

Panasonic

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

Condensed Combined Entity Statement of Comprehensive Income for the 2nd Quarter Ended 30 September 2012

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Restated)		(Restated)	
	2nd Quarter ended		Cumulative period ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	225,301	222,849	434,967	444,664
Operating expenses	(209,654)	(206,715)	(406,387)	(413,383)
Other operating income	6,834	6,491	13,482	13,829
Other derivative gain / (loss)	2,729	(3,382)	1,293	(4,045)
Profit from operations	25,210	19,243	43,355	41,065
Share of results of associated company (net of tax)	(2,116)	4,556	2,486	6,994
Profit before taxation	23,094	23,799	45,841	48,059
Taxation	(5,193)	(3,478)	(9,949)	(8,923)
Profit after taxation for the period	17,901	20,321	35,892	39,136
<u>Earnings per share attributable to equity holders:</u>				
Basic and diluted (sen)	29	33	59	64

(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 2012)

**Condensed Combined Entity Statement of Comprehensive Income
for the 2nd Quarter Ended 30 September 2012**

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
	2nd Quarter ended		Cumulative period ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Profit after taxation for the period	17,901	20,321	35,892	39,136
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	17,901	20,321	35,892	39,136
Profit after taxation attributable to equity holders of the Company	17,901	20,321	35,892	39,136
Total Comprehensive Income attributable to equity holders of the Company	17,901	20,321	35,892	39,136
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	3,959	4,176	7,801	8,019
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,747	5,869	13,543	11,298
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	(619)	603	5	1,606
Gain/(Loss) on Derivatives	2,729	(3,382)	1,293	(4,045)

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 2012)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	(Audited)	(Audited)
	As at 30.09.2012 (RM'000)	As at Preceding Financial Year End 31.03.2012 (RM'000)	As at 01.04.2011 (RM'000)
ASSETS			
Non-current assets			
Property, plant and equipment	72,365	75,606	63,459
Interest in associated company	132,044	130,991	127,866
Deferred tax assets	11,197	11,757	14,757
	<u>215,606</u>	<u>218,354</u>	<u>206,082</u>
Current assets			
Inventories	26,514	18,293	18,789
Trade and other receivables	95,757	52,757	53,435
Tax recoverable	1,855	2,445	-
Placement of funds with related company	444,364	470,079	500,787
Cash and bank balances	6	323	151
Derivative financial instruments	1,507	662	1,184
	<u>570,003</u>	<u>544,559</u>	<u>574,346</u>
Total assets	<u>785,609</u>	<u>762,913</u>	<u>780,428</u>
EQUITY			
Capital and reserves attributed to equity holders			
Share capital	60,746	60,746	60,746
Retained earnings	575,021	586,966	586,620
Total equity	<u>635,767</u>	<u>647,712</u>	<u>647,366</u>
LIABILITIES			
Non-current liabilities			
Provision for liabilities and charges	860	1,396	3,367
	<u>860</u>	<u>1,396</u>	<u>3,367</u>
Current liabilities			
Trade and other payables	132,393	98,256	114,283
Taxation	-	-	1,452
Provision for liabilities and charges	16,491	15,003	13,946
Derivative financial instruments	98	546	14
	<u>148,982</u>	<u>113,805</u>	<u>129,695</u>
Total liabilities	<u>149,842</u>	<u>115,201</u>	<u>133,062</u>
Total equity and liabilities	<u>785,609</u>	<u>762,913</u>	<u>780,428</u>
Net assets per share (RM)	<u>10.47</u>	<u>10.66</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 2012)

**Condensed Combined Entity Statement of Changes in Equity
For the 2nd Quarter Ended 30 September 2012**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Cumulative Period Ended 30 September 2011</u>			
At 1 April 2011	60,746	586,620	647,366
Total comprehensive income for the period	-	39,136	39,136
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 30 September 2011	60,746	566,529	627,275
<u>Cumulative Period Ended 30 September 2012</u>			
At 1 April 2012	60,746	586,966	647,712
Total comprehensive income for the period	-	35,892	35,892
Dividends:			
- Final dividend for the financial year ended 31 March 2012	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2012	-	(31,891)	(31,891)
At 30 September 2012	60,746	575,021	635,767

(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 2012)

**Condensed Combined Entity Cash Flow Statement for the
2nd Quarter Ended 30 September 2012**

	(Unaudited)	(Unaudited)
	Period ended 30.09.2012 (RM'000)	Period ended 30.09.2011 (RM'000)
Profit after taxation	35,892	39,136
Adjustments for:		
Non Cash Flow Items	20,903	24,914
Share of results of associated company	(2,486)	(6,994)
Operating profit / (loss) before working capital changes	54,309	57,056
Changes in working capital		
Net (increase) / decrease in current assets	(51,221)	(42,059)
Net (decrease) / increase in current liabilities	34,137	15,088
Cash generated from operations	37,225	30,085
Other operating activities	(10,272)	(13,485)
Net cash flow from operating activities	26,953	16,600
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,301)	(15,656)
Proceeds from disposal of property, plant and equipment	(48)	29
Interest received	3,959	4,321
Dividend received (net)	1,433	2,389
Net cash flow from investing activities	(4,957)	(8,917)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(47,837)	(59,227)
Net cash flow from financing activity	(47,837)	(59,227)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(25,841)	(51,544)
CURRENCY TRANSLATION DIFFERENCES	(191)	(2,847)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	470,402	500,938
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	444,370	446,547
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	444,364	446,320
Cash and bank balances	6	227
	<u>444,370</u>	<u>446,547</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 2012)

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Notes to the Interim Financial Statements for 2nd Quarter Ended 30 September 2012

Note 1. Accounting Policies and Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B 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 2012.

