

**NSG**  
**GROUP**

NSG Group  
Cumulative Quarter 3 Results  
(from 1 April 2010 to 31 December 2010)

Nippon Sheet Glass Co., Ltd.  
3 February 2011

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# NSG Group Cumulative Quarter 3 Results



(from 1 April 2010 to 31 December 2010)

## Agenda

- Financial Results
- Business Update
- Summary

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## Key Points - April to December 2010

- Cumulative results reflect challenging but stable market conditions
- Joint venture and associates' performance continues to strengthen
- Building Products results reflect improving volumes from previous year
- Automotive revenue and profits ahead of last year, due to strong demand
- Specialty Glass benefiting from robust markets for consumer electronics
- Full-year financial forecast maintained

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# NSG Group Cumulative Quarter 3 Results



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# Consolidated Income Statement

<u>(JPY bn)</u>	<u>Cum Q3</u> <u>FY11</u>	<u>Cum Q3</u> <u>FY10</u>	<u>Change</u> <u>from Cum</u> <u>Q3 FY10</u>
Revenue	435.7	443.9	- 2%**
Op.Income before amortization*	24.4	(2.9)	
Amortization*	(12.0)	(13.7)	
<b>Operating income</b>	<b>12.4</b>	<b>(16.6)</b>	
Non-operating items	(5.0)	(9.1)	
<b>Ordinary income</b>	<b>7.4</b>	<b>(25.7)</b>	
Extraordinary items	(1.0)	(6.8)	
<b>Pre-tax income</b>	<b>6.4</b>	<b>(32.5)</b>	
<b>Net Income</b>	<b>1.7</b>	<b>(32.1)</b>	
EBITDA	48.4	26.7	+ 81%

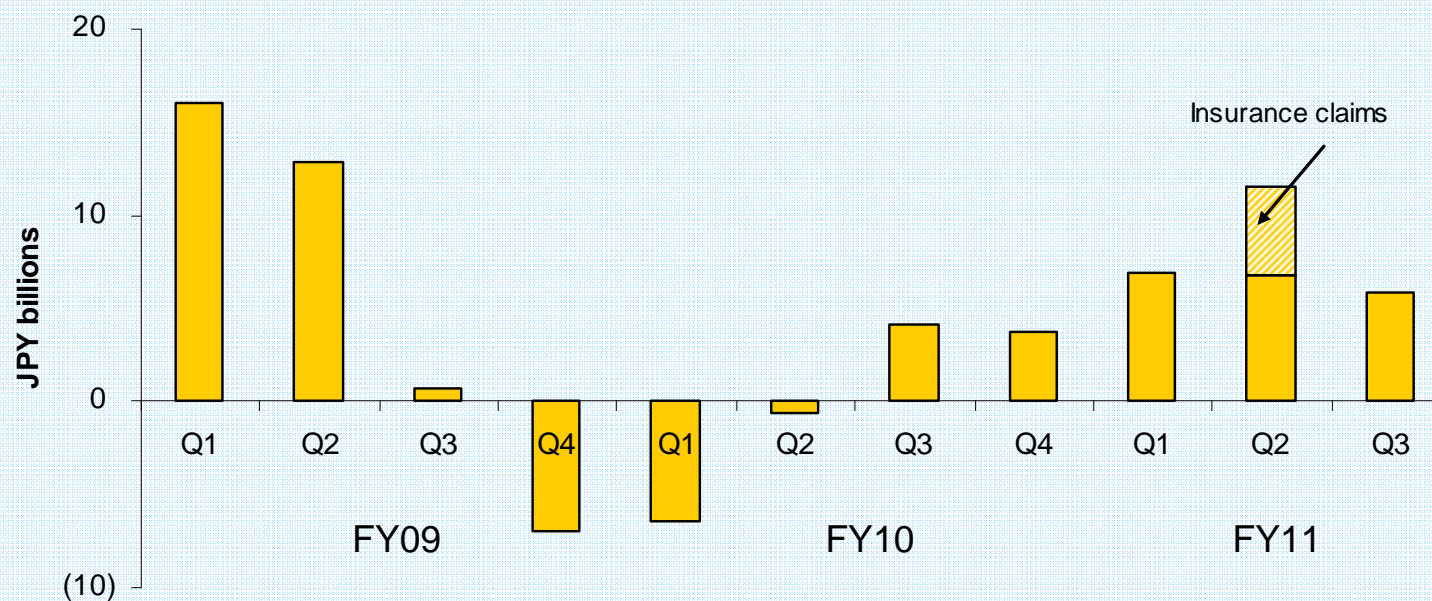
\* Amortization arising from the acquisition of Pilkington plc only

