

Company No. 63611 - U

**PELIKAN INTERNATIONAL CORPORATION BERHAD**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**30 SEPTEMBER 2008**

**PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
Interim report for the financial period ended 30 SEPTEMBER 2008  
*The figures have not been audited.*

	Note	Individual Quarter 3 months ended		Cumulative Quarter Financial period ended	
		30/09/08	30/09/07	30/09/08	30/09/07 Restated
		RM' 000	RM' 000	RM' 000	RM' 000
Revenue		340,101	299,361	1,060,524	875,777
Other operating income		11,714	12,787	28,713	26,712
Expenses excluding finance cost and tax		(321,520)	(280,905)	(966,797)	(791,044)
Finance cost		(9,595)	(7,223)	(26,080)	(19,078)
Share of results of associates after tax		734	1,776	3,078	5,232
Profit before taxation		<u>21,434</u>	<u>25,796</u>	<u>99,438</u>	<u>97,599</u>
Taxation	B1	(3,162)	(2,992)	(7,400)	(5,771)
Profit for the financial period		<u><u>18,272</u></u>	<u><u>22,804</u></u>	<u><u>92,038</u></u>	<u><u>91,828</u></u>
Attributable to:					
Equity holders of the Company		15,773	22,131	83,998	86,618
Minority Interest		2,499	673	8,040	5,210
		<u><u>18,272</u></u>	<u><u>22,804</u></u>	<u><u>92,038</u></u>	<u><u>91,828</u></u>
Earnings per share attributable to equity holders of the Company:	B14	sen	sen	sen	sen
(a) Basic		5.43	7.97	28.97	31.76
(b) Diluted		4.97	6.79	25.26	26.74
Declared/ proposed dividend per share	A7/ B12	-	-	-	5.00

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
Interim report as at 30 September 2008  
*The figures have not been audited.*

	Note	30/09/08 RM'000	Audited 31/12/07 RM'000
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment		352,288	355,850
Trademarks		19,442	18,945
Development costs		16,482	13,083
Goodwill		118,272	117,378
Computer software licence		2,550	3,232
Investment in associates		36,588	36,677
Long term investments		13,869	13,300
Pension Trust Fund		186,008	187,465
Deferred tax assets		29,254	27,050
		<u>774,753</u>	<u>772,980</u>
<b>Current assets</b>			
Inventories		352,908	322,480
Receivables, deposits & prepayments		360,379	323,584
Tax recoverable		2,968	3,414
Pension Trust Fund		28,053	26,435
Deposits, cash and bank balances		81,489	111,776
		<u>825,797</u>	<u>787,689</u>
<b>Total Assets</b>		<u><b>1,600,550</b></u>	<u><b>1,560,669</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		293,965	288,068
Share premium		47,568	46,093
Currency translation		(11,087)	(13,113)
Retained profits		234,023	166,595
Treasury shares, at cost		(13,181)	(3,314)
Redeemable Convertible Unsecured Loan Stocks		3,934	4,406
		<u>555,222</u>	<u>488,735</u>
<b>Minority interest</b>		28,330	20,779
<b>Total Equity</b>		<u><b>583,552</b></u>	<u><b>509,514</b></u>
<b>Non current liabilities</b>			
Post employment benefit obligations	B7		
- Removable pension liabilities		228,827	223,395
- others		51,819	60,650
Provisions		18,102	17,992
Borrowings	B4	211,609	200,661
Redeemable Convertible Unsecured Loan Stocks		58,258	64,232
Deferred tax liabilities		10,123	10,310
		<u>578,738</u>	<u>577,240</u>
<b>Current liabilities</b>			
Payables		228,038	302,820
Post employment benefit obligations	B7		
- Removable pension liabilities		12,654	12,513
- others		1,521	2,023
Provisions		8,117	7,007
Borrowings	B4	176,449	141,298
Redeemable Convertible Unsecured Loan Stocks		1,518	1,785
Current tax liabilities		9,963	6,469
		<u>438,260</u>	<u>473,915</u>
<b>Total Liabilities</b>		<u><b>1,016,998</b></u>	<u><b>1,051,155</b></u>
<b>Total Equity and Liabilities</b>		<u><b>1,600,550</b></u>	<u><b>1,560,669</b></u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		1.89	1.70

This Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
Interim report for the financial period ended 30 SEPTEMBER 2008  
*The figures have not been audited.*

	Share Capital	Share premium (non distributable)	Currency translation (non distributable)	Retained profits (distributable)	Treasury shares, at cost (distributable)	Irredeemable Convertible Unsecured Loan Stocks (equity component)	Redeemable Convertible Unsecured Loan Stocks (equity component)	Equity attributable to equity holders of the parent	Minority interest	Total equity
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<b>Balance at 1 January 2008</b>	288,068	46,093	(13,113)	166,595	(3,314)	-	4,406	488,735	20,779	509,514
Exchange differences on translation of foreign operations	-	-	2,026	-	-	-	-	2,026	(489)	1,537
Net profit / (loss) recognised directly in equity	-	-	2,026	-	-	-	-	2,026	(489)	1,537
Profit for the financial period	-	-	-	83,998	-	-	-	83,998	8,040	92,038
Total profit for the financial period	-	-	-	83,998	-	-	-	83,998	8,040	92,038
Issue of share capital	5,897	1,475	-	261	-	-	(472)	7,161	-	7,161
- conversions of Redeemable Convertible Unsecured Loan Stocks	-	-	-	-	(9,867)	-	-	(9,867)	-	(9,867)
Purchase of own shares	-	-	-	(16,831)	-	-	-	(16,831)	-	(16,831)
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2008</b>	<b>293,965</b>	<b>47,568</b>	<b>(11,087)</b>	<b>234,023</b>	<b>(13,181)</b>	<b>-</b>	<b>3,934</b>	<b>555,222</b>	<b>28,330</b>	<b>583,552</b>
<b>Balance at 1 January 2007</b>	221,521	29,457	(4,514)	98,979	-	56,993	5,560	407,996	25,240	433,236
Exchange differences on translation of foreign operations	-	-	3,893	-	-	-	-	3,893	(86)	3,807
Net profit / (loss) recognised directly in equity	-	-	3,893	-	-	-	-	3,893	(86)	3,807
Profit for the financial period	-	-	-	86,618	-	-	-	86,618	5,210	91,828
Total profit for the financial period	-	-	-	86,618	-	-	-	86,618	5,210	91,828
Issue of share capital	50,298	12,575	-	(1,978)	-	(56,993)	-	3,902	-	3,902
- conversions of Irredeemable Convertible Unsecured Loan Stocks	12,049	3,012	-	401	-	-	(957)	14,505	-	14,505
- conversions of Redeemable Convertible Unsecured Loan Stocks	-	-	-	-	(1,731)	-	-	(1,731)	-	(1,731)
Purchase of own shares	-	-	-	(24,035)	-	-	-	(24,035)	(657)	(24,692)
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2007</b>	<b>283,868</b>	<b>45,044</b>	<b>(621)</b>	<b>159,985</b>	<b>(1,731)</b>	<b>-</b>	<b>4,603</b>	<b>491,148</b>	<b>29,707</b>	<b>520,855</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**Interim report for the financial period ended 30 SEPTEMBER 2008**  
*The figures have not been audited.*

