

# Panasonic

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

### Condensed Combined Entity Income Statements for the 3<sup>rd</sup> Quarter Ended 31 December 2009

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	3 <sup>rd</sup> Quarter ended		Cumulative Period ended	
	31.12.2009 (RM'000)	31.12.2008 (RM'000)	31.12.2009 (RM'000)	31.12.2008 (RM'000)
Revenue	197,222	161,265	525,970	487,797
Operating expenses	(177,031)	(150,884)	(482,116)	(459,281)
Other operating income	5,476	6,810	13,731	18,300
Profit from operations	25,667	17,191	57,585	46,816
Share of results of associated company (net of tax)	1,503	1,547	3,862	4,131
Profit before taxation	27,170	18,738	61,447	50,947
Taxation	(5,166)	(2,856)	(11,950)	(9,633)
Profit after taxation	22,004	15,882	49,497	41,314
Profit after tax for the period	<u>22,004</u>	<u>15,882</u>	<u>49,497</u>	<u>41,314</u>
<u>Attributable to:</u>				
Equity holders	22,004	15,882	49,497	41,314
	<u>22,004</u>	<u>15,882</u>	<u>49,497</u>	<u>41,314</u>
<u>Earnings per share attributable to equity holders:</u>				
Basic (sen)	<u>36</u>	<u>26</u>	<u>81</u>	<u>68</u>
Diluted (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(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 31 December 2009**

	(Unaudited)	(Audited)
	As at Quarter Ended 31.12.2009 (RM'000)	As at Preceding Financial Year End 31.03.2009 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	51,450	47,946
Prepaid lease payments	6,572	6,629
Interest in associated company	121,896	120,232
Deferred Income tax assets	10,574	10,618
	<b>190,492</b>	<b>185,425</b>
<b>Current assets</b>		
Inventories	12,774	9,064
Trade and other receivables	71,137	35,432
Tax recoverable	-	1,478
Placement of funds with related company	477,351	466,361
Cash and bank balances	118	201
	<b>561,380</b>	<b>512,536</b>
<b>Total assets</b>	<b>751,872</b>	<b>697,961</b>
<b>EQUITY</b>		
Share capital	60,746	60,746
Retained earnings	550,063	541,569
Total equity	<b>610,809</b>	<b>602,315</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provision for other liabilities and charges	1,491	1,477
	<b>1,491</b>	<b>1,477</b>
<b>Current liabilities</b>		
Trade and other payables	118,762	73,412
Provision for Taxation	2,464	-
Provision for other liabilities and charges	18,346	20,757
	<b>139,572</b>	<b>94,169</b>
<b>Total liabilities</b>	<b>141,063</b>	<b>95,646</b>
<b>Total equity and liabilities</b>	<b>751,872</b>	<b>697,961</b>
<b>Net assets per share (RM)</b>	<b>10.06</b>	<b>9.92</b>

(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  
3<sup>rd</sup> Quarter Ended 31 December 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>Cumulative Period Ended 31 December 2008</u></b>			
At 1 April 2008	60,746	544,186	604,932
Profit after taxation	-	41,314	41,314
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	-	(29,613)	(29,613)
At 31 December 2008	60,746	539,941	600,687
<b><u>Cumulative Period Ended 31 December 2009</u></b>			
At 1 April 2009	60,746	541,569	602,315
Profit after taxation	-	49,497	49,497
Dividends:			
- Final dividend for the financial year ended 31 March 2009	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2009	-	(25,057)	(25,057)
At 31 December 2009	60,746	550,063	610,809

(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  
3<sup>rd</sup> Quarter ended 31 December 2009**

	<b>(Unaudited) Cumulative Period ended 31.12.2009 (RM'000)</b>	<b>(Unaudited) Cumulative Period ended 31.12.2008 (RM'000)</b>
<b>Profit after taxation</b>	49,497	41,314
<b>Adjustments for:</b>		
Non Cash Flow Items	17,569	11,490
Share of results of associated company	(3,862)	(4,131)
<b>Operating profit / (loss) before working capital changes</b>	<b>63,204</b>	<b>48,673</b>
<b>Changes in working capital</b>		
Net (increase) in current assets	(39,329)	(12,919)
Net increase in current liabilities	45,350	17,455
<b>Cash generated from operations</b>	<b>69,225</b>	<b>53,209</b>
Other operating activities	(11,396)	(10,299)
<b>Net cash flow from operating activities</b>	<b>57,829</b>	<b>42,910</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,360)	(10,938)
Proceeds from disposal of property, plant and equipment	559	
Interest received	7,736	12,656
Dividend received (net)	2,198	1,433
<b>Net cash flow from investing activities</b>	<b>(5,867)</b>	<b>3,151</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	(41,003)	(45,559)
<b>Net cash flow from financing activity</b>	<b>(41,003)</b>	<b>(45,559)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>10,959</b>	<b>502</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>	<b>(52)</b>	<b>109</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD</b>	<b>466,562</b>	<b>460,511</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	<b>477,469</b>	<b>461,122</b>
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	477,351	460,992
Cash and bank balances	118	130
	<u>477,469</u>	<u>461,122</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)

# **Panasonic**

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

## **Notes to the Interim Financial Statements for the 3<sup>rd</sup> Quarter ended 31 December 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 were no dividends paid in the quarter under review.

