FY 2014 3rd Quarter Consolidated Financial Results <IFRS>

31 January 2014

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Co., Ltd.	Stock Exchange Listing: Tokyo
Code Number	5202	(URL http://www.nsg.com)

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Submission of quarterly report to MOF: 4 February 2014
Payment of dividends starts from: N/A
Quarterly result presentation papers: Yes
Quarterly result presentation meeting: Yes
(Teleconference for institutional investors)

1. Consolidated business results for FY 2014 Quarter 3 (From 1 April 2013 to 31 December 2013)

(1) Consolidated business results (prior year restated)

	Revenue		Operating loss		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Q3 FY 2014	451,226	17.2	(1,059)	-	(13,484)	-	(13,706)	-	(14,791)	-	31,808	-
Q3 FY 2013	384,959	(8.5)	(21,441)	-	(32,328)	-	(32,729)	-	(33,280)	-	(18,320)	-

	Earnings per share - basic	Earnings per share - diluted
Q3 FY 2014	¥ (16.39)	¥ (16.39)
Q3 FY 2013	¥ (36.88)	¥ (36.88)

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2014 Quarter 3	941,171	186,626	176,096	18.7
FY 2013 Full year	885,436	155,453	145,031	16.4

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY 2013 (Actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00
FY 2014 (Actual)	-	¥ 0.00	-	-	¥ 0.00
FY 2014 (Forecast)	-	-	-	¥ 0.00	¥ 0.00

Note: There have been no changes to the forecast dividends this quarter.

3. Forecast for FY 2014 (From 1 April 2013 to 31 March 2014)

	Revenue		Operating profit/(loss)		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Full year	600,000	15.1	0	-	(18,000)	-	(20,000)	-	(21,000)	-	(23.27)

Note: There have been no changes to the forecast results this quarter.
For further details, please refer to the prospects section on page 7.

4. Other items

(a) Changes in status of principal subsidiaries --- No

(b) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements

(i) Changes due to revisions in accounting standards under IFRS--- Yes
(ii) Changes due to other reasons --- No
(iii) Changes in accounting estimates -- No

Note: For further details, please refer to the changes in accounting policy section on pages 8 through 9.

(c) Number of shares outstanding (common stock)

(i) Number of shares issued at the end of the period, including shares held as treasury stock:
903,550,999 shares as of 31 December 2013 and 903,550,999 shares as of 31 March 2013
(ii) Number of shares held as treasury stock at the end of the period:
981,965 shares as at 31 December 2013 and 963,765 shares as at 31 March 2013
(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
902,584,490 shares for the period ending 31 December 2013 and 902,358,052 shares for the period ending 31 December 2012

Status of quarterly review procedures taken by external auditors for the quarterly results

These quarterly consolidated financial results are out of scope for independent review by the external auditors based on the Financial Instrument and Exchange Law of Japan (MOF). The review procedures are still ongoing as of the date of announcement of the quarterly consolidated financial results.

Explanation for the appropriate usage of performance projections and other special items

The projections contained in this document are based on information currently available to the Group and certain assumptions considered reasonable. Hence, the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Japan, Europe, North and South America, Asia, etc.), product supply/demand shifts, fluctuations in currency exchange and interest rates, as well as price changes in primary fuels and raw materials. Please refer to the section entitled "Prospects" on page 7 for qualitative information such as assumptions used for the projections.

[Attachments]

Table of contents in the attachments (including mandatory disclosure items)

1 Narratives about financial results

(1) Business Performance and Financial Standing

(a) Background to Results

Conditions in the Group’s markets during the third quarter were broadly similar to those faced earlier in the year. Activity levels in the Group’s significant European markets continued to be at a low level. European automotive markets showed tentative signs of improvement during the third quarter, although architectural markets remain at a low level. Elsewhere, markets in Japan improved, and North American markets showed further growth. Overall, technical glass markets were mixed, with improvements in some areas and reductions in others.

The cumulative operating income represented a significant improvement on the previous year, particularly in Europe, due to lower fixed cost levels and improved asset utilization. The Group recorded a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 14,225 million (Q3 FY13 ¥ 4,743 million). The loss attributable to owners of the parent narrowed to ¥ 14,791 million (Q3 FY13 ¥ 33,280 million).

(b) Review by Business Segment

The Group’s business segments cover three core product sectors: Architectural, Automotive, and Technical Glass.

Architectural, representing 40 percent of the Group's cumulative third quarter sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 50 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 10 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

The table below shows a summary of cumulative results by business segment.

¥ millions	Revenue		Operating profit before exceptional items	
	Q3 FY14	**Q3 FY13**	**Q3 FY14**	**Q3 FY13**
Architectural	181,362	162,312	7,285	(1,369)
Automotive	224,736	176,948	6,658	2,684
Technical Glass	44,423	44,762	3,937	4,518
Other Operations	705	937	(9,489)	(6,169)
Total	451,226	384,959	8,391	(336)

Architectural Business

Operating results in the Architectural business were significantly better than the previous year due mainly to the effects of the Group's restructuring program. Revenues improved due to the translational impact of a weaker Japanese yen.

