

NSG
GROUP



NSG Group

FY2013 Quarter 3 Results

(from 1 April 2012 to 31 December 2012)

Nippon Sheet Glass Co., Ltd.
31 January 2013

Mark Lyons
Chief Financial Officer

Iain Smith
Group Financial Controller

FY2013 Quarter 3 Results

(from 1 April 2012 to 31 December 2012)



Agenda

Key Points

Financial Results

Business Update

Restructuring Actions Update

Financing Update

Summary

Key Points - April to December 2012



- Results reflect low levels of activity in the Group's major markets
- Challenging market conditions persist, particularly in Europe
- Restructuring programs and efficiency enhancements being increasingly realized
- Full-year profit guidance maintained
- Near term strategic focus remains on profit improvement

FY2013 Quarter 3 Results

(from 1 April 2012 to 31 December 2012)



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Consolidated Income Statement



<u>(JPY bn)</u>	<u>Cum Q3 FY2013</u>	<u>Cum Q3 FY2012</u>	<u>Change from Q3 FY12</u>
Revenue	385.0	420.8	-9%**
Operating profit before amortization	4.7	12.0	
Amortization*	(5.0)	(5.5)	
Operating profit before exceptional items	(0.3)	6.5	
Exceptional items	(21.1)	-	
Operating profit/(loss)	(21.4)	6.5	
Finance expenses (net)	(10.4)	(10.4)	
Share of JVs and associates	1.0	5.2	
Profit/(loss) before taxation	(30.8)	1.3	
Profit/(loss) for the period	(31.6)	2.2	
Profit/(loss) attributable to owners of the parent	(32.1)	1.3	
EBITDA	26.1	35.6	-27%

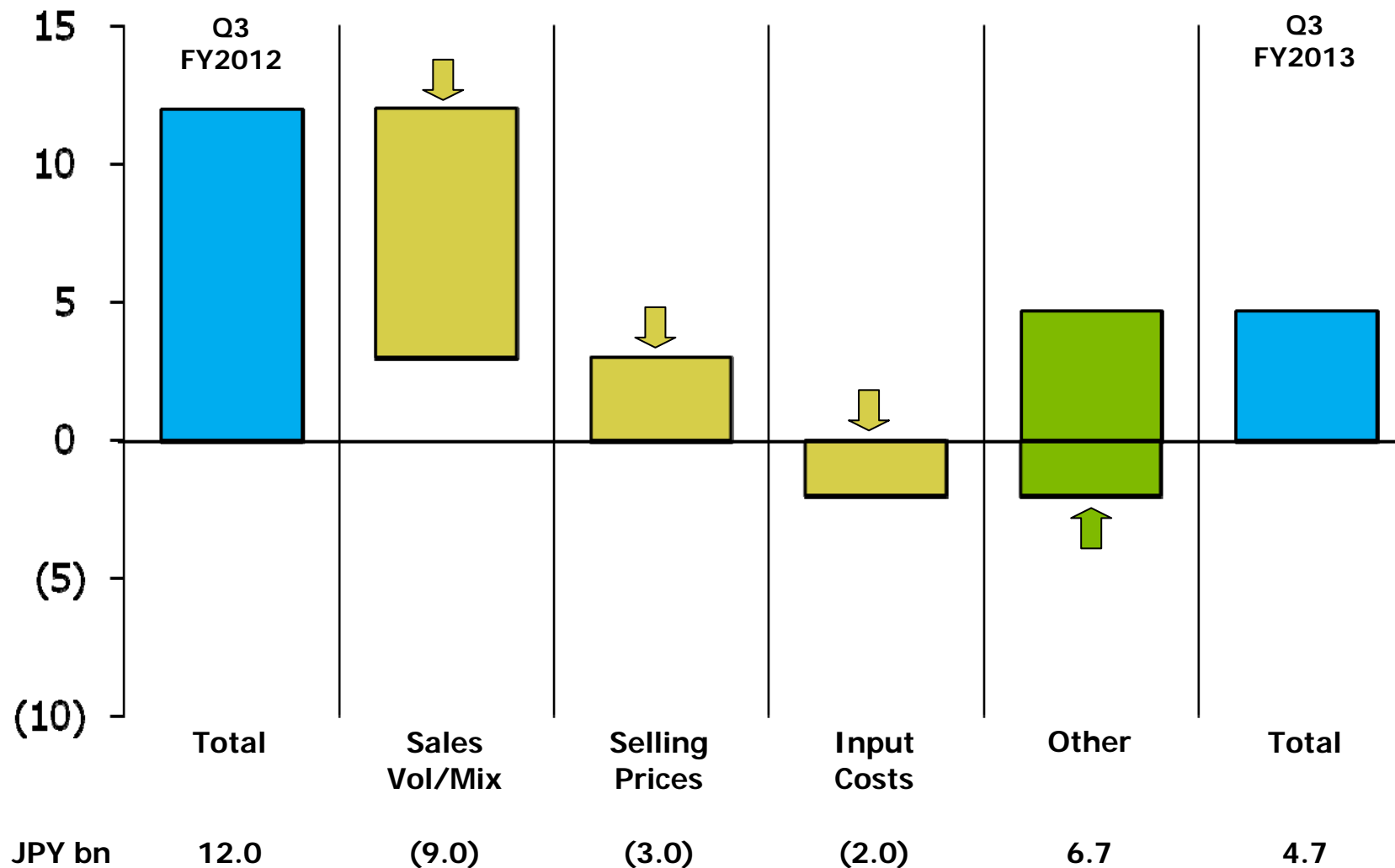
* Amortization arising from the acquisition of Pilkington plc only

