

Panasonic

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

Condensed Combined Entity Statement of Comprehensive Income for the 3rd Quarter Ended 31 December 2011

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	3rd Quarter ended		Cumulative period ended	
	31.12.2011 (RM'000)	31.12.2010 (RM'000)	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Revenue	223,418	203,296	668,082	610,998
Operating expenses	(202,229)	(175,663)	(612,889)	(542,050)
Other operating income	3,633	3,843	14,739	11,609
Other derivative (loss)	2,039	(736)	(2,006)	(863)
Profit from operations	26,861	30,740	67,926	79,694
Share of results of associated company (net of tax)	(886)	2,425	6,108	6,268
Profit before taxation	25,975	33,165	74,034	85,962
Taxation	(6,169)	(6,453)	(15,092)	(17,961)
Profit after taxation for the period	19,806	26,712	58,942	68,001
<u>Earnings per share attributable to equity holders:</u>				
Basic and diluted (sen)	33	44	97	112

(The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2011)

**Condensed Combined Entity Statement of Comprehensive Income
for the 3rd Quarter Ended 31 December 2011**

	(Unaudited)		(Unaudited)	
	3rd Quarter ended		Cumulative period ended	
	31.12.2011 (RM'000)	31.12.2010 (RM'000)	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Profit after taxation for the period	19,806	26,712	58,942	68,001
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	19,806	26,712	58,942	68,001
Profit after taxation attributable to equity holders of the Company	19,806	26,712	58,942	68,001
Total Comprehensive Income attributable to equity holders of the Company	19,806	26,712	58,942	68,001
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	3,858	3,160	11,878	9,343
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	5,245	6,371	14,758	17,669
Provision For/Write Off of Receivables	N/A	N/A	N/A	N/A
Provision For/Write Off of Inventories	N/A	N/A	N/A	N/A
Gain/(Loss) on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A	N/A	N/A
Impairment of Assets	N/A	N/A	N/A	N/A
Gain/(Loss) on Foreign Exchange	(424)	607	1,182	4,032
Gain/(Loss) on Derivatives	2,039	(736)	(2,006)	(863)

N/A: Not Applicable

(The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2011)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	(Audited)
	As at 31.12.2011 (RM'000)	As at Preceding Financial Year End 31.03.2011 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	74,425	63,459
Interest in associated company	131,585	127,866
Deferred tax assets	14,603	14,757
	<u>220,613</u>	<u>206,082</u>
Current assets		
Inventories	21,004	18,789
Trade and other receivables	84,875	53,435
Tax recoverable	910	-
Placement of funds with related company	449,036	500,787
Cash and bank balances	159	151
Derivative financial instruments	-	1,184
	<u>555,984</u>	<u>574,346</u>
Total assets	<u>776,597</u>	<u>780,428</u>
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	586,335	586,620
Total equity	<u>647,081</u>	<u>647,366</u>
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	2,244	3,367
	<u>2,244</u>	<u>3,367</u>
Current liabilities		
Trade and other payables	110,889	114,283
Taxation	-	1,452
Provision for liabilities and charges	15,548	13,946
Derivative financial instruments	835	14
	<u>127,272</u>	<u>129,695</u>
Total liabilities	<u>129,516</u>	<u>133,062</u>
Total equity and liabilities	<u>776,597</u>	<u>780,428</u>
Net assets per share (RM)	<u>10.65</u>	<u>10.66</u>

(The Condensed Combined Entity Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2011)

**Condensed Combined Entity Statement of Changes in Equity
For the 3rd Quarter Ended 31 December 2011**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Cumulative Period Ended 31 December 2010</u>			
At 1 April 2010	60,746	558,581	619,327
Effect of adopting FRS 139	-	31	31
At 1 April 2010 (restated)	60,746	558,612	619,358
Total Comprehensive Income for the period	-	68,001	68,001
- Final dividend for the financial year ended 31 March 2010	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2010	-	(31,891)	(31,891)
At 31 December 2010	60,746	578,776	639,522
<u>Cumulative Period Ended 31 December 2011</u>			
At 1 April 2011	60,746	586,620	647,366
Total Comprehensive Income for the period	-	58,942	58,942
Dividends:			
- Final dividend for the financial year ended 31 March 2011	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2011	-	(43,281)	(43,281)
At 31 December 2011	60,746	586,335	647,081