In compliant with MFRS, “MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards” has been applied in this interim report. The transition from FRS to MFRS does not have any significant impact to the financial report.

The audited financial statements of the Company for the year ended 31 March 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the most recent annual audited financial statements of the Company for the financial year ended 31 March 2012.

Note 2. Realised and Unrealised Profits / Losses

	Current Period Ended 30.09.2012 (RM'000)	Preceding Year Ended 31.03.2012 (RM'000)
Total retained profits of Company:		
- Realised profits	448,578	460,072
- Unrealised profits / (loss)	(3,601)	(2,097)
	444,977	457,975
Total share of retained profits from associated company:		
- Realised profits	130,834	131,815
- Unrealised profits / (loss)	(790)	(2,824)
	130,044	128,991
Total Combined Entity’s retained profits	575,021	586,966

Note 3. Disclosure of Audit Report Qualification

The audit report of the Company’s annual financial statements for the financial year ended 31 March 2012 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

The following dividends were paid out on 6 September 2012 to shareholders registered in the Record of Depositors at the close of business on 24 August 2012:

<u>Final and Special Dividends paid</u>	RM'000
Final dividend (35 sen per ordinary share of RM1.00 less 25% income tax)	15,946
Special dividend (70 sen per ordinary share of RM1.00 less 25% income tax)	31,891
Total	<u>47,837</u>

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	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Home Appliance products	214,803	216,605	23,782	25,362
Fan products and Others	220,164	228,059	22,385	17,655
Total	434,967	444,664	46,241	43,017

Both segments Home Appliance and Fan share the same Group's performance trend as elaborated in Note 13.

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 30 September 2012 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 30 September 2012 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 2012.

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

Note 13. Review of Performance

(a) 2nd Quarter This Year vs 2nd Quarter Last Year

The Company's revenue of RM225.3 million for the current quarter ended 30 September 2012 was a marginal increase of 1.1% or RM2.5 million as compared with the revenue of RM222.8 million registered in the previous year's corresponding quarter.

The Company's combined profit before tax of RM23.1 million for the current quarter ended 30 September 2012 was lower by 2.9% or RM0.7 million as compared to the previous year's corresponding quarter combined profit before tax of RM23.8 million.

The decrease in profitability was mainly due to the Company's share of loss of the associated company of RM2.1 million arising mainly from derivative losses in the quarter under review as compared to a share of gain of RM4.6 million recorded in the previous year's corresponding quarter. The share of loss of the associated company was partially offset by a derivative gain at the Company's level amounting to RM2.7 million.

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

The Company's revenue of RM435.0 million for the half year ended 30 September 2012, was a decrease of RM9.7 million or 2.2% as compared to the previous year's corresponding period of RM444.7 million.

The Company's combined profit before tax of RM45.8 million for the half year ended 30 September 2012 was lower by 4.8% or RM2.3 million; as compared to the previous year's corresponding period combined profit before tax of RM48.1 million. The reduced profitability was mainly attributed by lower share of gain of the associated company.

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

The Company's revenue of RM225.3 million in the current quarter was an increase of 7.4% or RM15.6 million over the revenue of RM209.7 million recorded in the preceding quarter.

Correspondingly, the Company achieved a combined profit before taxation for the current quarter ended 30 September 2012 of RM23.1 million, which was an increase of 1.8% or RM0.4 million; as compared to the combined profit before taxation of RM22.7 million reported in the preceding quarter.

Note 15. Prospects and Outlook

The outlook for the current financial year will be challenging due to the prevailing financial crisis in the Euro zone. In addition, certain trade sanctions imposed on the Iranian market will have an impact on sales to the Middle East region. However, the commencement of the transfer of sales and manufacture of meat grinders from Japan to Malaysia in this financial year will contribute to additional export revenue.

The Company will continue to optimize its cost efficiencies and enhance its business processes to deliver satisfactory performance for this 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 30.09.2012 (RM'000)	Preceding Quarter Ended 30.09.2011 (RM'000)	Cumulative Period ended 30.09.2012 (RM'000)	Cumulative Period ended 30.09.2011 (RM'000)
Taxation charge:				
- current financial year	(4,910)	(3,650)	(9,390)	(9,115)
Deferred Tax:				
- current financial year	(283)	172	(559)	192
- prior financial year	-	-	-	-
	(5,193)	(3,478)	(9,949)	(8,923)

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 30 September 2012, 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
<u>Less than 1 year</u> - Sell USD	54,494	1,414
<u>Less than 1 year</u> - Buy JPY	9,675	91
<u>Less than 1 year</u> - Buy SGD	648	2
<u>Less than 1 year</u> - Sell Euro	8,104	(98)
		1,409

Note 22. Material Litigation

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

Note 23. Dividends

- (a) An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax for the financial year ending 31 March 2013 has been declared by the Directors on 28 November 2012 for payment on 10 January 2013 based on the entitlement date of 26 December 2012.
- (b) The interim dividend paid for the previous financial year ended 31 March 2012 amounted to 15 sen per ordinary share of RM 1.00 less 25% income tax.
- (c) Total dividend for the current financial year ending 31 March 2013 is interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax.

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 30 September 2012 of 60,745,780 shares.

(a) Basic earnings per share

	Period Ended 30.09.2012	Period Ended 30.09.2011
Profit after taxation for the period (RM'000)	35,892	39,136
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	59	64

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	30	Not Applicable
Quarter 2	29	Not Applicable
Year-to-date	59	Not Applicable

Note 25. Commitments for Capital Expenditure

	As at 30.09.2012 (RM'000)	As at 30.09.2011 (RM'000)
Contracted	2,429	2,365
Not contracted	634	990
Analysed as follows: Property, plant and equipment	3,063	3,355

By Order of the Board

Leong Oi Wah
Company Secretary
28 November 2012