In Europe, representing 38 percent of the Group's Architectural sales, economic difficulties continued to depress construction and refurbishment activity. Current year market volumes were stable, but remain at historically low levels. The Group's architectural volumes fell by 10 percent following the closure of unprofitable facilities. Year-to-date average commodity glass prices were slightly below the previous year. During the third quarter, the Group mothballed its float line at Cowley Hill, St Helens, UK. This action will further improve the Group's European architectural capacity utilization.

In Japan, representing 31 percent of Architectural sales, the prospects for architectural markets continue to be positive, with a further increase in new housing starts from the previous year. This will take some time to be translated into a significant increase in demand for glass products, however, with labor shortages generating delays in construction activities. Revenues in Japan were slightly ahead of the previous year.

In North America, representing 10 percent of Architectural sales, architectural glass markets continued to improve, mainly due to increases in private residential construction. The Group's revenues and profits improved from the previous year. Volumes were similar to the previous year, with strengthening domestic demand offsetting reduced dispatches of Solar Energy glass. Domestic price levels were above the previous year.

In the rest of the world, revenues and profits improved from the previous year. Market conditions in South America and South East Asia improved, with increased demand.

The Architectural business recorded revenues of ¥ 181,362 million and an operating profit of ¥ 7,285 million.

Automotive Business

In the Automotive business, revenues improved from the previous year due mainly to the translational impact of a weaker Japanese yen. Markets remain challenging, particularly in Europe.

Europe represents 46 percent of the Group's Automotive sales. Light vehicle sales in the European Union are at their lowest levels for up to 20 years. Demand seems now to have stabilized with some tentative signs of recovery experienced during the third quarter. In the OE sector, the Group's cumulative local currency revenues were slightly ahead of the previous year. Profits improved due mainly to cost savings arising from the Groups' restructuring program. Results in the Automotive Glass Replacement (AGR) business also improved due to increased demand.

In Japan, representing 16 percent of the Group's Automotive sales, OE volumes were stronger than the previous year, with the weaker yen providing support for vehicle exports. Domestic vehicle demand, which had been sluggish earlier in the year, improved through the third quarter ahead of the increase in consumption taxes planned for April 2014. The Group's revenues and profits were ahead of the previous year. AGR markets were stable.

In North America, representing 24 percent of the Group's Automotive sales, OE markets improved, with light vehicle sales up five per cent from the previous year. AGR revenues and profits were similar to the previous year.

In the rest of the world, revenues improved due to increased volumes.

The Automotive business recorded sales of ¥ 224,736 million and an operating profit of ¥ 6,658 million.

Technical Glass Business

Revenues in the Technical Glass business were similar to the previous year. Yen translation gains offset volume reductions during the quarter. Profits fell slightly but remain at a satisfactory level.

Revenues from thin glass for displays decreased, due partly to the disposal of the Group's LCD component assembly business earlier in the year. Sales of thin glass for smart phones and tablet devices slightly decreased due to a temporary inventory adjustment in the market. Demand for components used in multi-function printers continued to improve during the quarter. Volumes of glass cord used in engine timing belts improved, with increased demand for vehicles using relatively small, fuel-efficient engines incorporating the Group's products.

The Technical Glass business recorded revenues of ¥ 44,423 million and an operating profit of ¥ 3,937 million.

Other Operations and Eliminations

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc. Operating costs incurred in Other Operations and Eliminations increased due to the non-recurrence of certain one-off gains experienced in FY2013.

Consequently, this segment recorded revenues of ¥ 705 million and operating costs of ¥ 9,489 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits was similar to the previous year. Profits at Cebrace, the Group's joint venture in Brazil, improved due to increased demand levels. This was offset partly however, by start-up losses at the Group's associate in Colombia. Profitability at the Group's Architectural joint ventures and associates in China improved from the previous year, while results at the Group's joint venture in Russia were below the previous year.

The Group's share of joint ventures and associates profits after tax was ¥ 784 million (Q3 FY13 ¥ 987 million).

(2) Financial condition

Total assets at the end of December 2013 were ¥ 941,171 million, representing an increase of ¥ 55,735 million from the end of March 2013. Total equity was ¥ 186,626 million, representing an increase of ¥ 31,173 million, as the translational impact of a weakened Japanese yen of ¥ 45,827 million, more than offset the loss recorded for the period.

Net financial indebtedness increased by ¥ 39,068 million from 31 March 2013 to ¥ 399,916 million at the period end. The increase in indebtedness arose partly as a result of exchange differences generated by the weakening Japanese yen, as well as the low overall level of profitability. Currency movements generated an increase in net debt of approximately ¥ 20,190 million over the period. Gross debt was ¥ 458,376 million at the period end.

Cash outflows from operating activities were ¥ 5,505 million. Cash outflows from investing activities were ¥ 11,159 million, including capital expenditure on property, plant, and equipment of ¥ 16,073 million. As a result, total cash outflows before financing were ¥ 16,664 million.

