

NSG

GROUP

NSG Group
Quarter 3 Results
(from 1 April 2009 to 31 December 2009)

4 February 2010

NSG Group Quarter 3 Results



(from 1 April 2009 to 31 December 2009)

Agenda

- Financial Results
- Business Update
- Restructuring
- Debt Maturity
- Summary

Key Points - April 09 to December 09

- Results reflect continuing challenging market conditions
- However, controlled cash management and cost savings helping to reduce impact of economic downturn
- Restructuring on schedule
- European Building Products price levels holding up well
- Debt maturity profile improved, with recent funding secured
- Full-year forecast slightly revised, with improved operating result

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Consolidated Income Statement

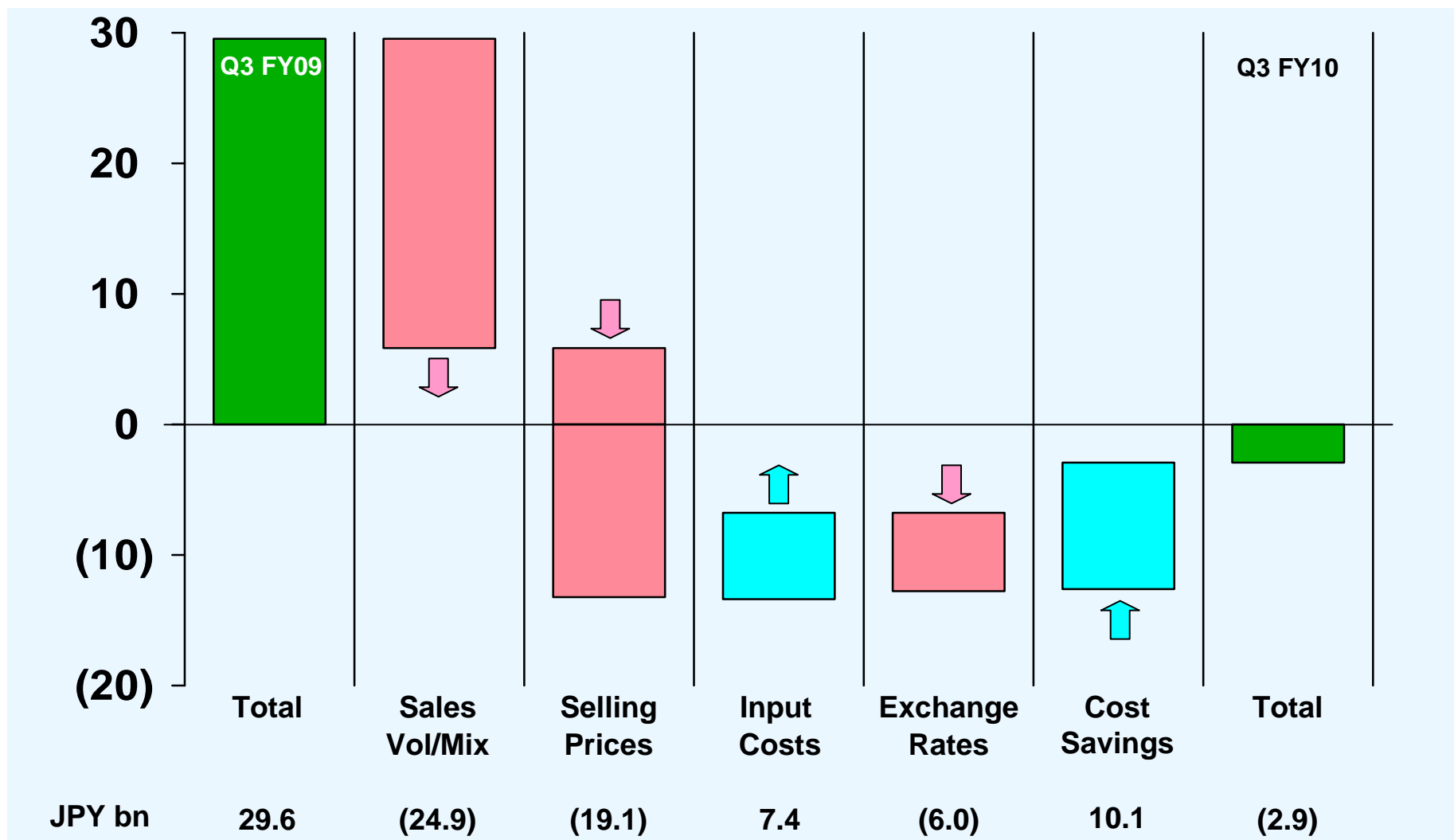
<u>(JPY bn)</u>	<u>Q3 FY10</u>	<u>Q3 FY09</u>	<u>Change from Q3 FY09</u>
Revenue	443.9	586.4	-24%*
Op.Income before amortization**	(2.9)	29.6	
Amortization**	(13.7)	(16.2)	
Operating Income	(16.6)	13.4	
Non-operating items	(9.1)	(8.8)	
Ordinary income	(25.7)	4.6	
Extraordinary items	(6.8)	25.8	
Pre-tax Income	(32.5)	30.4	
Net Income	(32.1)	10.5	
EBITDA	26.7	64.5	-59%

* -15% based on constant exchange rates

** Amortization arising from the acquisition of Pilkington plc only

Cumulative operating result sharply reduced, in line with economic downturn

Operating Income Change Analysis



Market deterioration partially offset by cost savings

Non-operating Items

	Q3 FY10 (JPY bn)	Q3 FY09 (JPY bn)
Interest and dividend income	1.9	5.3
Interest expenses	(11.7)	(15.9)
Joint ventures and associates	1.1	3.8
Other income and expenses	(0.4)	(2.0)
	(9.1)	(8.8)

Share of joint ventures and associates reduced

Extraordinary Items

	Q3 FY10 (JPY bn)	Q3 FY09 (JPY bn)
Gain from sale of securities	4.1	7.7
(Loss)/gain on disposal of subsidiaries and affiliates	(1.1)	30.0
Gain on disposal of fixed assets	0.4	0.3
Restructuring:		
Measures announced January and April 2009	(6.6)	
Other restructuring	(2.0)	(3.3)
EC car glass fine	-	(8.4)
Others	(1.6)	(0.5)
	(6.8)	25.8