**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 December 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 December 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**

#### **(a) 3<sup>rd</sup> Quarter This Year vs 3<sup>rd</sup> Quarter Last Year**

The Company's revenue of RM197.2 million for the current quarter ended 31 December 2009 increased by 22.3% or RM35.9 million as compared with the revenue of RM161.3 million registered in the previous year's corresponding quarter. The significant increase was attributed to improvement in the export sales to the Asian and Middle East regions.

In line with the increase in revenue, the Company's combined profit before tax of RM27.2 million for the current quarter ended 31 December 2009 showed an improvement of 45.5% or RM8.5 million as compared to the previous year's corresponding quarter combined profit before tax of RM18.7 million.

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

The Company's revenue of RM526.0 million for the nine months ended 31 December 2009, was higher by 7.8% or RM38.2 million as compared to the previous year's corresponding period of RM487.8 million.

The Company also recorded a combined profit before taxation for the nine months ended 31 December 2009 of RM61.4 million, which was higher by 20.6% or RM10.5 million compared to the combined profit before taxation of RM50.9 million reported in the previous year's corresponding period.

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

The Company's revenue of RM197.2 million in the current quarter was an increase of 14.1% or RM24.4 million over the revenue of RM172.8 million recorded in the preceding quarter. The domestic market sales volume contracted slightly with the closure of dry battery business in October 2009 but the shortfall was compensated by significant improvement in export sales to the Asian and Middle East regions.

The Company's combined profit before tax of RM22.0 million for the current quarter ended 31 December 2009 was 13.4% or RM2.6 million higher than the combined profit before taxation of RM19.4 million registered in the preceding quarter.

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

In the near term, with the gradual recovery in the global economic environment; particularly in the Asian and Middle East regions, the Company is confident that it will be able to achieve satisfactory results 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 31.12.2009 (RM'000)</b>	<b>Preceding Quarter Ended 31.12.2008 (RM'000)</b>	<b>Current Period Ended 31.12.2009 (RM'000)</b>	<b>Preceding Period Ended 31.12.2008 (RM'000)</b>
Taxation charge:				
- current financial year	(5,945)	(2,527)	(11,906)	(8,788)
Deferred Tax:				
- current financial year	779	(329)	(44)	(845)
	(5,166)	(2,856)	(11,950)	(9,633)

The effective tax rate for the 3<sup>rd</sup> quarter ended 31 December 2009 was lower than statutory income tax rate mainly due to the utilisation of reinvestment allowances.

**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 22 February 2010, 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:



Currency	Foreign Currency Contract Amount	Equivalent Amount in RM'000	Contractual Rates
<b>(Net future sales of goods over the next 3 months)</b>			
USD	5,370,000	18,318	1 USD = RM3.4113
USD	1,000,000	3,444	1 USD = RM3.4437
USD	500,000	1,724	1 USD = RM3.4471
USD	1,000,000	3,440	1 USD = RM3.4396
JPY	30,000,000	1,152	100 JPY = RM3.8393
<b>(Net future purchases over the next 3 months)</b>			
SGD	222,677	543	1 SGD = RM2.4390
Euro	45,500	230	1 Euro = RM5.0636

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

#### Note 21. Material Litigation

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

#### Note 22. Dividends

The Board is not recommending any dividend for the quarter under review.

#### 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 December 2009 of 60,745,780 shares.

##### (a) Basic earnings per share

	Year To Date Ended 31.12.2009	Year To Date Ended 31.12.2008
Profit after taxation for the period (RM'000)	49,497	41,314
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	81	68

##### (b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	20	Not Applicable
Quarter 2	25	Not Applicable
Quarter 3	36	Not Applicable
Year-to-date	81	Not Applicable

**Note 24. Commitments For Capital Expenditure**

	<b>As at 31.12.2009 (RM'000)</b>	<b>As at 31.12.2008 (RM'000)</b>
Contracted	2,588	2,813
Not contracted	534	229
Analysed as follows: Property, plant and equipment	3,122	3,042

**By Order of the Board**

Leong Oi Wah  
Pang Chia Tyng  
Company Secretaries

24 February 2010