

Glaston Corporation's Sales and Profits Rise in First Half 2007

Glaston Corp. in Tampere, Finland, has released its interim report for the first half of 2007. The group's net sales were up by 25.6 percent to \$168.2 USD (EUR 123.7) million. Operating profit grew to \$7.4 USD (EUR 5.5) million, excluding non-recurring items.

The company's order book grew 49 percent and on June 30 was \$165.4 USD (EUR 121.6) million, compared to \$111.2 USD (EUR 81.8) million on June 30, 2006.

"Glaston's January-June and second quarter were better than the previous year," says Mika Seitovirta, president and chief executive officer. "Development of new orders was good and the order book reached a record high. This development was particularly positive in Europe, the Middle East, Africa and in China. The number and value of OSP deals grew significantly and represented a larger proportion of growth in new orders. The newly formed pre-processing and heat treatment business areas improved their comparable operating profit, and development is in the right direction, if not yet satisfactory. Measures to improve profitability continue."

The company's report showed some reorganization, as Glaston's sale of its energy business and acquisition of the software company Albat+Wirsam were complete as of July 1, among other changes. In addition, the company is combining two of its factories in Brazil and transferring product development in Switzerland to Finland to "bring efficiencies and savings in future," according to Seitovirta.

Net sales of the company's pre-processing operations grew by \$4.7 USD (EUR 3.5) million during the first half of 2007 compared to the previous year and totaled \$61.2 USD (EUR 45.0) mil-

Glaston's First Half 2007 Report

(in million USD)

	Net sales		Operating profit	
	Jan.-June '07	Jan.-June '06	Jan.-June '07	Jan.-June '06
Pre-processing	61.2	56.5	1.2	-0.6
Heat treatment	107.8	77.6	11.8	6.1
Parent company and elim.	-0.8	-0.2	-5.7	-2.8
Total	168.2	134.1	7.4	2.5
Non-recurring items	-	-	-9.9	-0.9
Total	168.2	134.1	-2.5	1.6

lion. Profit before non-recurring items was \$1.2 USD (EUR 0.9) million. Non-recurring items amounting to \$1.9 USD (EUR 1.4) million were recognized for the restructuring of the company's Brazilian operations. The market situation of the pre-processing business area was good, according to information from the company, as sales exceeded the previous year's figures in both the first and second quarter.

► www.kyro.fi

Asahi Glass Net Income Up 24.3 Percent in First Half 2007

The AGC Group, which includes Asahi Glass Co. Ltd. and its subsidiaries, announced its consolidated financial results for the first half of fiscal year 2007.

AGC posted net sales of \$6.9 billion USD (806.0 billion yen) for the first half of 2007, up 2.2 percent from the corresponding period in 2006. The group also reported an operating income of \$780 million USD (90.3 billion yen), up \$209 million USD (24.2 billion yen) or 36.6 percent. Ordinary income was \$819 million USD (94.8 billion yen), up 45 percent. The group's net income increased 24.3 percent to \$457 million USD (52.9 billion yen).

Net sales from the company's glass

operations for the first half of 2007 increased 8.1 percent, year-on-year, to \$3.7 billion USD (431.2 billion yen). Operating income increased \$119 million USD (13.8 billion yen) to \$294 million USD (34.1 billion yen).

According to information from AGC Group, sales in the flat glass business increased in part due to the continuously firm market in Europe. Glass shipments showed a steady growth in fast-growing markets, such as Russia. Demand also remained robust in Western Europe. However, the company's shipment volume decreased due to the decline of new housing starts in Japan and North America.

► www.agc.co.jp/english

Southwall Announces Second Quarter Results

Southwall Technologies Inc. in Palo Alto, Calif., announced that for the second quarter of 2007, its net income was \$462,000, compared to a loss of \$1.4 million for the second quarter of 2006. The company says the increase was primarily due to lower operating expenses and other income from a technology transfer and service agreement.

