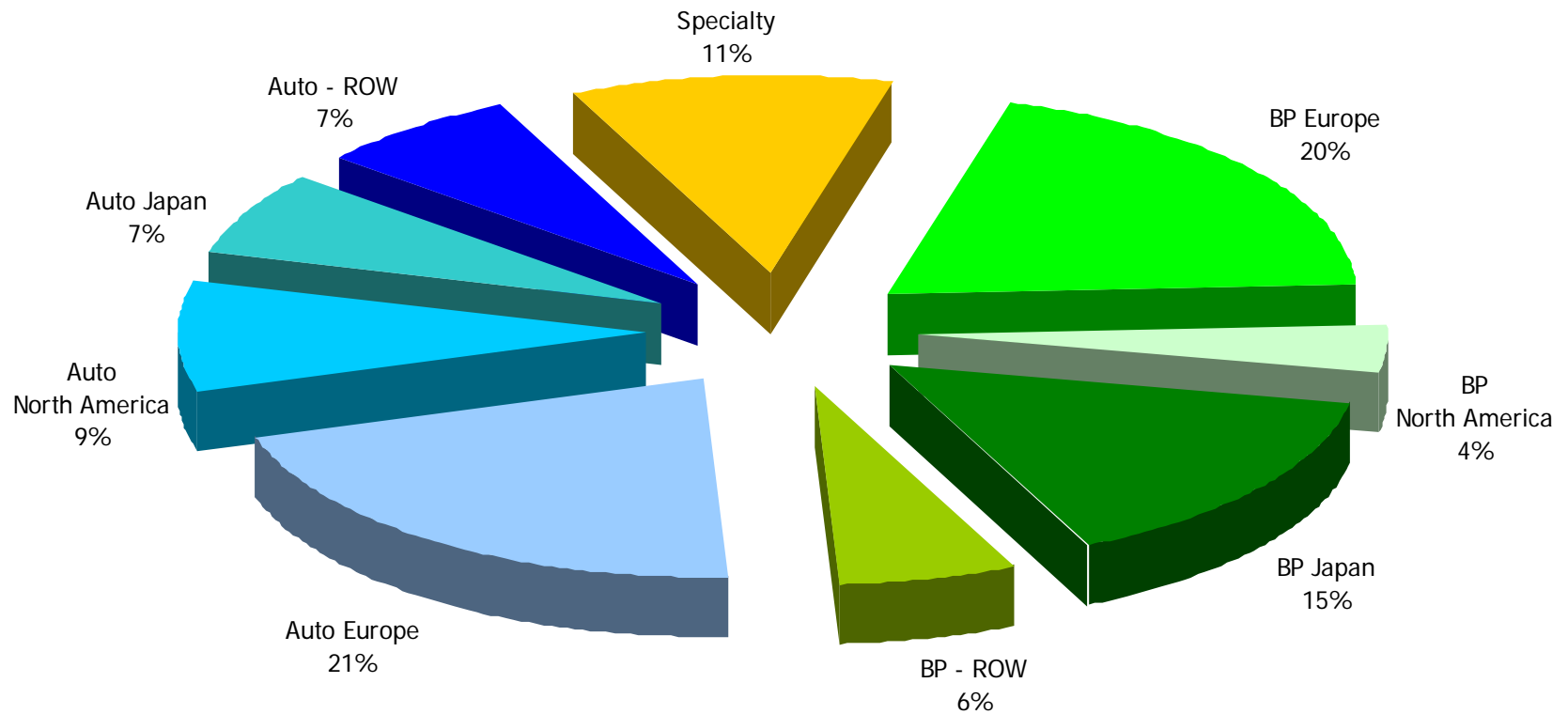
\* Before amortization arising from acquisition of Pilkington plc