(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 2011)

**Condensed Combined Entity Cash Flow Statement for the
3rd Quarter Ended 31 December 2011**

	(Unaudited) Period ended 31.12.2011 (RM'000)	(Unaudited) Period ended 31.12.2010 (RM'000)
Profit after taxation	58,942	68,001
Adjustments for:		
Non Cash Flow Items	33,794	30,252
Share of results of associated company	(6,108)	(6,268)
Operating profit / (loss) before working capital changes	86,628	91,985
Changes in working capital		
Net (increase) / decrease in current assets	(33,600)	(28,836)
Net (decrease) / increase in current liabilities	(3,394)	5,366
Cash generated from operations	49,634	68,515
Other operating activities	(18,871)	(26,232)
Net cash flow from operating activities	30,763	42,283
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(28,684)	(16,053)
Proceeds from disposal of property, plant and equipment	29	(137)
Interest received	3,803	9,442
Dividend received (net)	2,389	1,433
Net cash flow from investing activities	(22,463)	(5,315)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(59,227)	(47,837)
Net cash flow from financing activity	(59,227)	(47,837)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(50,927)	(10,869)
CURRENCY TRANSLATION DIFFERENCES	(816)	1,224
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	500,938	496,002
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	449,195	486,357
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	449,036	486,220
Cash and bank balances	159	137
	<u>449,195</u>	<u>486,357</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 2011)

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(Incorporated in Malaysia)

Notes to the Interim Financial Statements for 3rd Quarter Ended 31 December 2011

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 2011. 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 2011.

Note 2. Realised and Unrealised Profits / Losses

	Current Period Ended 31.12.2011 (RM'000)	Financial Year Ended 31.03.2011 (RM'000)
Total retained profits of Company:		
- Realised profits	456,964	459,808
- Unrealised profits / (loss)	(214)	946
	456,750	460,754
Total share of retained profits from associated company:		
- Realised profits	133,621	129,450
- Unrealised profits / (loss)	(4,036)	(3,584)
	129,585	125,866
Total Combined Entity's retained profits	586,335	586,620

Note 3. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2011 was not qualified.

Note 4. 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 5. Unusual Item

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

Note 6. 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 7. 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 reporting date.

Note 8. Dividends Declared / Paid

There were no dividends paid in the quarter under review.

Note 9. Segmental Reporting

Analysis of the Company's segment information is as follows:

	Revenue for the period ended		Profit before tax for the period ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Home Appliance products	341,749	351,031	45,006	42,554
Fan products	326,333	259,967	24,234	42,484
Total	668,082	610,998	69,240	85,038

Note 10. Valuation of Property, Plant and Equipment

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

Note 11. Significant Post Balance Sheet Events

There has not arisen in the interval between 31 December 2011 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 period ended 31 December 2011 in respect of which this announcement is made.

Note 12. Contingent Liabilities

There were no contingent liabilities since the last financial year ended 31 March 2011.

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

Note 13. Review of Performance

(a) 3rd Quarter This Year vs 3rd Quarter Last Year

The Company achieved revenue of RM223.4 million for the current quarter ended 31 December 2011, an increase of 9.9% or RM20.1 million as compared with the revenue of RM203.3 million registered in the previous year's corresponding quarter.