Restructuring largely complete

Consolidated Cash Flow Summary

	Q3 FY10 (JPY bn)	Q3 FY09 (JPY bn)
Income before income taxes and minority interests	(33)	30
Depreciation and amortization	44	51
Increase in working capital	(4)	(16)
Tax paid	(13)	(9)
Addback profit on disposal of subsidiaries/investments	(3)	(38)
Others	-	-
Net cash (used in)/provided by operating activities	(9)	18
Purchase of fixed assets	(11)	(34)
Disposal of subsidiaries/investments	17	52
Others	(2)	(8)
Net cash provided by investing activities	4	10
Cash flow before financing activities	(5)	28

Controlled cash management reducing impact of economic downturn

Key Performance Indicators

	<u>31-Dec-09</u>	<u>31-Mar-09</u>
Net Debt (JPY bn)	315	331
Net Debt/EBITDA	10.4x	4.9x
Net Debt/Equity Ratio	1.20	0.97
	<u>Q3 FY10</u>	<u>Q3 FY09</u>
EBITDA Interest Cover (annualized)	2.6x	6.0x
Operating Return on Sales*	-0.7%	5.0%

* Before amortization arising from acquisition of Pilkington plc

Ratios weaker on declining EBITDA

Forecast Income Statement

<u>(JPY bn)</u>	<u>Revised Forecast</u> <u>FY2010</u>	<u>Previous Forecast</u> <u>FY2010</u>
Sales	590	590
Op.Income before amortization*	(3)	(5)
Amortization*	(18)	(18)
Operating Income	(21)	(23)
Non-operating items	(17)	(17)
Ordinary income	(38)	(40)
Net Income	(45)	(47)

*Amortization arising from the acquisition of Pilkington plc only

Improving operational performance

Quarterly Comparatives

- Market conditions in the first six months of FY2009 and of FY2010 were markedly different
- A detailed comparison of the third quarter (Q3) of FY2010 with the second quarter (Q2) of FY2010 is a more relevant evaluation of each business line's recent performance
- Consequently, the following results have been presented in this format
- A comparison of the first nine months of FY2009 and of FY2010 can be found in the appendix

Consolidated Income Statement

Q3 FY10 v Q2 FY10

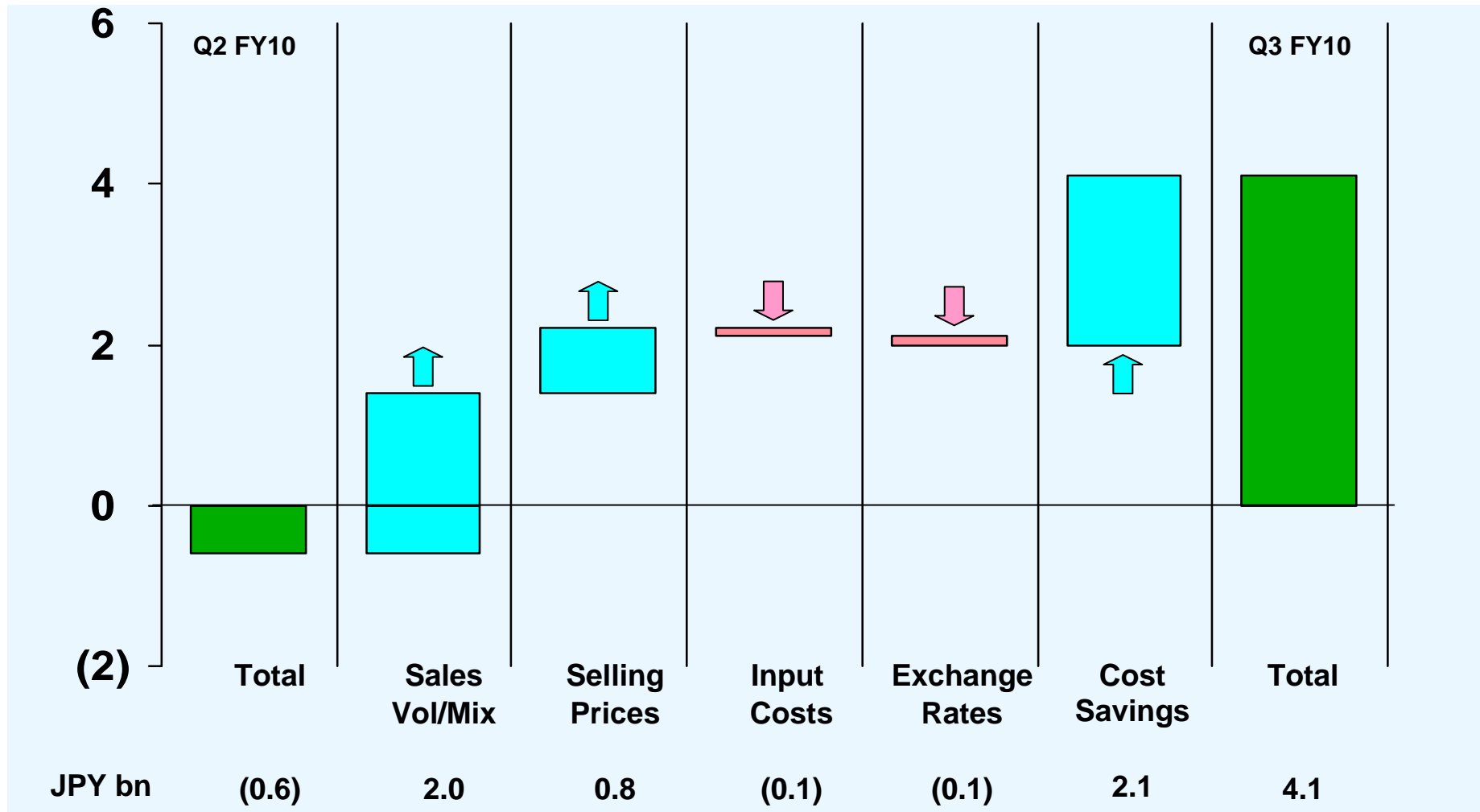
<u>(JPY bn)</u>	<u>Q3 FY10</u>	<u>Q2 FY10</u>	<u>Change from Q2 FY10</u>
Sales	150.9	149.4	+ 1%
Op.Income before amortization*	4.1	(0.6)	
Amortization*	(4.5)	(4.6)	
Operating Income	(0.4)	(5.2)	
Non-operating items	(0.6)	(3.7)	
Ordinary income	(1.0)	(8.9)	
Extraordinary items	(4.8)	(0.9)	
Pre-tax Income	(5.8)	(9.8)	
Net Income	(5.9)	(10.5)	
EBITDA	13.4	9.1	+ 47%