As at 31 December 2013, the Group had un-drawn committed facilities of ¥ 38,400 million. In addition, the Group had a further ¥ 29,000 million of term loans, arranged in March 2013, and which are to be drawn later in the current financial year in order to retire maturing indebtedness.

(3) Prospects

The forecast of revenues, operating profit, profit before taxation, profit after taxation, profit attributable to owners of the parent and income per share is set out on page 2. This forecast has not been amended from that disclosed on 7 November 2013.

The Group expects that during the remainder of FY2014, activity in European markets will continue to be at a low level, although it does not anticipate a further significant decline in volumes. European architectural prices, which ended FY2013 at historically low levels, are expected to be broadly stable.

In Japan, markets are expected to benefit from improving business sentiment, resulting from a weakened currency and growth-enhancing government policies. Automotive volumes are expected to continue to be aided by the weak Japanese yen, and domestic vehicle purchases made prior to a planned increase in consumption taxes in April 2014. Volumes in North America should continue the improvement already experienced in FY2013, and volume growth is also expected in the Group's emerging markets. Solar Energy glass dispatches are anticipated to be stable. Technical glass markets are likely to be generally lower than FY2013 levels.

The Group's operating profitability will increasingly benefit from the restructuring actions, and other operational improvements, that have been undertaken. The Group expects that recurring annual benefits will be increased to approximately ¥ 33,000 million per year from FY2015. Total restructuring costs are anticipated to be ¥ 32,000 million. Related non-cash impairment charges are expected to total ¥ 10,000 million.

2 Other information

(1) Changes in status of principal subsidiaries

There was no change.

(2) Changes in accounting principles, practices and presentations

(a) Accounting policies

The principal accounting policies applied to the condensed quarterly consolidated financial statements for the period ended 31 December 2013 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2013 except for the items below.

In accordance with IAS 8, the comparative period primary financial statements have been restated following the implementation of the accounting standards set out below.

IAS 19 was amended in June 2011. The impact on the Group's retirement benefit obligations is to replace interest cost and expected return on plan assets, previously calculated separately, with a net interest charge that is calculated by applying a territory specific discount rate to the net defined benefit liability in that territory. The amended standard is not anticipated to have a material effect on the Group's net defined benefit liabilities. At 31 March 2014, when the Group records its net defined benefit liabilities using updated actuarial calculations, the increase in finance costs arising from the adoption of the amended standard is expected to be offset by an equivalent amendment to gains and losses recorded within the Statement of Comprehensive income. At interim reporting dates, the Group's accounting policy is to revalue its net defined benefit liabilities, using updated actuarial assumptions, if the impact of using such assumptions would be significant when compared to the opening net defined benefit liability. As a result, at interim reporting dates, the adoption of the amended standard may not be offset within the Statement of Comprehensive Income, and a change to the Group's net assets may arise as a result.

The Group has retrospectively adopted the amendments to IAS 19 and has therefore restated its comparative FY2013 financial results. Consistent with the Group's accounting policy at interim reporting dates, the increase in finance costs within the restated Q3 FY2013 income statement is not offset by an amendment to gains and losses within the Statement of Comprehensive Income. For the full year, the increase in finance costs within the restated FY2013 income statement is offset by an amendment to gains and losses within the Statement of Comprehensive Income. Consequently, no amendment arises in the closing FY2013 balance sheet. The impact of adopting the amendments to IAS 19 is summarized in note 6(m).

IFRS 10, 'Consolidated financial statements' identifies the concept of control as the determining factor in whether a subsidiary company should be consolidated within the Group's financial statements. The standard provides additional guidance to assist in the determination of control. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets.

IFRS 11, 'Joint arrangements' has replaced IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly controlled entities - non monetary contributions by venturers'. This standard deals with how a joint arrangement, of which two or more parties have joint control, should be classified. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRS. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets, although the disclosure requirements contained within this standard that are applicable to interim reports, are included in note 6(j).

(b) Accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not usually be equal to the resulting actual results.

Critical accounting estimates and assumptions used for the condensed quarterly consolidated financial statements are generally the same as the ones used for the consolidated financial statements for the year ended 31 March 2013.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Consolidated Financial Statements

(1). (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**Cumulative Quarter 3 FY14 For the period 1 April 2013 to 31 December 2013**	Cumulative Quarter 3 FY13 For the period 1 April 2012 to 31 December 2012 (Restated)
Revenue	(6)-(a)	**451,226**	384,959
Cost of sales		**(344,702)**	(301,171)
Gross profit		**106,524**	83,788
Other income		**4,029**	5,049
Distribution costs		**(43,596)**	(37,070)
Administrative expenses		**(48,172)**	(41,583)
Other expenses		**(10,394)**	(10,520)
Operating profit/(loss) before exceptional items	(6)-(a)	**8,391**	(336)
Exceptional items	(6)-(b)	**(9,450)**	(21,105)
Operating loss	(6)-(a)	**(1,059)**	(21,441)
Finance income	(6)-(c)	**2,842**	1,408
Finance expenses	(6)-(c)	**(16,051)**	(13,282)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**784**	987
Loss before taxation		**(13,484)**	(32,328)
Taxation	(6)-(d)	**(222)**	(401)
Loss for the period		**(13,706)**	(32,729)
Profit attributable to non-controlling interests		**1,085**	551
Loss attributable to owners of the parent		**(14,791)**	(33,280)
		(13,706)	(32,729)
Earnings per share attributable to owners of the parent	(6)-(e)		
Basic		**(16.39)**	(36.88)
Diluted		**(16.39)**	(36.88)