	Financial period ended	
	30/09/08 RM' 000	30/09/07 RM' 000
<b>Operating activities</b>		
Cash receipts from customers	1,067,313	888,590
Cash paid to suppliers and employees	(1,045,118)	(847,791)
	<u>22,195</u>	<u>40,799</u>
Interest received	931	1,156
Interest paid	(15,023)	(8,285)
Taxation paid	(8,965)	(9,356)
<b>Net cash (used in) / from operating activities</b>	<u>(862)</u>	<u>24,314</u>
<b>Investing activities</b>		
Acquisition of subsidiaries	-	(49,714)
Purchase of property, plant and equipment	(26,885)	(28,559)
Proceeds from disposal of property, plant and equipment	5,218	3,064
Proceeds from disposal of associates	-	62,878
Dividend from associates	2,311	2,759
Dividend received	1,240	-
Interest paid	(7,057)	(4,797)
Purchase of computer software licence	(1,605)	(38)
Development expenses paid	(5,591)	(1,859)
<b>Net cash used in investing activities</b>	<u>(32,369)</u>	<u>(16,266)</u>
<b>Financing activities</b>		
Drawdown of bank borrowings	89,649	37,983
Repayments of bank borrowings	(68,771)	(7,539)
Hire purchase and finance lease principal payments	(1,619)	(1,819)
Interest paid	(3,066)	(3,763)
Purchase of own shares	(9,867)	(1,731)
Dividends paid to shareholders	(16,831)	(18,778)
<b>Net cash (used in) / from financing activities</b>	<u>(10,505)</u>	<u>4,353</u>
<b>Net (decrease) / increase in cash and cash equivalents during the financial period</b>	<u>(43,736)</u>	<u>12,401</u>
<b>Currency translation</b>	<u>(7,268)</u>	<u>(3,443)</u>
<b>Cash and cash equivalents at beginning of financial period</b>	<u>70,773</u>	<u>29,620</u>
<b>Cash and cash equivalents at end of financial period</b>	<u><u>19,769</u></u>	<u><u>38,578</u></u>
<b>Cash and cash equivalents comprise :</b>		
Cash and bank balances	81,489	59,625
Bank overdrafts	(61,720)	(21,047)
	<u>19,769</u>	<u>38,578</u>

This Condensed Consolidated Cash Flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**A. Notes to the Interim Financial Report  
For the third quarter and financial period ended 30 September 2008**

**A1. Basis of Preparation**

The quarterly interim financial report is unaudited and has been prepared in accordance with FRS134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2007.

**A2. Report of the Auditors to the Members**

The report of the auditors on the annual financial statements for the financial year ended 31 December 2007 was not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 174 of the Companies Act, 1965.

**A3. Seasonality or Cyclicity of Interim Operations**

The Group's business was affected by the "back to school" season in Europe which normally records higher sales in mid year. Sales of Pelikan Hardcopy Holding AG ("PHH") Group and German Hardcopy AG ("GHAG") Group acquired in 2007 are generally not influenced by seasonal fluctuation. The combined sales of the Group therefore have lesser effects of seasonality. However, second quarter remains the strongest quarter.

**A4. Exceptional and/or Extraordinary Items Affecting Assets, Liabilities, Equity, Net Income or Cash flows**

There were no exceptional and/ or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 September 2008.

**A. Notes to the Interim Financial Report**  
**For the third quarter and financial period ended 30 September 2008**

**A5. Material Effect of Changes in Estimates of Amounts Reported in the Prior Interim Periods of the Current Financial Year or Prior Financial Years**

During the 9 months financial period ended 30 September 2007, the Group recorded a negative goodwill of RM16.8 million arising from the acquisition of PHH Group. This negative goodwill had subsequently been reversed in the fourth quarter ended 31 December 2007 as the Group had made further provision to cover losses relating to pre-acquisition period of PHH Group. The restatement would have impact on the results of the cumulative quarter ended 30 September 2007 but would not have effect on the financial result for the year ended 31 December 2007.

The effect of the reversal of the negative goodwill of RM16.8 million on the interim financial statements is as follows:

<b>9 months ended 30 September 2007</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated</b>
<b>Condensed Consolidated Income Statement</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other operating income	43,486	(16,774)	26,712
Profit before taxation	114,373	(16,774)	97,599

There were no other material changes in estimates of amounts reported in the current quarter, prior interim periods or prior financial years.

**A. Notes to the Interim Financial Report**  
**For the third quarter and financial period ended 30 September 2008**

**A6. Debt and Equity Securities**

Upon conversion of Redeemable Convertible Unsecured Loan Stocks ("RCULS") of the Company, 1,072,000 new ordinary shares of RM1.00 each were issued on 7 July 2008.

Subsequent to the current quarter, the Company had converted all the remaining balance of RCULS into 49,204,000 new ordinary share of RM1.00 each on the following dates:

<u>Date</u>	<u>Number of shares</u>
31.10.2008	10,960,000
05.11.2008	38,244,000

The RCULS had fully been converted into ordinary shares on 5 November 2008. Trading in the RCULS had been suspended from 13 November 2008 and the RCULS had been removed from the Official List of Bursa Malaysia Securities Berhad on 18 November 2008.