\*\* +6% based on constant exchange rates

**Improved profitability**

# Quarterly Profit Results

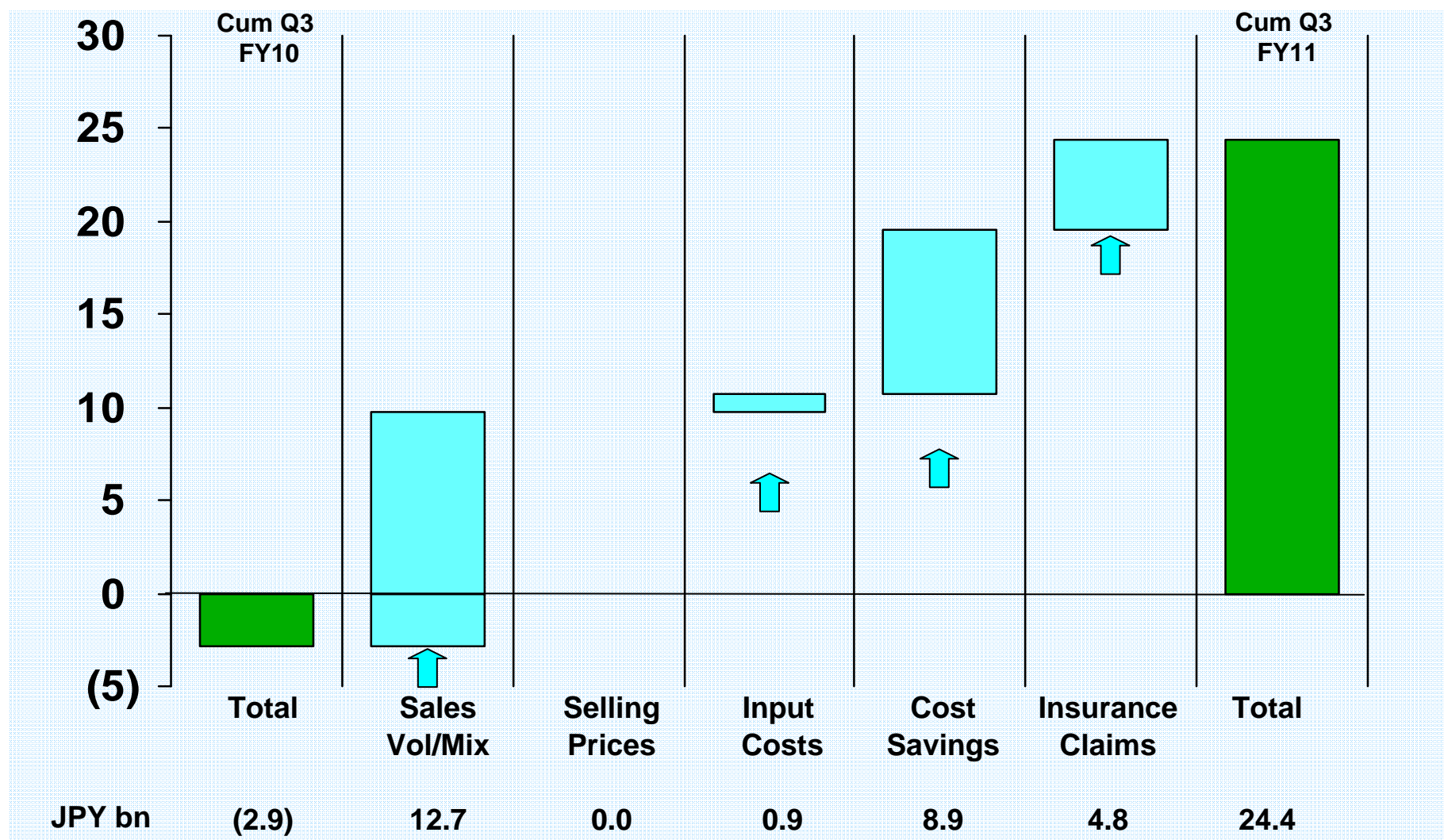
## Operating Income Before Amortization\*



\* Amortization arising from the acquisition of Pilkington plc only

**Results stable , but reflect Q3 seasonality**

# Operating Income Change Analysis



**Volumes improved, cost savings continue to be realized**



# Non-operating Items

	<u>Cum Q3 FY11</u> (JPY bn)	<u>Cum Q3 FY10</u> (JPY bn)
Joint ventures and associates	6.3	1.1
Net interest expense	(8.2)	(9.8)
Other income and expenses	(3.1)	(0.4)
	<b>(5.0)</b>	<b>(9.1)</b>

**JVs and associates' performance continues to strengthen**

# Consolidated Cash Flow Summary

	Cum Q3 FY11 (JPY bn)
Income before income taxes	6.4
Depreciation and amortization	36.0
Increase in working capital	(6.3)
Tax paid	(7.0)
Others	(12.1)
<b>Net cash provided by operating activities</b>	<b>17.0</b>
Purchase of fixed assets	(18.8)
Others	1.8
<b>Net cash used in investing activities</b>	<b>(17.0)</b>
<b>Cash flow before financing activities</b>	<b>0.0</b>

**Cash generation remains a focus**

# Key Performance Indicators

## Key Performance Indicators

	<u>31-Dec-10</u>	<u>31-Mar-10</u>
Net Debt (JPY bil)	286	315
Net Debt/EBITDA	4.7x	7.7x
Net Debt/Equity Ratio	1.3	1.3
	<u>Cum Q3 FY11</u>	<u>Cum Q3 FY10</u>
EBITDA Interest Cover	5.7x	2.6x
Operating Return* on Sales	5.6%	-0.7%

\* Before amortization arising from acquisition of Pilkington plc

**Ratios strengthening on improving EBITDA**

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# NSG Group Cumulative Quarter 3 Results