Ratios in line with expectations

# External Sales – Group Businesses



¥ 289 billion



Cumulative Q2 FY2012

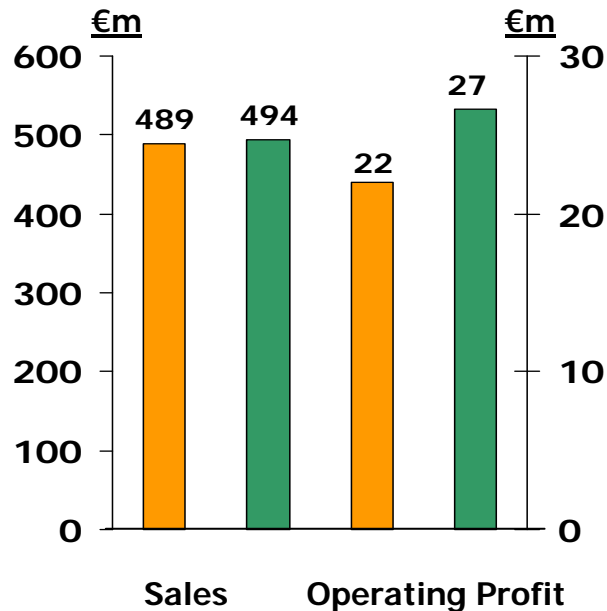
# Building Products

## Q2 FY12 v Q2 FY11



### Europe

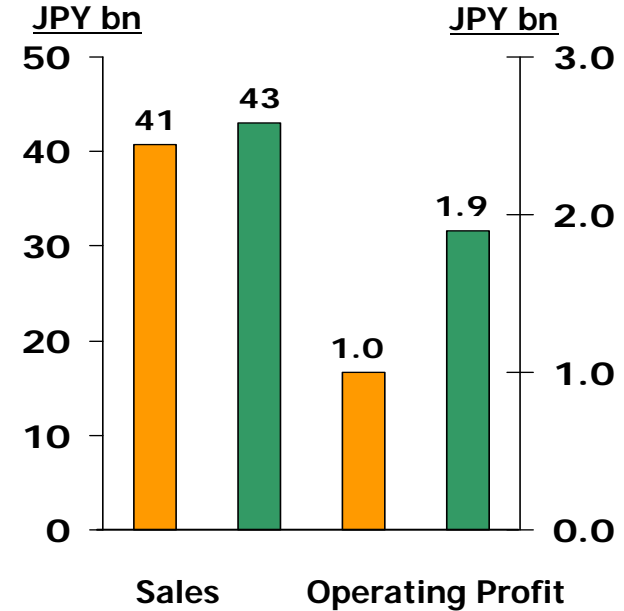
■ Q2 FY12  
■ Q2 FY11



- Prices stable and continue to offset higher input costs
- Profits improved largely due to cost savings

### Japan

■ Q2 FY12  
■ Q2 FY11



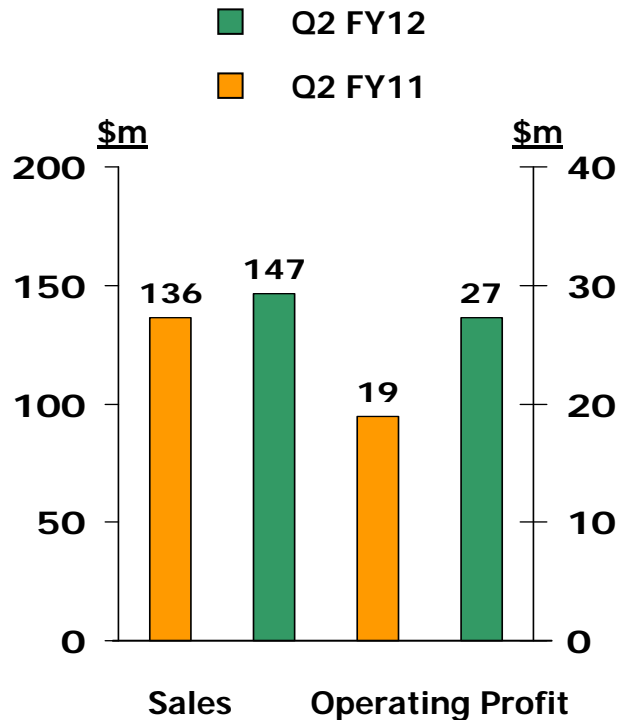
- Continued increase in downstream revenues and volumes
- Profits increased on improved mix of value-added products and downstream volumes

# Building Products

Q2 FY12 v Q2 FY11

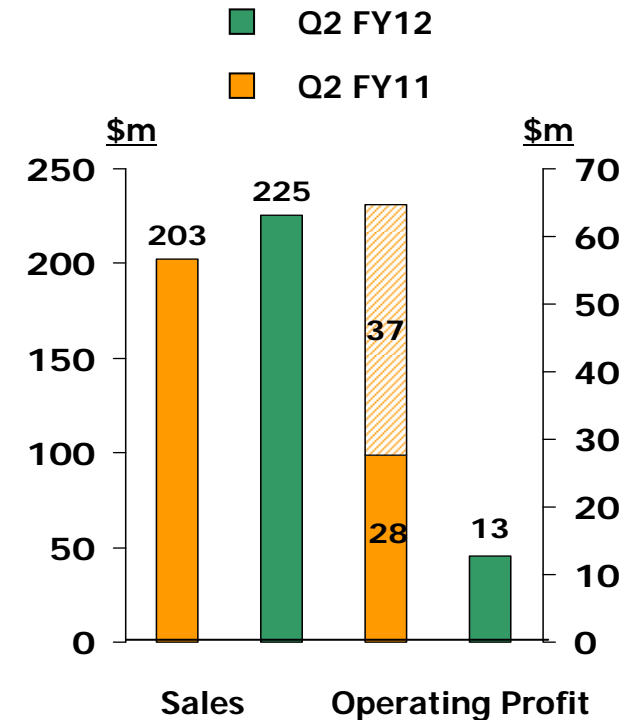


## North America



- Sales and profits increased on a greater proportion of value added products
- The domestic commodity products market remains weak

