

# Panasonic

## Panasonic Manufacturing Malaysia Berhad (6100-K) (Incorporated in Malaysia)

### Condensed Combined Entity Income Statements for the 4<sup>th</sup> Quarter and Financial Year Ended 31 March 2009

	(Unaudited)		(Unaudited)		(Unaudited)		(Audited)	
	4 <sup>th</sup> Quarter ended		Financial Year ended		31.03.2009		31.03.2008	
	31.03.2009 (RM'000)	31.03.2008 (RM'000)	31.03.2009 (RM'000)	31.03.2008 (RM'000)	31.03.2009 (RM'000)	31.03.2008 (RM'000)	31.03.2009 (RM'000)	31.03.2008 (RM'000)
Revenue	113,071	126,471	600,868	562,490				
Operating expenses	(112,788)	(124,670)	(572,070)	(533,072)				
Other operating income	4,802	7,120	23,103	29,015				
Profit from operations	5,085	8,921	51,901	58,433				
Share of results of associated company (net of tax)	4,786	3,568	8,917	6,490				
Profit before taxation	9,871	12,489	60,818	64,923				
Taxation	(1,410)	(684)	(11,042)	(12,293)				
Profit after taxation	8,461	11,805	49,776	52,630				
Profit after tax for the period	<u>8,461</u>	<u>11,805</u>	<u>49,776</u>	<u>52,630</u>				
<u>Attributable to:</u>								
Equity holders	8,461	11,805	49,776	52,630				
	8,461	11,805	49,776	52,630				
<u>Earnings per share</u> <u>attributable to equity holders:</u>								
Basic (sen)	<u>14</u>	<u>19</u>	<u>82</u>	<u>87</u>				
Diluted (sen)	-	-	-	-				

(The Condensed Combined Entity Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2008)

**Condensed Combined Entity Balance Sheet as at 31 March 2009**

	(Unaudited)	(Audited)
	As at Financial Year Ended 31.03.2009 (RM'000)	As at Preceding Financial Year End 31.03.2008 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	47,946	47,243
Prepaid lease payments	6,629	6,705
Interest in associated company	120,232	113,703
Deferred Income tax assets	10,618	12,521
	<u>185,425</u>	<u>180,172</u>
<b>Current assets</b>		
Inventories	9,064	12,352
Trade and other receivables	35,432	48,120
Tax recoverable	1,478	1,144
Placement of funds with related company	466,361	460,062
Deposits with a licensed bank	0	257
Cash and bank balances	201	192
	<u>512,536</u>	<u>522,127</u>
<b>Total assets</b>	<u>697,961</u>	<u>702,299</u>
<b>EQUITY</b>		
Share capital	60,746	60,746
Retained earnings	541,569	544,186
Total equity	<u>602,315</u>	<u>604,932</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provision for other liabilities and charges	1,477	6,420
	<u>1,477</u>	<u>6,420</u>
<b>Current liabilities</b>		
Trade and other payables	73,412	72,042
Provision for other liabilities and charges	20,757	18,905
	<u>94,169</u>	<u>90,947</u>
<b>Total liabilities</b>	<u>95,646</u>	<u>97,367</u>
<b>Total equity and liabilities</b>	<u>697,961</u>	<u>702,299</u>
<b>Net assets per share (RM)</b>	<u>9.92</u>	<u>9.96</u>

(The Condensed Combined Entity Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2008)