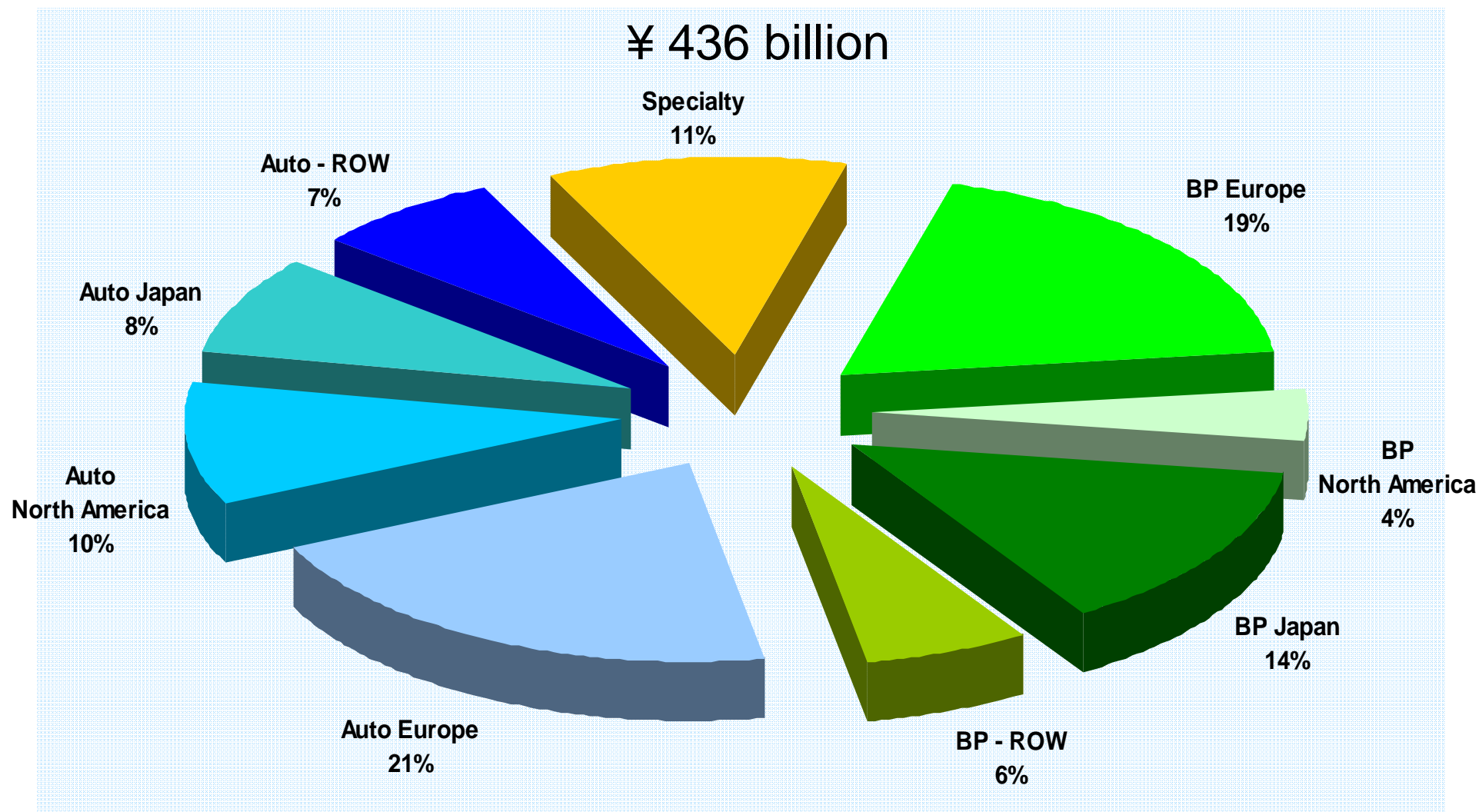
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## Agenda

- Financial Results
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  - Building Products
  - Automotive
  - Specialty Glass
- Summary



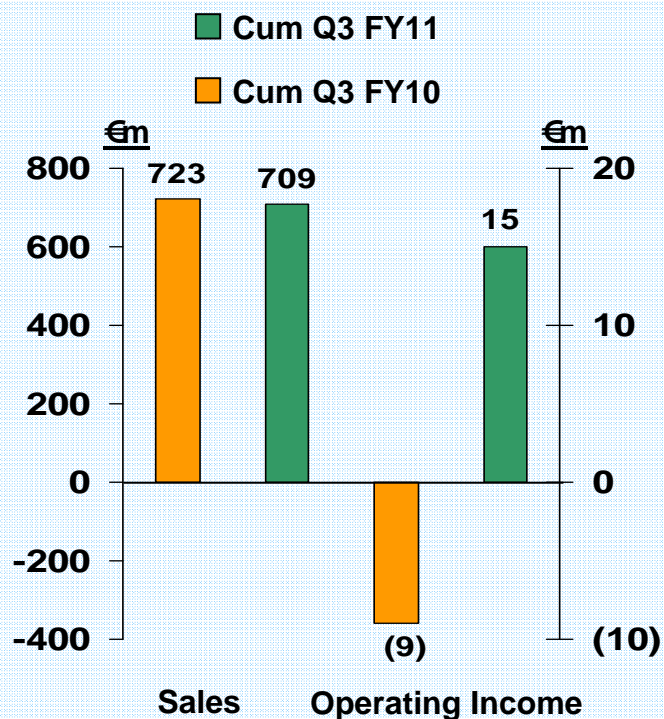
# External Sales – Group Businesses



# Building Products

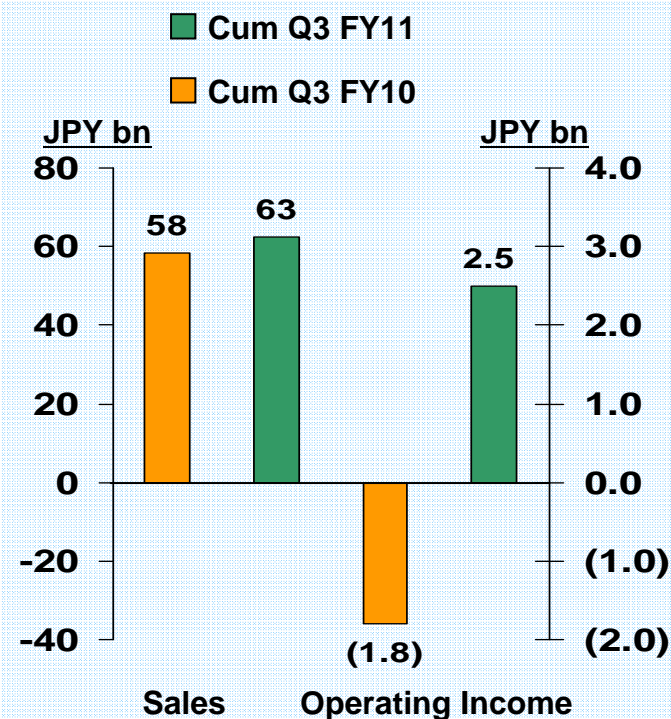
## Cum Q3 FY11 v Cum Q3 FY10

### Europe



- Sales revenue slightly lower as higher volumes are more than offset by the downstream disposals in France/Switzerland and lower engineering revenue
- Operating income improved due to higher volumes and cost savings