** -5% based on constant exchange rates

Challenging market conditions continue to impact results

Change Analysis

Operating Profit (before amortization and exceptionals)



Benefits of restructuring being increasingly realized

Exceptional items



(JPY bn)	Q3 FY2013
Restructuring costs, including employee termination payments	(14.1)
Impairments of non-current assets	(6.9)
Others	(0.1)
	(21.1)

- Restructuring costs : as at 31 December 2012, 2,350 people had left the Group
- Impairment of float assets in Venice, Italy and Halmstad, Sweden

Restructuring progressing to plan

Consolidated Cash Flow Summary



(JPY bn)	Cum Q3 FY2013	Cum Q3 FY2012
Profit/(loss) for the period	(31.6)	2.2
Depreciation and amortization	26.4	29.1
Net change in working capital	5.2	(22.5)
Tax paid	(4.1)	(4.6)
Others	2.3	(18.9)
Net cash used in operating activities	(1.8)	(14.7)
Purchase of property, plant and equipment	(22.0)	(26.0)
Others	0.9	0.3
Net cash used in investing activities	(21.1)	(25.7)
Cash flow before financing activities	(22.9)	(40.4)

Focused on cash management

Key Performance Indicators



	<u>31-Dec-12</u>	<u>31-Mar-12</u>
Net Debt (JPY bn)	385	351
Net Debt/EBITDA	10.3x	7.6x
Net Debt/Equity Ratio	2.5	2.0
	<u>Q3 FY2013</u>	<u>Q3 FY2012</u>
EBITDA Interest Cover	2.5x	3.4x
Operating Return* on Sales	1.2%	2.8%

* Before amortization arising from acquisition of Pilkington plc and exceptional items

Key performance indicators reflect challenging market conditions

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Restructuring Actions Update