**Condensed Combined Entity Statement of Changes in Equity for the  
Financial Year Ended 31 March 2009**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital Issued and fully paid ordinary shares of RM1.00 each  (RM'000)	Distributable Retained Profits  (RM'000)	Total Equity  (RM'000)
<b><u>Financial Year Ended 31 March 2008</u></b>			
At 1 April 2007	60,746	561,414	622,160
Profit after taxation	-	52,630	52,630
Dividends :			
- Final dividend for the financial year ended 31 March 2007	-	(21,261)	(21,261)
- Special dividend for the financial year ended 31 March 2007	-	(39,485)	(39,485)
- Interim dividend for the financial year ended 31 March 2008	-	(9,112)	(9,112)
At 31 March 2008	60,746	544,186	604,932
<b><u>Financial Year Ended 31 March 2009</u></b>			
At 1 April 2008	60,746	544,186	604,932
Profit after taxation	-	49,776	49,776
Dividends :			
- Final dividend for the financial year ended 31 March 2008	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2008	-	(29,614)	(29,614)
- Interim dividend for the financial year ended 31 March 2009	-	(6,833)	(6,833)
At 31 March 2009	60,746	541,569	602,315

(The Condensed Combined Entity Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2008)

Condensed Combined Entity Cash Flow Statement for the Financial Year Ended 31 March 2009

	(Unaudited)	(Audited)
	Year ended 31.03.2009 (RM'000)	Year ended 31.03.2008 (RM'000)
<b>Profit after taxation</b>	49,776	52,630
<b>Adjustments for:</b>		
Non Cash Flow Items	13,521	6,356
Share of results of associated company	(8,917)	(6,490)
<b>Operating profit / (loss) before working capital changes</b>	54,380	52,496
<b>Changes in working capital</b>		
Net decrease / (increase) in current assets	16,386	(9,941)
Net increase / (decrease) in current liabilities	1,459	(9,340)
<b>Cash generated from operations</b>	72,225	33,215
Other operating activities	(13,846)	(17,277)
<b>Net cash flow from operating activities</b>	58,379	15,938
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(18,098)	(17,900)
Proceeds from disposal of property, plant and equipment	135	118
Proceeds from disposal of non-current assets held for sales	0	21,500
Interest received	15,445	17,536
Dividends received (net)	2,388	2,338
Proceeds from other investments	0	351
<b>Net cash flow from investing activities</b>	(130)	23,943
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	(52,393)	(69,858)
<b>Net cash flow from financing activity</b>	(52,393)	(69,858)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,856	(29,977)
<b>CURRENCY TRANSLATION DIFFERENCES</b>	195	(351)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	460,511	490,839
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	466,562	460,511
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	466,361	460,062
Deposits with a licensed bank	0	257
Cash and bank balances	201	192
	<u>466,562</u>	<u>460,511</u>

(The Condensed Combined Entity Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2008)

# **Panasonic**

## **Panasonic Manufacturing Malaysia Berhad (6100-K)**

(Incorporated in Malaysia)

### **Notes to the Interim Financial Statements for the Financial Year ended 31 March 2009**

#### **Note 1. Accounting Policies and Basis of Preparation**

This interim financial report is unaudited and has been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Company's audited statutory financial statements for the financial year ended 31 March 2008. The accounting policies and methods of computation adopted for the interim financial statements are consistent with the annual audited financial statements of the Company for the financial year ended 31 March 2008.

#### **Note 2. Disclosure of Audit Report Qualification**

The audit report of the Company's annual financial statements for the financial year ended 31 March 2008 was not qualified.

#### **Note 3. Seasonality or Cyclicity of Interim Operations**

The Company's business operations were not materially affected by any seasonal or cyclical factors since the last balance sheet date.

The Company's products are generally dependent on consumer demand both in the domestic and export market.

#### **Note 4. Unusual Item**

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

#### **Note 5. Changes in Estimates of Amounts Reported in Prior Interim Periods for the Current Financial Year or in Prior Financial Years**

There were no major changes in estimates of amounts reported in prior interim periods for the current financial year or changes in estimates of amounts reported in the prior financial year, which give a material effect in the current interim period.

#### **Note 6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances and repayment of debt securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares since the last balance sheet date.