However, the Company's combined profit before tax of RM26.0 million for the current quarter ended 31 December 2011 was lower by 21.7% or RM7.2 million as compared to the previous year's corresponding quarter combined profit before tax of RM33.2 million. Included in the Company's combined profit before tax was a share of loss of the associated company amounting to RM 886,000 as compared to a gain of RM 2.4 million recorded in the previous year. The share of loss was mainly attributed to a derivative loss amounting to RM1.8 million in this quarter as compared to a derivative gain amounting to RM 1.2 million in the previous corresponding quarter.

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

The Company registered revenue of RM668.1 million for the nine months ended 31 December 2011, an increase of RM57.1 million or 9.3% as compared to the previous year's corresponding period of RM611.0 million.

Revenue by segment for the financial year-to-date saw an increase in the Fan Product segment by 26% with additional sales derived from the transfer of manufacture and sales of certain fan models from China to Malaysia. Revenue derived from Home Appliances Product segment saw a slight reduction by 3% mainly as there was lower export sales to the Middle East region as a result of the political instability in that region.

The Company's combined profit before tax of RM74.0 million for the nine months ended 31 December 2011 was lower by 14.0% or RM12.0 million; as compared to the previous year's corresponding period combined profit before tax of RM86.0 million.

Overall profitability of the Company has been affected by the Fan Product segment which saw a reduction from RM42.0 million in the previous year's corresponding period to RM24.0 million in the current financial period due to price competitiveness for the export models in the Middle East region.

Note 14. Material Changes in Quarterly Results Compared to Preceding Quarter

The Company's revenue of RM223.4 million in the current quarter was a slight increase of 0.3% or RM0.6 million over the revenue of RM222.8 million recorded in the preceding quarter.

Correspondingly, the Company was able to achieve a higher combined profit before taxation for the current quarter ended 31 December 2011 of RM26.0 million, as compared to the combined profit before taxation of RM23.8 million reported in the preceding quarter.

Note 15. Prospects and Outlook

The outlook for the remaining financial year continues to be challenging due to the uncertainties in the economic environment. However, the Company will remain profitable for the current financial year.

Note 16. 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 17. Taxation

	Current Quarter Ended 31.12.2011 (RM'000)	Preceding Quarter Ended 31.12.2010 (RM'000)	Cumulative Period ended 31.12.2011 (RM'000)	Cumulative Period ended 31.12.2010 (RM'000)
Taxation charge:				
- current financial year	(5,823)	(5,465)	(14,938)	(17,429)
Deferred Tax:				
- current financial year	(346)	(988)	(154)	(532)
	(6,169)	(6,453)	(15,092)	(17,961)

Note 18. Sale of Unquoted Investments and/or Properties

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

Note 19. Purchase/Disposal of Quoted Securities

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

Note 20. Corporate Proposals

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

Note 21. Derivatives

Derivative financial instruments 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 31 December 2011, the details of derivative financial instruments outstanding measured at fair values together with their corresponding contract / notional values are as follows:-

Type of Derivatives	Contract / Notional Value RM'000	Net Fair Value of Assets / (Liabilities) RM'000
Less than 1 year - Sell USD	46,349	(946)
Less than 1 year - Buy JPY	6,084	125
Less than 1 year - Buy SGD	909	(2)
Less than 1 year - Buy EUR	320	(12)
		(835)

Note 22. Material Litigation

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

Note 23. Dividends

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

Note 24. 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 2011 of 60,745,780 shares.

(a) Basic earnings per share

	Period Ended 31.12.2011	Period Ended 31.12.2010
Profit after taxation for the year (RM'000)	58,942	68,001
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	97	112

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	31	Not Applicable
Quarter 2	33	Not Applicable
Quarter 3	33	Not Applicable
Year-to-date	97	Not Applicable

Note 25. Commitments for Capital Expenditure

	As at 31.12.2011 (RM'000)	As at 31.12.2010 (RM'000)
Contracted	3,555	4,561
Not contracted	1,022	1,028
Analysed as follows: Property, plant and equipment	4,577	5,589

By Order of the Board

Leong Oi Wah
Company Secretary
22 February 2012