## Rest of World



- Revenues improved from volume growth in South America
- Revenue and profits fell in South East Asia and China due to over capacity in China contributing to a weak pricing environment
- Impact of Chile insurance claim in FY11 (\$37m) shown separately

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

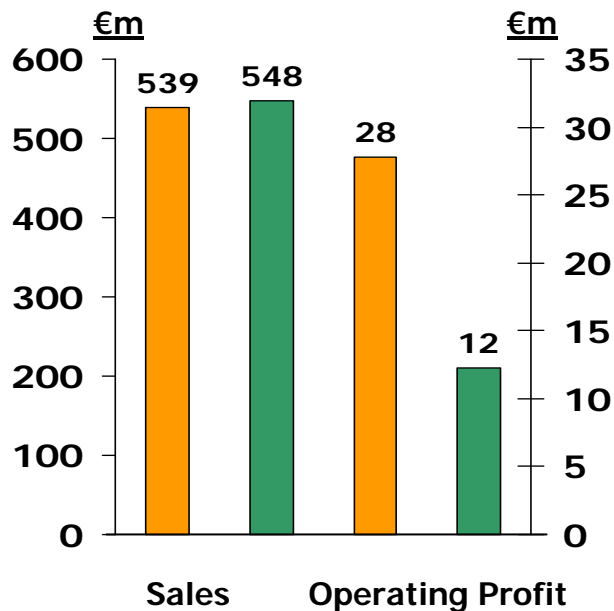
# Automotive

## Q2 FY12 v Q2 FY11



### Europe

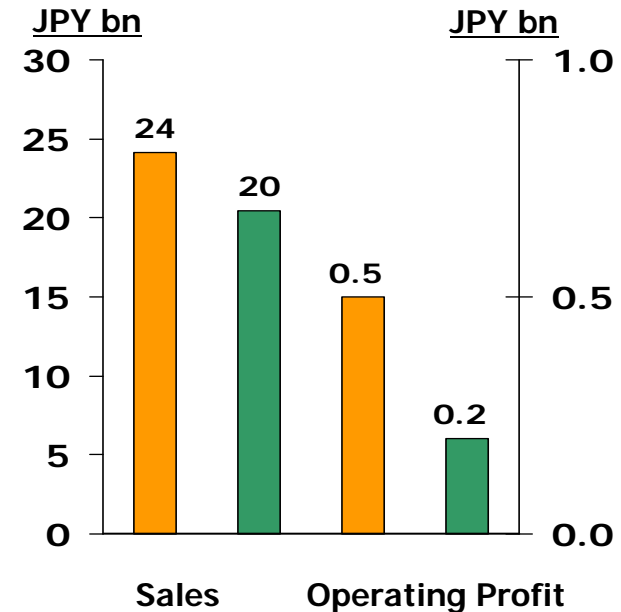
■ Q2 FY12  
■ Q2 FY11



- OE sales slightly higher with major demand swings throughout the period
- Cost inflation, plant start-ups and demand volatility impacted results
- AGR business performing to plan

### Japan

■ Q2 FY12  
■ Q2 FY11



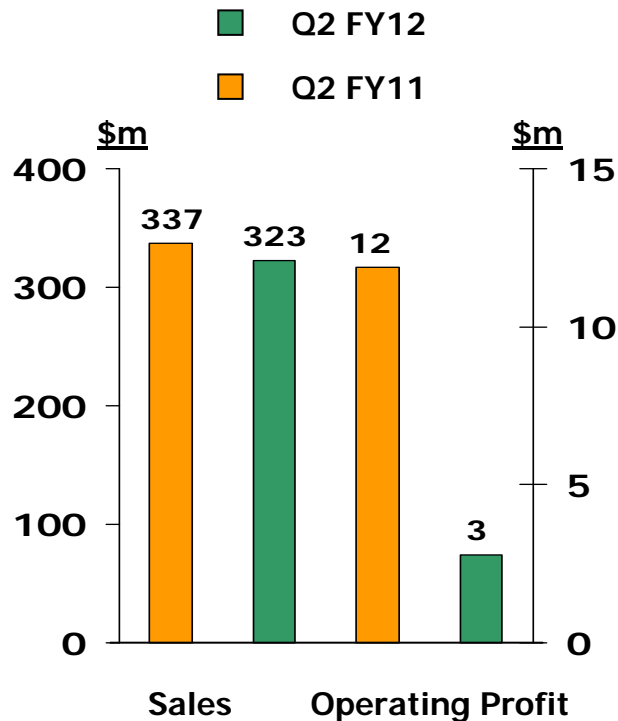
- Demand post earthquake recovering
- Profit trend improving throughout period as sales recovered

