31 October 2012

FY2013 QUARTER 2 RESULTS

(from 1 April 2012 to 30 September 2012)

- **Second quarter results consistent with previous forecast. Full-year forecast maintained**
- **Results for first two quarters reflect challenging markets, particularly in Europe**
- **Restructuring programs and efficiency enhancements progressing to plan**
- **Near-term strategic focus on profit improvement. Value-added products key to longer-term growth plans**

Second quarter results consistent with previous forecast. Full-year forecast maintained

- Q2 FY13 financial results consistent with forecast issued on 2 August 2012
- Market conditions generally stable, but at low levels of activity
- Significant deterioration in the Group's major European Automotive and Architectural markets from previous year
- Japan markets stable, with tentative signs of improvement in Architectural
- Automotive volumes continuing to improve in North America
- Technical glass markets robust
- Solar Energy glass volumes now stable, but significantly below the previous year
- Joint ventures and associates experiencing challenging Architectural markets
- No significant improvement in market conditions expected during the rest of FY2013

Results for first two quarters reflect challenging markets, particularly in Europe

- Cumulative Group revenues ¥ 260.7bn, 10% below previous year (Q2 FY12: ¥ 288.5bn), 5% below the previous year at constant exchange rates
- Headline operating profit, before amortization and exceptional costs, of ¥ 2.3bn (Q2 FY12: ¥ 12.9bn profit) reflects challenging market conditions, particularly in Europe
- Q2 FY13 Architectural revenue ¥ 108.1bn (Q2 FY12: ¥ 128.4bn) and losses of ¥ 2.6bn (Q2 FY12: ¥ 8.1bn profit).
- Q2 FY13 Automotive revenue ¥ 121.1bn (Q2 FY12: ¥ 128.2bn) and profits of ¥ 2.7bn (Q2 FY12: ¥ 3.7bn)
- Q2 FY13 Technical Glass revenue ¥ 30.8bn (Q2 FY12: ¥ 31.3bn) and profits of ¥ 3.2bn (Q2 FY12: ¥ 3.9bn)
- Exceptional costs of ¥ 10.1bn include restructuring activities (¥ 6.7bn) and impairments of non-current assets (¥ 3.8bn)

Restructuring programs and efficiency enhancements progressing to plan

- On track to deliver annual benefits from restructuring of ¥ 25bn
- Cost savings from restructuring will increasingly benefit profitability in third and fourth quarters
- Three key focus areas for the restructuring are capacity reduction, overhead reductions, and operational improvements
- Float capacity reduction of 30 percent in Europe and 25 percent in North America being implemented
- Closure of two European Automotive fabrication facilities announced on 26 October 2012 (in consultation)
- Headcount reductions :1,750 people had already left the Group as at 30 September 2012

Near-term strategic focus on profit improvement. Value-added products key to longer-term growth plans

- Clear plan to achieve improvement in financial position and results
- Restructured NSG will be well positioned to take advantage of future market upturns
- Longer-term growth opportunities identified, with focus on value-added product segments

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Extract from NSG Group FY2013 Quarter 2 financial results presentation, 31 October 2012.

Consolidated Income Statement

NSG GROUP

(JPY bn)	Cum Q2 FY2013	Cum Q2 FY2012	Change from Cum Q2 FY2012
Revenue	**260.7**	**288.5**	**-10%****
Operating profit before amortization	**2.3**	**12.9**	
Amortization*	(3.3)	(3.7)	
Operating profit / (loss) before exceptional items	**(1.0)**	**9.2**	
Exceptional items	**(10.1)**	**-**	
Operating profit / (loss)	**(11.1)**	**9.2**	
Finance expenses (net)	(6.8)	(7.1)	
Share of JVs and associates	0.2	4.3	
Profit / (loss) before taxation	**(17.7)**	**6.4**	
Profit / (loss) for the period	**(16.6)**	**6.3**	
Profit / (loss) attributable to owners of the parent	**(16.9)**	**5.7**	
EBITDA	**16.4**	**29.0**	**-43%**

* Amortization arising from the acquisition of Pilkington plc only

** -5% based on constant exchange rates

Market conditions remain challenging

FY2013 Forecast
Announced 2 August 2012

NSG GROUP

(JPY bn)	Forecast H1 FY2013	Forecast FY2013
Revenue	**260**	**530**
Operating profit before amortization	**1.0**	**10.0**
Amortization*	(3.5)	(7.0)
Operating profit / (loss) before exceptional items	**(2.5)**	**3.0**
Exceptional items	(10.5)	(21.0)
Operating loss	**(13.0)**	**(18.0)**
Finance expenses (net)	(7.5)	(15.0)
Share of JVs and associates	1.5	3.0
Loss before taxation	**(19.0)**	**(30.0)**
Loss for the period	**(17.0)**	**(27.0)**
Loss attributable to owners of the parent	**(17.0)**	**(28.0)**

* Amortization arising from the acquisition of Pilkington plc only

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