### Japan

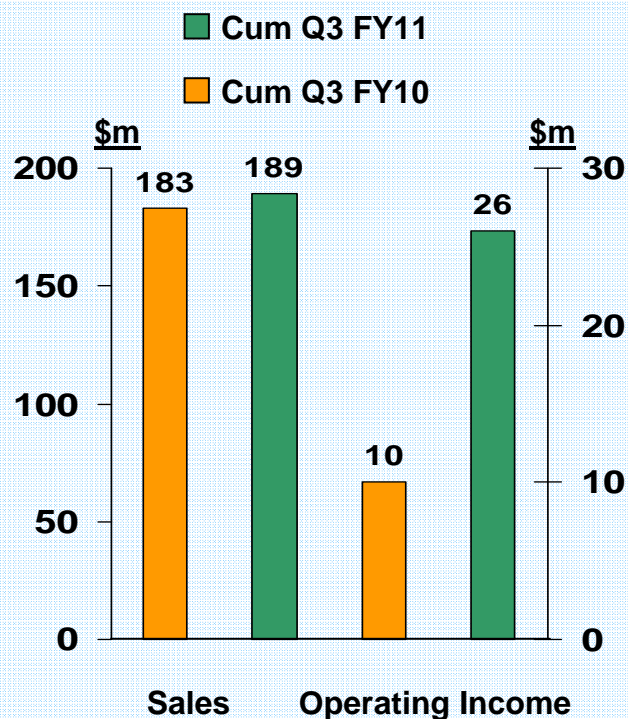


- Sales increased due to higher volumes and an improved mix of value added products
- Operating income improved as a consequence of higher volumes, an increased mix of value added products and cost savings

# Building Products

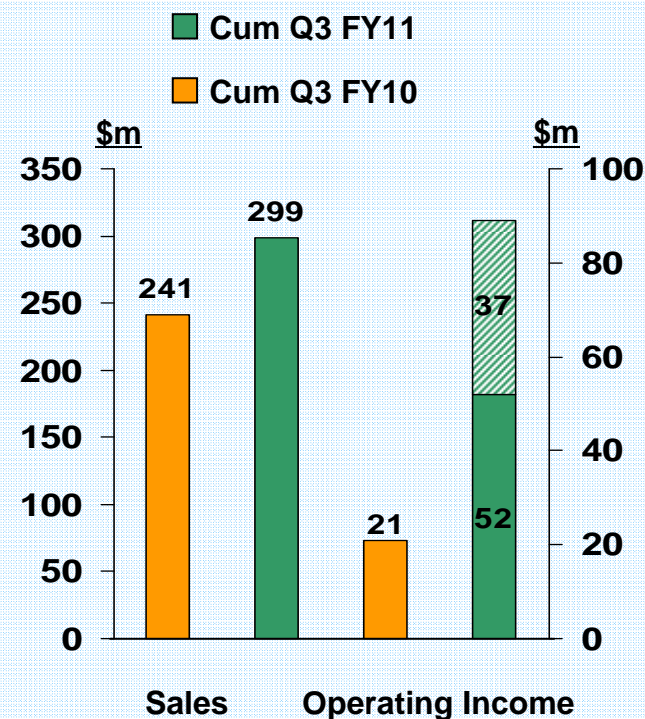
## Cum Q3 FY11 v Cum Q3 FY10

### 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) Ltd (1st April)
- Shaded area is the one-off impact of the Chile insurance settlement

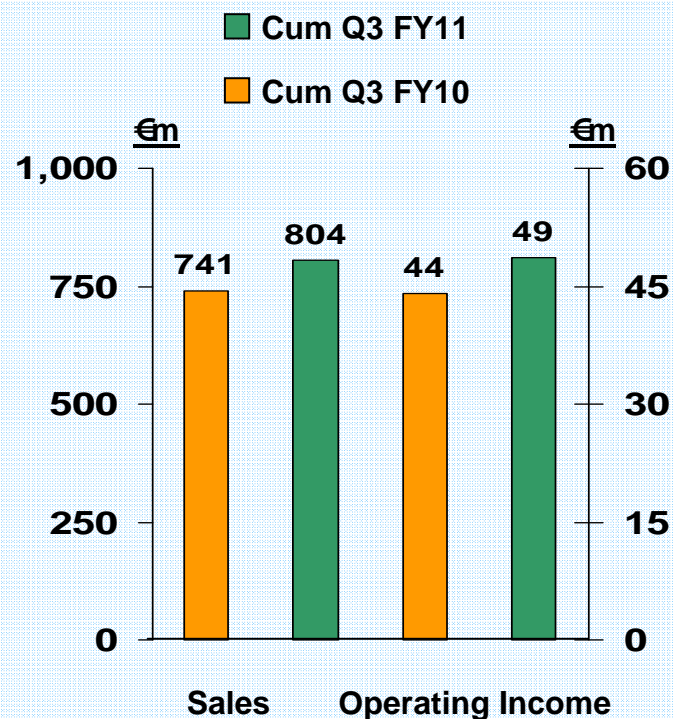
\*: Rest of world includes Argentina, Chile, China, Malaysia and Vietnam



# Automotive

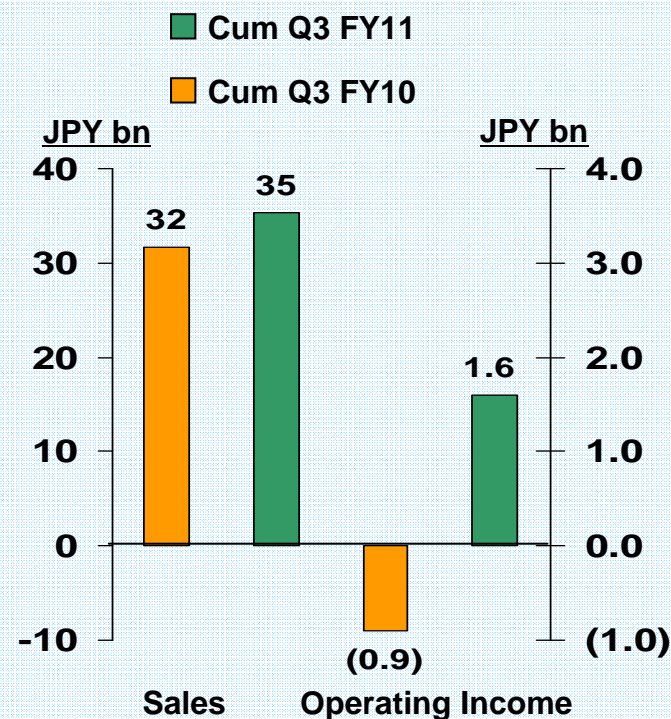
## Cum Q3 FY11 v Cum Q3 FY10

### Europe



- Export led OE sales growth while AGR markets stable
- Price pressure continues
- Input costs increased, especially in energy