The Company repurchased a total of 117,200 of its shares from the open market for a total consideration of RM275,424 during the current quarter. Subsequent to the current quarter, a total of 222,200 ordinary shares were repurchased from the open market for a total consideration of RM321,203. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with Section 67A (as amended) of the Companies Act, 1965.

There were no other issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter ended 30 September 2008.



**A. Notes to the Interim Financial Report**  
**For the third quarter and financial period ended 30 September 2008**

**A7. Dividends**

	<b>Gross Dividend per share Sen</b>	<b>Amount of dividend, gross RM'000</b>	<b>Amount of dividend, net of tax RM'000</b>
<b>For the financial year ended 31/12/2007</b>			
First interim dividend at 27% tax declared on 3 May 2007, paid on 30 July 2007	2.0	5,497	4,013
Second interim dividend tax exempt declared on 8 August 2007 paid on 5 November 2007	3.0	8,504	8,504
Final dividend of 6 sen per share, of which 5.2 sen per share is single tier* dividend, and 0.8 sen per share less 26%, approved by shareholders on 2 June 2008, paid on 27 August 2008	6.0	17,435	16,831
	<b>11.0</b>	<b>31,436</b>	<b>29,348</b>

No dividends have been paid during the current quarter ended 30 September 2008.

\* - single tier dividend is non-tax deductible under section 108 of the Income Tax Act 1967 and is exempt from Income Tax in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the said Act.

**B. Notes to the Interim Financial Report**  
**For the third quarter and financial period ended 30 September 2008**

**A8. Segment Information**

	Germany RM'000	Switzerland RM'000	Italy RM'000	Rest of Europe RM'000	Latin- America RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>9 months ended</b>								
<b>30 September 2008</b>								
External revenue	519,657	113,470	65,786	186,112	105,076	70,423		1,060,524
Intersegment revenue	336,082	233,819	-	12,687	4,887	78,180	(665,655)	-
	<u>855,739</u>	<u>347,289</u>	<u>65,786</u>	<u>198,799</u>	<u>109,963</u>	<u>148,603</u>	<u>(665,655)</u>	<u>1,060,524</u>
Segment result	81,886	8,562	(334)	(4,420)	17,249	12,047	(22,039)	92,951
Unallocated income (net of cost)								<u>29,489</u>
Profit from operations								<u>122,440</u>
<b>3 months ended</b>								
<b>30 September 2008</b>								
External revenue	171,589	36,682	18,659	58,606	37,338	17,227		340,101
Intersegment revenue	98,561	63,042	-	4,470	1,117	22,476	(189,666)	-
	<u>270,150</u>	<u>99,724</u>	<u>18,659</u>	<u>63,076</u>	<u>38,455</u>	<u>39,703</u>	<u>(189,666)</u>	<u>340,101</u>
Segment result	28,199	(5,921)	(727)	(879)	4,815	2,698	(4,405)	23,780
Unallocated income (net of cost)								<u>6,515</u>
Profit from operations								<u>30,295</u>

**A9. Valuation of Property, Plant and Equipment**

There were no valuations of property, plant and equipment during the current quarter.

**A10. Events Subsequent to Balance Sheet Date**

There were no material events subsequent to the end of the current quarter.

**A. Notes to the Interim Financial Report**  
**For the third quarter and financial period ended 30 September 2008**

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

**A12. Contingent Liabilities**

- (a) In the ordinary course of business, the business of PHH and GHAG groups (dealing with manufacturing and distribution of hardcopy related products and printer consumables such as inkjet and toner cartridges, thermal transfer, office media and impact cartridges, hereinafter referred to as the "Hardcopy business") is involved in several lawsuits. In particular, the Group has several large legal claims brought by Original Equipment Manufacturers for perceived breach of patents with an assessed potential maximum exposure of EUR18.2 million (RM90.8 million). The Group is of the view that litigation matters are an inherent part of the Hardcopy business. Historically, the Group has been successful in defending most cases and management remains confident that the Group's exposure to these claims can be reduced or can be successfully defended. In the opinion of the management, the lawsuits, claims and proceedings which are pending against the Group will not have a material effect on the Group's financial statements.
- (b) Based on the latest actuaries assumption as at 31 December 2007, PHH's wholly owned subsidiary Pelikan Hardcopy Scotland Limited ("PHSL")'s retirement fund has GBP17.6 million (RM110.5 million) assets to meet pension liabilities of GBP26.2 million (RM164.4 million). An amount of GBP2.1 million (RM12.9 million) has been recognised as a pension liability in the consolidated financial statements of PHH as at 30 September 2008 in accordance with the Financial Reporting Standard 119 ("FRS 119").