# Automotive

## Q2 FY12 v Q2 FY11

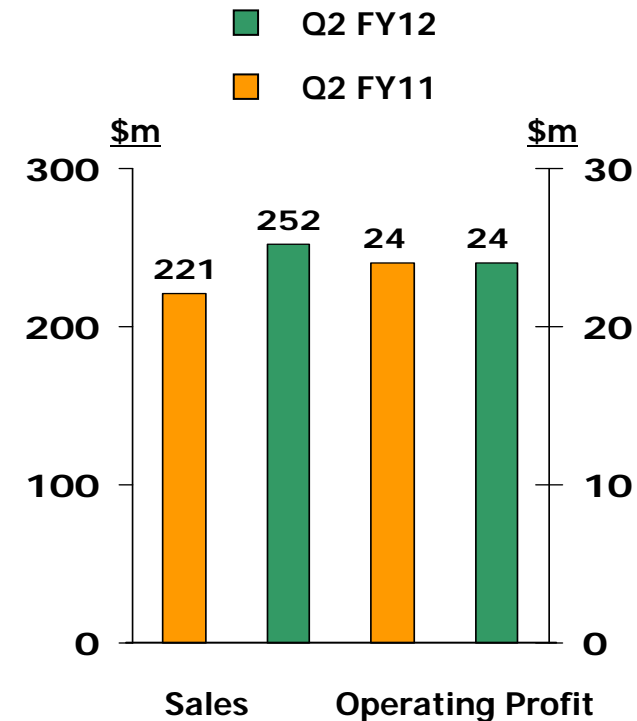


### North America



- OE demand strongly affected by earthquake, now recovering and new car sales improving
- Profits improving as sales recover but affected by increased input costs
- AGR results improving through better product mix and operational performance

### Rest of World



- Improved volumes in South America and demand recovery in South East Asia and China
- Profits in line with expectations after start-up costs of new investments and increased input costs