### Japan



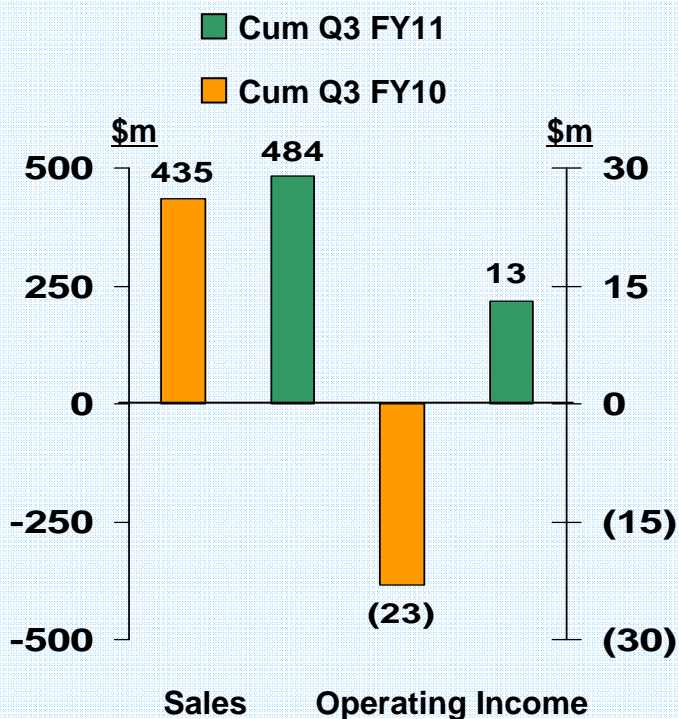
- OE sales boosted by government incentives to September 2010
- Growth in AGR market
- Profits driven by volumes and increased operating efficiencies



# Automotive

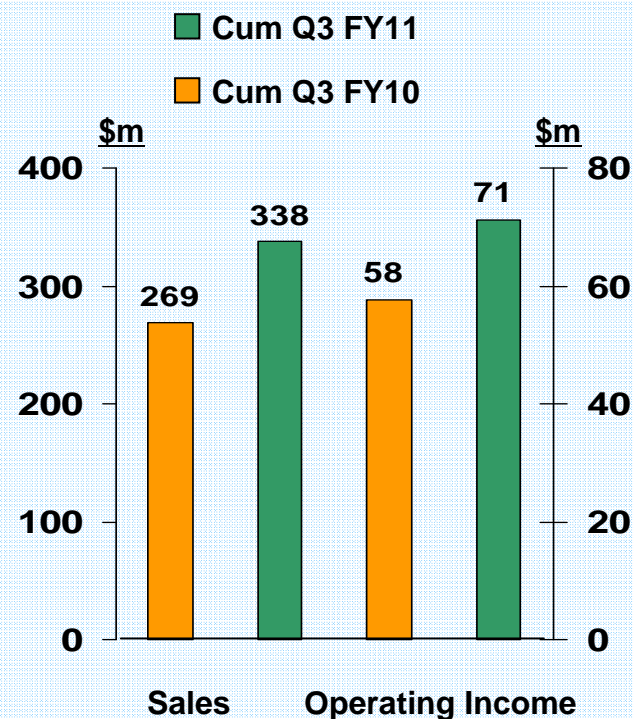
## Cum Q3 FY11 v Cum Q3 FY10

### North America



- Continued growth after low 2009 sales levels in OE markets
- AGR operating efficiency improving
- Profit driven by increased volumes and greater cost efficiency

### Rest of World\*



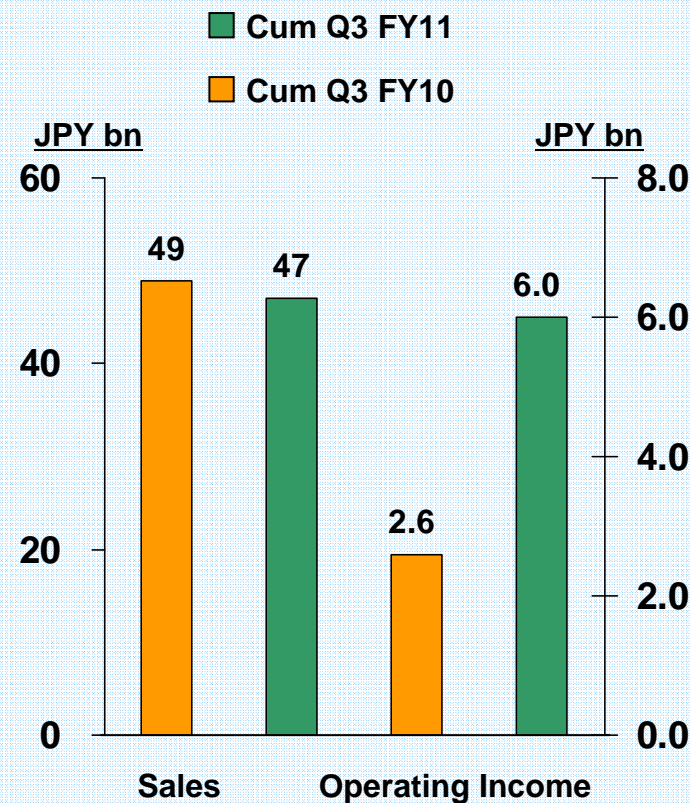
- Continued market growth
- Pricing pressures increasing
- Increased volumes drive higher OE and AGR profits

