FY 2019 3rd Quarter Consolidated Financial Results <IFRS>

31 January 2019

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Company, Limited	Stock Exchange Listing:	Tokyo
Code Number:	5202	(URL: http://www.nsg.com)	
Representative:	Representative Executive Officer, President and CEO	Name:	Shigeki Mori
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Submission of quarterly report to MOF:	4 February 2019	Payment of dividends start from:	N/A
Quarterly result presentation papers:	Yes		
Quarterly result presentation meeting:	Yes (Teleconference for institutional investors)		

1. Consolidated business results for FY 2019 3rd Quarter (From 1 April to 31 December 2018)

(1) Consolidated business results

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
3Q FY 2019	459,469	3.2	25,715	(0.9)	17,129	22.3	11,412	-	10,518	-	(4,443)	-
3Q FY 2018	445,341	-	25,946	-	14,005	-	(365)	-	(1,693)	-	11,929	-

	Earnings per share - basic
3Q FY 2019	¥ 98.11
3Q FY 2018	¥ (33.73)

Note:
- 3Q FY 2018 data is restated as a result of adopting IFRS15 'Revenue from Contracts with Customers'. Consequently, percentage movements from the previous year (FY 2017) are not provided.
- Operating profit in the above table is defined as being operating profit stated before exceptional items.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2019 3rd Quarter	752,129	128,652	119,890	15.9
FY 2018 Full year	788,592	143,715	135,192	17.1

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
FY 2018 (Actual)	-	¥ 0.00	-	¥ 20.00	¥ 20.00
FY 2019 (Actual)	-	¥ 10.00	-		
FY 2019 (Forecast)				¥ 20.00	¥ 30.00

Note:
- There have been no changes to the forecast dividends this quarter.
- The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class Shares" for information regarding dividends on Class A shares, which are unlisted and have different rights from common shares.

3. Forecast for FY 2019 (From 1 April 2018 to 31 March 2019)

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Full year	620,000	3.5	37,000	3.8	24,000	8.4	16,000	102.4	14,000	127.1	131.35

Note:
- There have been changes to the forecast results this quarter.
- Forecast of basic earnings per share for FY2019 is calculated by dividing the profit attributable to owners of the parent after deducting dividends, by 90,489,408 shares.
- For further details, please refer to the prospects section on page 7.

4. Other items

(1) Changes in status of principle subsidiaries --- No

(2) 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 ---Yes

(iii) Changes in accounting estimates --- No

Note:

• For further details, please refer to the changes in accounting policy section on pages 8.

(3) Numbers of shares outstanding (common stock)

(i) Number of shares issued at the end of the period, including shares held as treasury stock:
90,548,399 shares as of 31 December 2018 and 90,487,499 shares as of 31 March 2018

(ii) Number of shares held as treasury stock at the end of the period:
17,481 shares as at 31 December 2018 and 14,465 shares as at 31 March 2018

(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
90,490,447 shares for the period ending 31 December 2018 and 90,388,768 shares for the period ending 31 December 2017

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

This document (Tanshin) is out of scope for quarterly review by the external auditors.

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 Europe, Asia and the Americas, 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.

(For Reference) Dividends for Class A Shares

Dividends per share related to Class A Shares with different rights from those of common shares are as follows.

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Class A Shares					
FY2018 (Actual)	-	-	-	¥ 45,000.00	¥ 45,000.00
FY2019 (Actual)	-	¥ 27,575.30	-		
FY2019 (Forecast)				¥ 27,424.70	¥ 55,000.00

(Note) Number of Class A Shares in issue are 35,000 shares. 40,000 Class A Shares were originally issued on 31 March 2017. On 7 December 2018, the Company acquired and then retired a total of 5,000 Class A shares. The forecast of dividends, for class A shares that have dividend record dates belonging to FY2019, is ¥ 2,114 million.

[Attachments]

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

1. Narratives about financial results

(1) Business Performance

(a) Background to Results

During the third quarter of the year, the Group experienced stable demand across much of Asia and the Americas, although Automotive market conditions worsened in Europe. European architectural markets continued to be strong with high levels of demand leading to a robust pricing environment. European automotive markets suffered from a reduction in domestic light vehicle sales as well as subdued conditions in certain key export markets. In Asia, architectural markets were flat, although demand for solar energy glass was above the previous year. Automotive markets in Asia were at similar levels to the previous year. In the Americas, both architectural and automotive markets enjoyed strong demand in North America. In South America, vehicle sales continued to gradually recover in Brazil, although sales in Argentina remain at a low level. The Group’s technical glass markets were positive with improving market volumes being experienced in several areas.

The Group recorded revenues of ¥ 459,469 million (3Q FY18 restated ¥ 445,341 million) and a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 27,189 million (3Q FY18 restated ¥ 27,458 million). Operating profits of ¥ 25,715 million were similar to the previous year (Q3 FY18 restated ¥ 25,946 million). The profit attributable to owners of the parent significantly increased to ¥ 10,518million (Q3 FY18 restated loss of ¥ 1,693 million) due to a year-on-year reduction in financial costs, the impact of a significant one-off gain at the Group’s architectural joint venture in Brazil, and the non-recurrence of a tax charge in the previous year following a change in U.S corporate tax rates.

(b) Review by Business Segment

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

Architectural, representing 41 percent of cumulative Group 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 51 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 8 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**	
	3rd Quarter FY 2019	**3rd Quarter FY 2018 (restated)**	**3rd Quarter FY 2019**	**3rd Quarter FY 2018 (restated)**
Architectural	186,716	179,623	18,346	20,457
Automotive	235,009	228,317	9,106	7,619
Technical Glass	36,718	36,691	6,440	4,934
Other Operations	1,026	710	(8,177)	(7,064)
Total	459,469	445,341	25,715	25,946

Architectural Business

The Architectural business recorded revenues of ¥ 186,716 million (Q3 FY18 restated ¥ 179,623 million) and an operating profit of ¥ 18,346 million (Q3 FY18 restated ¥ 20,457 million).