* Amortization arising from the acquisition of Pilkington plc only

Operating result demonstrates improvement

Operating Income Change Analysis

Q3 FY10 v Q2 FY10



Improving volumes and cost savings lifting profits

Consolidated Cash Flow

Q3 FY10 v Q2 FY10

	Q3 FY10 (JPY bn)	Q2 FY10 (JPY bn)	Change (JPY bn)
Income before income taxes and minority interests	(6)	(10)	4
Depreciation and amortization	14	15	(1)
(Increase)/decrease in working capital	(6)	8	(14)
Tax paid	(1)	(3)	2
Addback profit on disposal of subsidiaries/investments	1	-	1
Others	(5)	(3)	(2)
Net cash (used in)/provided by operating activities	(3)	7	(10)
Purchase of fixed assets	(3)	(2)	(1)
Disposal of subsidiaries/investments	5	5	-
Others	(2)	1	(3)
Net cash provided by investing activities	-	4	(4)
Cash flow before financing activities	(3)	11	(14)

Cash flow impacted by seasonal working capital

NSG Group Quarter 3 Results

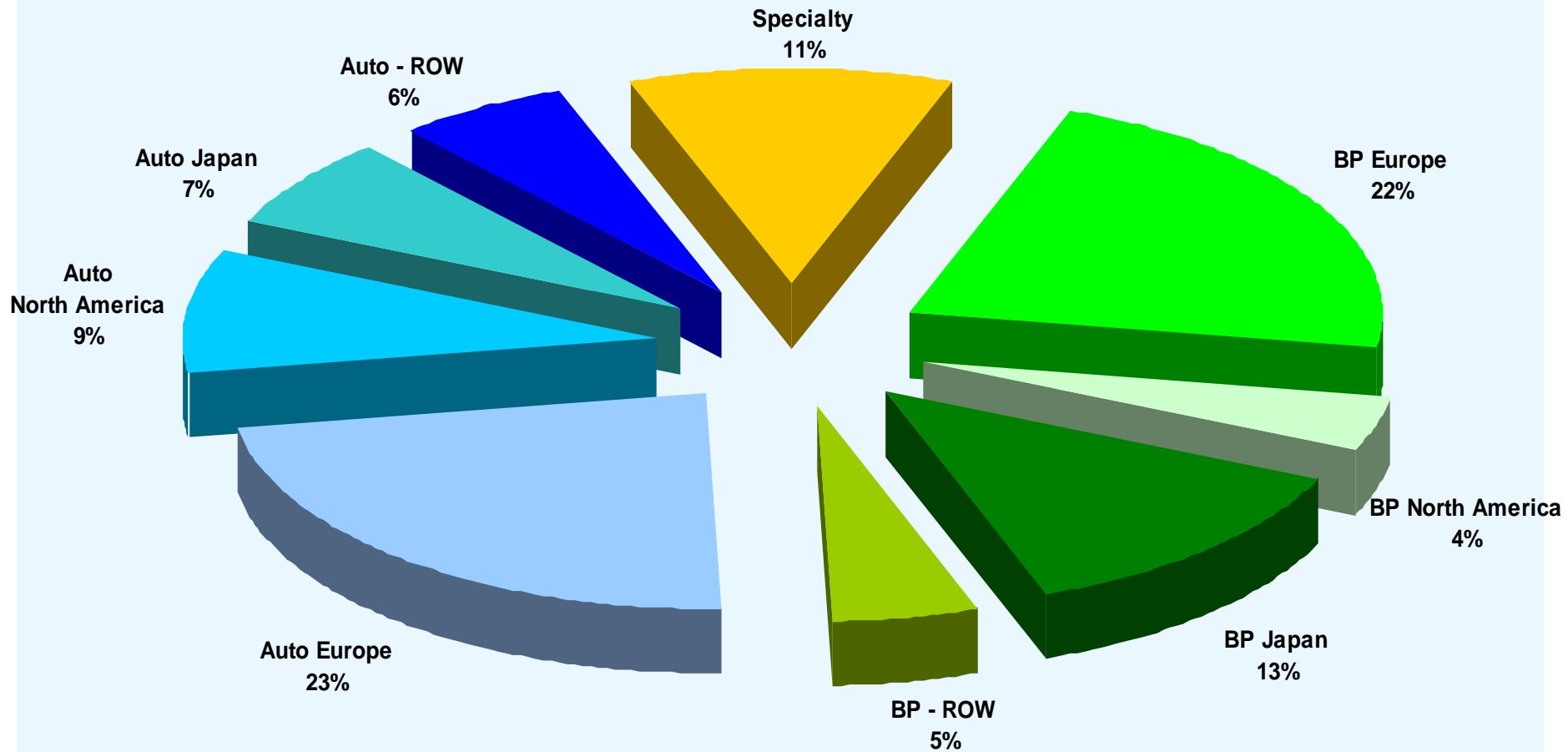


(from 1 April 2009 to 31 December 2009)

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- Financial Results
- Business Update
 - Building Products
 - Automotive
 - Specialty Glass
- Restructuring
- Debt Maturity
- Summary

