12 November 2009

FY2010 CUMULATIVE QUARTER 2 RESULTS

(From 1 April 2009 to 30 September 2009)

- **Cumulative results for the first two quarters, reflect recessionary global market conditions**
- **However, second-quarter, three month, results demonstrate improvement, with markets stabilizing**
- **Further reduction in net financial debt**
- **Restructuring on schedule**
- **Full year forecast revised, with improved operating result**

Cumulative results for the first two quarters, reflect recessionary global market conditions

- Challenging conditions in all major Building Products and Automotive markets.
- Specialty Glass demand hit by strength of the Yen and sluggish export markets.
- Solar Energy business continuing with steady year-on-year volume growth.
- Robust performance in Automotive AGR, with results consistent with prior year.
- Cumulative Group revenues ¥ 293 billion (FY09: ¥ 431bn) and operating loss ¥ 7 billion (before amortization) (FY09: profit ¥ 29bn).
- Building Products revenues ¥ 126 billion and operating loss ¥ 4.2 billion (before amortization).
- Automotive revenues ¥ 130 billion and operating profit ¥ 2.8 billion (before amortization).
- Specialty Glass revenues ¥ 31 billion with a break even profit result.

However, second quarter, three month, results demonstrate improvement, with markets stabilizing

- European Building Products market prices improved approximately 40 percent from end of May.
- Government incentives providing significant, but temporary, stimulus to Automotive OE markets.
- Specialty Glass business returned to profitability reflecting market improvements.
- Benefits from cost reduction programs helping all business line results.
- Second-quarter Group revenues ¥ 149 billion (Q1 FY10: ¥ 144bn) and operating loss ¥ 0.6 billion (before amortization) (Q1 FY10: operating loss ¥ 6.4bn).

Further reduction in net financial debt

- Net financial indebtedness decreased from ¥ 331 billion at 31 March 2009 to ¥ 307 billion at the period end.
- Balance sheet strengthened with proceeds from ¥ 30 billion preference share issue during the quarter.
- Additionally, the Group has refinanced ¥ 77 billion of debt during the year.
- Capital expenditure rates continue to be below 60 percent of depreciation.
- Disposals of non-core businesses continue, with disposals in Japan, Switzerland and France.

Restructuring on schedule

- Further 1,700 employees left the Group during the first two quarters, bringing the total to 6,200 out of the 6,700 planned reductions.
- Restructuring amount charged to the income statement of ¥ 6.6 billion for the first two quarters, in line with plan.

Full year forecast revised with improved operating result

- Market conditions stabilizing following significant declines of previous quarters.
- Reduced input costs in line with general economic weakness.
- Building Products price increases since June should contribute further revenue and profitability.
- Business conditions expected to remain stable or improve gradually in line with global economy.
- Significant impact of government incentives in Automotive markets.
- Withdrawal of scrappage schemes creates uncertainty over Automotive demand, looking forward.
- Solar Energy business still key area for expansion, with NSG Group well placed to retain its leading position within the thin film market.
- Cost reduction programs still expected to contribute ¥ 14 billion of savings for financial year.

Third and fourth quarters expected to show slight improvement from second quarter, with further realization of cost savings and improvements in flat glass market prices.

Extract from NSG Group quarter two financial results presentation, 12th November 2009.

Cumulative Consolidated Income Statement

(JPY bn)	Cum Q2 FY10	Cum Q2 FY09	Change from Cum Q2 FY09
Revenue	**293.0**	**431.1**	**-32%**
Op.Income before amortization*	**(7.0)**	**28.9**	
Amortization*	(9.2)	(11.7)	
Operating Income	**(16.2)**	**17.2**	
Non-operating items	(8.5)	(4.7)	
Ordinary income	**(24.7)**	**12.5**	
Extraordinary items	(2.0)	26.6	
Pre-tax Income	**(26.7)**	**39.1**	
Net Income	**(26.2)**	**18.3**	
EBITDA	13.3	53.3	-75%

* Amortization arising from the acquisition of Pilkington plc only

Operating result sharply reduced with economic downturn

Quarterly Consolidated Income Statement

(JPY bn)	Q2 FY10	Q1 FY10	Change from Q1 FY10
Sales	**149.4**	**143.6**	**4%**
Op.Income before amortization	**(0.6)**	**(6.4)**	
Amortization*	(4.6)	(4.6)	
Operating Income	**(5.2)**	**(11.0)**	
Non-operating items	(3.7)	(4.8)	
Ordinary income	**(8.9)**	**(15.8)**	
Extraordinary items	(0.9)	(1.1)	
Pre-tax Income	**(9.8)**	**(16.9)**	
Net Income	**(10.5)**	**(15.7)**	
EBITDA	9.1	4.2	117%

* Amortization arising from the acquisition of Pilkington plc only

Operating result reflects stabilizing market conditions and cost reduction