

Panasonic

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

Condensed Combined Entity Income Statements for the 4th Quarter and Financial Year Ended 31 March 2010

	(Unaudited)		(Unaudited)	
	4 th Quarter ended		Financial Year ended	
	31.03.2010 (RM'000)	31.03.2009 (RM'000)	31.03.2010 (RM'000)	31.03.2009 (RM'000)
Revenue	153,793	113,071	679,764	600,868
Operating expenses	(142,696)	(111,404)	(621,276)	(565,665)
Other operating income	3,834	3,418	14,027	16,698
Profit from operations	14,931	5,085	72,515	51,901
Share of results of associated company (net of tax)	2,941	4,786	6,803	8,917
Profit before taxation	17,872	9,871	79,318	60,818
Taxation	(2,519)	(1,410)	(14,469)	(11,042)
Profit after taxation	15,353	8,461	64,849	49,776
Profit after tax for the period	<u>15,353</u>	<u>8,461</u>	<u>64,849</u>	<u>49,776</u>
<u>Attributable to:</u>				
Equity holders	15,353	8,461	64,849	49,776
	<u>15,353</u>	<u>8,461</u>	<u>64,849</u>	<u>49,776</u>
<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic (sen)	<u>25</u>	<u>14</u>	<u>107</u>	<u>82</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 March 2010

	(Unaudited)	(Audited)
	As at Financial Year Ended 31.03.2010 (RM'000)	As at Preceding Financial Year End 31.03.2009 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	55,196	47,946
Prepaid lease payments	6,553	6,629
Interest in associated company	123,882	120,232
Deferred income tax assets	14,749	10,618
	<u>200,380</u>	<u>185,425</u>
Current assets		
Inventories	16,373	9,064
Trade and other receivables	48,846	35,432
Tax recoverable	-	1,478
Placement of funds with related company	495,918	466,361
Cash and bank balances	84	201
	<u>561,221</u>	<u>512,536</u>
Total assets	<u>761,601</u>	<u>697,961</u>
EQUITY		
Share capital	60,746	60,746
Retained earnings	558,581	541,569
Total equity	<u>619,327</u>	<u>602,315</u>
LIABILITIES		
Non-current liabilities		
Provision for other liabilities and charges	2,473	1,477
	<u>2,473</u>	<u>1,477</u>
Current liabilities		
Trade and other payables	116,375	73,412
Provision for Taxation	16,369	0
Provision for other liabilities and charges	7,057	20,757
	<u>139,801</u>	<u>94,169</u>
Total liabilities	<u>142,274</u>	<u>95,646</u>
Total equity and liabilities	<u>761,601</u>	<u>697,961</u>
Net assets per share (RM)	<u>10.20</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
Financial Year Ended 31 March 2010**

	(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)
<u>Cumulative Period Ended 31 March 2009</u>			
(Audited)			
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
<u>Cumulative Period Ended 31 March 2010</u>			
(Unaudited)			
At 1 April 2009	60,746	541,569	602,315
Profit after taxation	-	64,849	64,849
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	-	(25,058)	(25,058)
- Interim dividend for the financial year ended 31 March 2010	-	(6,833)	(6,833)
At 31 March 2010	60,746	558,581	619,327

(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
Financial Year ended 31 March 2010**

	(Unaudited) Cumulative Period ended 31.03.2010 (RM'000)	(Unaudited) Cumulative Period ended 31.03.2009 (RM'000)
Profit after taxation	64,849	49,776
Adjustments for:		
Non Cash Flow Items	20,262	13,521
Share of results of associated company	(6,803)	(8,917)
Operating profit / (loss) before working capital changes	78,308	54,380
Changes in working capital		
Net (increase) / decrease in current assets	(21,975)	16,386
Net increase in current liabilities	44,219	1,459
Cash generated from operations	100,552	72,225
Other operating activities	(13,342)	(13,846)
Net cash flow from operating activities	87,210	58,379
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,470)	(18,098)
Proceeds from disposal of property, plant and equipment	942	135
Interest received	10,563	15,445
Dividend received (net)	3,153	2,388
Net cash flow from investing activities	(9,812)	(130)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(47,837)	(52,393)
Net cash flow from financing activity	(47,837)	(52,393)
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,561	5,856
CURRENCY TRANSLATION DIFFERENCES	(121)	195
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	466,562	460,511
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	496,002	466,562
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	495,918	466,361
Cash and bank balances	84	201
	<u>496,002</u>	<u>466,562</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 Financial Year Ended 31 March 2010

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

The amount of dividends on ordinary shares paid by the Company since 31 March 2009 were as follows:

	RM'000
(a) In respect of the financial year ended 31 March 2009:	
A final dividend of 35 sen per ordinary share of RM1.00 less 25% income tax paid on 18 September 2009	15,946
A special dividend of 55 sen per ordinary share of RM1.00 less 25% income tax paid on 18 September 2009	25,058
(b) In respect of the financial year ended 31 March 2010:	
An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax paid on 20 January 2010	6,833
	<u>47,837</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 2010 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 2010 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) 4th Quarter This Year vs 4th Quarter Last Year

The Company achieved revenue of RM153.8 million for the current quarter ended 31 March 2010, an increase of 36.0% or RM40.7 million as compared with the revenue of RM113.1 million registered in the previous year's corresponding quarter mainly contributed by a stronger demand in the domestic market and increased demand from the Middle East region.