External Sales – Group Businesses

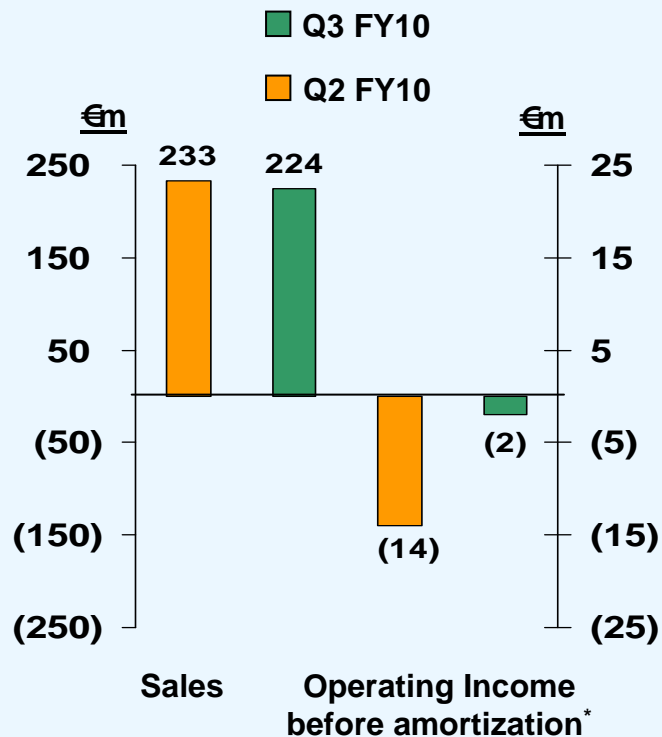


Cumulative Q3 FY2010

Building Products

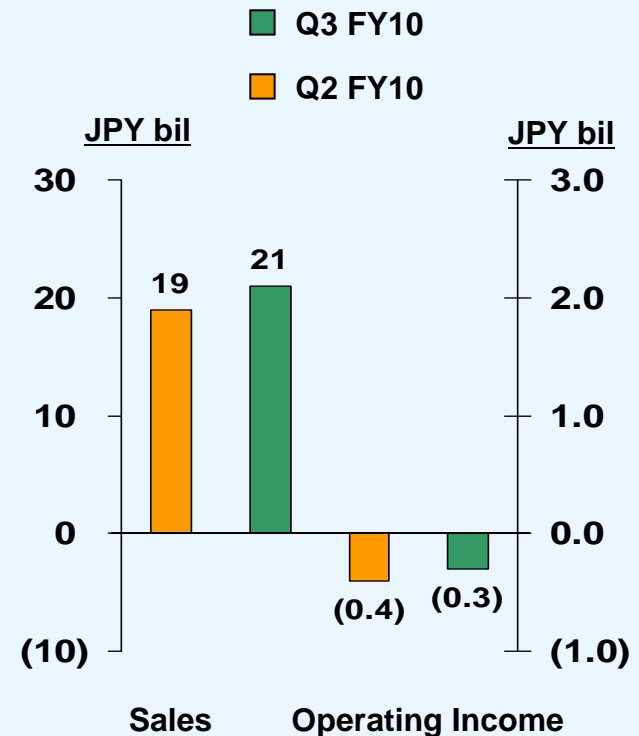
Q3 FY10 v Q2 FY10

Europe



- Revenues declining as a result of disposals of downstream businesses in the second quarter.
- Profit improving due to cost savings initiatives and better prices.

Japan



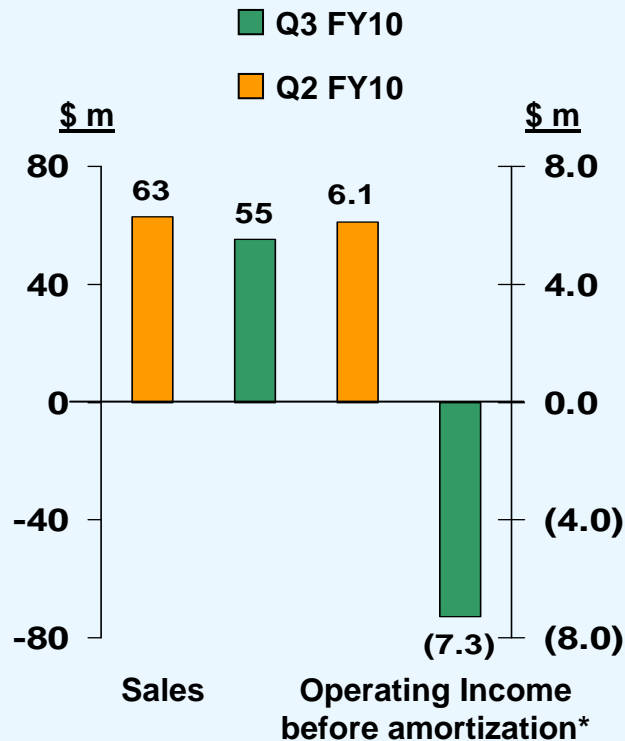
- Revenues increased, due to higher volumes.
- Savings from input costs, in particular energy costs, improving profit.

*Note. Amortization is only that arising on acquisition of Pilkington plc

Building Products

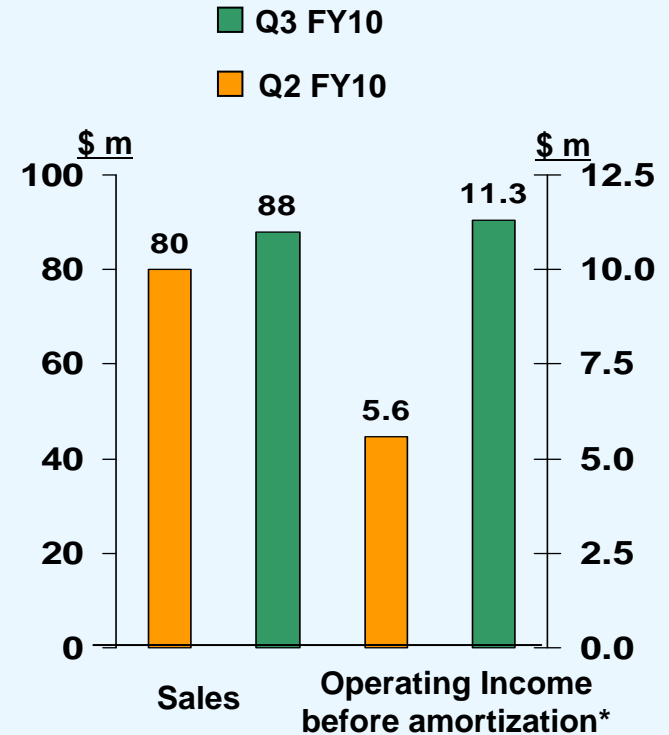
Q3 FY10 v Q2 FY10

North America



- Revenues decreasing mainly due to lower selling prices and mix change.
- Profits affected by lower revenues and costs associated with insolvency of a significant customer.

Rest of World



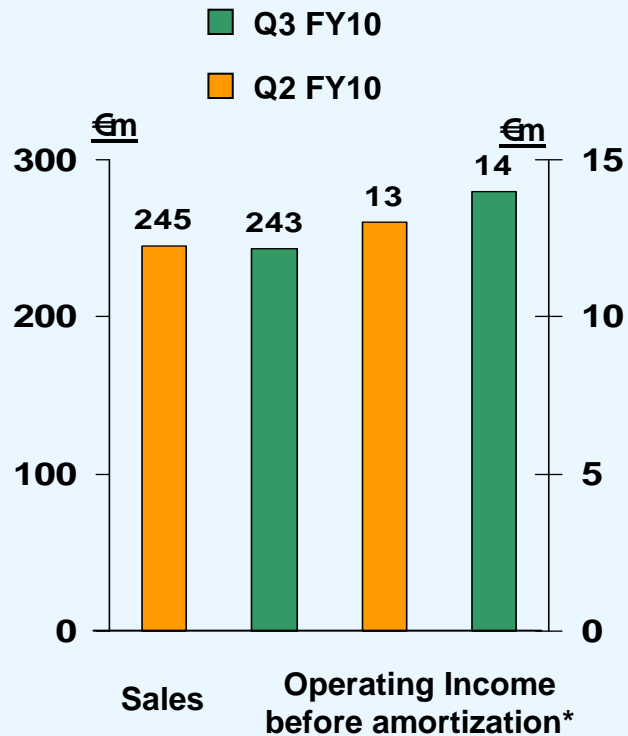
- In South America, operating income increased due to cost savings and higher prices.
- Higher revenues in South East Asia as selling prices and volumes continued to increase. Savings from cost reduction programs materializing.