The Group believes that the operational cash flow of the Group and the assets in the retirement fund of PHSL are sufficient to meet the payouts of the retirement scheme in the foreseeable future.

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B1. Taxation**

	3 months ended		Financial period ended	
	30/09/08	30/09/07	30/09/08	30/09/07
	RM'000	RM'000	RM'000	RM'000
Taxation (charged)/ credited in respect of current financial period				
- income tax	(2,646)	(2,042)	(8,897)	(6,131)
- deferred tax	(516)	(950)	1,497	360
	<u>(3,162)</u>	<u>(2,992)</u>	<u>(7,400)</u>	<u>(5,771)</u>

The Group's effective tax rate is lower than the statutory income tax rate in Malaysia mainly due to utilisation of prior year tax losses and differing tax rates in different countries where the Group operates.

**B2. Unquoted investment and/or properties**

There was no disposal or purchase of unquoted investments or properties during the current quarter ended 30 September 2008.

**B3. Marketable securities**

Investments as at 30 September 2008:

	RM'000
Cost	13,869
Carrying value/book value	13,869
Market value	11,195

There was no additional purchase or disposal of securities during the current quarter.

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B4. Borrowings**

Details of the Group's borrowings as at 30 September 2008 are as set out below:

Currency	Short Term		Long Term	Total
	Secured RM' 000	Unsecured RM' 000	Secured RM' 000	RM' 000
Ringgit Malaysia	21,531	16,039	10,978	48,548
Euro	48,547	65,046	176,932	290,525
Swiss Franc	9,099	-	4,525	13,624
US Dollar	6,252	-	18,712	24,964
Argentine Peso	-	4,258	-	4,258
Poland Zloty	154	5,256	462	5,872
Czech Koruna	30	237	-	267
<b>Total</b>	<b>85,613</b>	<b>90,836</b>	<b>211,609</b>	<b>388,058</b>

**B5. Off Balance Sheet Financial Instruments**

Other than the operating leases as disclosed below, the Group did not enter into any contracts involving off balance sheet financial instruments during the current financial period.

	Future minimum lease payments RM'000
Not later than 1 year	13,820
Later than 1 year and not later than 5 years	44,099
Later than 5 years	6,490
	<u>64,409</u>

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B6. Material Litigation**

In the ordinary course of business, the business of PHH and GHAG groups (dealing with manufacturing and distribution of hardcopy related products and printer consumables such as inkjet and toner cartridges, thermal transfer, office media and impact cartridges, hereinafter referred to as the "Hardcopy business") is involved in several lawsuits. In particular, the Group has several large legal claims brought by Original Equipment Manufacturers for perceived breach of patents with an assessed potential maximum exposure of EUR18.2 million (RM90.8 million). The Group is of the view that litigation matters are an inherent part of the Hardcopy business. Historically, the Group has been successful in defending most cases and management remains confident that the Group's exposure to these claims can be reduced or can be successfully defended. In the opinion of the management, the lawsuits, claims and proceedings which are pending against the Group will not have a material effect on the Group's financial statements.

**B7. Post employment benefit obligation**

	<b>RM'000</b>
Payable within 12 months	14,175
Payable after 12 months	280,646
	<u>294,821</u>
<b>Removable Pension Liabilities:</b>	
Liabilities assumed by Pension Trust Fund	176,394
Liabilities assumed by the Company	65,087
	241,481
Other pension liabilities of the Group	53,340
	<u>294,821</u>

Pursuant to the acquisitions of Pelikan Holding AG and Pelikan Japan KK by the Company completed in April 2005, part of the pension liabilities of the Group (known as "Removable Pension Liabilities") has been assumed by an external Pension Trust Fund created for this purpose, whilst the Company is assuming the balance of the said Removable Pension Liabilities fixed in Ringgit Malaysia as at the completion date of the acquisitions. If the assets in the Pension Trust Fund are capable of paying the entire Removable Pension Liabilities, the Removable Pension Liabilities assumed by the Company will be relinquished.