(1). (b) Condensed quarterly consolidated statement of comprehensive income

¥ millions

	Cumulative Quarter 3 FY14 For the period 1 April 2013 to 31 December 2013	Cumulative Quarter 3 FY13 For the period 1 April 2012 to 31 December 2012 (Restated)
Loss for the period	**(13,706)**	(32,729)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of retirement benefit obligations (net of taxation)	**(133)**	-
Sub total	**(133)**	-
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	**45,827**	14,767
Revaluation of available-for-sale investments	**(422)**	435
Cash flow hedges:		
- fair value losses, net of taxation	**242**	(793)
Sub total	**45,647**	14,409
Total other comprehensive income for the period, net of taxation	**45,514**	14,409
Total comprehensive income for the period	**31,808**	(18,320)
Attributable to non-controlling interests	**916**	852
Attributable to owners of the parent	**30,892**	(19,172)
	31,808	(18,320)

(2) Condensed quarterly consolidated balance sheet

¥ millions

	Quarter 3 FY14 as of 31 December 2013	FY13 as of 31 March 2013
ASSETS		
Non-current assets		
Goodwill	**140,240**	116,768
Intangible assets	**91,659**	84,496
Property, plant and equipment	**292,341**	267,983
Investment property	**753**	635
Investments accounted for using the equity method	**51,652**	45,063
Trade and other receivables	**16,068**	16,514
Financial assets:		
- Available-for-sale investments	**7,174**	6,742
- Derivative financial instruments	**1,242**	1,362
Deferred tax assets	**58,945**	51,797
	660,074	591,360
Current assets		
Inventories	**118,589**	100,790
Construction work-in-progress	**834**	428
Trade and other receivables	**103,511**	103,928
Financial assets:		
- Available-for-sale investments	**3**	652
- Derivative financial instruments	**2,242**	2,168
Cash and cash equivalents	**54,976**	83,472
	280,155	291,438
Assets held for sale	**942**	2,638
	281,097	294,076
Total Assets	**941,171**	885,436
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**149,327**	152,585
- Derivative financial instruments	**1,955**	1,744
Trade and other payables	**123,394**	117,151
Provisions	**17,099**	17,982
Deferred income	**3,340**	2,914
	295,115	292,376
Liabilities related to assets held for sale	**-**	666
	295,115	293,042

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	Quarter 3 FY14 as of 31 December 2013	FY13 as of 31 March 2013
Non-current liabilities		
Financial liabilities:		
- Borrowings	**305,259**	291,793
- Derivative financial instruments	**1,835**	1,727
Trade and other payables	**660**	2,344
Deferred tax liabilities	**25,597**	23,641
Retirement benefit obligations	**98,585**	89,760
Provisions	**17,121**	18,620
Deferred income	**10,373**	9,056
	459,430	436,941
Total liabilities	**754,545**	729,983
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,449**	116,449
Capital surplus	**127,516**	127,511
Retained earnings	**(26,149)**	(11,275)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**26,328**	(19,606)
Total shareholders' equity	**176,096**	145,031
Non-controlling interests	**10,530**	10,422
Total equity	**186,626**	155,453
Total liabilities and equity	**941,171**	885,436

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

Quarter 3 FY2014	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders' equity**	Non-controlling interests	**Total equity**
At 1 April 2013	116,449	127,511	(11,275)	(68,048)	(19,606)	**145,031**	10,422	**155,453**
Total Comprehensive Income	-	-	(14,924)	-	45,816	**30,892**	916	**31,808**
Dividends paid	-	-	-	-	-	**-**	(665)	**(665)**
Stock options	-	-	-	-	115	**115**	-	**115**
Issuance & purchase of treasury stock	-	5	-	-	3	**8**	**-**	**8**
Acquisition of additional investments in subsidiaries	-	-	50	-	-	**50**	(143)	**(93)**
At 31 December 2013	**116,449**	**127,516**	**(26,149)**	**(68,048)**	**26,328**	**176,096**	**10,530**	**186,626**

¥ millions

Quarter 3 FY2013 (restated)	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders' equity**	Non-controlling interests	**Total equity**
At 1 April 2012	116,449	127,511	30,793	(68,048)	(45,392)	**161,313**	9,222	**170,535**
Total Comprehensive Income			(33,280)		14,108	**(19,172)**	852	**(18,320)**
Dividends paid			(1,354)			**(1,354)**	(418)	**(1,772)**
Stock options					16	**16**		**16**
Issuance & purchase of treasury stock		4			12	**16**		**16**
Acquisition of additional investments in subsidiaries						**-**	(49)	**(49)**
At 31 December 2012	**116,449**	**127,515**	**(3,841)**	**(68,048)**	**(31,256)**	**140,819**	**9,607**	**150,426**