Architectural revenues improved from the previous year due to higher volumes, particularly in Europe, and increased dispatches of glass for solar energy. Despite the strong underlying trading conditions, profits fell, being affected by the Group's furnace cold repair schedule and an increase in energy-related input costs.

In Europe, representing 39 percent of the Group's architectural sales, markets continued to be positive with strong demand leading to high levels of capacity utilization and a robust pricing environment. Profits fell, reflecting a cold repair in Germany earlier in the year and an increase in input costs.

In Asia, representing 37 percent of the Group's architectural sales, revenues improved whilst profits fell slightly. Demand in South East Asia was generally strong although new competitor capacity helped generate an increasingly competitive marketplace. The Group benefitted from an increase in sales of glass for solar energy however. Revenues in Japan improved due to increased volume whilst results were flat due to an increase in input costs.

In the Americas, representing 24 percent of the Group's architectural sales, revenues were flat, whilst profits fell, largely due to the adoption of hyperinflationary accounting in Argentina, see section "Changes in accounting principles, practices and presentations" below. Underlying market conditions in Argentina continue to be in line with the Group's expectations. In North America, the Group benefitted from the full operation of the Ottawa plant and a buoyant domestic market.

Automotive Business

The Automotive business recorded sales of ¥ 235,009 million (Q3 FY18 restated ¥ 228,317 million) and an operating profit of ¥ 9,106 million (Q3 FY18 restated ¥ 7,619 million).

In the Automotive business, revenues and profits were both above the previous year, due mainly to an improvement in European results.

Europe represents 45 percent of the Group's automotive sales. Results improved in the Group's original equipment (OE) business, although the strong progress during the first two quarters did not continue into the third quarter. Markets softened markedly during the third quarter with demand effected by both a decline in domestic light-vehicle sales and weakening exports of luxury vehicles. Revenues and profits also increased in the Automotive Glass Replacement (AGR) business with an increase in volumes from the previous year.

In Asia, representing 22 percent of the Group's automotive sales, revenues and profits both increased slightly from the previous year. In Japan, light vehicle sales were similar to the previous year, and the Group's OE volumes were also similar despite the interruptions to the automotive supply chain caused by natural disasters. Results in the AGR business improved as a consequence of increased volumes.

In the Americas, representing 33 percent of the Group's automotive sales, revenues were similar to the previous year whilst profits were improved. In North America, the Group's OE volumes were similar to the previous year, consistent with continued strong light vehicle sales. Profitability improved in South America, with a further recovery of volumes from the previous year in Brazil. In Argentina, the Group's automotive results were impacted by the adoption of hyperinflationary accounting as noted above.

Technical Glass Business

The Technical Glass business recorded revenues of ¥ 36,718 million (Q3 FY18 restated ¥ 36,691 million) and an operating profit of ¥6,440 million (Q3 FY18 restated ¥ 4,934 million).

In the display business, improving revenues and previous-year cost reduction efforts provided a strong foundation for a further improvement in results. In the information devices business, demand for glass components used in printers and scanners was firm. Demand for glass cord used in engine timing belts softened. Metashine® product sales increased with demand being strong in both the car paint and cosmetic fields. In other areas, ISS demand in Japan maintains good for battery separators, though some slow-down has been seen elsewhere in Asia.

Other Operations and Eliminations

The Other Operations and Eliminations recorded revenues of ¥ 1,026 million (Q3 FY18 restated ¥ 710 million) and operating costs of ¥ 8,177 million (Q3 FY18 restated cost of ¥ 7,064 million).

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 and consolidation adjustments incurred in Other Operations and Eliminations increased from the previous year due partly to the inclusion of the Group's newly established Business Innovation Center.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits after tax was ¥ 4,928 million (Q3 FY18 ¥ 1,733 million).

The Group's share of joint ventures and associates profits increased from the previous year due to improved results at Cebrace, the Group's architectural joint venture in Brazil. During the second quarter of the year, this joint venture recorded a one-off gain, the NSG share of which was ¥ 2,302 million, following the conclusion of a legal challenge regarding the calculation of sales-based taxes borne by the company in previous years. The underlying trading performance at Cebrace was also positive.

(2) Financial Condition

Total assets at the end of December 2018 were ¥ 752,129 million, representing a decrease of ¥ 36,463 million from the end of March 2018 (restated). Total equity was ¥ 128,652 million, representing a decrease of ¥ 15,063 million from the restated March 2018 figure of ¥ 143,715 million. Total equity decreased, as the profit recorded for the period and an increase in asset values in Argentina following the adoption of hyperinflationary accounting, were more than offset by other movements, include exchange differences arising on the strengthening of the yen compared to the Group's other operating currencies.

Net financial indebtedness increased by ¥ 30,291 million from 31 March 2018 to ¥ 336,761 million at the period end. The increase in indebtedness arose mainly from increases in working capital. Gross debt was ¥ 380,354 million at the period end. As of 31 December 2018, the Group had un-drawn, committed facilities of ¥ 75,991 million.

Cash inflows from operating activities were ¥ 2,796 million. Cash outflows from investing activities were ¥ 21,144 million, including capital expenditure on property, plant, and equipment of ¥ 19,272 million. As a result, free cash flow was an outflow of ¥ 18,348 million.

(3) Prospects

The forecast of revenue, operating profit, profit before taxation, profit for the period, profit attributable to owners of the parent and earnings per share for the year to 31 March 2019 is set out on page 2. The forecast of earnings per share has been shown after considering the effect of dividends related to Class A shares.