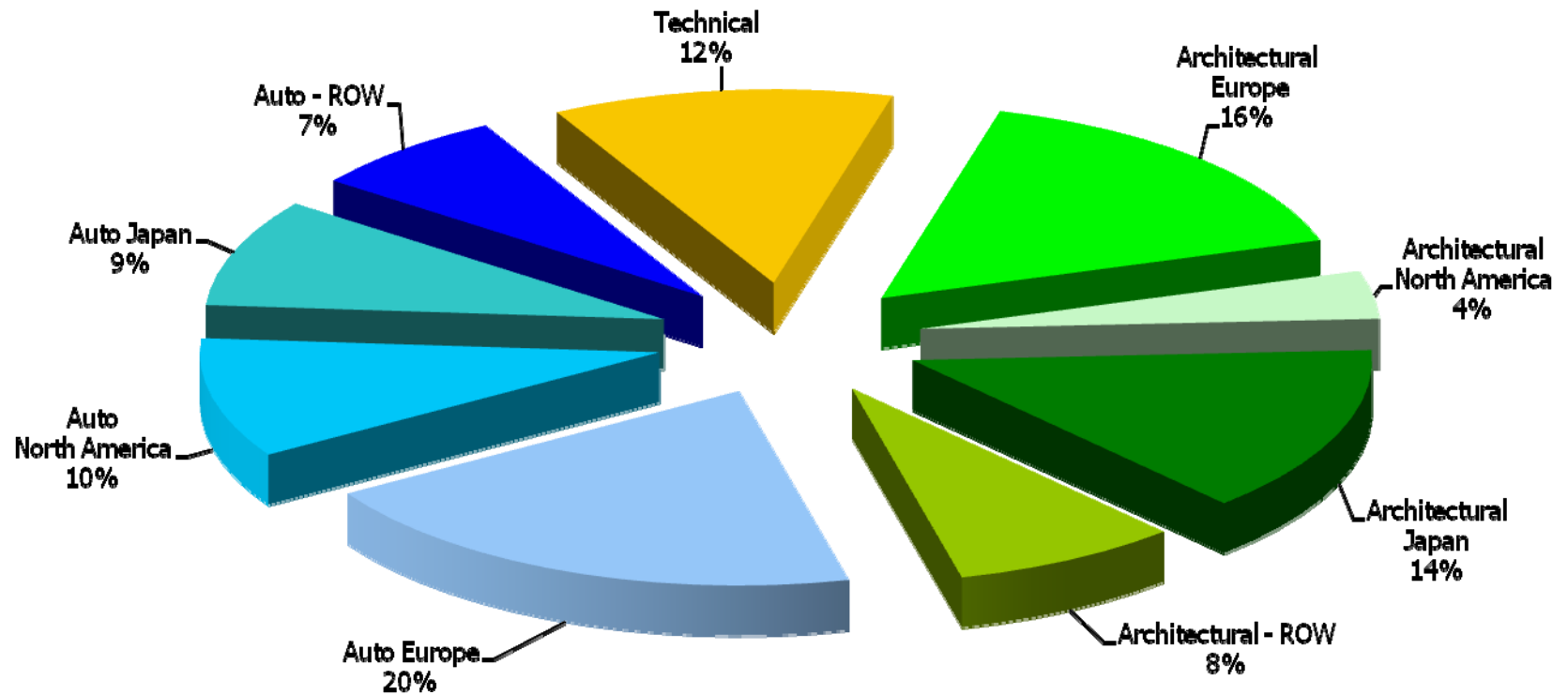
Financing Update

Summary

External Revenue – Group Businesses



¥ 385 billion



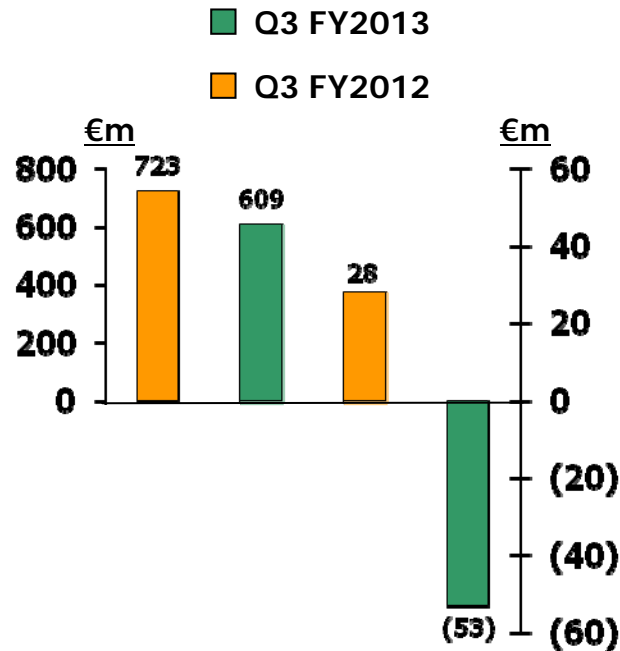
Cumulative Q3 FY2013

Architectural

Q3 FY2013 v Q3 FY2012



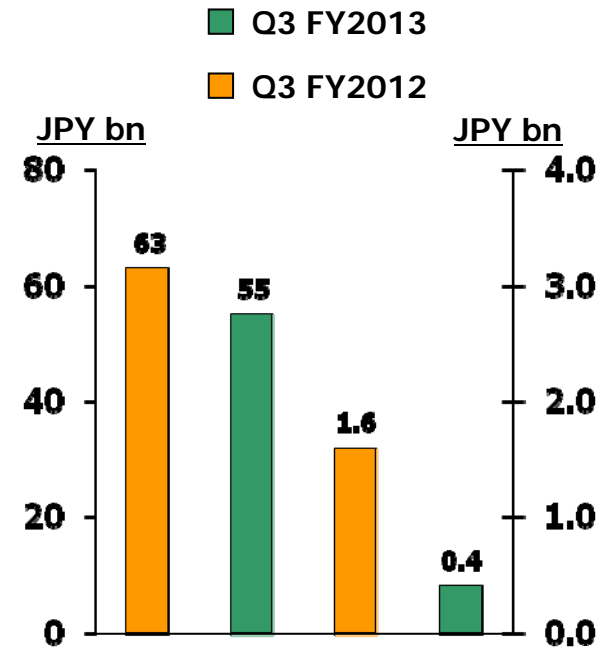
Europe



Revenue Operating Profit*

- Volumes and prices significantly below FY12 levels
- Reduced solar dispatches
- Capacity reductions continued in Q3

Japan



Revenue Operating Profit*

- Domestic markets improving
- Reduction in solar dispatches

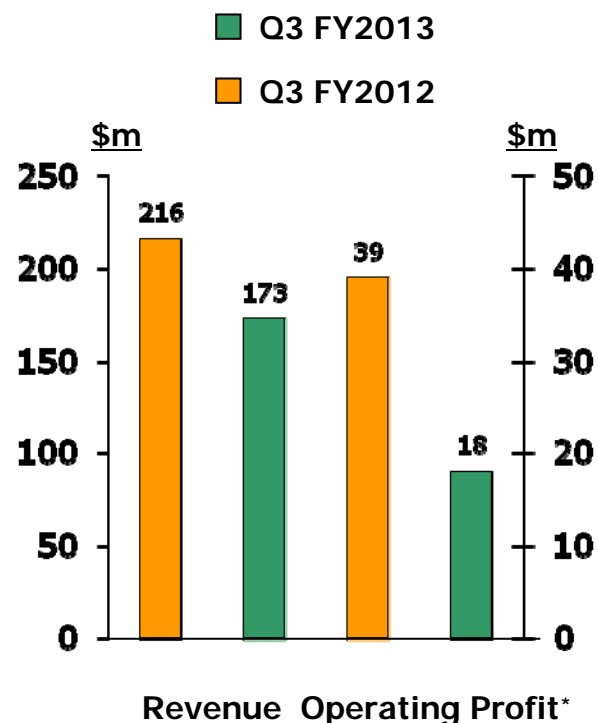
*Operating profit before exceptional items