(4) Condensed quarterly consolidated statement of cash flows

¥ millions

	Note	**Cumulative Quarter 3 FY14 for the period 1 April 2013 to 31 December 2013**	Cumulative Quarter 3 FY13 for the period 1 April 2012 to 31 December 2012
Cash flows from operating activities			
Cash generated from operations	(6)-(h)	**7,263**	10,986
Interest paid		**(12,564)**	(10,231)
Interest received		**2,523**	1,599
Tax paid		**(2,727)**	(4,148)
Net cash inflows/(outflows) from operating activities		**(5,505)**	(1,794)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**67**	451
Purchase of joint ventures and associates		**(22)**	-
Proceeds on disposal of joint ventures and associates		**3**	-
Purchase of subsidiaries (net of cash disposed)		**(12)**	(1,224)
Proceeds on disposal of subsidiaries		**1,104**	-
Purchases of property, plant and equipment		**(16,073)**	(22,032)
Proceeds on disposal of property, plant and equipment		**2,276**	2,161
Purchases of intangible assets		**(1,066)**	(1,070)
Proceeds on disposal of intangible assets		**-**	30
Purchase of available-for-sale investments		**(5)**	(4)
Proceeds from available-for-sale investments		**863**	33
Loans with joint ventures, associates & third parties		**1,319**	415
Others		**387**	113
Net cash outflows from investing activities		**(11,159)**	(21,127)
Cash flows from financing activities			
Dividends paid to shareholders		**(12)**	(1,358)
Dividends paid to non-controlling interests		**(665)**	(423)
Repayment of borrowings		**(84,313)**	(27,131)
Proceeds from borrowings		**67,163**	54,269
Others		**(5)**	(2)
Net cash (outflows)/inflows from financing activities		**(17,832)**	25,355
(Decrease)/increase in cash and cash equivalents (net of bank overdrafts)		**(34,496)**	2,434
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(i)	**65,173**	24,797
Effect of foreign exchange rate changes		**7,290**	1,835
Decrease in cash and cash equivalents from changes in scope of consolidation		**-**	(119)
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(i)	**37,967**	28,947

(5) Notes regarding going concern

There were no issues or events arising during the quarter, which negatively affect the ability of the Group to continue as a going concern.

(6) Notes to the Group Results

(a) Segmental information

The Group is organized on a worldwide basis into the following principal business segments.

Architectural, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

Other operations include head office and other central costs, consolidation adjustments and other non-core activities.

The segmental results for the period ended 31 December 2013 were as follows:

¥ millions

Cumulative Quarter 3 FY14 For the period 1 April 2013 to 31 December 2013	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**181,362**	**224,736**	**44,423**	**705**	**451,226**
Inter-segmental revenue	**11,952**	**1,617**	**66**	**4,046**	**17,681**
Total revenue	**193,314**	**226,353**	**44,489**	**4,751**	**468,907**
Trading profit	**7,285**	**6,658**	**3,937**	**(3,655)**	**14,225**
Amortization arising from the acquisition of Pilkington plc				**(5,834)**	**(5,834)**
Operating profit before exceptional items	**7,285**	**6,658**	**3,937**	**(9,489)**	**8,391**
Exceptional items					**(9,450)**
Operating loss after exceptional items					**(1,059)**
Finance costs – net					**(13,209)**
Share of post tax profit from joint ventures and associates					**784**
Loss before taxation					**(13,484)**
Taxation					**(222)**
Loss for the period from continuing operations					**(13,706)**

(a) Segmental information continued

The segmental results for the period ended 31 December 2012 were as follows:

¥ millions

Cumulative Quarter 3 FY13 For the period 1 April 2012 to 31 December 2012 (Restated)	Architectural	Automotive	Technical Glass	Other Operations	Total
Revenue					
External revenue	162,312	176,948	44,762	937	384,959
Inter-segmental revenue	9,338	731	126	3,805	14,000
Total revenue	171,650	177,679	44,888	4,742	398,959
Trading profit	(1,369)	2,684	4,518	(1,090)	4,743
Amortization arising from the acquisition of Pilkington plc	-	-	-	(5,079)	(5,079)
Operating loss before exceptional items	(1,369)	2,684	4,518	(6,169)	(336)
Exceptional items					(21,105)
Operating loss after exceptional items					(21,441)
Finance costs – net					(11,874)
Share of post tax profit from joint ventures and associates					987
Loss before taxation					(32,328)
Taxation					(401)
Loss for the period from continuing operations					(32,729)

The segmental assets at 31 December 2013 and capital expenditure for the period ended 31 December 2013 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**161,732**	**176,572**	**46,167**	**1,319**	**385,790**
Capital expenditure (including intangibles)	**2,398**	**7,357**	**8,455**	**1,824**	**20,034**

The segmental assets at 31 December 2012 and capital expenditure for the period ended 31 December 2012 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	151,771	161,159	43,474	348	356,752
Capital expenditure (including intangibles)	8,773	10,103	795	77	19,748