The Group has revised its forecast of revenue and operating profit for the current financial year to 31 March 2019 as set out in the table below:

(JPY millions)

	Revenue	Operating profit	Profit before taxation	Profit for the period	Profit attributable to owners of parent	Earnings per share - basic
Previous forecast (A)	630,000	41,000	24,000	16,000	14,000	131.35
Revised forecast (B)	620,000	37,000	24,000	16,000	14,000	131.35
Change (B-A)	(10,000)	(4,000)	-	-	-	-
Change (%)	(1.6)	(9.8)	-	-	-	-
Ref: FY2018 (restated)	598,897	35,632	22,146	7,907	6,164	48.27

The European automotive OE market has seen a marked slowdown particularly from the third quarter of the financial year, with a reduction in domestic light-vehicle sales and challenging export markets for premium European car marques. The strength of the Japanese yen, compared to South American currencies, has had a negative translational impact when consolidating the Group's results. In addition, energy prices continue to be higher than the Group's original expectations for the year. Consequently, the Group expects revenue and headline operating profits for FY2019 to be below its previous forecast.

The Group has not amended its forecast of profit before taxation, profit for the period, or profit attributable to owners of the parent. The Group expects that the reduction in operating profit will be offset by lower exceptional costs and an increase in its share of post-tax profits of joint ventures and associates, and consequently profit before taxation is expected to be unchanged from the Group's original forecast.

Compared to the previous year, the Group expects FY2019 operating profit to be improved. Profit before taxation is expected to increase. Profit for the period and profit attributable to shareholders will improve more markedly.

Based on our Long-term Strategic Vision to transform the NSG Group into a VA Glass Company, the Group launched the Medium-term Plan ("MTP") starting in FY2015. The key objectives of the MTP are: to achieve financial sustainability; and to start the transformation into a VA Glass Company. The two financial targets were Net financial debt / EBITDA of 3X and Operating return on sales of greater than 8%. The Group also envisions a Return on Equity (ROE) of greater than 10% to be achieved under the MTP. From FY2018, the Group entered Phase 2 of the MTP, re-doubling its efforts to ensure the achievement of these targets by FY2020. The Group will focus on the four key measures under MTP Phase 2: "Drive VA No.1 Strategy"; "Establish growth drivers"; "Business culture innovation" and "Enhancement of Global Management", in order to achieve the targets, as well as to expedite the improvement of its financial base and growth strategy.

2. Other information

(1) Changes in status of principle subsidiaries

There was no change.

(2) Changes in accounting principles, practices and presentations

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' effective from the Group's financial period commencing 1 April 2018. Due to the change in accounting policy, in accordance with IAS 8, the Group has restated its comparative information in the primary condensed quarterly consolidated financial statements for the second quarter of the previous year. For further details, see note 6-(j).

From the second quarter of FY2019, the Group has applied hyperinflationary accounting adjustments when consolidating the financial results and position of its subsidiaries in Argentina as required by IAS 29 "Financial Reporting in Hyperinflationary Economies". Adjustments have been made to present the financial results and position of the Group's subsidiaries in Argentina using the measuring unit current as at the period end date. This has involved applying Argentina inflation to the underlying results and balance sheet net assets of these businesses. As required by IAS 21 "The Effects of Changes in Foreign Exchange Rates", the Group has used closing period-end exchange rates when consolidating the cash flows and comprehensive income of its subsidiaries in Argentina. The financial effect of applying this approach as at Q3 FY2019, is a decrease in revenues of ¥ 820 million, a decrease in operating profit of ¥ 400 million, a decrease in profit for the period of ¥ 1,480 million and a decrease in profit attributable to owners of the parent of ¥ 890 million. Shareholders' equity was increased by ¥ 1,700 million. The Group has not disclosed the potential effect of applying this accounting approach for the full year, as the impact is directly related to the closing value of Argentine Peso, which the Group is unable to forecast with a high degree of confidence.

From FY2019, the Group has early-adopted an amendment to IAS19 'Employee benefits' regarding plan amendments, curtailments or settlements that would otherwise have been applicable to the Group's financial periods from FY2020. This requires that, in the event of a plan amendment, curtailment or settlement, at one of the Group's post-retirement benefit schemes, the Group will update the actuarial assumptions determining current service cost and finance cost as at the date of the plan amendment, curtailment or settlement. The previous accounting treatment would have been to continue to calculate current service costs and finance costs using actuarial assumptions set from the start of the financial period. The cumulative third-quarter financial impact of adopting this change in accounting treatment is to improve operating profit by ¥ 9 million and to reduce finance costs by ¥ 23 million. The anticipated impact for the full-year FY2019 is to improve operating profit by ¥ 22 million and to reduce finance costs by ¥ 57 million. This change in accounting treatment is applicable to UK pension schemes only, due to the past service cost recorded for these schemes during the third quarter. This past service cost is generated from the equalization of guaranteed minimum pensions recorded as an exceptional item during the third-quarter. For further details, see note 6-(b).

3. Consolidated financial statements and their notes

(1) (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**3rd Quarter For the period 1 April to 31 December 2018**	3rd Quarter For the period 1 April to 31 December 2017 (restated)
Revenue	(6)-(a)	**459,469**	445,341
Cost of sales		**(336,383)**	(326,030)
Gross profit		**123,086**	119,311
Other income		**1,122**	1,984
Distribution costs		**(42,715)**	(40,336)
Administrative expenses		**(51,197)**	(49,523)
Other expenses		**(4,581)**	(5,490)
Operating profit	(6)-(a)	**25,715**	25,946
Exceptional items	(6)-(b)	**(3,267)**	(2,543)
Operating profit after exceptional items		**22,448**	23,403
Finance income	(6)-(c)	**1,657**	749
Finance expenses	(6)-(c)	**(11,904)**	(11,880)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**4,928**	1,733
Profit before taxation		**17,129**	14,005
Taxation	(6)-(d)	**(5,717)**	(4,780)
Adjustment in respect of US tax rate change		**-**	(9,590)
Profit / (Loss) for the period		**11,412**	(365)
Profit attributable to non-controlling interests		**894**	1,328
Profit / (Loss) attributable to owners of the parent		**10,518**	(1,693)
		11,412	(365)
Earnings per share attributable to owners of the parent	(6)-(e)		
Basic		**98.11**	(33.73)
Diluted		**70.00**	(33.73)