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

# Specialty Glass

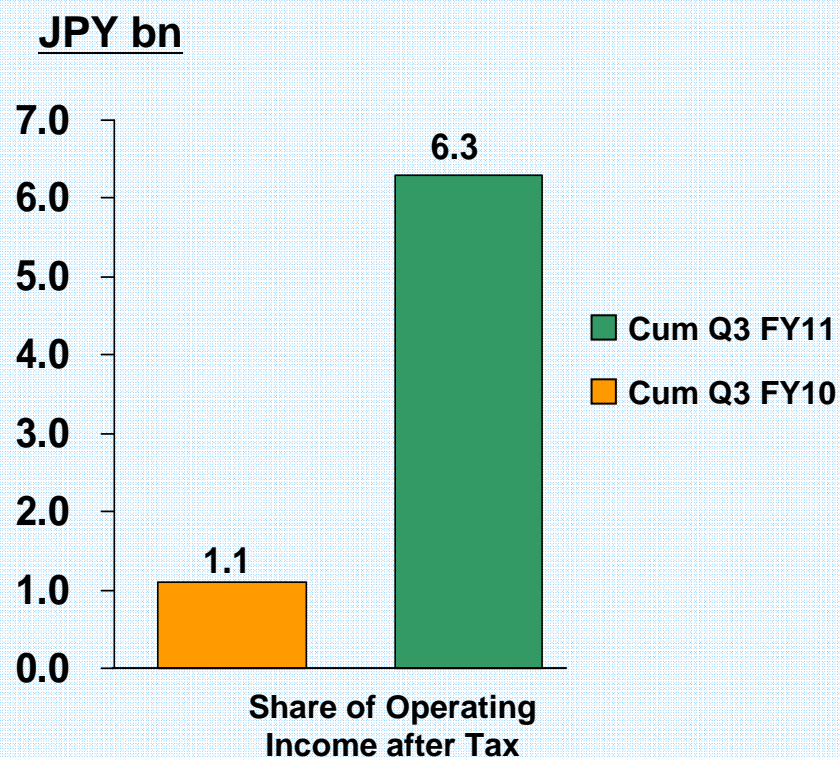
## Cum Q3 FY11 v Cum Q3 FY10

- Mobile device display products, in particular touch panel, continue to be driven by consumer market demand
- Strong demand experienced for glass cord products, particularly in Europe and China
- Printer/scanner market remains robust, despite the strengthening Japanese yen
- Cost savings from prior restructuring programs continue to boost profit



# Joint Ventures and Associates

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



**JVs and associates' performance continues to strengthen**



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# Summary

- Cumulative results reflect challenging but stable market conditions
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- Specialty Glass benefiting from robust markets for consumer electronics
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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 – Cum Q3 FY2011



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	62.5	80.6	16.4	26.0	185.5
Automotive	35.5	91.3	42.1	29.4	198.3
Specialty	24.4	4.8	0.8	17.0	47.0
Others	4.7	0.2	0.0	0.0	4.9
Total	127.1	176.9	59.3	72.4	435.7



# Operating Income before Amortization – Cum Q3 FY2011



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	2.5	1.7	2.3	7.8	14.3	8%
Automotive	1.6	5.6	1.1	6.2	14.5	7%
Specialty	4.9	0.4	0.1	0.6	6.0	13%
Others	(2.3)	(5.9)	(2.2)	0.0	(10.4)	
Total	6.7	1.8	1.3	14.6	24.4	6%
Ratio on Sales	5%	1%	2%	20%	6%	

# Operating Income after Amortization – Cum Q3 FY2011

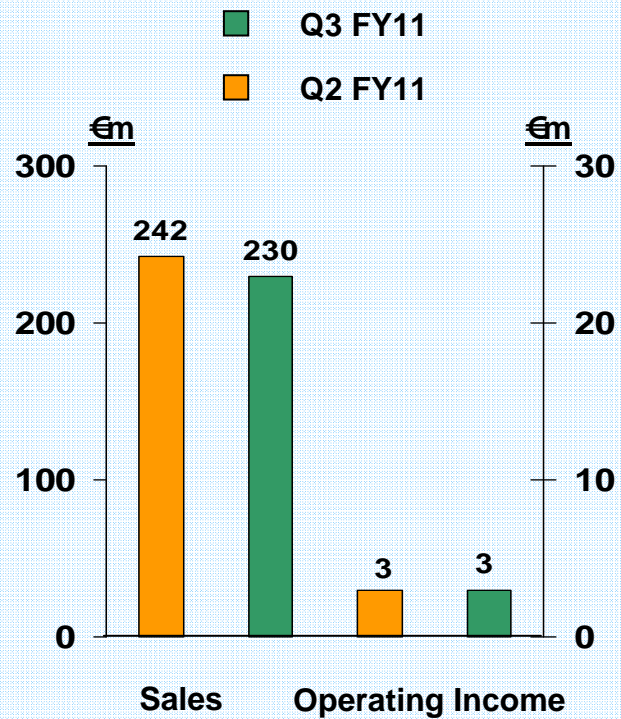


(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	2.5	1.7	2.3	7.8	14.3	8%
Automotive	1.6	5.6	1.1	6.2	14.5	7%
Specialty	4.9	0.4	0.1	0.6	6.0	13%
Others	(2.3)	(13.8)	(4.4)	(1.9)	(22.4)	
Total	6.7	(6.1)	(0.9)	12.7	12.4	3%
Ratio on Sales	5%	-3%	-2%	18%	3%	