Architectural

Q3 FY2013 v Q3 FY2012

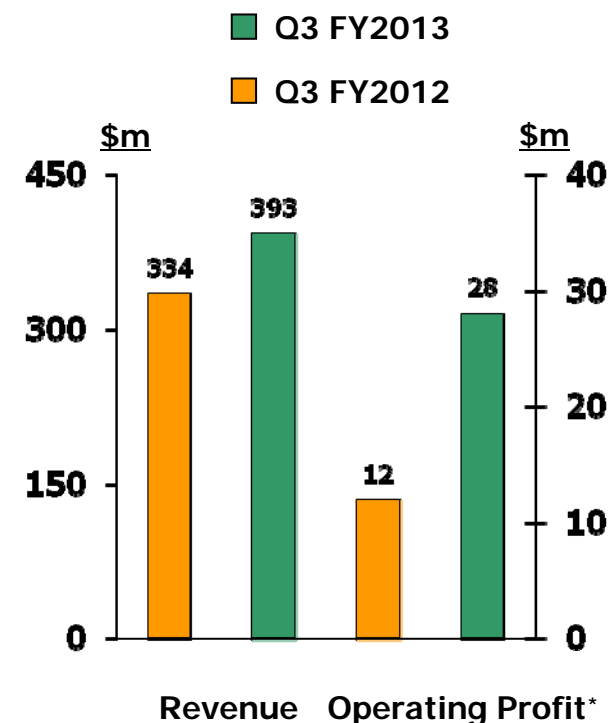


North America



- Domestic market volumes improving
- Solar dispatches lower than previous year

Rest of World**



- FY2013 revenues benefiting from a full period of solar dispatches from Vietnam
- South American volumes similar to previous year
- Market conditions in South East Asia and China remain challenging

*Operating profit before exceptional items

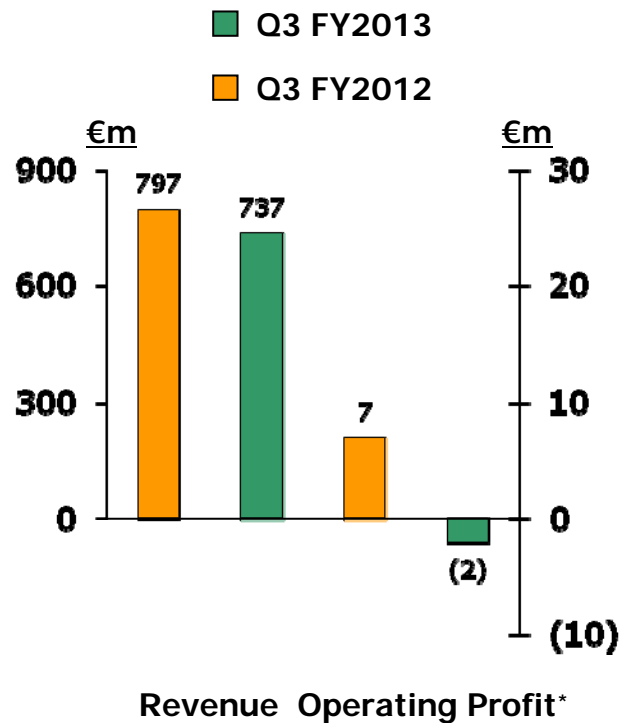
**Rest of world includes Argentina, Chile, China, Malaysia and Vietnam

Automotive

Q3 FY2013 v Q3 FY2012

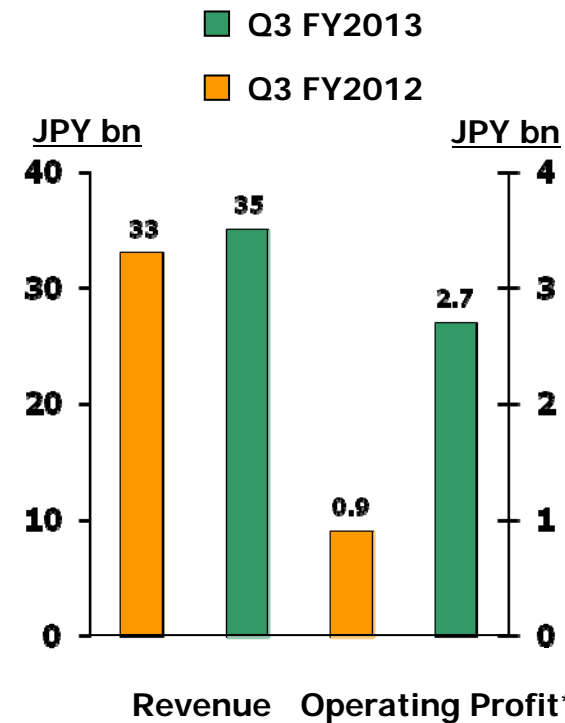


Europe



- Revenue and profits affected by reduced demand
- Significant capacity reduction program initiated during Q3

Japan



- Demand improved following recovery from FY12

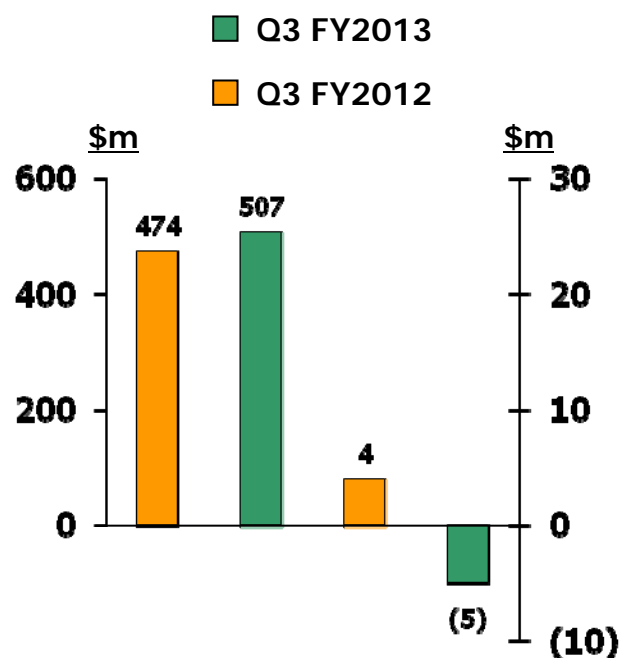
*Operating profit before exceptional items