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Automotive

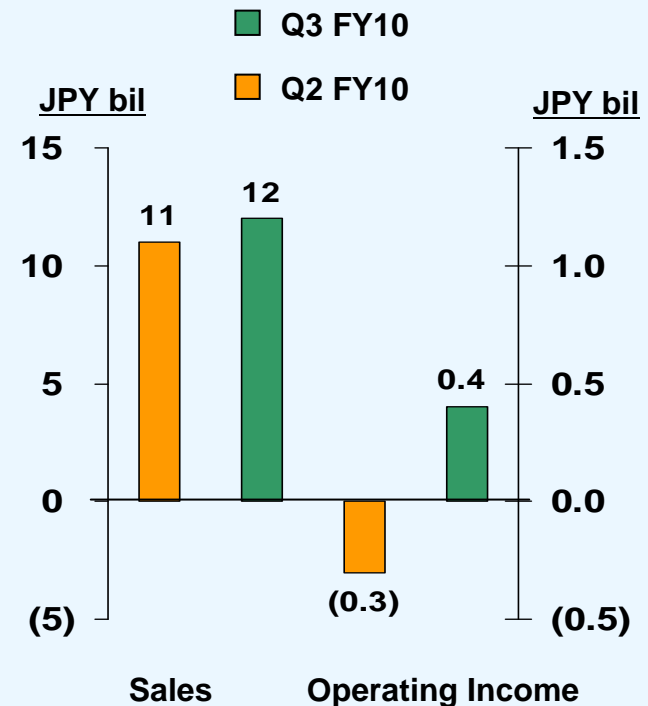
Q3 FY10 v Q2 FY10

Europe



- Scrappage schemes continue to support volume.
- Benefits from increased efficiencies and restructuring improve result.

Japan



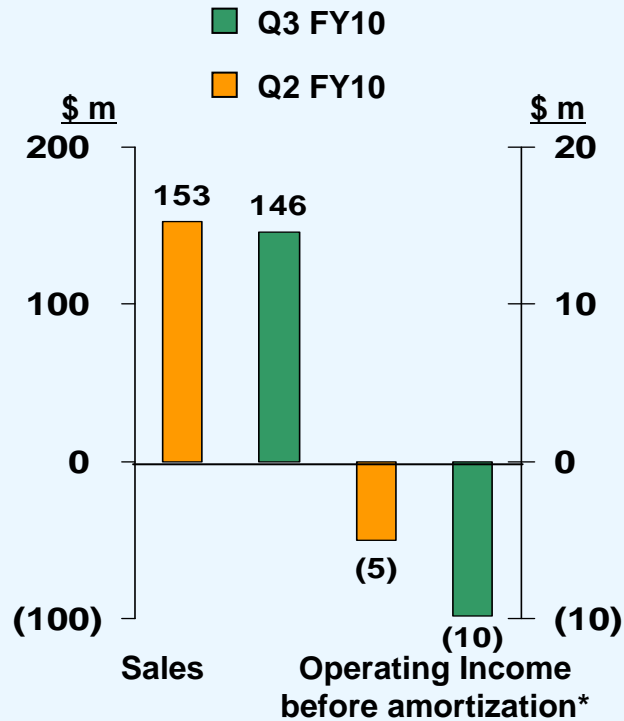
- Sales improvement helped by scrappage incentives.
- Profit recorded in quarter as volume recovers and costs continue to reduce.

*Note. Amortization is only that arising on acquisition of Pilkington plc

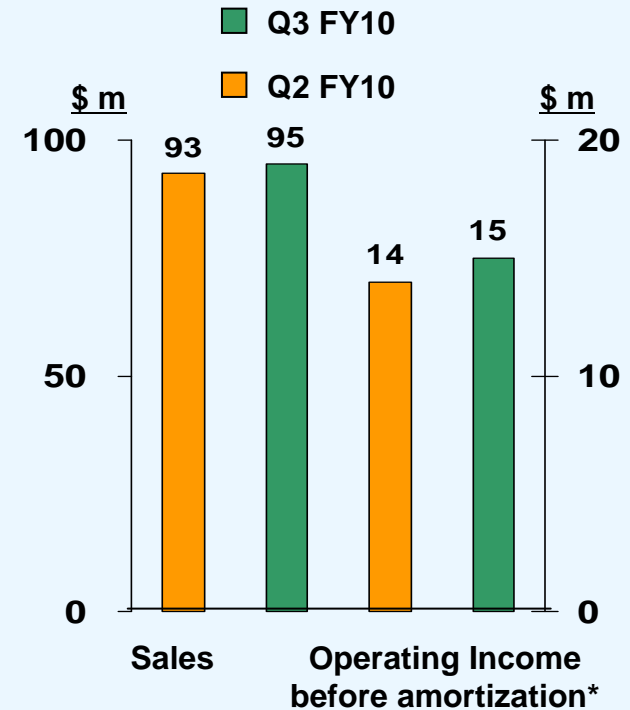
Automotive

Q3 FY10 v Q2 FY10

North America



Rest of World



- Declining revenue as scrappage scheme ends
- AGR volumes lower on normal seasonal pattern
- Profitability largely volume based