Correspondingly, the Company's combined profit before tax of RM17.9 million for the current quarter ended 31 March 2010 increased by 80.8% or RM8.0 million as compared to the previous year's corresponding quarter combined profit before tax of RM9.9 million.

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

The Company's revenue of RM679.8 million for the year ended 31 March 2010, was higher by 13.1% or RM78.9 million as compared to the previous year's revenue of RM600.9 million.

The Company achieved better operational results this financial year, recording a combined profit before taxation for the year ended 31 March 2010 of RM79.3 million, which was higher by 30.4% or RM18.5 million compared to the combined profit before taxation of RM60.8 million reported in the previous year.

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

The Company's revenue of RM153.8 million in the current quarter declined by 22.0% or RM43.4 million as compared to the revenue of RM197.2 million reported in the preceding quarter mainly attributed to unfavorable market condition in Thailand affecting the sales of home shower products and higher festive season sales in the previous quarter.

As a result, the Company's combined profit before tax of RM17.9 million for the current quarter ended 31 March 2010 was 34.2% or RM9.3 million lower than the combined profit before taxation of RM27.2 million registered in the preceding quarter.

Note 14. Prospects and Outlook

The outlook for the Company remains challenging with the escalating price of raw materials and the appreciation of Ringgit against major currencies; US Dollars and Japanese Yen of which export sales are mainly denominated in. To this effect, the Company will increase collaboration activities with its sales companies to improve sales performance in both domestic and export markets; and intensify its efforts to increase operational efficiency, productivity and quality improvement to deliver satisfactory results for the financial year ending 31 March 2011.

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 31.03.2010 (RM'000)	Preceding Quarter Ended 31.03.2009 (RM'000)	Current Year ended 31.03.2010 (RM'000)	Preceding Year Ended 31.03.2009 (RM'000)
Taxation charge:				
- current financial year	(6,820)	(571)	(18,726)	(9,358)
- prior financial year	126	219	126	219
Deferred Tax:				
- current financial year	3,668	(1,453)	3,624	(2,298)
- prior financial year	507	395	507	395
	(2,519)	(1,410)	(14,469)	(11,042)

The effective tax rate for the 4th quarter and year ended 31 March 2010 was lower than statutory income tax rate mainly due to the utilisation of reinvestment allowances and the recognition of deferred tax asset arising from the timing difference on capital allowances claimed.

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 13 May 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
(Net future sales of goods over the next 3 months)			
USD	11,200,000	38,195	1 USD = RM3.4103
JPY	92,000	3,483	100 JPY = RM3.786
(Net future purchases over the next 3 months)			
SGD	438,000	1,063	1 SGD = RM2.4268
Euro	68,200	325	1 Euro = RM4.7672

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

- (a) In respect of the financial year ended 31 March 2010, a final dividend of 35 sen per ordinary share of RM1.00 and a special dividend of 70 sen per ordinary share of RM1.00, less income tax, were proposed by the Directors on 20 May 2010:
- (i) The final and special dividends shall be payable on 13 October 2010.
 - (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 20 September 2010 in respect of shares which are exempted from mandatory deposit.
 - Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 22 September 2010 in respect of ordinary transfers.
 - 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 2009 amounted to 90 sen per ordinary share of RM1.00, less income tax paid on 18 September 2009.
- (c) Total dividends for the current financial year ended 31 March 2010 are:
- (i) Interim dividend of 15 sen per ordinary share of RM1.00, less income tax paid on 20 January 2010.
 - (ii) Final and special dividends of 105 sen per ordinary share of RM1.00, less income tax, payable on 13 October 2010.

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 2010 of 60,745,780 shares.

(a) Basic earnings per share

	Year To Date Ended 31.03.2010	Year To Date Ended 31.3.2009
Profit after taxation for the period (RM'000)	64,852	49,776
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	107	82

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	20	Not Applicable
Quarter 2	26	Not Applicable
Quarter 3	36	Not Applicable
Quarter 4	25	Not Applicable
Year-to-date	107	Not Applicable

Note 24. Commitments For Capital Expenditure

	As at 31.03.2010 (RM'000)	As at 31.03.2009 (RM'000)
Contracted	5,019	2,439
Not contracted	506	4,236
	5,525	6,675
Analysed as follows:		
Property, plant and equipment	5,525	6,675

By Order of the Board

Leong Oi Wah
Pang Chia Tyng
Company Secretaries

20 May 2010