## Note 7. Dividends Paid

The amount of dividends on ordinary shares paid or declared by the Company since 31 March 2008 were as follows:

	RM'000
(a) In respect of the financial year ended 31 March 2008:	
A final dividend of 35 sen per ordinary share of RM1.00 less 25% income tax paid on 22 September 2008	15,946
A special dividend of 65 sen per ordinary share of RM1.00 less 25% income tax paid on 22 September 2008	29,614
(b) In respect of the financial year ended 31 March 2009:	
An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax paid on 20 January 2009	6,833
	<u>52,393</u>

## Note 8. Segmental Reporting

There is no segmental reporting as the Company is principally involved in the manufacture and sales of electrical home appliances, batteries and related components in one industry segment and operates wholly in Malaysia.

## Note 9. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment for the period under review.

## Note 10. Significant Post Balance Sheet Events

There has not arisen in the interval between 31 March 2009 and the date of this announcement, any item, transaction or event of a material or unusual nature in the opinion of the Directors that is likely to affect substantially the result of the operations of the Company for the quarter ended 31 March 2009 in respect of which this announcement is made.

## Note 11. Contingent Liabilities

There were no contingent liabilities since the last financial year ended 31 March 2008.

## **Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**

### **Note 12. Review of Performance**

#### **(a) 4th Quarter This Year vs 4th Quarter Last Year**

The Company's revenue of RM113.1 million for the current quarter ended 31 March 2009 was lower by 10.6% or RM13.4 million compared with the revenue of RM126.5 million registered in the previous year's corresponding quarter.

Correspondingly, the combined entity's profit before tax of RM9.9 million for the current quarter ended 31 March 2009 decreased by 20.8% or RM2.6 million from RM12.5 million reported in quarter ended 31 March 2008.

#### **(b) Current Year-to-date vs Last Year-to-date**

The Company's revenue of RM600.9 million for the year ended 31 March 2009 increased by RM38.4 million or 6.8% compared with RM562.5 million recorded in the previous year.

The combined entity's profit before taxation for the year ended 31 March 2009 was RM60.8 million. This was 6.3% or RM4.1 million lower than the combined entity's profit before taxation of RM64.9 million registered in the previous year. This was mainly due to lower interest income received and a provision amounting to RM3.0 million for discontinuation of a product line in the current financial year; and also the gain from disposal of property of RM3.5 million recognised in the previous financial year.

### **Note 13. Material Changes in Quarterly Results Compared to Preceding Quarter**

The Company's revenue of RM113.1 million in the current quarter decreased by 29.9% or RM48.2 million compared to RM161.3 million recorded in the preceding quarter mainly due to a slow down in the global economy which affected both domestic and export sales.

As a result of the decline in revenue, the Company recorded a combined profit before taxation for the current quarter ended 31 March 2009 of RM9.9 million, which was lower by 47.1% or RM8.8 million compared to the combined profit before taxation of RM18.7 million reported in the preceding quarter.

### **Note 14. Prospects and Outlook**

The performance of the Company in the next financial year will remain challenging amidst the current weak economic conditions. Amongst the initiatives to improve the sales performance further, the Company will increase the collaboration activities with its sales companies and will intensify its effort to increase operational efficiency, focusing on productivity and quality improvement activities.

With these measures in place, the Company expects to achieve satisfactory performance for the financial year ending 31 March 2010.

### **Note 15. Profit Forecast, Profit Guarantee or Internal Targets**

The Company did not issue or publicly announce or disclose any profit forecasts, profit guarantee or internal targets for the period under review.

**Note 16. Taxation**

	<b>Current Quarter Ended 31.3.2009 (RM'000)</b>	<b>Preceding Year Quarter Ended 31.3.2008 (RM'000)</b>	<b>Current Year Ended 31.3.2009 (RM'000)</b>	<b>Preceding Year Ended 31.3.2008 (RM'000)</b>
Taxation charge:				
- current financial year	(571)	(363)	(9,358)	(8,207)
- prior financial year	219	(78)	219	(815)
Deferred Tax:				
- current financial year	(1,453)	(778)	(2,298)	(3,806)
- prior financial year	395	535	395	535
	(1,410)	(684)	(11,042)	(12,293)

The effective tax rate for the year ended 31 March 2009 was lower than statutory income tax rate mainly due to the utilisation of reinvestment allowances and availability of tax incentives.