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B8. Capital commitments**

Capital commitments not provided for in the financial statements as at 30 September 2008 were as follows:

	RM'000
Authorised and contracted:	
Property, plant and equipment	3,703

**B9. Review of Performance**

The Group's revenue for the current financial quarter was RM340.1 million compared to RM299.4 million for the corresponding quarter last year. Rising costs of raw materials and other operating expenses has affected margin for the period, which could not be easily passed on to the customers. As a result, the Group's profit has been affected. The profit after tax for the current quarter was RM18.3 million as compared to RM22.8 million for the corresponding quarter last year.

Despite the bleak economic conditions in its major revenue contributing countries in Europe, the Group's revenue for nine months ended 30 September 2008 increased by 21% to RM1.1 billion from RM0.9 billion due to ongoing marketing efforts and product innovations.

**B10. Variation of results against preceding quarters**

In the current quarter, the Group's revenue decreased to RM340.1 million compared to RM407.5 million in the preceding quarter. Sales recorded lower growth in Third Quarter as compared to the Second Quarter as the business is affected by seasonality which experience stronger sales in June resulting from the "back to school" season in Europe.

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B11. Prospects**

The deepening global credit crisis and weakening domestic demand conditions are expected to weigh down economic growth going forward. The global financial crisis and market uncertainties have affected our Third quarter results and we foresee this market sentiment to prolong in the coming periods. Significant market-related declines are being felt in our bigger European markets. The Group has to cope with unrelenting higher input costs, including raw materials, logistics and overheads.

The Fourth quarter results which are usually driven by the Hardcopy business are expected to be challenging coupled with lower margins generated from sales of hardcopy products. Although sales for the whole year might be higher than 2007, the Group does not foresee net profit to be sustainable as per last year's level.

The Group continues to strive for new markets opportunities to achieve better sales volume and revenue to absorb fixed costs of operations.

**B12. Dividend**

The Board of Directors does not recommend any dividend for the current quarter.

**B13. Variance on Profit Forecast / Shortfall in Profit Guarantee**

Not applicable.



**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B14. Earnings per share**

**a) Basic earnings per share**

		3 months ended		Financial period ended	
		30/09/08	30/09/07	30/09/08	30/09/07 (Restated)
Profit for the financial period attributable to equity holders of the Company	(RM'000)	15,773	22,131	83,998	86,618
Elimination of interest expense on ICULS, net of tax effect	(RM'000)	-	1	-	18
	(RM'000)	<u>15,773</u>	<u>22,132</u>	<u>83,998</u>	<u>86,636</u>
Weighted average number of ordinary shares in issue	('000)	293,965	277,864	292,727	272,873
Shares repurchased	('000)	<u>(3,399)</u>	<u>(175)</u>	<u>(2,820)</u>	<u>(58)</u>
		<u>290,566</u>	<u>277,689</u>	<u>289,907</u>	<u>272,815</u>
Basic earnings per share	(sen)	5.43	7.97	28.97	31.76

**b) Diluted earnings per share**

		3 months ended		Financial year ended	
		30/09/08	30/09/07	30/09/08	30/09/07 (Restated)
Profit for the financial period attributable to equity holders of the Company	(RM'000)	15,773	22,131	83,998	86,618
Elimination of interest expense on ICULS, net of tax effect	(RM'000)	-	1	-	18
Elimination of interest expense on RCULS, net of tax effect	(RM'000)	<u>1,111</u>	<u>737</u>	<u>1,669</u>	<u>2,173</u>
	(RM'000)	<u>16,884</u>	<u>22,869</u>	<u>85,667</u>	<u>88,809</u>
Weighted average number of ordinary shares in issue	('000)	293,965	277,864	292,727	272,873
Shares repurchased	('000)	<u>(3,399)</u>	<u>(175)</u>	<u>(2,820)</u>	<u>(58)</u>
Adjustment for RCULS	('000)	<u>49,204</u>	<u>59,301</u>	<u>49,204</u>	<u>59,301</u>
		<u>339,770</u>	<u>336,990</u>	<u>339,111</u>	<u>332,116</u>
Diluted earnings per share	(sen)	4.97	6.79	25.26	26.74