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

¥ millions

	Note	3rd Quarter For the period 1 April to 31 December 2018	3rd Quarter For the period 1 April to 31 December 2017 (restated)
Profit / (Loss) for the period		**11,412**	(365)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)		**(1,530)**	(1,851)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)		**(2,050)**	(5,693)
Sub-total		**(3,580)**	(7,544)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(15,271)**	18,753
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		**(5)**	(274)
Cash flow hedges:			
- fair value gains, net of taxation		**447**	1,359
Hyperinflation adjustment	(6)-(k)	**2,554**	-
Sub-total		**(12,275)**	19,838
Total other comprehensive income for the period, net of taxation		**(15,855)**	12,294
Total comprehensive income for the period		**(4,443)**	11,929
Attributable to non-controlling interests		**430**	972
Attributable to owners of the parent		**(4,873)**	10,957
		(4,443)	11,929

(2) Condensed quarterly consolidated balance sheet

¥ millions

	3rd Quarter as at 31 December 2018	FY 2018 as at 31 March 2018 (restated)
ASSETS		
Non-current assets		
Goodwill	**108,971**	112,455
Intangible assets	**54,245**	57,249
Property, plant and equipment	**240,269**	244,105
Investment property	**327**	413
Investments accounted for using the equity method	**20,818**	17,655
Retirement benefit asset	**26,887**	27,144
Contract assets	**1,479**	1,110
Trade and other receivables	**15,046**	17,071
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**16,156**	17,290
- Derivative financial instruments	**676**	445
Deferred tax assets	**35,302**	35,901
	520,176	530,838
Current assets		
Inventories	**122,895**	114,774
Contract assets	**2,242**	3,142
Trade and other receivables	**62,396**	73,999
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**-**	100
- Derivative financial instruments	**1,984**	938
Cash and cash equivalents	**40,933**	64,801
	230,450	257,754
Assets held for sale	**1,503**	-
	231,953	257,754
Total assets	**752,129**	788,592

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	3rd Quarter as at 31 December 2018	FY 2018 as at 31 March 2018 (restated)
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**46,192**	96,470
- Derivative financial instruments	**1,082**	1,093
Trade and other payables	**113,788**	136,646
Contract liabilities	**4,900**	3,566
Provisions	**11,669**	16,416
Deferred income	**1,238**	809
	178,869	255,000
Liabilities related to assets held for sale	**806**	-
	179,675	255,000
Non-current liabilities		
Financial liabilities:		
- Borrowings	**332,232**	274,185
- Derivative financial instruments	**848**	906
Trade and other payables	**448**	2,987
Contract liabilities	**974**	879
Deferred tax liabilities	**19,270**	18,418
Retirement benefit obligations	**70,408**	71,937
Provisions	**15,199**	15,903
Deferred income	**4,423**	4,662
	443,802	389,877
Total liabilities	**623,477**	644,877
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,572**	116,546
Capital surplus	**160,937**	166,661
Retained earnings	**(45,597)**	(51,350)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(43,974)**	(28,617)
Total shareholders' equity	**119,890**	135,192
Non-controlling interests	**8,762**	8,523
Total equity	**128,652**	143,715
Total liabilities and equity	**752,129**	788,592

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

3rd Quarter FY 2019	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2018 (restated)	116,546	166,661	(51,350)	(68,048)	(28,617)	**135,192**	8,523	**143,715**
Hyperinflation adjustment	-	-	891	-	-	**891**	692	**1,583**
At 1 April 2018 (after hyperinflation adjustment)	116,546	166,661	(50,459)	(68,048)	(28,617)	**136,083**	9,215	**145,298**
Total Comprehensive Income	-	-	10,531	-	(15,404)	**(4,873)**	430	**(4,443)**
Dividends paid	-	-	(5,669)	-	-	**(5,669)**	(472)	**(6,141)**
Stock options	26	26	-	-	50	**102**	-	**102**
Issuance and purchase of treasury stock	-	(5,750)	-	-	(3)	**(5,753)**	-	**(5,753)**
Equity transaction with non-controlling interests	-	-	-	-	-	**-**	(411)	**(411)**
At 31 December 2018	**116,572**	**160,937**	**(45,597)**	**(68,048)**	**(43,974)**	**119,890**	**8,762**	**128,652**

¥ millions

3rd Quarter FY 2018 (restated)	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2017	116,463	166,578	(58,890)	(68,048)	(31,201)	**124,902**	9,562	**134,464**
Total Comprehensive Income	-	-	(3,544)	-	14,501	**10,957**	972	**11,929**
Dividends paid	-	-	-	-	-	**-**	(1,826)	**(1,826)**
Stock options	30	31	-	-	10	**71**	-	**71**
Issuance and purchase of treasury stock	-	-	-	-	(2)	**(2)**	-	**(2)**
At 31 December 2017	**116,493**	**166,609**	**(62,434)**	**(68,048)**	**(16,692)**	**135,928**	**8,708**	**144,636**

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	3rd Quarter For the period 1 April to 31 December 2018	3rd Quarter For the period 1 April to 31 December 2017 (restated)
Cash flows from operating activities			
Cash generated from operations	(6)-(h)	**14,346**	17,609
Interest paid		**(8,778)**	(8,995)
Interest received		**1,633**	716
Tax paid		**(4,405)**	(4,571)
Net cash inflows from operating activities		**2,796**	4,759
Cash flows from investing activities			
Dividends received from joint ventures and associates		**370**	590
Purchase of associates		**-**	(575)
Purchases of property, plant and equipment		**(19,272)**	(21,637)
Proceeds on disposal of property, plant and equipment		**335**	2,773
Purchases of intangible assets		**(1,091)**	(1,241)
Proceeds on disposal of intangible assets		**-**	564
Purchase of assets held at FVOCI		**(1,439)**	(206)
Proceeds on disposal of assets held at FVOCI		**10**	4,071
Loans advanced to joint ventures, associates and third parties		**(399)**	(366)
Loans repaid from joint ventures, associates and third parties		**342**	566
Others		**-**	201
Net cash outflows from investing activities		**(21,144)**	(15,260)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(5,641)**	-
Dividends paid to non-controlling interests		**(472)**	(1,826)
Repayment of borrowings		**(91,169)**	(49,716)
Proceeds from borrowings		**97,128**	26,959
Increase in treasury stock		**(5,753)**	(2)
Others		**(411)**	(3)
Net cash outflows from financing activities		**(6,318)**	(24,588)
Decrease in cash and cash equivalents (net of bank overdrafts)		**(24,666)**	(35,089)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(i)	**62,799**	79,808
Effect of foreign exchange rate changes		**(3,200)**	1,773
Hyperinflation adjustment	(6)-(k)	**1,245**	-
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(i)	**36,178**	46,492

