

Panasonic

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

Condensed Combined Entity Income Statements for the 1st Quarter Ended 30 June 2009

	(Unaudited)		(Unaudited)	
	1 st Quarter ended		Cumulative Period ended	
	30.06.2009 (RM'000)	30.06.2008 (RM'000)	30.06.2009 (RM'000)	30.06.2008 (RM'000)
Revenue	155,931	156,610	155,931	156,610
Operating expenses	(145,092)	(148,143)	(145,092)	(148,143)
Other operating income	2,971	5,045	2,971	5,045
Profit from operations	13,810	13,512	13,810	13,512
Share of results of associated company (net of tax)	1,107	1,330	1,107	1,330
Profit before taxation	14,917	14,842	14,917	14,842
Taxation	(3,015)	(2,951)	(3,015)	(2,951)
Profit after taxation	11,902	11,891	11,902	11,891
Profit after tax for the period	<u>11,902</u>	<u>11,891</u>	<u>11,902</u>	<u>11,891</u>
<u>Attributable to:</u>				
Equity holders	11,902	11,891	11,902	11,891
	<u>11,902</u>	<u>11,891</u>	<u>11,902</u>	<u>11,891</u>
<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic (sen)	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</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 2009)

Condensed Combined Entity Balance Sheet as at 30 June 2009

	(Unaudited)	(Audited)
	As at Quarter Ended 30.06.2009 (RM'000)	As at Preceding Financial Year End 31.03.2009 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	49,918	47,946
Prepaid lease payments	6,610	6,629
Interest in associated company	121,339	120,232
Deferred Income tax assets	10,130	10,618
	<u>187,997</u>	<u>185,425</u>
Current assets		
Inventories	9,481	9,064
Trade and other receivables	58,786	35,432
Tax recoverable	1,818	1,478
Placement of funds with related company	462,680	466,361
Cash and bank balances	168	201
	<u>532,933</u>	<u>512,536</u>
Total assets	<u>720,930</u>	<u>697,961</u>
EQUITY		
Share capital	60,746	60,746
Retained earnings	553,471	541,569
Total equity	<u>614,217</u>	<u>602,315</u>
LIABILITIES		
Non-current liabilities		
Provision for other liabilities and charges	1,475	1,477
	<u>1,475</u>	<u>1,477</u>
Current liabilities		
Trade and other payables	86,675	73,412
Provision for other liabilities and charges	18,563	20,757
	<u>105,238</u>	<u>94,169</u>
Total liabilities	<u>106,713</u>	<u>95,646</u>
Total equity and liabilities	<u>720,930</u>	<u>697,961</u>
Net assets per share (RM)	<u>10.11</u>	<u>9.92</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 2009)

**Condensed Combined Entity Statement of Changes in Equity for the
1st Quarter Ended 30 June 2009**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital Issued and fully paid ordinary shares of RM1.00 each	Distributable Retained Profits	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Quarter Ended 30 June 2008</u>			
At 1 April 2008	60,746	544,186	604,932
Profit after taxation	-	11,891	11,891
At 30 June 2008	60,746	556,077	616,823
<u>Quarter Ended 30 June 2009</u>			
At 1 April 2009	60,746	541,569	602,315
Profit after taxation	-	11,902	11,902
At 30 June 2009	60,746	553,471	614,217

(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 2009)

Condensed Combined Entity Cash Flow Statement for the 1st Quarter Ended 30 June 2009

	(Unaudited)	(Unaudited)
	Quarter ended 30.06.2009 (RM'000)	Quarter ended 30.06.2008 (RM'000)
Profit after taxation	11,902	11,891
Adjustments for:		
Non Cash Flow Items	3,302	3,378
Share of results of associated company	(1,107)	(1,330)
Operating profit / (loss) before working capital changes	14,097	13,939
Changes in working capital		
Net (increase) in current assets	(23,622)	(18,556)
Net increase in current liabilities	13,263	14,372
Cash generated from operations	3,738	9,755
Other operating activities	(3,685)	(2,707)
Net cash flow from operating activities	53	7,048
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,162)	(3,303)
Proceeds from disposal of property, plant and equipment	31	
Interest received	2,402	4,200
Net cash flow from investing activities	(3,729)	897
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	-	-
Net cash flow from financing activity	-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,676)	7,945
CURRENCY TRANSLATION DIFFERENCES	(38)	22
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	466,562	460,511
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	462,848	468,478
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	462,680	468,380
Cash and bank balances	168	98
	<u>462,848</u>	<u>468,478</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 2009)

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Notes to the Interim Financial Statements for the 1st Quarter ended 30 June 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 2009. 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 2009.