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, construction work-in-progress, trade and other receivables and trade and other payables.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(b) Exceptional items

	Cumulative Quarter 3 FY14 for the period 1 April 2013 to 31 December 2013 ¥ millions	Cumulative Quarter 3 FY13 for the period 1 April 2012 to 31 December 2012 ¥ millions
Exceptional Items (gains):		
Reduction of pension liabilities	**1,076**	-
Gain on dilution of interests in associate	**942**	-
Gain on dilution of interests in joint venture	**-**	326
Gain on disposal of available-for-sale investments	**166**	-
Gain on acquisition of a subsidiary	**-**	131
Other gains	**226**	79
	2,410	536
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(9,805)**	(14,078)
Impairments of non-current assets	**(1,316)**	(6,904)
Settlement of litigation matters	**(365)**	(362)
Other losses	**(374)**	(297)
	(11,860)	(21,641)
	(9,450)	(21,105)

Exceptional items in FY2014 are as follows:

The reduction in pension liabilities arises at a UK subsidiary, where employees have accepted a change to their terms and conditions, whereby pensionable salaries in the subsidiary's pension scheme will be capped at their level on 1 January 2014.

The gain on dilution of shares in an associate arises following a placing of shares by Shanghai Yaohua Pilkington Glass Co Ltd in which the Group did not participate.

The gain on disposal of available-for-sale investments relates to the disposal of an investment in Japan.

Restructuring costs arise in a variety of locations around the world. It also includes the cost of maintaining idle facilities, principally in Europe.

The impairments arising during the period mainly relate to the Group's Architectural facilities in Cowley Hill, UK, and Halmstad, Sweden.

The settlement of litigation matters relates to claims made by certain of the Group's Automotive customers in Europe, following the European Commission's earlier decision to fine the Group for alleged breaches of European competition law.

(b) Exceptional items continued

Exceptional items in FY2013 were as follows:

The gain on joint venture dilution arises on a refinancing of the Group's joint venture in Russia, where new investors have injected equity into the joint venture at a subscription price in excess of the accounting net asset value per share prior to the subscription.

The gain on subsidiary acquisition arises on the acquisition of the shares of Flovetro SpA, see note L, business combinations.

Restructuring costs arise in a variety of locations around the world and relate the Group's program to reduce costs as previously announced.

The impairments arising during the period relate principally to the Group's architectural facility in Venice, Italy and Halmstad, Sweden.

Settlement of litigation matters relates to a variety of legal claims settled during the period.

(c) Finance income and expenses

	Cumulative Quarter 3 FY14 for the period 1 April 2013 to 31 December 2013	Cumulative Quarter 3 FY13 for the period 1 April 2012 to 31 December 2012 (Restated)
	¥ millions	¥ millions
Finance income		
Interest income	**2,564**	1,246
Foreign exchange transaction gains	**278**	90
Fair value gains on financial instruments		
- interest rate swaps	**-**	72
	2,842	1,408
Finance expenses		
Interest expense:		
- bank and other borrowings	**(13,124)**	(10,280)
Dividend on non-equity preference shares due to minority shareholders	**(206)**	(162)
Foreign exchange transaction losses	**(61)**	(227)
	(13,391)	(10,669)
Unwinding discounts on provisions	**(251)**	(215)
Retirement benefit obligations - net finance charge	**(2,409)**	(2,398)
	(16,051)	(13,282)

(d) Taxation

The tax charge on losses before taxation, excluding the Group's share of net profits of joint ventures and associates, is a rate of 1.6 per cent in the period ended 31 December 2013 (31 December 2012 restated, tax charge on losses at a rate of 1.2 per cent). The tax charge for the period is based on the estimated effective rate for the year to 31 March 2014.

(e) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

	Cumulative Quarter ended 31 December 2013	Cumulative Quarter ended 31 December 2012 (Restated)
	¥ millions	¥ millions
Loss attributable to owners of the parent	**(14,791)**	(33,280)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,584**	902,358
	¥	¥
Basic earnings per share	**(16.39)**	(36.88)

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, following the exercise of share options. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(e) Earnings per share continued

	Cumulative Quarter ended 31 December 2013	Cumulative Quarter ended 31 December 2012 (Restated)
	¥ millions	¥ millions
Earnings		
Loss attributable to owners of the parent	**(14,791)**	(33,280)
Loss used to determine diluted earnings per share	**(14,791)**	(33,280)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,584**	902,358
Adjustment for:		
- Share options	-	-
Weighted average number of ordinary shares for diluted earnings per share	**902,584**	902,358
	¥	¥
Diluted earnings per share	**(16.39)**	(36.88)

Diluted earnings per share for the period and for last year do not include stock options due to the anti-dilutive effect caused by the loss during the period.

