

FY2014 QUARTER 3 RESULTS

(from 1 April 2013 to 31 December 2013)

- **Cumulative Q3 results consistent with forecast**
- **Profit improvement reflects operational cost savings**
- **Market conditions remain broadly stable**
- **Restructuring activities progressing to plan, operational efficiency programs continue**

Profit improvement reflects operational cost savings

- Cumulative Group revenues of ¥ 451.2bn were 17% above the previous year (Q3 FY13: ¥ 385.0bn), flat with the previous year at constant exchange rates
- Trading profit, before amortization and exceptional items, of ¥ 14.2bn (Q3 FY13: ¥ 4.7bn) reflects operational cost savings
- Q3 FY14 Architectural revenue ¥ 181.4bn (Q3 FY13: ¥ 162.3bn) and profit of ¥ 7.3bn (Q3 FY13: ¥ 1.4bn loss)
- Q3 FY14 Automotive revenue ¥ 224.7bn (Q3 FY13: ¥ 176.9bn) and profits of ¥ 6.7bn (Q3 FY13: ¥ 2.7bn)
- Q3 FY14 Technical Glass revenue ¥ 44.4bn (Q3 FY13: ¥ 44.8bn) and profits of ¥ 3.9bn (Q3 FY13: ¥ 4.5bn)

Market conditions remain broadly stable

- European architectural markets were broadly stable
- European automotive markets also stable, but showing some signs of recovery
- In Japan, architectural market indicators continue to improve, automotive market strong ahead of consumption tax increase and as a weak yen aids vehicle exports
- In North America, recovering domestic demand benefitting architectural markets, automotive markets continue to strengthen
- In the Rest of the World, architectural markets experienced improved market conditions, automotive markets were mixed
- Technical glass markets mixed, with improvements in some areas and reductions in others

Restructuring activities progressing to plan, operational efficiency programs continue

- Restructuring increasingly benefiting profits, year on year savings ¥ 7.5bn
- Operational improvements remain a key focus and programs will continue
- During the third quarter the Cowley Hill, UK float line was mothballed
- Management focus remains on returning the Group to profitability
- Full-year forecast maintained

Consolidated Income Statement



<u>(JPY bn)</u>	<u>Cum Q3</u> <u>FY2014</u>	<u>Cum Q3</u> <u>FY2013</u>	<u>Change</u> <u>from Q3</u> <u>FY13</u>
Revenue	451.2	385.0	17%^{**}
Trading profit	14.2	4.7	
Amortization*	(5.8)	(5.0)	
Operating profit/(loss) before exceptional items	8.4	(0.3)	
Exceptional items	(9.5)	(21.1)	
Operating loss	(1.1)	(21.4)	
Finance expenses (net)	(13.2)	(11.9)	
Share of JVs and associates	0.8	1.0	
Loss before taxation	(13.5)	(32.3)	
Loss for the period	(13.7)	(32.7)	
Loss attributable to owners of the parent	(14.8)	(33.3)	
EBITDA	38.0	26.1	46%

* Amortization arising from the acquisition of Pilkington plc only

** 0% based on constant exchange rates

Profits improvement reflects operational cost savings

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