Automotive

Q3 FY2013 v Q3 FY2012



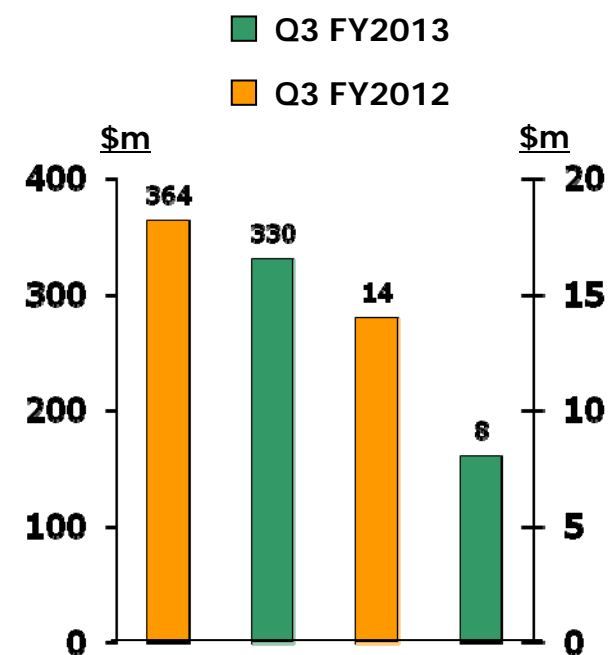
North America



Revenue Operating Profit*

- Revenues improving on increased volumes
- Profitability remains weak

Rest of World**



Revenue Operating Profit*

- Market conditions in South America remain challenging
- Slowing demand in China and South East Asia

*Operating profit before exceptional items

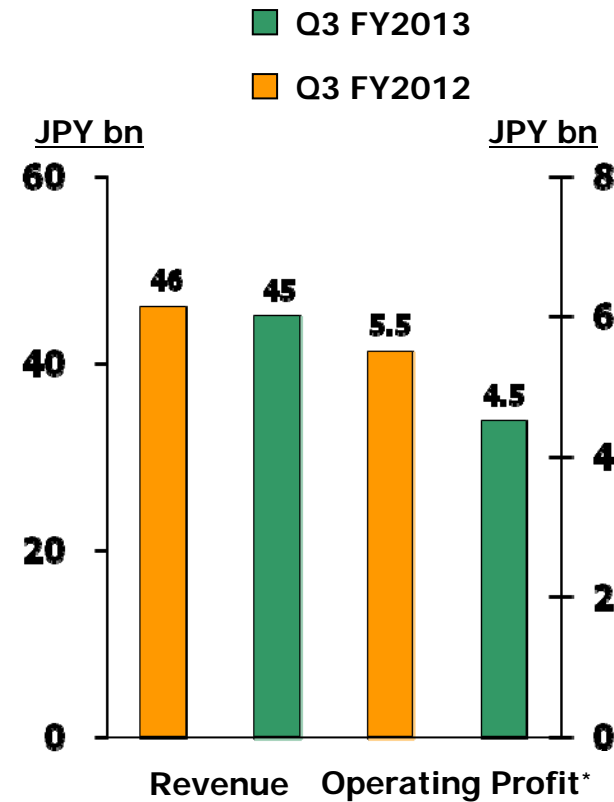
**Rest of world includes Brazil, Argentina, Malaysia and China

Technical Glass

Q3 FY2013 v Q3 FY2012



- Smart phones and tablet pc markets remain strong
- Glass cord results reflect weak European Automotive markets
- Demand in the office printer market slowing

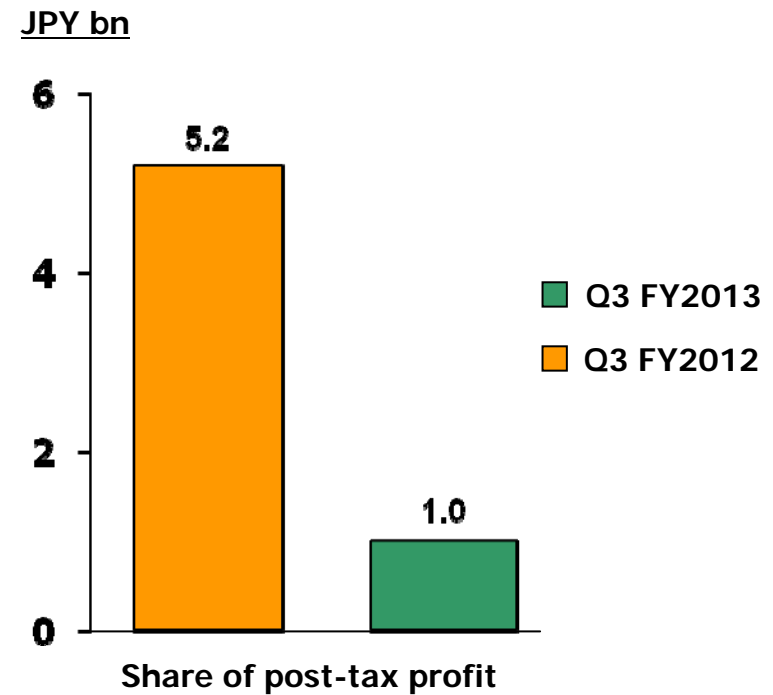


*Operating profit before exceptional items

Joint Ventures and Associates



- Cebrace profits fell, due to reduced volumes and prices
- Profits reduced in China