(f) Dividends paid

	Cumulative Quarter ended 31 December 2013	Cumulative Quarter ended 31 December 2012
	¥ millions	¥ millions
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the year ended 31 March 2013 ¥ 0 per share (2012: ¥ 1.5 per share)	**-**	1,358

(g) Exchange rates

The principal exchange rates used for the translation of foreign currencies were as follows:

	Cumulative Quarter 3 FY14 31 December 2013		Year ended 31 March 2013		Cumulative Quarter 3 FY13 31 December 2012	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**156**	**174**	131	141	127	142
US dollar	**99**	**105**	83	93	80	87
Euro	**132**	**145**	107	119	102	115

(h) Cash flows generated from operations

	Cumulative Quarter 3 FY14 for the period 1 April 2013 to 31 December 2013 ¥ millions	Cumulative Quarter 3 FY13 for the period 1 April 2012 to 31 December 2012 (Restated) ¥ millions
Loss for the period from continuing operations	**(13,706)**	(32,729)
Adjustments for:		
Taxation	**222**	401
Depreciation	**22,498**	19,424
Amortization	**7,668**	6,993
Impairment	**2,662**	7,025
Loss on sale of property, plant and equipment	**(296)**	(579)
Gain on sale of subsidiaries, joint ventures, associates and businesses	**56**	-
Grants and deferred income (released)/received	**(405)**	1,818
Finance income	**(2,842)**	(1,408)
Finance expenses	**16,051**	13,282
Share of profit from joint ventures and associates	**(784)**	(987)
Other items	**(1,537)**	(983)
Operating cash flows before movement in provisions and working capital	**29,587**	12,257
Decrease in provisions and retirement benefit obligations	**(16,462)**	(6,489)
Changes in working capital:		
- inventories	**(4,926)**	938
- construction work-in-progress	**(280)**	(624)
- trade and other receivables	**640**	10,335
- trade and other payables	**(1,296)**	(5,431)
Net change in working capital	**(5,862)**	5,218
Cash flows generated from operations	**7,263**	10,986

(i) Cash and cash equivalents

	As of 31 March 2013	As of 31 March 2012
	¥ millions	¥ millions
Cash and cash equivalents	**83,472**	43,346
Bank overdrafts	**(18,299)**	(18,549)
	65,173	24,797

	As of 31 December 2013	As of 31 December 2012
	¥ millions	¥ millions
Cash and cash equivalents	**54,976**	40,870
Bank overdrafts	**(17,009)**	(11,923)
	37,967	28,947

(j) Financial Instruments

Fair Value hierarchy, assets and liabilities measured at fair value on a recurring basis:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices)

Level 3: inputs for the asset or liability that are not based upon market data (unobservable inputs)

				As of 31 December 2013
	Level 1	**Level 2**	**Level 3**	**Total**
	¥ millions	¥ millions	¥ millions	¥ millions
Available-for-sale investments:				
UK Government gilts	**3,542**	**-**	**-**	**3,542**
Listed equities	**162**	**-**	**-**	**162**
Unlisted equities	**-**	**-**	**2,807**	**2,807**
Bond funds	**504**	**-**	**-**	**504**
Other	**-**	**-**	**162**	**162**
Derivative assets				
Interest rate swaps	-	**76**	-	**76**
Forward foreign exchange contracts	-	**959**	-	**959**
Energy hedges	-	**2,449**	-	**2,449**
Derivative liabilities				
Interest rate swaps	-	**1,122**	-	**1,122**
Forward foreign exchange contracts	-	**1,376**	-	**1,376**
Energy hedges	-	**1,292**	-	**1,292**

(j) Financial Instruments continued

	As of 31 March 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
	¥ millions	¥ millions	¥ millions	¥ millions
Available-for-sale investments:				
UK Government gilts	3,543	-	-	3,543
Listed equities	143	-	-	143
Unlisted equities	-	-	3,144	3,144
Bond funds	415	-	-	415
Other	-	-	149	149
Derivative assets				
Interest rate swaps	-	101	-	101
Forward foreign exchange contracts	-	1,178	-	1,178
Energy hedges	-	2,251	-	2,251
Derivative liabilities				
Interest rate swaps	-	1,371	-	1,371
Forward foreign exchange contracts	-	923	-	923
Energy hedges	-	1,177	-	1,177

There were no transfers of assets or liabilities between the valuation hierarchy levels during the period.

Level 2 assets and liabilities comprise only derivative assets and liabilities. These are valued at either valuations provided by the counterparty to each financial instrument, or valuations based on current market rates prevailing at the balance sheet date.

Level 3 assets comprise mainly unlisted equity investments in Japan. A variety of techniques are used to calculate a fair value of these equities, including future projected cash flows and net asset values of the underlying investments. The valuation of these investments is subject to a variety of sensitivities. As these investments comprise mainly Japanese trading companies, economic growth projections in Japan are the main sensitivity influencing the valuation.