The company also saw an 18.4-percent decrease in revenue from second quarter 2007 compared to the same pe-

riod in 2006. The company earned \$9.250 million in the second quarter 2007, compared to \$11.337 million in the second quarter 2006. According to information from the company, the decrease was primarily due to a decrease in revenues from its electronic display products, but was partially offset by an increase in revenue from its window film and architectural products.

“We are pleased that both the first and second quarter were profitable in part as the result of reduced operating costs,” says Dr. Gene Goodson, chief executive officer. “I believe that the board of directors’ appointment of Dennis Capovilla as president and Michael Vargas as vice president of general administration will strengthen our management team.”

► www.southwall.com

SAFTI FIRST Sales for SuperLite Increase

San Francisco-based SAFTI FIRST™ Fire Rated Glazing Solutions, a manufacturer of fire-rated glazing and framing products, has announced that it saw an increase of 124 percent in SuperLite I-XL sales for the first six months of 2007 when compared to sales during the same period of 2006. Current sales of SuperLite I-XL have already ex-



SAFTI FIRST’s sales of SuperLite I-XL fire-rated products, such as these 45-minute windows, during the first half of 2007 have already exceeded total 2006 annual sales.

Southwall Technologies Unaudited Condensed Consolidated Statements of Operations

(in thousands, except per share data)

	Three months ended		Six months ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Net Revenues	\$9,250	\$11,337	\$19,756	\$21,371
Cost of revenues	\$6,507	\$7,268	\$12,603	\$13,634
Gross profit	\$2,743	\$4,069	\$7,153	\$7,737
Operating expenses:				
Research & Development	\$870	\$2,071	\$2,239	\$3,717
Selling, general and administrative	\$2,282	\$2,525	\$4,810	\$5,087
Impairment charge (recoveries) for long-lived assets	-	\$208	\$(8)	\$208
Restructuring charges	-	\$259	-	\$711
Total operating expenses	\$3,152	\$5,063	\$7,041	\$9,723
Income (loss) from operations	\$(409)	\$(994)	\$112	\$(1,986)
Interest expense, net	\$(167)	\$(189)	\$(280)	\$(381)
Other income (expenses), net	\$1,043	\$29	\$1,048	\$179
Income (loss) before provision for income taxes	\$467	\$(1,154)	\$880	\$(2,188)
Provision for income taxes	\$5	\$233	\$186	\$526
Net income (loss)	\$462	\$(1,387)	\$694	\$(2,714)
Deemed dividend on redeemable preferred stock	\$122	\$122	\$244	\$244
Net income (loss) attributable to common stockholders	\$340	\$(1,509)	\$450	\$(2,958)
Net income (loss) per share:				
Basic	\$0.01	\$(0.06)	\$0.02	\$(0.11)
Diluted	\$0.01	\$(0.06)	\$0.02	\$(0.11)
Weighted average shares used in computing net income (loss) per share:				
Basic	27,513	26,939	27,327	26,882
Diluted	28,498	26,939	28,033	26,882

ceeded total 2006 annual sales.

“These sales figures are indicative of a more important trend, which is an increased understanding of radiant heat as a serious fire and life safety issue,” says William O’Keeffe, president and chief executive officer. “More and more, we see [authorities having jurisdiction] exercising their power under the codes to approve a product like SuperLite I-XL due to its ability to provide additional radiant heat protection, CPSC Cat. II impact-safety protection and su-

perior optical clarity for less than the cost of ceramics.”

► www.safti.com

Glass Sales Down at PPG, CFO Says

During Pittsburgh-based PPG Industries’ second-quarter investors’ financial commentary webcast on July 19, senior vice president and chief financial officer (CFO) William H. Hernandez said that glass segment sales dropped by about 4 percent on lower

volumes during the second quarter, down slightly versus a year ago.