(5) Notes regarding going concern

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

(6) Notes to the condensed quarterly consolidated financial statements

(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 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.

External revenue is disaggregated into three categories; Europe, Asia which includes Japan, and Americas which comprises of North and South Americas.

The Group's revenues comprise sales of glass recognized at a point in time and sales of services recognized over time. Sales of services recognized over time are immaterial and are therefore not disclosed separately at interim periods.

(a) Segmental information continued

The segmental results for the third quarter to 31 December 2018 were as follows:

¥ millions

3rd Quarter FY 2019 For the period 1 April to 31 December 2018	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	**199,634**	**236,425**	**37,994**	**3,652**	**477,705**
Inter-segmental revenue	**(12,918)**	**(1,416)**	**(1,276)**	**(2,626)**	**(18,236)**
External revenue	**186,716**	**235,009**	**36,718**	**1,026**	**459,469**
Disaggregation of external revenue by geographical regions:					
Europe	***72,739***	***104,712***	***5,850***	***446***	***183,747***
Asia	***69,751***	***52,297***	***29,701***	***580***	***152,329***
Americas	***44,226***	***78,000***	***1,167***	***-***	***123,393***
Trading profit	**18,346**	**9,106**	**6,440**	**(6,703)**	**27,189**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(1,474)**	**(1,474)**
Operating profit	**18,346**	**9,106**	**6,440**	**(8,177)**	**25,715**
Exceptional items	**(1,973)**	**(3,222)**	**3,307**	**(1,379)**	**(3,267)**
Operating profit after exceptional items					**22,448**
Finance costs – net					**(10,247)**
Share of post-tax profit from joint ventures and associates					**4,928**
Profit before taxation					**17,129**
Taxation					**(5,717)**
Profit for the period from continuing operations					**11,412**

(a) Segmental information continued

The segmental results for the third quarter to 31 December 2017 were as follows:

¥ millions

3rd Quarter FY 2018 For the period 1 April to 31 December 2017(restated)	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	194,198	230,230	37,023	3,396	464,847
Inter-segmental revenue	(14,575)	(1,913)	(332)	(2,686)	(19,506)
External revenue	179,623	228,317	36,691	710	445,341
Disaggregation of external revenue by geographical regions:					
Europe	*70,291*	*100,543*	*5,638*	*378*	*176,850*
Asia	*64,932*	*49,657*	*30,090*	*332*	*145,011*
Americas	*44,400*	*78,117*	*963*	*-*	*123,480*
Trading profit	20,457	7,619	4,934	(5,552)	27,458
Amortization arising from the acquisition of Pilkington plc	-	-	-	(1,512)	(1,512)
Operating profit	20,457	7,619	4,934	(7,064)	25,946
Exceptional items	(3,525)	(1,220)	308	1,894	(2,543)
Operating profit after exceptional items					23,403
Finance costs – net					(11,131)
Share of post-tax profit from joint ventures and associates					1,733
Profit before taxation					14,005
Taxation					(14,370)
Loss for the period from continuing operations					(365)

The segmental assets at 31 December 2018 and capital expenditure for the second quarter ended 31 December 2018 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**147,402**	**140,255**	**33,923**	**7,650**	**329,230**
Capital expenditure (including intangibles)	**7,653**	**9,023**	**642**	**321**	**17,639**

The segmental assets at 31 December 2017 and capital expenditure for the second quarter ended 31 December 2017 were as follows:

¥ millions

(Restated)	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	136,411	142,141	41,372	7,286	327,210
Capital expenditure (including intangibles)	11,545	11,374	782	178	23,879

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, trade and other receivables and trade and other payables, contract assets and liabilities.

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

(b) Exceptional items

¥ millions

	3rd Quarter For the period 1 April to 31 December 2018	3rd Quarter For the period 1 April to 31 December 2017
Exceptional items (gains):		
Reversal of impairment of non-current assets	**2,717**	-
Exchange gain on business closure	**698**	
Settlement of litigation matters	**256**	190
Gain on disposal of non-current assets	**-**	2,139
Gain on disposal of investments in joint ventures	**-**	1,541
Gain on settlement of insurance proceeds	**-**	997
Other items	**-**	105
	3,671	4,972
Exceptional items (losses):		
Impairment of non-current assets	**(2,750)**	(470)
Restructuring costs, including employee termination payments	**(1,967)**	(3,285)
Retirement benefit obligations – past service cost	**(1,395)**	-
Settlement of litigation matters	**(168)**	(58)
Suspension of facilities	**(410)**	(3,702)
Other items	**(248)**	-
	(6,938)	(7,515)
	(3,267)	(2,543)

The reversal of impairment of non-current assets relates mainly to a float line in Vietnam. This line was previously mothballed after being impaired during the year to 31 March 2016. The Group will convert this line from its former usage as thin-glass line into a solar-energy line.

The exchange gain on business closure relates to gains previously posted to reserves using the Statement of Comprehensive Income which have now been recycled to retained earnings through the income statement having been realized following the closure of a technical Glass business in China.

The settlement of litigation matters relates to legal claims arising as a result of transactions that were previously recorded as exceptional items.