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Restructuring Actions Announced in Q3



- 26 October – announced consultation with employee representatives regarding the intention to close the Automotive sites in Landskrona, Sweden and Ylöjärvi, Finland
- 8 November - announced intention to close the Architectural float line in Venice, Italy
- 8 November - announced intention to close the Architectural float line in Halmstad, Sweden
- 14 December – announced temporary hot hold of float line in St Helens, UK.

Restructuring programs progressing to plan

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Financing update



Refinancing debt of JPY 110bn, which matures in FY2014, is progressing as follows:

- A syndicated loan of JPY 70bn is being facilitated with Sumitomo Mitsui Banking Corporation
 - Syndication process is scheduled for mid-February, for completion in March 2013
 - Major Japanese banks are expected to participate in this syndication
- Further JPY 40bn facility in progress with Sumitomo Mitsui Banking Corporation

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- Restructuring programs and efficiency enhancements being increasingly realized
- Full-year profit guidance maintained
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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

FY2013 Quarter 3



(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	54.7	62.4	13.9	31.4	162.4
Automotive	34.5	75.6	40.5	26.4	177.0
Technical	27.1	4.0	0.6	13.0	44.7
Others	0.8	0.1	0.0	0.0	0.9
Total	117.1	142.1	55.0	70.8	385.0

Operating Profit before Amortization*

FY2013 Quarter 3



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Architectural	0.4	(5.5)	1.4	2.3	(1.4)	-1%
Automotive	2.7	(0.2)	(0.4)	0.6	2.7	2%
Technical	3.5	0.5	0.1	0.4	4.5	10%
Others	(2.1)	0.5	0.5	0.0	(1.1)	
Total	4.5	(4.7)	1.6	3.3	4.7	1%
Ratio on Sales	4%	-3%	3%	5%	1%	

*Operating profit before amortization and exceptional items

Operating Profit after Amortization*

FY2013 Quarter 3



(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Architectural	0.4	(5.5)	1.4	2.3	(1.4)	-1%
Automotive	2.7	(0.2)	(0.4)	0.6	2.7	2%
Technical	3.5	0.5	0.1	0.4	4.5	10%
Others	(2.1)	(2.8)	(0.5)	(0.7)	(6.1)	
Total	4.5	(8.0)	0.6	2.6	(0.3)	0%
Ratio on Sales	4%	-6%	1%	4%	0%	