Hernandez noted that performance glazings also were down by 3 percent. "Similar to the first quarter, the decline was largely due to the absence of an energy surcharge," he said. "Last year, the energy surcharge, which is on a quarter lag versus natural gas pricing, contributed \$5 million more than this year, as first-quarter 2007 natural gas costs were down compared with a year ago."

Overall, the company is focused on improving results for its glass segment. "Although the first quarter was positive, the year-over-year results this past quarter did not meet our expectations," Hernandez said. "We will remain focused on improving results in the coming quarters."

Despite the decreases found in the glass segment, PPG reported record sales overall for the second quarter—or any quarter in the company's history—of \$3.2 billion. Second-quarter sales were up 12 percent from 2006.

PPG's second-quarter net income was \$249 million, or \$1.50 per share. The net income includes an after-tax charge of \$6 million, or 3 cents a share, to reflect the net increase in the current value of the company's obligation under its proposed asbestos settlement agreement reported in May 2002, which is subject to pending court proceedings.

▶ www.ppg.com

Vitro's Net Income Drops in Second Quarter 2007

During the second quarter of 2007, Vitro S.A.B. de C.V. in Monterrey, Mexico, saw a \$27 million drop in net income, to \$10 million, compared to the same period last year.

Lower total financing costs of \$39 million—compared with \$79 million in second quarter 2006—coupled with a \$6 million increase in EBIT and a nearly \$8 million decline in other expenses partially accounted for the decrease.

However, flat glass sales for the quar-

ter increased 4.0 percent over the previous year to \$298 million. Domestic sales increased 8.7 percent last year, primarily due to higher sales in the automotive segment. Construction-related sales remained stable year-over-year with an 11-percent volume decline while prices increased 12 percent.

Export sales increased 8.8 percent over the previous year, mainly due to higher construction-related volumes and increased automotive sales. Sales from foreign subsidiaries continued an upward trend, increasing 0.4 percent year-over-year to \$165 million from \$164 million. Sales at Vitro Cristalglass, the company's Spanish subsidiary, increased 28 percent over the previous year due to the stronger demand of more value-added products from the construction market but also due to the new furnace now operating in La Rozada facility during the first quarter of 2007.

▶ www.vitro.com ■

Vitro's Net Income Drops

Vitro Flat Glass

	Second Q '07	Second Q '06	Year Over Year % Change	6 Months '07	6 Months '06	YTD% Change	2007 LTM	2006 LTM	YTD% Change
<i>(millions nominal dollars)</i>									
Consolidated net sales	298	286	4.0	580	581	(0.3)	1,147	1,162	(1.3)
Domestic Sales	70	65	8.7	134	138	(2.8)	285	270	5.3
Export Sales	62	57	8.8	117	120	(2.1)	210	269	(22.1)
Foreign Subsidiaries	165	164	0.4	329	324	1.4	652	622	4.8
EBIT	16	6	150.5	30	11	171.8	53	41	28.1
EBITDA	29	21	41.8	56	41	34.3	111	101	10.0
EBIT Margin	5.4%	2.2%	3.2 pp	5.1%	1.9%	3.2 pp	4.6%	3.6%	1 pp
EBITDA Margin	9.8%	7.2%	2.6 pp	9.6%	7.1%	2.5 pp	9.7%	8.7%	1 pp

Volumes

Flat Glass (thousands of m2R) ¹	33,425	33,564	(0.4)	64,294	68,065	(5.5)	125,816	140,765	(10.6)
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Capacity Utilization

Flat glass furnaces ^{2, 3}	109%	69%	40.3 pp	-	-	-	-	-	-
Flat glass auto	80%	85%	-5 pp	-	-	-	-	-	-

¹ m2R = Reduced Square Meters

² Capacity utilization may sometimes be greater than 100 percent because pulling capacity if calculated based on a certain number of changes in glass color and thickness, determined by historical averages.

³ The 69 percent capacity utilization during second quarter 2006 was due to the repair of the VF-1 furnace which was under maintenance until mid-May 2006.