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

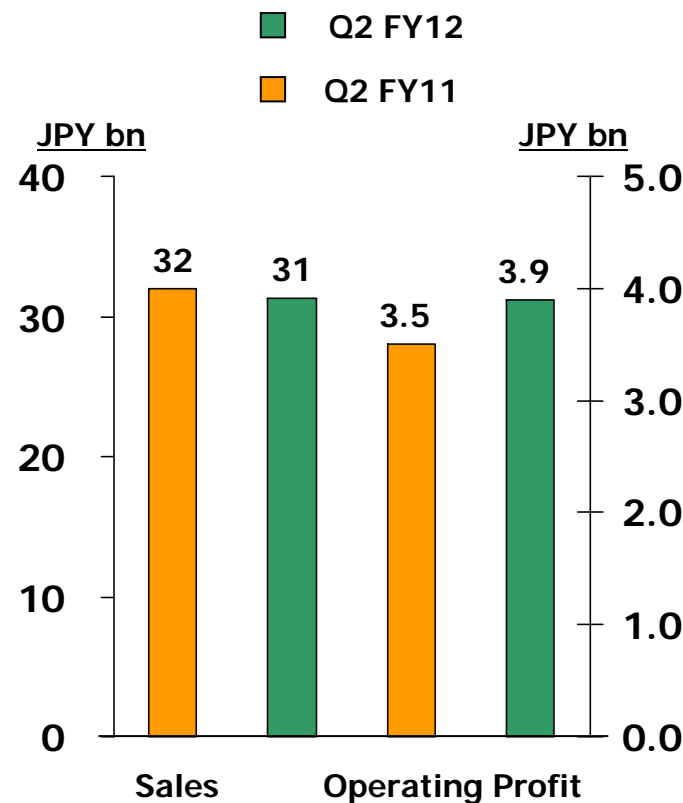


# Specialty Glass

Q2 FY12 v Q2 FY11



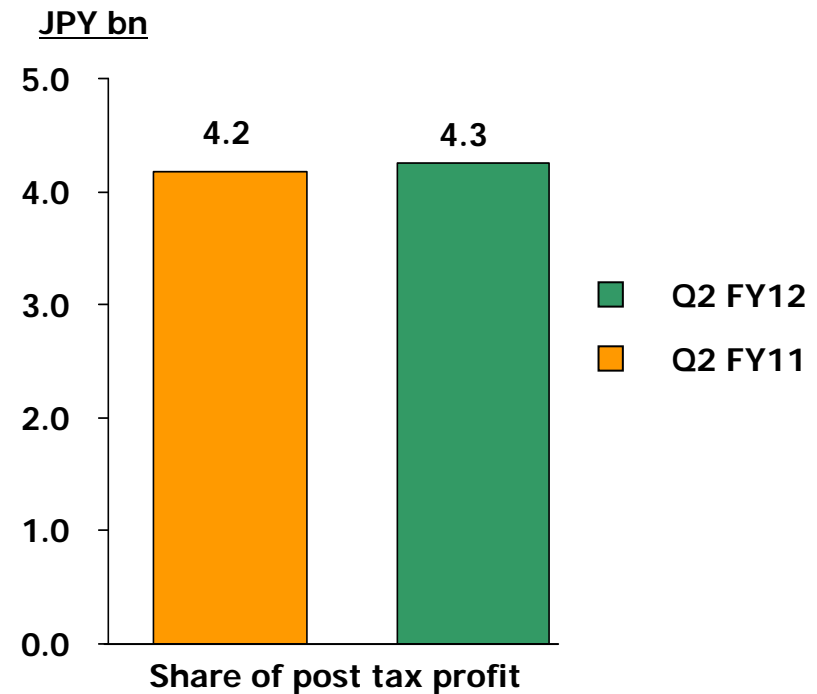
- Further growth in LCD demand for mobile devices
- Printer/scanner market demand still affected by the earthquake and continued strength of the Yen
- Sales of glass cord continue to improve



# Joint Ventures and Associates



- Improving profitability from JV in Russia
- Profits were flat at Cebrace
- Reduced profits in China



Results similar to the previous year

# FY2012 Income Statement Forecast

## Full-year forecast



<u>(JPY bn)</u>	<u>Actuals</u> <u>FY2011</u>	<u>Revised</u> <u>Forecast</u> <u>FY2012</u>	<u>Previous</u> <u>Forecast</u> <u>FY2012</u>
Sales	577	580	600
Operating income before amortization	30	32	35
Operating income	23	25	27
Income before taxation	15	16	23
Income after taxation	15	15	19
Income attributable to equity shareholders	12	14	18

FY2012 forecast revised, reflecting global economic conditions

# FY2012 Income Statement Forecast

## Profit trend



<u>(JPY bn)</u>	<u>Actuals</u>	<u>Revised Forecast</u>	<u>Revised Forecast</u>
	<u>H1 FY2012</u>	<u>H2 FY2012</u>	<u>FY2012</u>
Sales	289	291	580
Operating income before amortization	13	19	32
Operating income	9	16	25
Income before taxation	6	10	16
Income after taxation	6	9	15
Income attributable to equity shareholders	6	8	14

Profitability continuing to improve

# FY2012 Quarter 2 Results

(from 1 April 2011 to 30 September 2011)



## Agenda

Financial Results

Business Update

Summary

# Summary



- 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

## 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 – Q2 FY2012



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	42.9	55.9	11.7	17.9	128.4
Automotive	20.5	62.0	25.7	20.0	128.2
Specialty	16.7	3.6	0.4	10.5	31.2
Others	0.6	0.1	0.0	0.0	0.7
Total	80.7	121.6	37.8	48.4	288.5

# Operating Profit before Amortization

## Q2 FY2012



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	1.9	3.0	2.2	1.0	8.1	6%
Automotive	0.2	1.4	0.2	1.9	3.7	3%
Specialty	3.1	0.4	0.1	0.3	3.9	13%
Others	(2.0)	(0.6)	(0.2)	0.0	(2.8)	
Total	3.2	4.2	2.3	3.2	12.9	4%
Ratio on Sales	4%	3%	6%	7%	4%	

# Operating Profit after Amortization

## Q2 FY2012



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	1.9	3.0	2.2	1.0	8.1	6%
Automotive	0.2	1.4	0.2	1.9	3.7	3%
Specialty	3.1	0.4	0.1	0.3	3.9	13%
Others	(2.0)	(3.0)	(0.9)	(0.6)	(6.5)	
Total	3.2	1.8	1.6	2.6	9.2	3%
Ratio on Sales	4%	1%	4%	5%	3%	