*Operating profit after amortization but before exceptional items

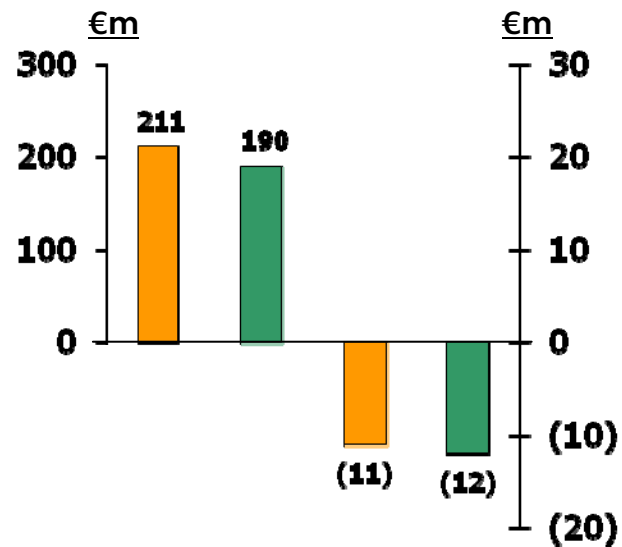
Architectural

Q3 FY2013 v Q2 FY2013



Europe

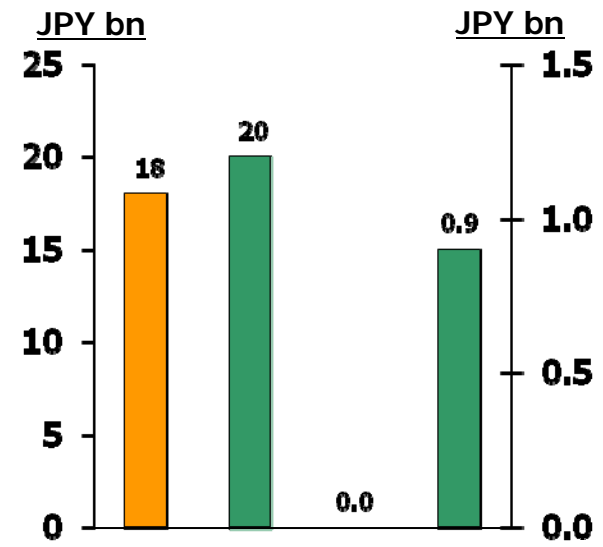
■ Q3 FY2013
■ Q2 FY2013



Revenue Operating Profit*

Japan

■ Q3 FY2013
■ Q2 FY2013



Revenue Operating Profit*

*Operating profit before exceptional items

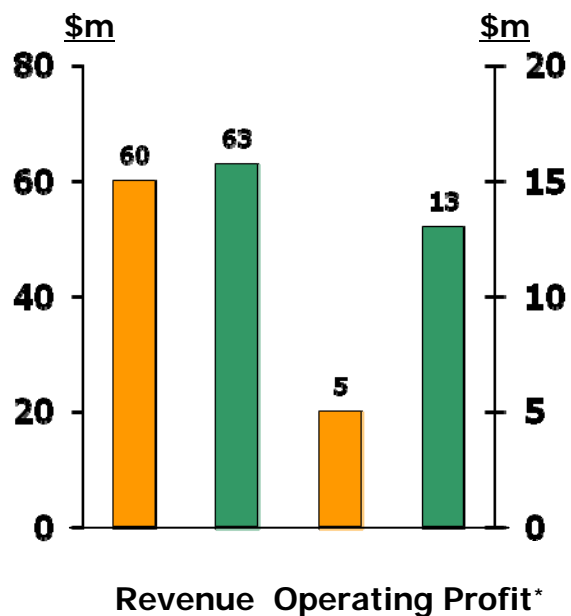
Architectural

Q3 FY2013 v Q2 FY2013



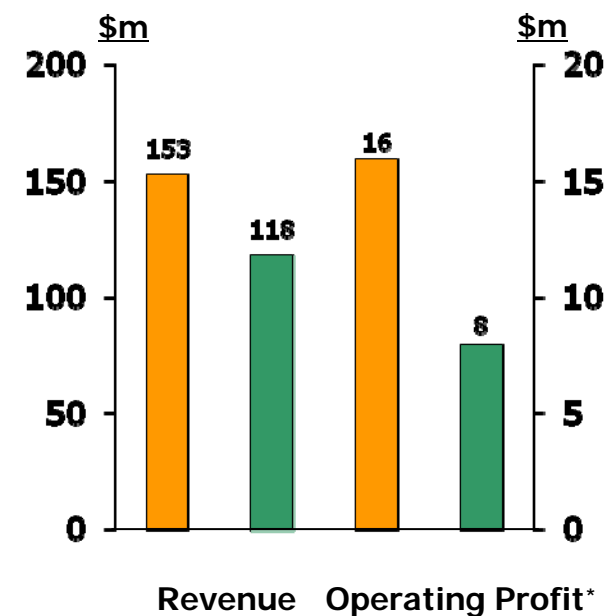
North America

■ Q3 FY2013
 ■ Q2 FY2013



Rest of World**

■ Q3 FY2013
 ■ Q2 FY2013



*Operating profit before exceptional items

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

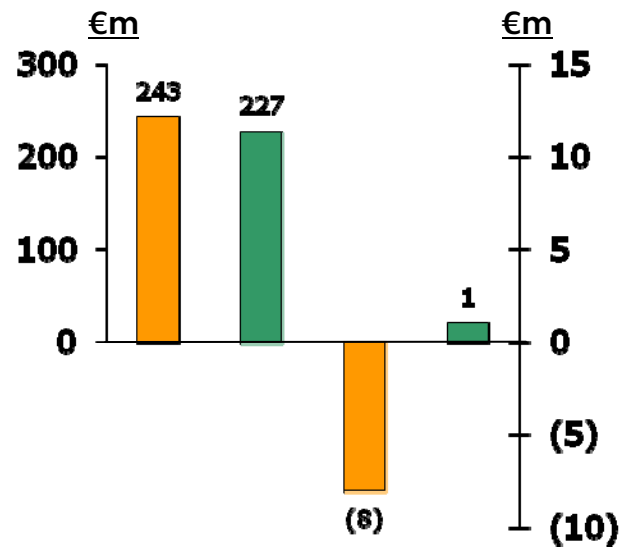
Automotive

Q3 FY2013 v Q2 FY2013



Europe

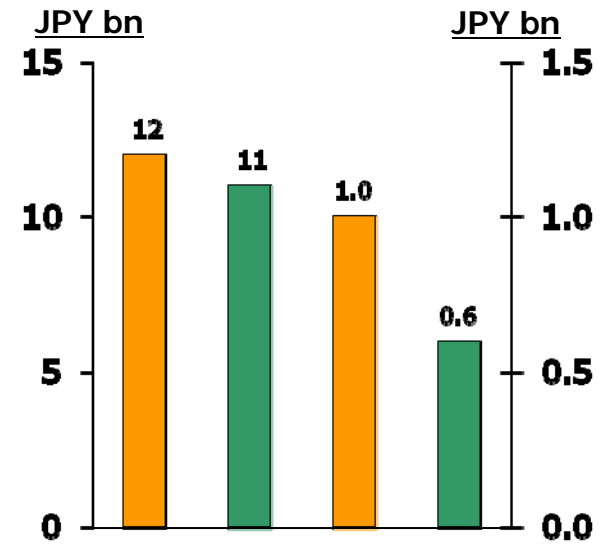