The previous-year gain on disposal of non-current assets related to assets in Technical Glass in China which were disposed following the completion of restructuring activities undertaken earlier in that year.

The gain on the disposal of investments in joint ventures in the previous year is related to the disposal of the Group's interest in Tianjin SYP Pilkington Glass Co., Ltd. The proceeds received on disposal of this investment are an investment in Tianjin SYP Glass Co., Ltd which will be accounted for as an asset held at Fair Value through Other Comprehensive Income (FVOCI). The exceptional gain included a partial reversal of a previous impairment and a gain on recycling to the income statement of previous foreign exchange postings made directly to the Statement of Comprehensive Income.

The previous-year gain on settlement of insurance proceeds relates to insurance monies received following the Tornado that struck the Group's plant at Ottawa, Illinois, U.S.A, on 28 February 2017.

The impairment of non-current assets relates to assets in both Architectural and Automotive Europe as a consequence of restructuring projects in these businesses. The previous year impairment related mainly to assets in Automotive North America and also assets at the Ottawa facility.

Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment. The most significant projects during the year were in Architectural and Automotive Europe. The previous year costs were related to restructuring activities in Technical Glass in China, and a number of more minor projects elsewhere.

The past service cost on retirement benefit obligations relates to a court ruling in the U.K. regarding Guaranteed Minimum Pensions (GMP's). Following this judgement, U.K. pension schemes are required to equalize benefits in excess of the GMP as between male and female scheme members for the period between 1990 and 1997. GMP's represent an element of the Group's pension liability which was designed to substitute for pension benefits that would otherwise have been provided by the state, with the state-provided pension benefits being unequal between men and women resulting in inequality of the scheme-provided benefit. The exceptional item recognized consists of a gross charge of ¥2,146 million and a credit with respect to taxation on pension surplus of ¥751 million.

The suspension of facilities includes the cost of repair to a float line in Japan required as a direct result of typhoon damage during the third quarter.

The suspension of facilities in the previous year relates to the Group's decision to proceed with an expedited repair of the furnace at Ottawa, Illinois, U.S.A..

(c) Finance income and expenses

¥ millions

	Note	**3rd Quarter For the period 1 April to 31 December 2018**	3rd Quarter For the period 1 April to 31 December 2017
Finance income			
Interest income		**1,619**	741
Foreign exchange transaction gains		**38**	8
		1,657	749
Finance expenses			
Interest expense:			
- bank and other borrowings		**(9,877)**	(10,746)
Dividend on non-equity preference shares due to minority shareholders		**(194)**	(193)
Foreign exchange transaction losses		**(15)**	(9)
		(10,086)	(10,948)
Unwinding discounts on provisions		**(154)**	(166)
Retirement benefit obligations			
- net finance charge		**(430)**	(766)
Loss on net monetary position	(6)-(k)	**(1,234)**	-
		(11,904)	(11,880)

(d) Taxation

The tax charge on the profit before taxation, excluding the Group's share of net results of joint ventures and associates, is a rate of 46.9 percent in the third quarter to 31 December 2018 (31 December 2017 - restated: tax charge on profit at a rate of 39.0 percent). The tax charge for the quarter is based on the estimated effective rate for the year to 31 March 2019.

The previous year, in addition to the on-going tax charge as described above, the tax charge also included a one-time accounting tax charge of ¥ 9,590 million following U.S. tax reforms enacted during the previous third quarter. The headline rate of U.S. corporate tax had fallen from 35 percent to 21 percent with a corresponding decrease in the accounting value of the Group's deferred tax assets.

(e) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent after deducting dividends, by the weighted average number of ordinary shares in issue during the year. The dividends are calculated by the dividend rate defined in the terms and conditions of the shares. The weighted average number of ordinary shares excludes ordinary shares purchased by the Company and held as treasury shares.

	Quarter ended 31 December 2018	Quarter ended 31 December 2017 (restated)
	¥ millions	¥ millions
Profit attributable to owners of the parent	**10,518**	(1,693)
Adjustment for;		
- Dividends on Class A shares	**(1,640)**	(1,356)
Profit used to determine basic earnings per share	**8,878**	(3,049)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,490**	90,389
	¥	¥
Basic earnings per share	**98.11**	(33.73)

(ii) Basic – adjusted for premium on Class A shares

Basic earnings per share as reported above does not include redemption premium potentially payable to holders of Class A shares due to the company having no obligation to redeem its Class A shares and therefore incur this premium. Had the basic earnings per share have been amended to include this premium, it would have been calculated as set out in the table below. This is calculated based on an assumed redemption date of 31 March 2023 for all the Class A shares that had not already been redeemed as at the balance sheet date. This date is assumed, being the date beyond which no further increases in redemption premium would be incurred. It should not be inferred that the company expects or intends to redeem Class A shares on this particular date.

	Quarter ended 31 December 2018	Quarter ended 31 December 2017 (restated)
	¥ millions	¥ millions
Profit attributable to owners of the parent	**10,518**	(1,693)
Adjustment for;		
- Dividends on Class A shares	**(1,640)**	(1,356)
- Redemption premium on Class A shares	**(2,231)**	-
Profit used to determine basic earnings per share	**6,647**	(3,049)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,490**	90,389
	¥	¥
Basic earnings per share – adjusted	**73.46**	(33.73)

(iii) 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 and exercise of put options, attached to Class A shares, for which the consideration is common shares. As for 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 deducted from the number of shares that would have been issued assuming the exercise of the share options. As for Class A shares, a calculation is performed to determine the number of shares that would have been issued, assuming a conversion to common shares that is most advantageous for holders of the class shares. Conversion of Class A shares to common shares is reflected in the diluted earnings per share, using the factor applied to the case where the put options are exercised from 1 July 2022 onward, if the conversion has dilutive effect.