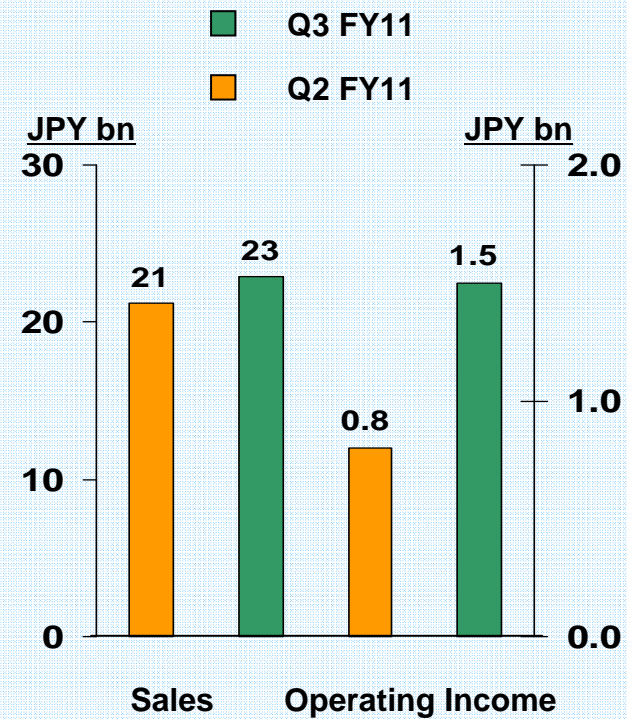
# Building Products

## Q3 FY11 v Q2 FY11

### Europe



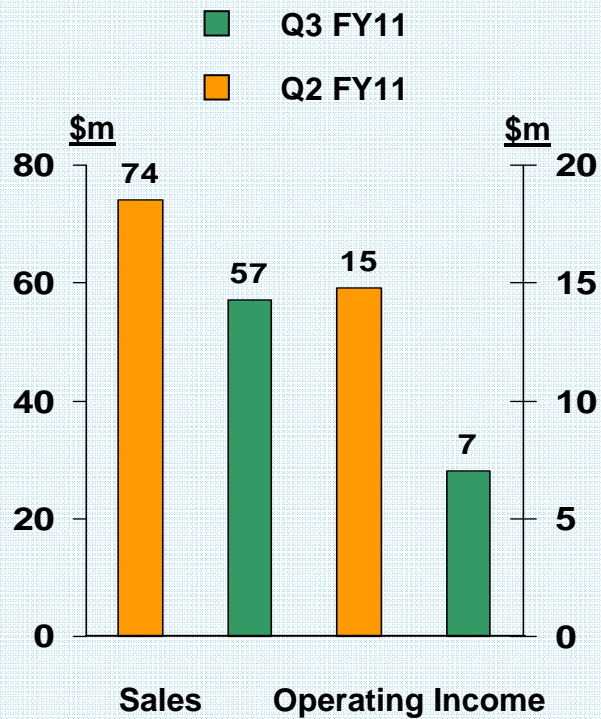
### Japan



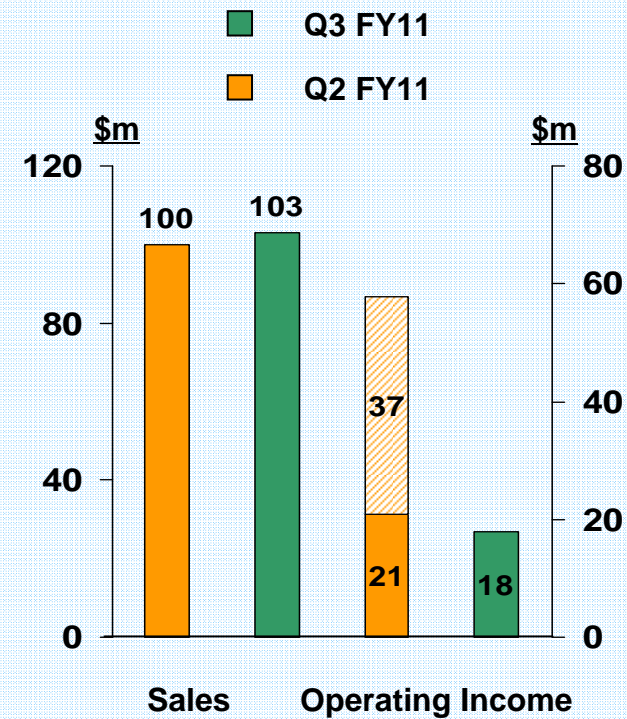
# Building Products

## Q3 FY11 v Q2 FY11

### North America



### Rest of World\*



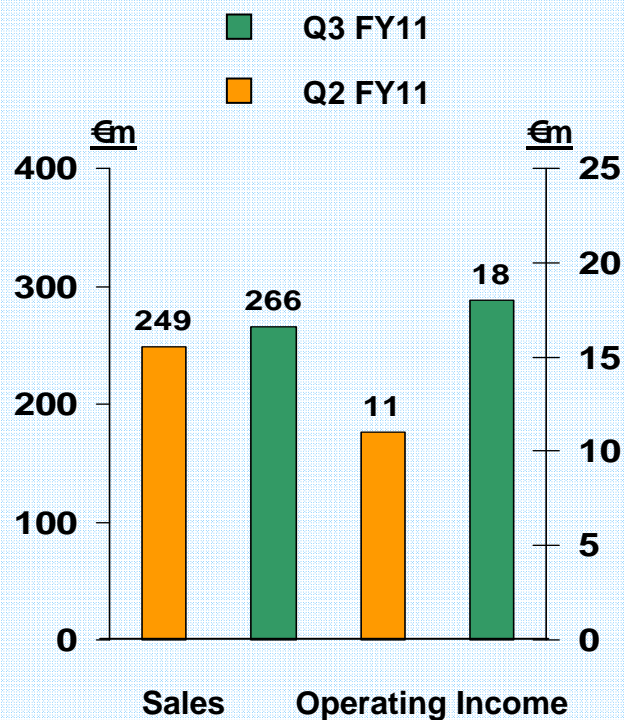
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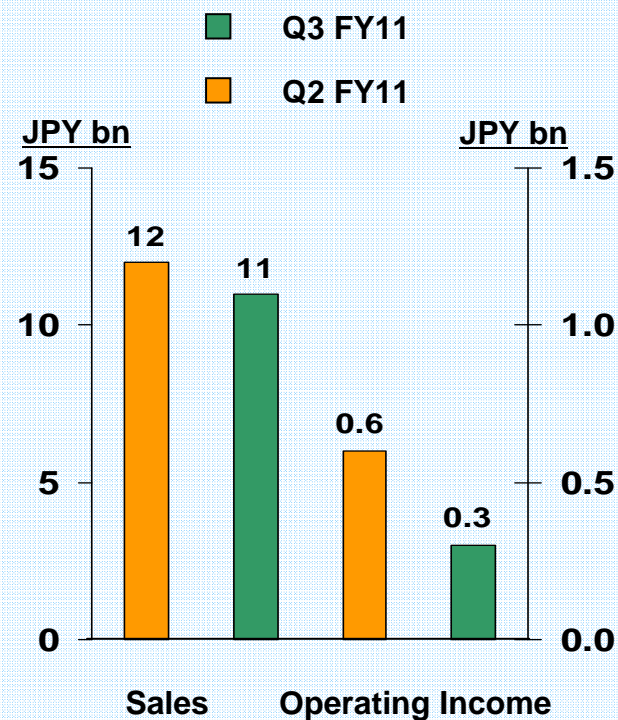
# Automotive