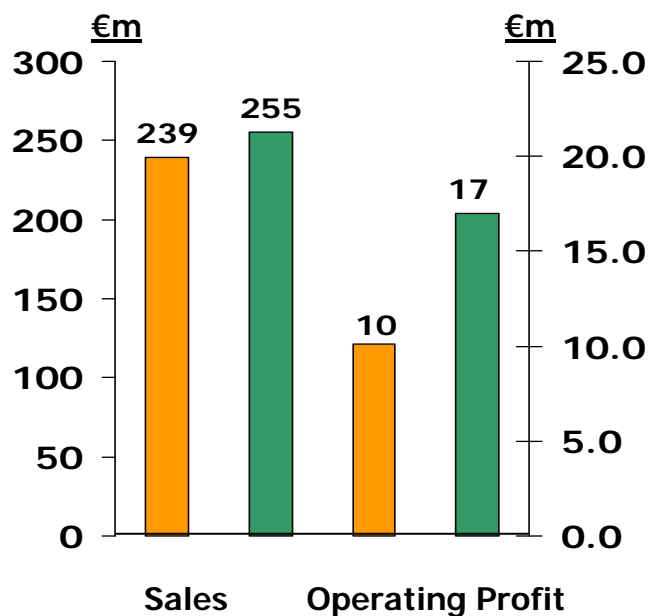
# Building Products

Q2 FY12 v Q1 FY12



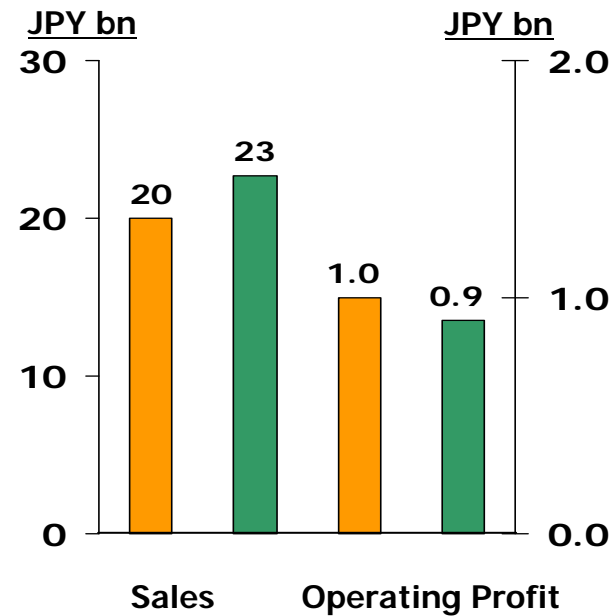
## Europe

- Q2 FY12
- Q1 FY12



## Japan

- Q2 FY12
- Q1 FY12

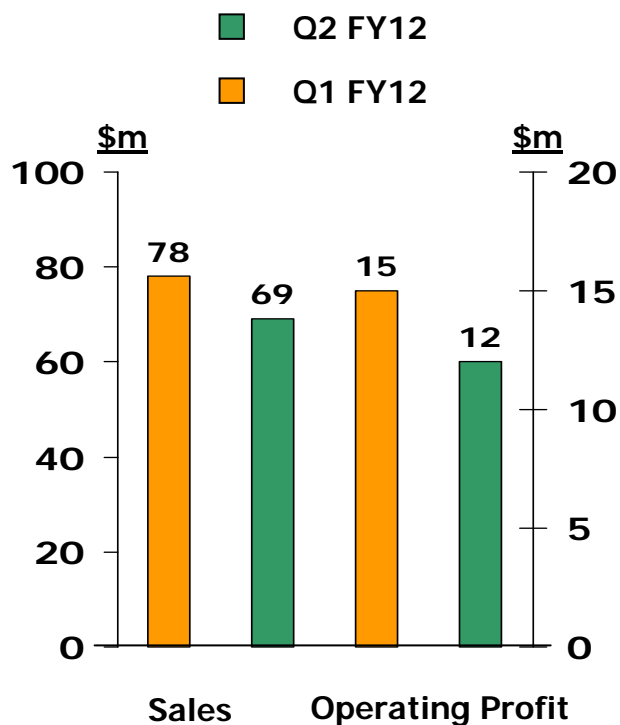


# Building Products

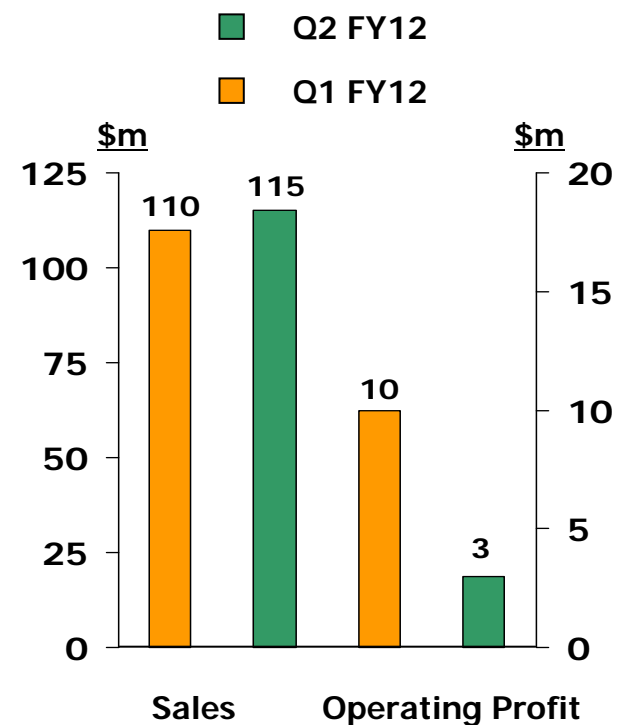
Q2 FY12 v Q1 FY12



## North America



## Rest of World



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