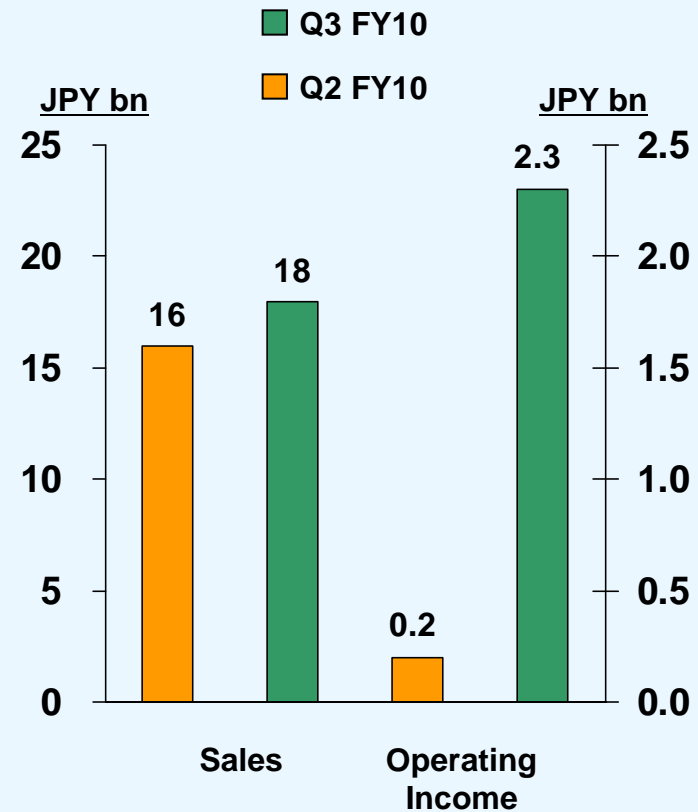
- Sales growth as markets holding up well
- Improved results based on volume

*Note. Amortization is only that arising on acquisition of Pilkington plc

Specialty Glass

Q3 FY10 v Q2 FY10

- Profitability increasing as market fundamentals improve
- Quarter 3 profit includes increased seasonal demand
- Underlying demand for display components healthy in most regions
- Automotive market upturn has increased demand in glass cord and battery separator segments
- Consumer electronic demand strengthening as printer and scanner products recording higher sales



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Restructuring

- Restructuring program largely completed, as planned
- Benefits from restructuring program materializing
- No further significant charges to income statement anticipated
- A further 2,000 employees left the Group during the first three quarters, taking cumulative reductions to 6,500 of the 6,700 total reductions anticipated

Restructuring on schedule for completion end-FY10

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- **Debt Maturity**
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Debt Maturity

- ¥ 35 billion debt facilities signed 29 January 2010 with weighted average term to maturity of four years and a final maturity of five years, prepaying facilities maturing in February 2011
- Cumulative debt refinanced year to date of ¥ 112 billion
- Continuing debt management and refinancing program aims to replace the Group's maturing debt with new debt and increase the maturity profile of the Group's borrowings
- As at 31 December 2009, the Group had unused committed financial facilities of ¥ 22.5 billion maturing in February 2011 and ¥ 40 billion maturing in November 2013

Significant progress on debt refinancing

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Summary

- Results reflect continuing challenging market conditions
- Impact of trading environment reduced through controlled cash management and cost reductions
- Restructuring program to be concluded during quarter four
- Debt maturity improved
- Full-year forecast slightly revised, as operating result improves

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 – Q3 FY2010

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Building Products	58.2	91.2	17.1	22.4	188.9
Automotive	31.7	98.3	40.5	25.1	195.6
Specialty	30.3	4.2	0.9	13.8	49.2
Others	5.0	3.9	0.0	1.3	10.2
Total	125.2	197.6	58.5	62.6	443.9

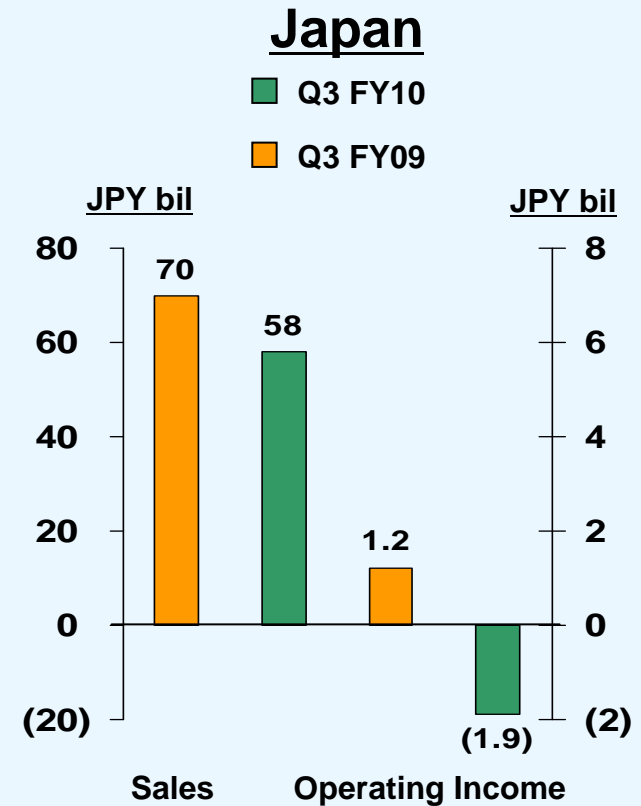
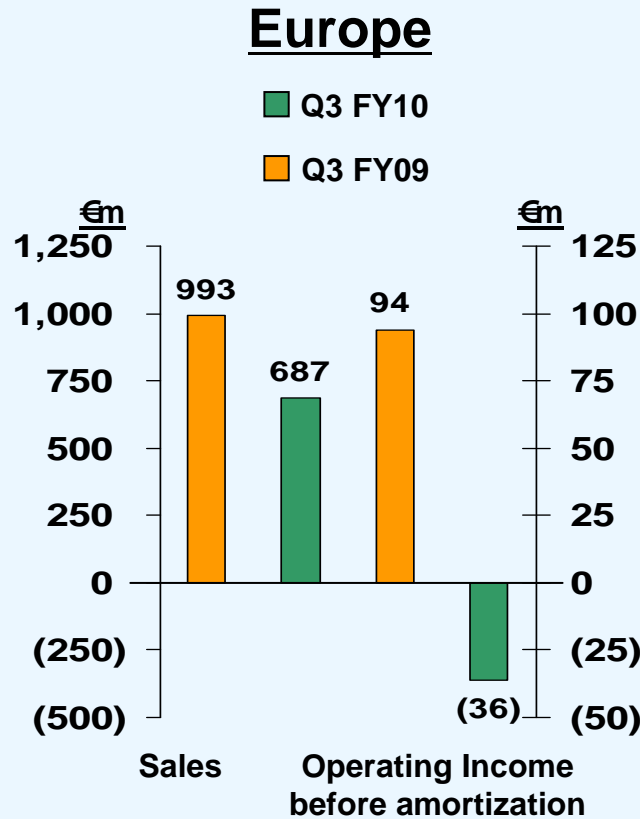
Operating Income before Amortization – Q3 FY2010