	Quarter ended 31 December 2018	Quarter ended 31 December 2017 (restated)
	¥ millions	¥ millions
Earnings Profit attributable to owners of the parent	**10,518**	(1,693)
Adjustment for; - Dividends on class A shares	**-**	(1,356)
Profit used to determine diluted earnings per share	**10,518**	(3,049)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,490**	90,389
Adjustment for:		
- Share options	**633**	-
- Class A shares	**59,126**	-
Weighted average number of ordinary shares for diluted earnings per share	**150,249**	90,389
	¥	¥
Diluted earnings per share	**70.00**	(33.73)

The previous year diluted earnings per share do not include stock options and Class A shares due to anti-dilutive effect caused by the losses during the quarter ended 31 December 2017.

(f) Dividends

	Quarter ended 31 December 2018	Quarter ended 31 December 2017
	¥ millions	¥ millions
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the year ended 31 March 2018 ¥ 20 per share		
(2017: ¥ 0 per share)	**1,801**	-
Interim dividend for the year ended 31 March 2019 ¥ 10 per share		
(2018: ¥ 0 per share)	**886**	-

	Quarter ended 31 December 2018	Quarter ended 31 December 2017
	¥ millions	¥ millions
Dividends on Class A shares declared and paid during the period:		
Final dividend for the year ended 31 March 2018 ¥ 45,000 per share		
(2017: ¥ 0 per share)	**1,800**	**-**
Interim dividend for the year ended 31 March 2019 ¥ 27,575.30 per share		
(2018: ¥ 0 per share)	**1,103**	**-**
The Daily Prorated Preferred Dividend for partial acquisition		
During FY2019 ¥ 10,246.60 per share		
(2018: ¥ 0 per share)	**51**	**-**

(g) Exchange rates

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

	3rd Quarter FY 2019 31 December 2018		Year ended 31 March 2018		3rd Quarter FY 2018 31 December 2017	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**146**	**141**	147	150	146	152
US dollar	**111**	**111**	111	106	111	113
Euro	**129**	**127**	130	132	128	136
Argentine peso	**-**	**2.93**	6.30	5.30	6.65	6.03

(h) Cash flows generated from operations

¥ millions

	3rd Quarter For the period 1 April to 31 December 2018	3rd Quarter For the period 1 April to 31 December 2017 (restated)
Profit for the period from continuing operations	**11,412**	(365)
Adjustments for:		
Taxation	**5,717**	14,370
Depreciation	**18,277**	19,033
Amortization	**2,764**	3,079
Impairment	**2,843**	583
Reversal of impairments	**(2,717)**	(72)
Gain on sale of property, plant and equipment	**(50)**	(2,211)
Exchange gain on business closure	**(698)**	-
Gain on disposal of investments in joint ventures	**-**	(1,541)
Grants and deferred income	**404**	(191)
Finance income	**(1,657)**	(749)
Finance expenses	**11,904**	11,880
Share of profit from joint ventures and associates	**(4,928)**	(1,733)
Other items	**(810)**	(1,153)
Operating cash flows before movement in provisions and working capital	**42,461**	40,920
Decrease in provisions and retirement benefit obligations	**(9,552)**	(9,241)
Changes in working capital:		
- inventories	**(11,976)**	(3,779)
- trade and other receivables	**1,171**	(1,725)
- trade and other payables	**(9,524)**	(9,804)
- contract balances	**1,766**	1,238
Net change in working capital	**(18,563)**	(14,070)
Cash flows generated from operations	**14,346**	17,609

(i) Cash and cash equivalents

¥ millions

	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	**64,801**	84,920
Bank overdrafts	**(2,002)**	(5,112)
	62,799	79,808

¥ millions

	As at 31 December 2018	As at 31 December 2017
Cash and cash equivalents	**40,933**	51,888
Bank overdrafts	**(4,755)**	(5,396)
	36,178	46,492

(j) Restatement of FY2018 Comparative Information

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' effective from the Group's financial period commencing 1 April 2018. The Group applied IFRS 15 retrospectively using the practical expedient in paragraph C5(c) of IFRS 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Group expects to recognize that amount as revenue for all reporting periods presented before 1 April 2018.

The main practical change is that the Group will, in certain circumstances, recognize revenue from the sale of tooling to automotive customers on acceptance of that tooling by the customer. The Group's previous policy was to recognize this revenue over the life of the associated automotive supply contract. This may result in a change to the level of revenue recognized with respect to automotive tooling in any given year, although the Group expects no material impact over the medium-term.

In accordance with IAS1, as the Group considers the financial impact of adopting IFRS15 to be relatively immaterial, a third full comparative statement of financial position as at 1 April 2017 is not provided. The following tables summarize the impacts of adopting IFRS 15 on the Group's consolidated financial statements:

Consolidated balance sheet

¥ millions

As at 1 April 2017	Impact of changes in accounting policies		
	As previously reported	Adjustments	**As restated**
Total Assets	790,192	(4,158)	**786,034**
Total Liabilities	656,484	(4,914)	**651,570**
Retained earnings	(59,646)	756	**(58,890)**
Other	183,792	-	**183,792**
Total shareholders' equity	124,146	756	**124,902**
Non-controlling interests	9,562	-	**9,562**
Total Equity	133,708	756	**134,464**
Total Liabilities and Equity	790,192	(4,158)	**786,034**

Consolidated balance sheet continued

¥ millions

As at 31 March 2018	**Impact of changes in accounting policies**		
	As previously reported	Adjustments	**As restated**
Intangible assets	57,389	(140)	**57,249**
Property, plant and equipment	252,778	(8,673)	**244,105**
Deferred tax assets	36,115	(214)	**35,901**
Contract assets	-	4,252	**4,252**
Trade and other receivables	94,743	(3,673)	**91,070**
Inventories	108,975	5,799	**114,774**
Construction work-in-progress	641	(641)	**-**
Other	241,241	-	**241,241**
Total Assets	791,882	(3,290)	**788,592**
Trade and other payables	141,252	(1,619)	**139,633**
Contract liabilities	-	4,445	**4,445**
Deferred income	12,296	(6,825)	**5,471**
Deferred tax liabilities	18,567	(149)	**18,418**
Other	476,910	-	**476,910**
Total Liabilities	649,025	(4,148)	**644,877**
Retained earnings	(52,140)	790	**(51,350)**
Other reserves	(28,685)	68	**(28,617)**
Other	215,159	-	**215,159**
Total shareholders' equity	134,334	858	**135,192**
Non-controlling interests	8,523	-	**8,523**
Total Equity	142,857	858	**143,715**
Total Liabilities and Equity	791,882	(3,290)	**788,592**