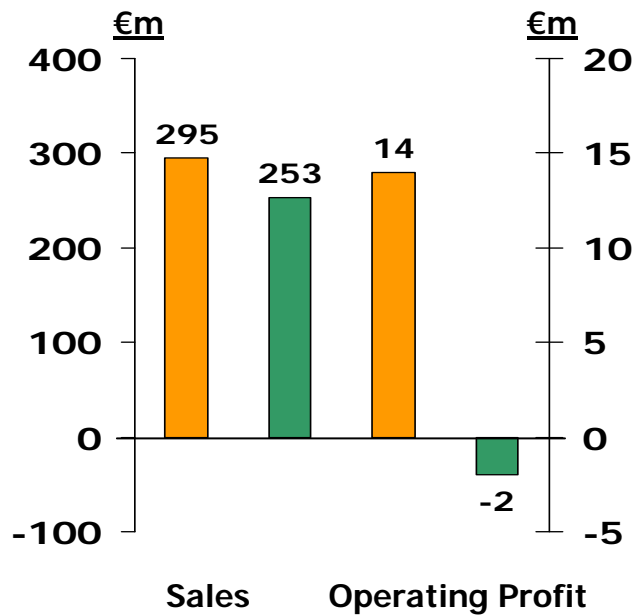
# Automotive

## Q2 FY12 v Q1 FY12



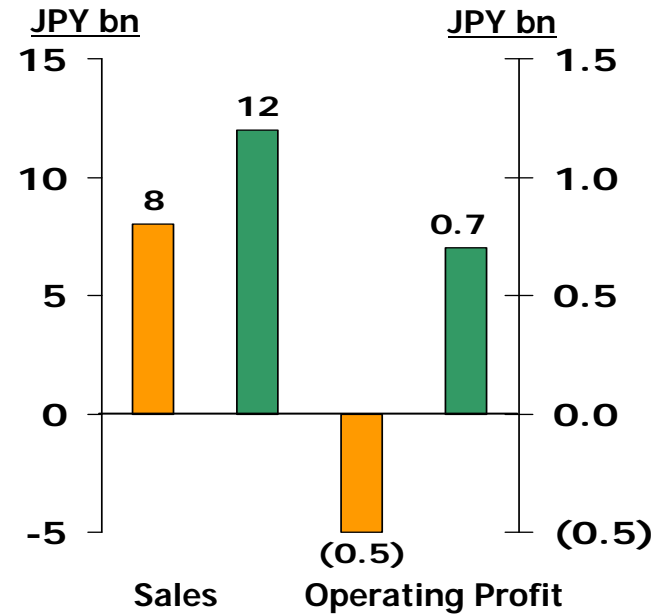
### Europe

■ Q2 FY12  
■ Q1 FY12



### Japan

■ Q2 FY12  
■ Q1 FY12

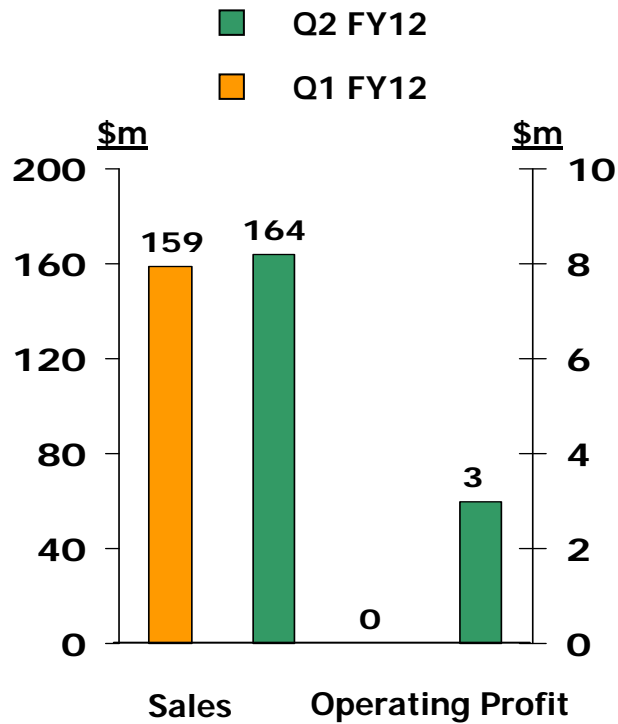


# Automotive

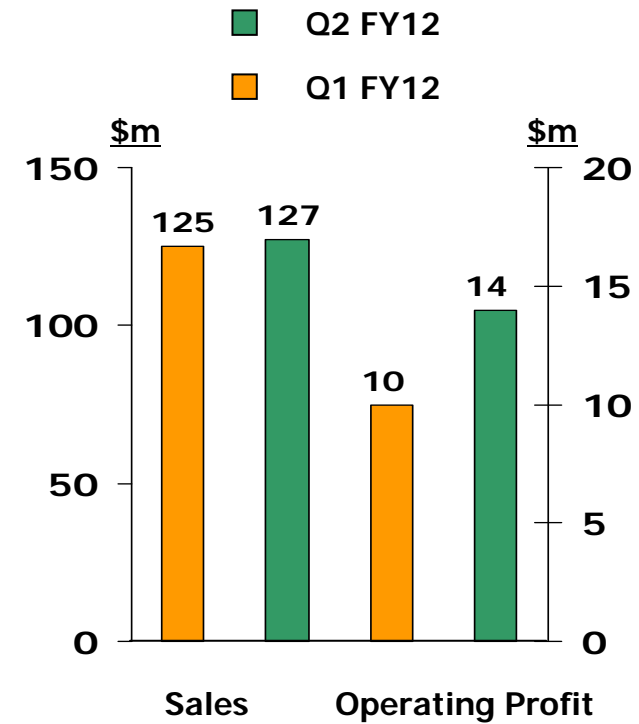
## Q2 FY12 v Q1 FY12



### North America



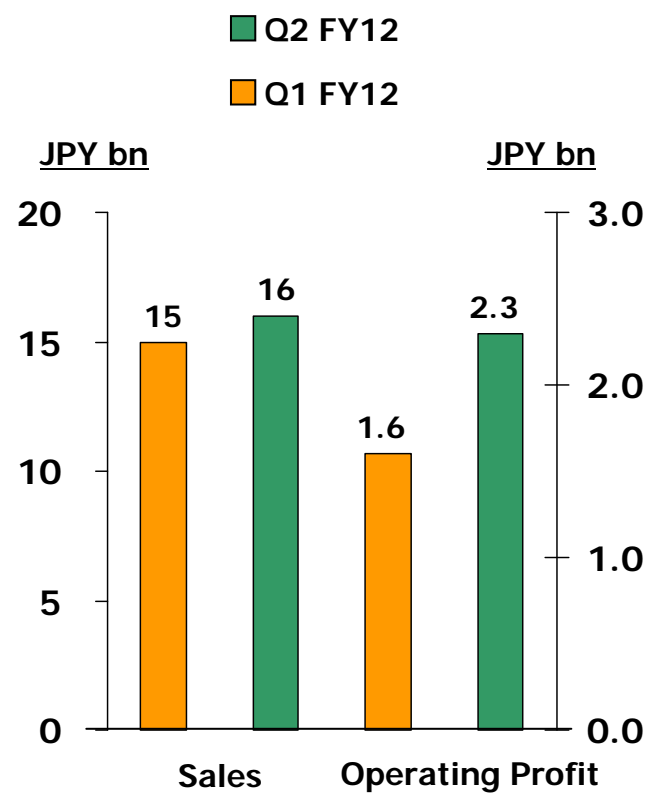
### Rest of World



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

# Specialty Glass

## Q2 FY12 v Q1 FY12





# Assumptions



	Q2 FY12	Q2 FY11	FY12 Forecast
Average rates used:			
JPY/GBP	129	135	125
JPY/EUR	113	113	111
JPY/USD	80	89	77
Closing rates used:			
JPY/GBP	119	132	
JPY/EUR	103	114	
JPY/USD	77	85	

**NSG**  
**GROUP**