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	(1.9)	(4.8)	0.4	1.9	(4.4)	-2%
Automotive	(1.1)	5.7	(2.8)	3.7	5.5	3%
Specialty	0.4	0.3	0.0	1.8	2.5	5%
Others	(1.8)	(3.3)	(1.4)	0.0	(6.5)	
Total	(4.4)	(2.1)	(3.8)	7.4	(2.9)	-1%
Ratio on Sales	-4%	-1%	-6%	12%	-1%	

Operating Income after Amortization – Q3 FY2010

(JPY bn)	Japan	Europe	North America	Rest of World	Total	Ratio on Sales
Building Products	(1.9)	(9.6)	(0.5)	1.3	(10.7)	-6%
Automotive	(1.1)	1.1	(4.2)	2.4	(1.8)	-1%
Specialty	0.4	0.3	0.0	1.8	2.5	5%
Others	(1.8)	(3.4)	(1.4)	0.0	(6.6)	
Total	(4.4)	(11.6)	(6.1)	5.5	(16.6)	-4%
Ratio on Sales	-4%	-6%	-10%	9%	-4%	

Building Products (Q3 FY09 v Q3 FY10)

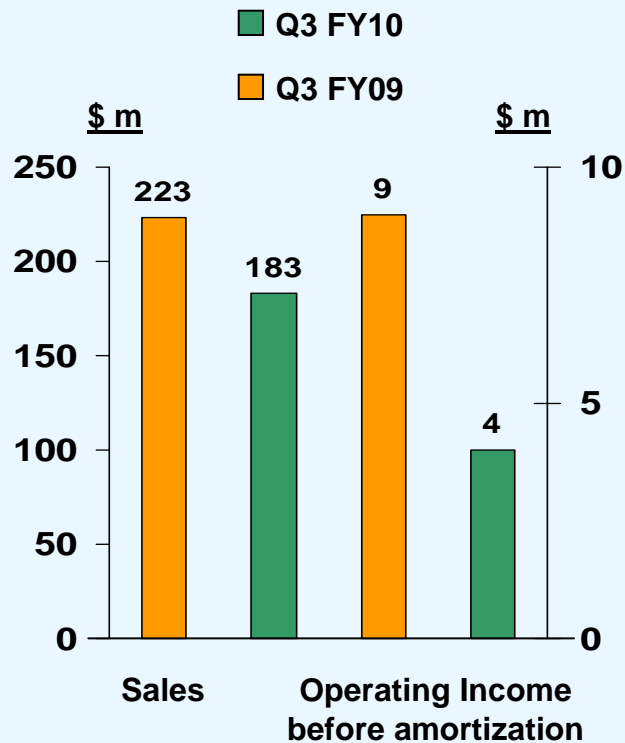


Note. Amortization is only that arising on acquisition of Pilkington plc

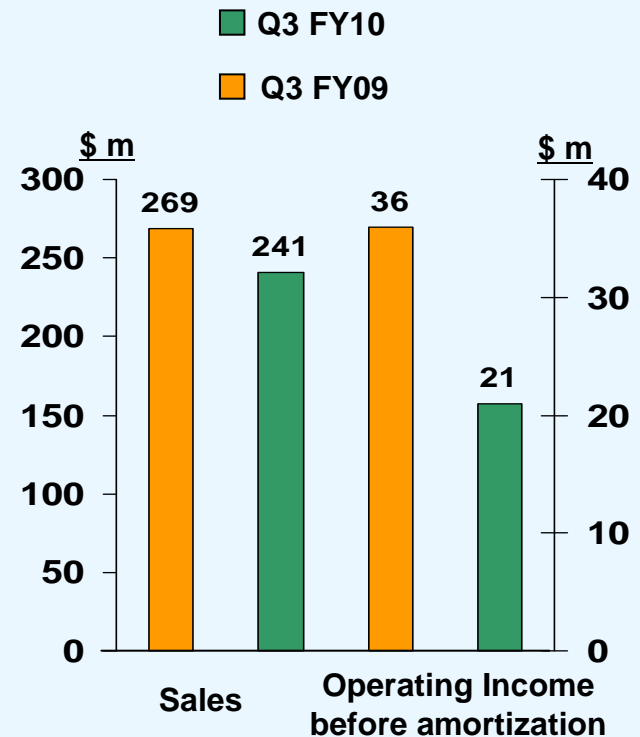
Building Products

(Q3 FY09 v Q3 FY10)