A reconciliation of movements in available for sale investments included in the above hierarchy based on level 3 valuation techniques is as follows:

	Cumulative Quarter 3 FY14 for the period 1 April 2013 to 31 December 2013	Cumulative Quarter 3 FY13 for the period 1 April 2012 to 31 December 2012
	¥ millions	¥ millions
As at 1 April	**3,293**	184
Acquisitions	**29**	-
Disposals	**(378)**	(45)
Transfers from level 2 to level 3 of the fair value hierarchy	**-**	3,107
Transfer from level 3 to level 1 of the fair value hierarchy	**-**	(1)
Valuation gains / (losses) recognized in the consolidated income statement	**-**	(6)
Exchange differences	**25**	4
As at 31 December	**2,969**	3,243

(j) Financial Instruments continued

Fair values of borrowings:

The carrying amounts and fair values of the Group's non-current borrowings are as follows:

	31 December 2013		31 March 2013	
	Carrying amounts	**Fair values**	**Carrying amounts**	**Fair values**
	¥ millions	¥ millions	¥ millions	¥ millions
Bank borrowings	237,488	237,488	223,236	223,236
Other long-term loans	61,269	59,599	62,463	57,986
Finance lease obligations	1,235	1,235	1,751	1,751
Non-equity, non-controlling interest preference shares	5,267	5,267	4,343	4,343
	305,259	303,589	291,793	287,316

The Group considers that, except as disclosed above, fair value equates to carrying value for all other classes of assets and liabilities.

(k) Contingent Liabilities

Claims

Following the European Commission's decision announced on 12 November 2008 to impose a fine on the Group for alleged breaches of European competition laws, certain of the Group's Automotive customers have communicated to the Group their intention to pursue the Group for damages arising from the alleged activities. The Group intends to defend itself against such claims and notes that it is still pursuing an appeal against the European Commission fine. To cover the cost of defense as well as any potential financial impact as may result from the resolution of certain cases the Group has made a provision for amounts that may be payable. In certain other cases, the Group considers that it is too early to judge the probable future outcome of the claim and as such cannot determine that the claim will probably result in an outflow of economic benefits to the claimants.

(l) Business Combinations

There were no significant business combinations during the period to 31 December 2013.

On 2 April 2012, the Group acquired the remaining 50 percent interest in Flovetro SpA that it did not already own. Previously this had been accounted for as a joint venture with the Group owning 50 percent of the issued share capital. Flovetro SpA is a float glass manufacturing entity supplying flat glass to the Group's Automotive business in Europe.

Under the terms of the acquisition, the Group paid cash of ¥ 407 million to St Gobain, the Group's former joint venture partner in this company. The book value of the Group's joint venture investment at the acquisition date was ¥ 407 million, and the Group processed a gain on revaluation of this investment to fair value of ¥ 94 million. The total fair value of the acquisition was therefore ¥ 908 million.

The fair value of assets acquired consisted of property, plant, & equipment of ¥ 3,216 million, inventories of ¥ 724 million, receivables of ¥ 1,556 million, financial liabilities of ¥ (2,640) million, trade payables of ¥ (874) million, overdrawn cash balances of ¥ (812) million, and other net liabilities of ¥ (169) million. Total net assets acquired were therefore ¥ 1,001 million.

(I) Business Combinations continued

Negative goodwill arising on this transaction therefore amounted to ¥ 93 million, and was recognized as a gain during the period. Including the revaluation gain on the previous joint venture investment, the total gain recognized in the consolidated income statement as an exceptional item was ¥ 187 million.

During the fourth quarter of FY2013, as permitted in IFRS3, the Group revised the fair values of the assets and liabilities acquired in this business combination. The above numbers include this revision and as a result are not identical to the business combination values used to determine the gain arising during the period to 31 December 2013.

(m) Restatement of FY2013 Comparative Information

As described on page 8, the Group has restated its comparative results following its adoption of the amended version of IAS19. The table below sets out the adjustments made to FY2013 comparative data, and the recorded, and expected, impact of this amendment on the current year financial statements.

	FY2014 ¥ millions	FY2013 ¥ millions
As of 1 April		
Change in total shareholders' equity	-	-
Change in total equity	-	-
As of 31 December		
Increase in finance expenses	2,041	1,521
Increase in loss before taxation	2,041	1,521
Decrease in taxation charge / increase in taxation credit	462	384
Increase in loss for the period	1,579	1,137
Increase in total comprehensive loss for the period	1,579	1,137
Increase in net retirement benefit obligation liability	2,041	1,521
Increase in deferred taxation asset	462	384
Decrease in total shareholders' equity	1,579	1,137
Decrease in total equity	1,579	1,137
Increase in loss per share attributable to owners of the parent (basic) - yen	1.75	1.26
Increase in loss per share attributable to owners of the parent (diluted) - yen	1.75	1.26
As of 31 March		
Increase in finance expenses	2,722	2,028
Increase in loss before taxation	2,722	2,028
Decrease in taxation charge	616	512
Increase in loss for the period	2,105	1,516
Decrease in retirement benefit obligations charge within the statement of Comprehensive income, net of taxation	2,105	1,516
Increase in total comprehensive loss for the period	-	-
Change in total shareholders' equity	-	-
Change in total equity	-	-
Increase in loss per share attributable to owners of the parent (basic) - yen	2.33	1.68
Increase in loss per share attributable to owners of the parent (diluted) - yen	2.33	1.68

(7) Significant subsequent events

There were no significant subsequent events.