Consolidated income statement

¥ millions

For the period ended 31 December 2017	**Impact of changes in accounting policies**		
	As previously reported	Adjustments	**As restated**
Revenue	449,417	(4,076)	**445,341**
Cost of sales	(330,141)	4,111	**(326,030)**
Other net operating costs	(93,365)	-	**(93,365)**
Operating profit	25,911	35	**25,946**
Exceptional items	(2,543)	-	**(2,543)**
Finance costs – net	(11,131)	-	**(11,131)**
Share of post-tax profit from joint ventures and associates	1,733	-	**1,733**
Profit before taxation	13,970	35	**14,005**
Taxation	(14,335)	(35)	**(14,370)**
Loss for the period	(365)	-	**(365)**
Profit attributable to non-controlling interests	1,328	-	**1,328**
Loss attributable to owners of the parent	(1,693)	-	**(1,693)**
	(365)	-	**(365)**

Consolidated statement of comprehensive income

¥ millions

For the period ended 31 December 2017	**Impact of changes in accounting policies**		
	As previously reported	Adjustments	**As restated**
Loss for the period	(365)	-	**(365)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation adjustments	18,631	122	**18,753**
Other	(6,459)	-	**(6,459)**
Total comprehensive income for the period	11,807	122	**11,929**
Profit attributable to non-controlling interests	972	-	**972**
Profit attributable to owners of the parent	10,835	122	**10,957**
	11,807	122	**11,929**

Consolidated statement of cash flow

¥ millions

For the period ended 31 December 2017	**Impact of changes in accounting policies**		
	As previously reported	Adjustments	**As restated**
Loss for the period	(365)	-	**(365)**
Adjustments for:			
Taxation	14,335	35	**14,370**
Depreciation	21,003	(1,970)	**19,033**
Amortization	3,111	(32)	**3,079**
Grants and deferred income	(603)	412	**(191)**
Changes in working capital:			
Inventories	(2,727)	(1,052)	**(3,779)**
Construction work-in-progress	(96)	96	**-**
Trade and other receivables	(1,851)	126	**(1,725)**
Trade and other payables	(9,195)	(609)	**(9,804)**
Contract balances	-	1,238	**1,238**
Other	(17,097)	-	**(17,097)**
Net cash inflows from operating activities	6,515	(1,756)	**4,759**
Purchases of property, plant and equipment	(23,391)	1,754	**(21,637)**
Purchases of intangible assets	(1,243)	2	**(1,241)**
Other	7,618	-	**7,618**
Net cash outflows from investing activities	(17,016)	1,756	**(15,260)**
Net cash outflows from financing activities	(24,588)	-	**(24,588)**
Decrease in cash and cash equivalents (net of bank overdrafts)	(35,089)	-	**(35,089)**

(k) Hyperinflationary accounting adjustments

As from Q2 FY2019, the wholesale price index in Argentina indicated that cumulative 3-year inflation had exceeded 100 percent. Consequently the Group has concluded that its subsidiaries in Argentina, each of which has the Argentine Peso as a functional currency, are currently operating in a hyperinflationary environment. The Group has therefore applied accounting adjustments to the underlying financial results and position of its subsidiaries in Argentina as required by IAS 29 'Financial Reporting in Hyperinflationary Economies'.

As required by IAS 29, the Group's consolidated financial statements will include the results and financial position of its Argentinian subsidiaries, restated in terms of the measuring unit current at the period end date.

For the restatement of results and financial positions of its Argentinian subsidiaries, the Group will apply the conversion coefficient derived from the Internal Wholesales Price Index (IPIM) published by Instituto Nacional de Estadística y Censos de la República Argentina (INDEC). IPIM and corresponding conversion coefficients from June 2006 are presented below.

Balance sheet date	Internal Wholesales Price Index (IPIM) (30 June 2006 = 100)	Conversion coefficient
30 June 2006	100.0	8.779
31 March 2007	103.9	8.453
31 March 2008	120.2	7.303
31 March 2009	128.7	6.821
31 March 2010	146.5	5.993
31 March 2011	165.5	5.305
31 March 2012	186.7	4.702
31 March 2013	211.1	4.158
31 March 2014	265.6	3.306
31 March 2015	305.7	2.871
31 March 2016	390.6	2.247
31 March 2017	467.2	1.879
31 March 2018	596.1	1.473
30 April 2018	606.8	1.447
31 May 2018	652.3	1.346
30 June 2018	694.7	1.264
31 July 2018	727.4	1.207
31 August 2018	763.0	1.151
30 September 2018	812.6	1.080
31 October 2018	827.9	1.060
30 November 2018	854.0	1.028
31 December 2018	877.9	1.000

The Group's subsidiaries in Argentina will restate their non-monetary items held at historical cost, namely property, plant and equipment, by applying the conversion coefficient based on when the items were initially recognized. Monetary items and non-monetary items held at current cost will not be restated, as they are considered to be expressed in terms of the measuring unit current at the period end date. The effect of inflation on the net monetary position of the Group's Argentinian subsidiaries is presented in the finance expenses section of the income statement.

The Argentinian subsidiaries' income statement and cash flow statement will also be restated, applying the conversion coefficient for the current financial year as shown in the above table.

For the purpose of consolidation, the results and financial position of the Group's Argentinian subsidiaries are translated using the closing exchange rates at the period end date. Comparative financial statements are not restated based on IAS 21 'The Effects of Changes in Foreign Exchange Rates' para 42(b).

(7) Significant subsequent events

There were no significant subsequent events.