■ Q3 FY2013
■ Q2 FY2013



Revenue Operating Profit*

Japan

■ Q3 FY2013
■ Q2 FY2013



Revenue Operating Profit*

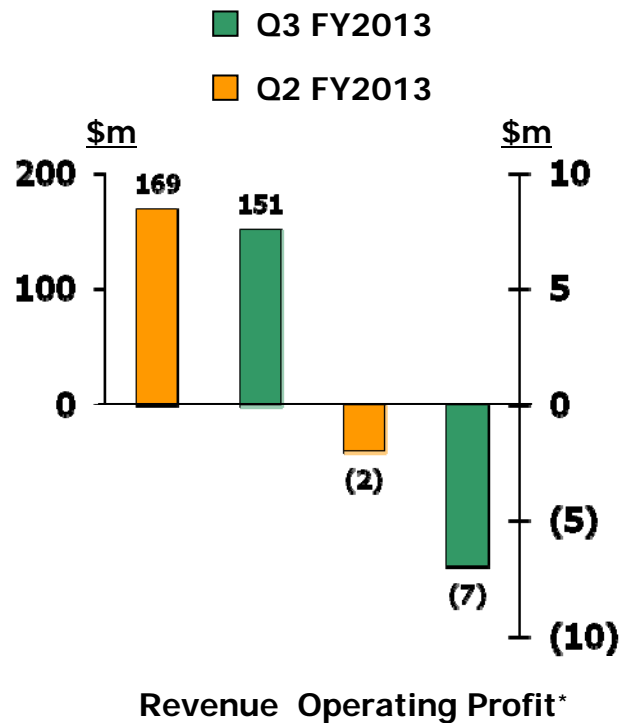
*Operating profit before exceptional items

Automotive

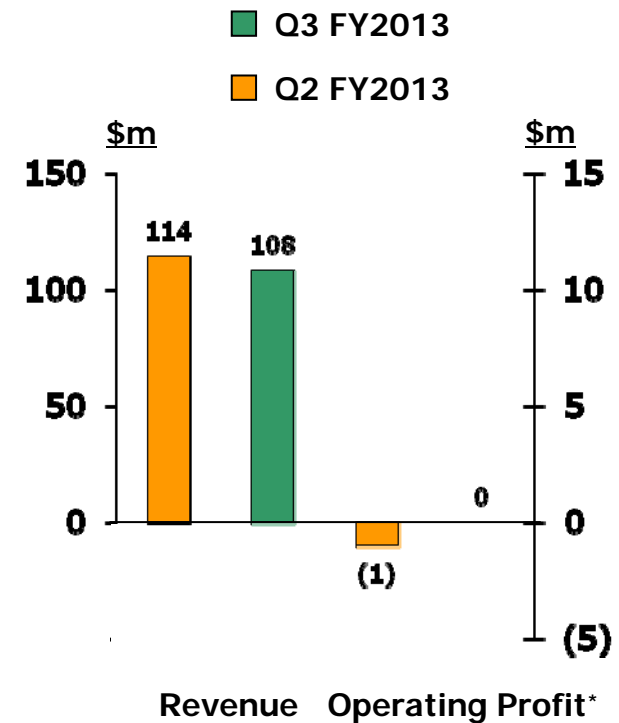
Q3 FY2013 v Q2 FY2013



North America



Rest of World**

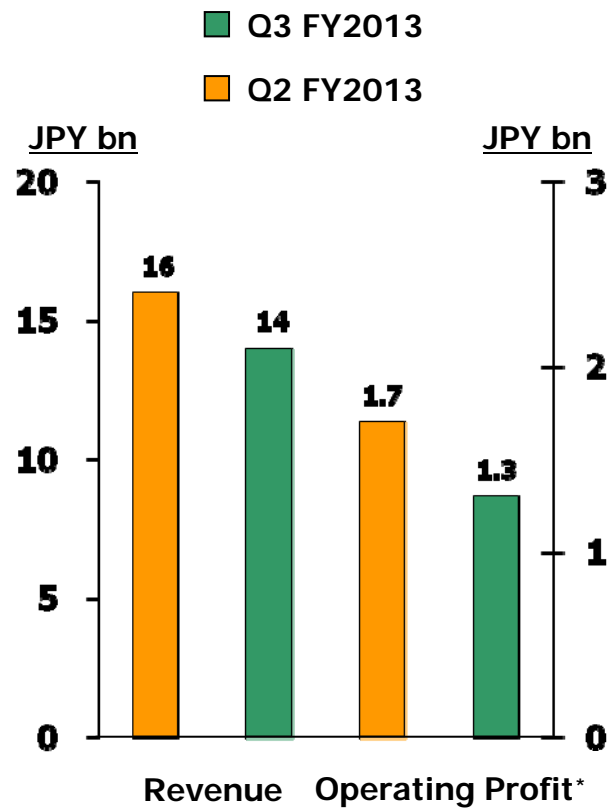


*Operating profit before exceptional items

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

Technical Glass

Q3 FY2013 v Q2 FY2013



*Operating profit before exceptional items

Assumptions



	Q3 FY2012	Q3 FY2013
Average rates used:		
JPY/GBP	127	127
JPY/EUR	110	102
JPY/USD	79	80
Closing rates used:		
JPY/GBP	119	142
JPY/EUR	99	115
JPY/USD	76	87

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