**Note 17. Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments or properties for the current quarter under review.

**Note 18. Purchase/Disposal of Quoted Securities**

There were no purchases or disposal of quoted securities for the current quarter under review.

**Note 19. Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of the issuance of this interim financial report.

**Note 20. Off Balance Sheet Financial Instruments****Foreign Currency Contracts**

Foreign exchange forward contracts are entered into by the Company in currencies other than Ringgit Malaysia for highly probable forecasted transactions to manage the exposure to fluctuations in foreign currency exchange rates.

As at 20 May 2009, the settlement dates on open forward contracts ranged between 1 and 3 months. The foreign currency amounts to be received/paid and contractual exchange rates of the Company's outstanding contracts are as follows:



**Hedged items:**

Currency	Foreign Currency Contract Amount	Equivalent Amount in RM'000	Contractual Rates
<b>(Net Receivables)</b>			
USD	800,000	2,880	1 USD = RM3.6005
<b>(Net future sales of goods over the next 3 months)</b>			
USD	1,800,000	6,428	1 USD = RM3.5710
USD	1,000,000	3,603	1 USD = RM3.6027
<b>(Net future purchases over the next 3 months)</b>			
JPY	6,160,000	243	100 JPY = RM 3.9521
SGD	177,000	424	1 SGD = RM2.3964
Euro	41,600	196	1 Euro = RM4.7078

Exchange gains and losses arising on contracts entered into as hedges of forecast transactions are deferred until the date of the transactions. All exchange gains and losses relating to hedged instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items.

**Note 21. Material Litigation**

There were no material litigations pending the date of this announcement.

**Note 22. Dividends**

- (a) In respect of the financial year ended 31 March 2009, a final dividend of 35 sen per ordinary share of RM1.00 and a special dividend of 55 sen per ordinary share of RM1.00, less income tax, were proposed by the Directors on 27 May 2009:
- (i) The final and special dividends shall be payable on 18 September 2009.
  - (ii) Entitlement to the dividends:  
A Depositor shall qualify for entitlement to the dividend in respect of:-
    - Shares deposited into the Depositors' Securities Account before 12.30 p.m. on 24 August 2009 in respect of shares which are exempted from mandatory deposit.
    - Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 26 August 2009 in respect of ordinary transfers; and
    - Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.
- (b) The final and special dividends for the previous financial year ended 31 March 2008 amounted to 100 sen per ordinary share of RM1.00, less income tax paid on 22 September 2008.

- (c) Total dividends for the current financial year ended 31 March 2009 are:
- (i) Interim dividend of 15 sen per ordinary share of RM1.00, less income tax paid on 20 January 2009.
  - (ii) Final and special dividends of 90 sen per ordinary share of RM1.00, less income tax, payable on 18 September 2009.

**Note 23. Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue as at 31 March 2009 of 60,745,780 shares.

- (a) Basic earnings per share

	Year To Date Ended 31.3.2009	Year To Date Ended 31.3.2008
Profit after taxation for the period (RM'000)	49,776	52,630
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	82	87

- (b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	20	Not Applicable
Quarter 2	22	Not Applicable
Quarter 3	26	Not Applicable
Quarter 4	14	Not Applicable
Year-to-date	82	Not Applicable

**Note 24. Commitments For Capital Expenditure**

	As at 31.3.2009 (RM'000)	As at 31.3.2008 (RM'000)
Contracted	2,439	3,343
Not contracted	4,236	-
	6,675	3,343
Analysed as follows:		
Property, plant and equipment	6,675	3,343

By Order of the Board

Leong Oi Wah  
Pang Chia Tyng  
Company Secretaries

27 May 2009