7 November 2013

FY2014 QUARTER 2 RESULTS

(from 1 April 2013 to 30 September 2013)

- **Cumulative Q2 results consistent with forecast**
- **Profit improvement reflects operational cost savings**
- **Market conditions broadly stable**
- **Restructuring activities progressing to plan, additional measures announced**
- **All FY2014 maturing facilities successfully refinanced**
- **FY2014 forecast revised, loss for the period remains unchanged**

Profit improvement reflects operational cost savings

- Cumulative Group revenues of ¥ 302.2bn were 16% above the previous year (Q2 FY13: ¥ 260.7bn), 1% below previous year at constant exchange rates
- Trading profit, before amortization and exceptional items, of ¥ 9.2bn (Q2 FY13: ¥ 2.3bn) reflects operational cost savings
- Q2 FY14 Architectural revenue ¥ 119.5bn (Q2 FY13: ¥ 108.1bn) and profit of ¥ 4.4bn (Q2 FY13: ¥ 2.6bn loss)
- Q2 FY14 Automotive revenue ¥ 152.1bn (Q2 FY13: ¥ 121.1bn) and profits of ¥ 4.6bn (Q2 FY13: ¥ 2.7bn)
- Q2 FY14 Technical Glass revenue ¥ 30.1bn (Q2 FY13: ¥ 30.8bn) and profits of ¥ 3.0bn (Q2 FY13: ¥ 3.2bn)
- Exceptional items of ¥ 6.0bn include restructuring activities of ¥ 4.7bn

Market conditions broadly stable

- European architectural markets were broadly stable
- European automotive markets also stable, but at historically low level
- In Japan, architectural markets improving, automotive markets down but weak yen aiding vehicle exports
- In North America, strengthening domestic demand benefitting architectural markets, automotive markets continue to strengthen
- In the Rest of the World, architectural markets experienced improved market conditions, automotive markets experienced stronger consumer vehicle demand
- Technical glass markets mixed, with improvements in some areas and reductions in others

Restructuring activities progressing to plan, additional measures announced

- Restructuring increasingly benefiting profits, year on year savings ¥ 5.1bn
- Working capital still a focus, with reduced levels during the period
- Operational improvements also a key focus and programs will continue throughout FY2014
- Intention to mothball the Cowley Hill, UK float line announced on 7 November
- Management focus remains on returning the Group to profitability

FY2014 forecast revised, loss for the period remains unchanged

- The Group’s forecast has been revised following the 7 November announcement of the intention to mothball the Group’s float line at Cowley Hill, UK
- Exceptional costs will increase by ¥ 3bn to ¥ 14bn
- Tax charge reduced by ¥ 3bn following announced reduction in UK tax rate
- The Group’s FY2014 loss for the period remains unchanged

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Extract from NSG Group FY2014 Quarter 2 financial results presentation, 7 November 2013.

Consolidated Income Statement

NSG GROUP

(JPY bn)	Cum Q2 FY2014	Cum Q2 FY2013	Change from Cum Q2 FY2013
Revenue	**302.2**	**260.7**	**16%****
Trading profit	**9.2**	**2.3**	
Amortization*	(4.3)	(3.3)	
Operating profit/(loss) before exceptional items	**4.9**	**(1.0)**	
Exceptional items	**(6.0)**	**(10.1)**	
Operating loss	**(1.1)**	**(11.1)**	
Finance expenses (net)	(9.4)	(7.8)	
Share of JVs and associates	0.4	0.2	
Loss before taxation	**(10.1)**	**(18.7)**	
Loss for the period	**(10.5)**	**(17.3)**	
Loss attributable to owners of the parent	**(11.1)**	**(17.7)**	
EBITDA	**25.2**	**16.4**	**54%**

* Amortization arising from the acquisition of Pilkington plc only

** -1% based on constant exchange rates

Market conditions broadly stable

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