North America



Rest of World

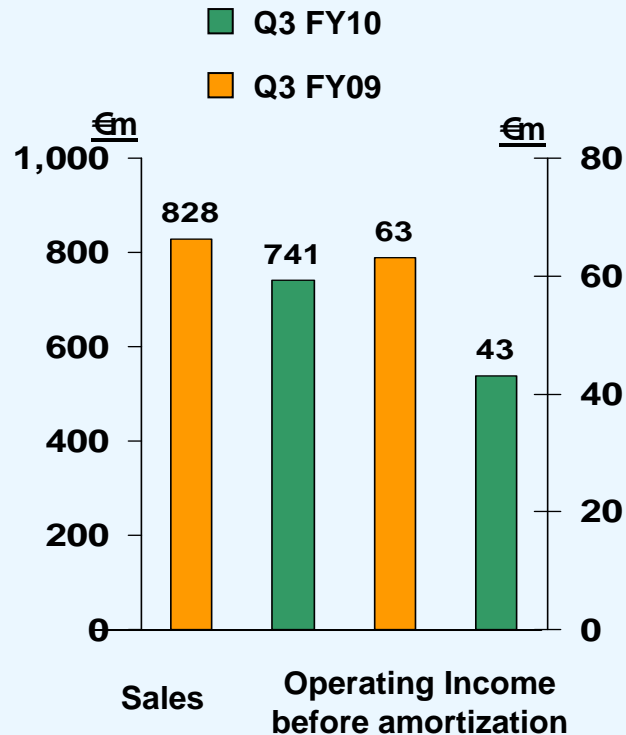


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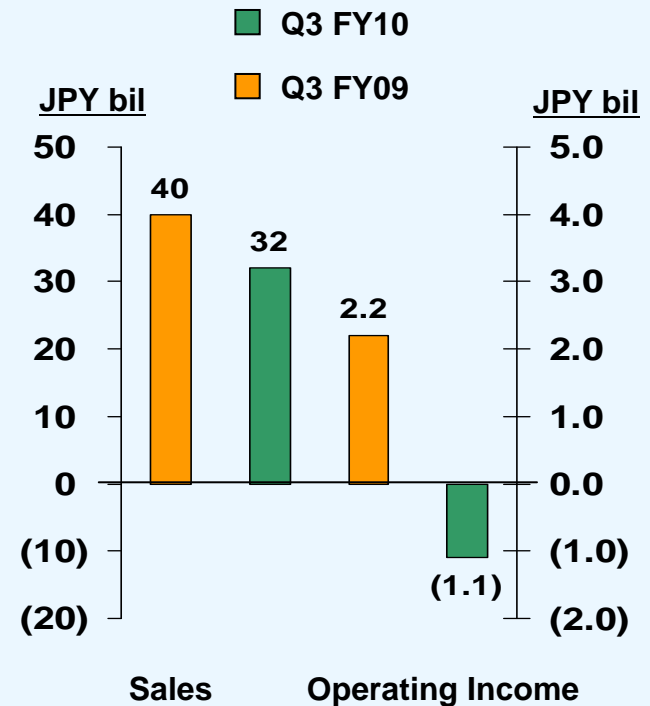
Automotive

(Q3 FY09 v Q3 FY10)

Europe



Japan

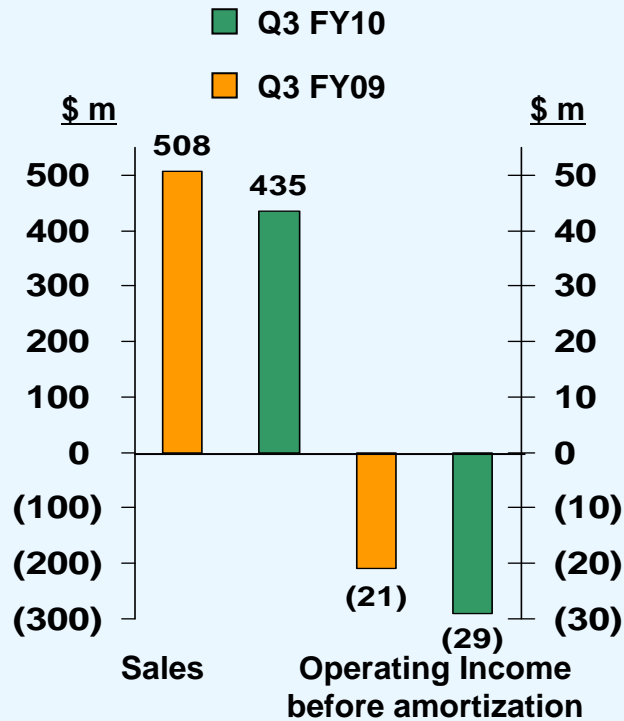


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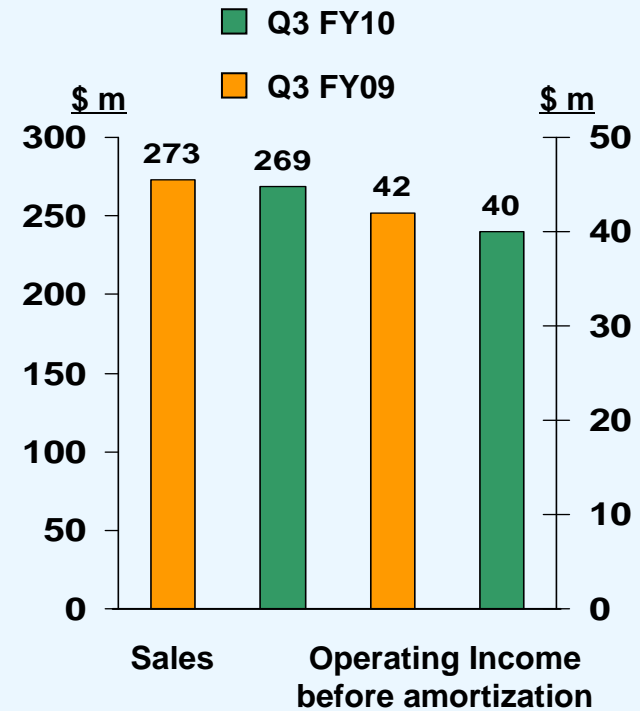
Automotive

(Q3 FY09 v Q3 FY10)

North America



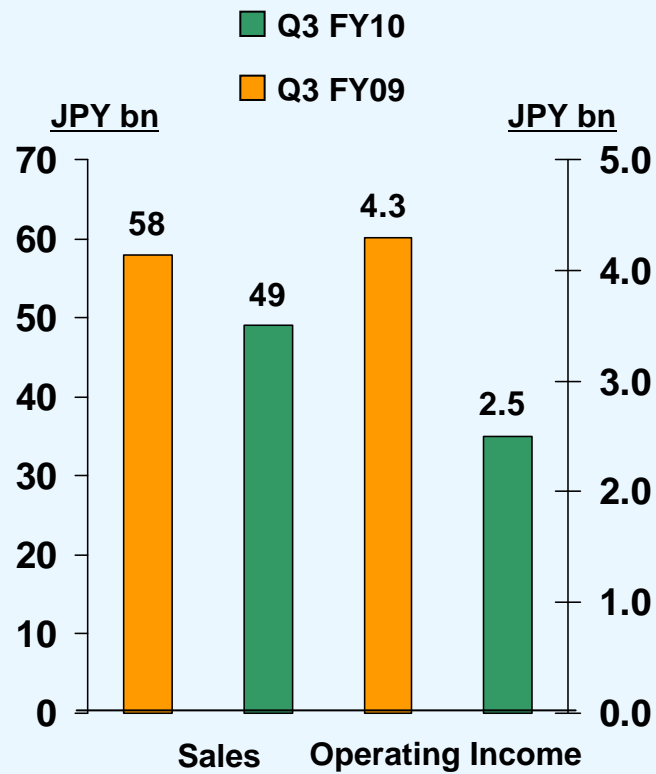
Rest of World



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Specialty Glass

(Q3 FY09 v Q3 FY10)



Exchange Rate Assumptions

	Q3 FY10	Q3 FY09	Q2 FY10	FY10 Forecast
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Average rates used:

JPY/GBP	150	187	152	150
JPY/EUR	133	151	133	134
JPY/USD	93	103	96	91

Closing rates used:

JPY/GBP	150	132	144
JPY/EUR	133	127	131
JPY/USD	93	91	89

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