Note 2. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2009 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 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

There was no dividend declared or paid in the current quarter ended 30 June 2009.

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 30 June 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 30 June 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 2009.

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

Note 12. Review of Performance

1st Quarter This Year vs 1st Quarter Last Year

For the quarter under review, the Company was able to achieve revenue of RM155.9 million, comparable with the previous year's corresponding quarter's revenue of RM156.6 million in spite of the challenging economic conditions faced in the current year.

Despite the slightly lower revenue, the Company managed to improve its combined entity's profit before taxation to RM14.9 million for the quarter ended 30 June 2009, an increase of RM0.1 million from RM14.8 million reported in the previous year's corresponding quarter.

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

The Company's revenue of RM155.9 million in the current quarter was an increase of 37.8% or RM42.8 million over the revenue of RM113.1 million recorded in the preceding quarter mainly due to improvement in domestic sales.

Correspondingly, the Company recorded a combined profit before taxation for the current quarter ended 30 June 2009 of RM14.9 million, which was higher by 50.5% or RM5.0 million compared to the combined profit before taxation of RM9.9 million reported in the preceding quarter.

Note 14. Prospects and Outlook

The global and domestic economic condition is likely to remain challenging throughout 2009. However, the Company will continue to strengthen collaboration activities with its sales companies and focus on improving its operational efficiency to deliver another satisfactory performance for the current 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

	Current Quarter Ended 30.06.2009 (RM'000)	Preceding Quarter Ended 30.06.2008 (RM'000)	Current Period Ended 30.06.2009 (RM'000)	Preceding Period Ended 30.06.2008 (RM'000)
Taxation charge:				
- current financial year	(2,527)	(2,789)	(2,527)	(2,789)
Deferred Tax:				
- current financial year	(488)	(162)	(488)	(162)
	(3,015)	(2,951)	(3,015)	(2,951)

The effective tax rate for the 1st quarter ended 30 June 2009 was lower than statutory income tax rate mainly due to the utilisation of reinvestment allowances and availability of other 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 12 August 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
(Net Payables)			
(Net future sales of goods over the next 3 months)			
USD	4,340,000	15,489	1 USD = RM3.5690
USD	800,000	2,831	1 USD = RM3.5385
USD	800,000	2,840	1 USD = RM3.5500
(Net future purchases over the next 3 months)			
JPY	9,039,000	330	100 JPY = RM 3.651
JPY	60,000,000	2,242	100 JPY = RM 3.7362
JPY	15,000,000	552	100 JPY = RM 3.6814
Euro	36,500	175	1 Euro = RM4.7830

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) No interim dividends have been declared or recommended for the current quarter ended 30 June 2009 (2008: Nil).
- (b) In respect of the financial year ended 31 March 2009, a final dividend of 35 sen per ordinary share of RM1.00 each and a special dividend of 55 sen per ordinary share of RM1.00 each less 25% income tax, payable on 18 September 2009 was recommended by the Directors on 27 May 2009 for approval of shareholders at the forthcoming Annual General Meeting.

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 30 June 2009 of 60,745,780 shares.

- (a) Basic earnings per share

	Year To Date Ended 30.06.2009	Year To Date Ended 30.06.2008
Profit after taxation for the period (RM'000)	11,902	11,891
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	20	20

- (b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	20	Not Applicable
Year-to-date	20	Not Applicable

Note 24. Commitments For Capital Expenditure

	As at 30.06.2009 (RM'000)	As at 30.06.2008 (RM'000)
Contracted	2,228	2,702
Not contracted	244	40
Analysed as follows: Property, plant and equipment	2,472	2,742

By Order of the Board

Leong Oi Wah
Pang Chia Tyng
Company Secretaries
19 August 2009