## Q3 FY11 v Q2 FY11

### Europe



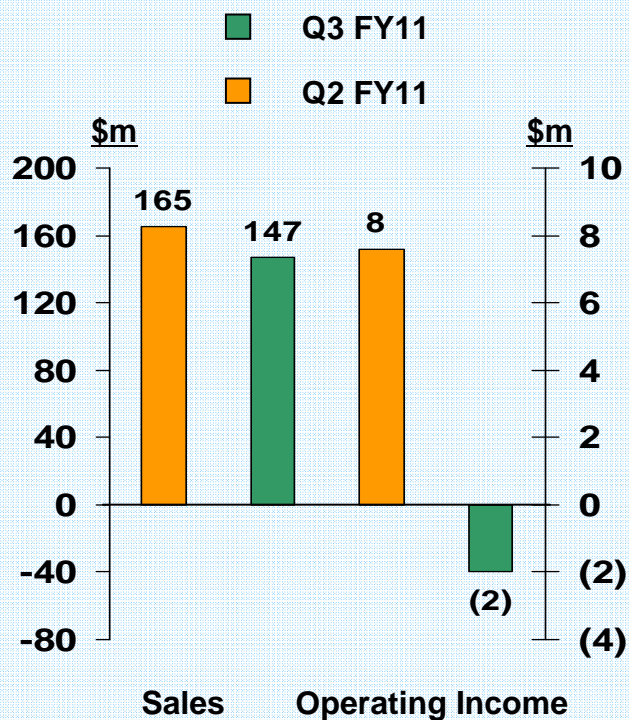
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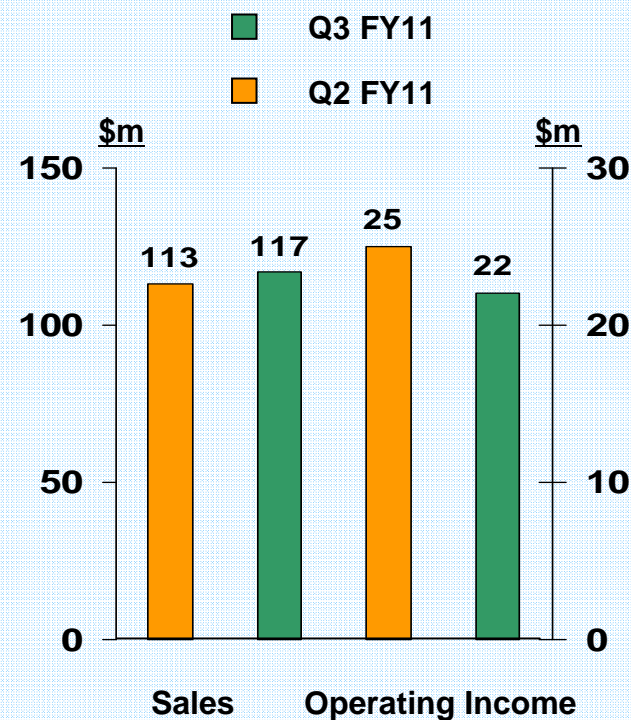
# Automotive

## Q3 FY11 v Q2 FY11

### North America



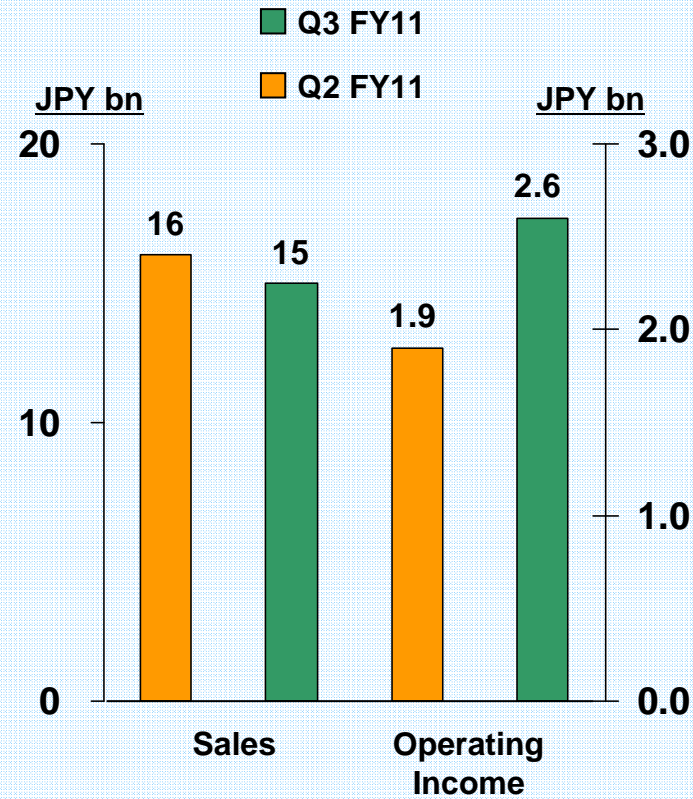
### Rest of World\*



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

# Specialty Glass

Q3 FY11 v Q2 FY11



# Exchange Rate Assumptions

	Q3 FY11	Q3 FY10
Average rates used:		
JPY/GBP	134	150
JPY/EUR	114	133
JPY/USD	87	93
Closing rates used:		
JPY/GBP	128	150
JPY/EUR	108	133
JPY/USD	83	93



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