Company No. 63611 - U

PELIKAN INTERNATIONAL CORPORATION BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

30 SEPTEMBER 2010

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Interim report for the financial period ended 30 September 2010
The figures have not been audited.

	Note	Individual Quarter 3 months ended 30/09/2010 RM' 000	Individual Quarter 3 months ended 30/09/2009 RM' 000	Cumulative Quarter Financial period ended 30/09/2010 RM' 000	Cumulative Quarter Financial period ended 30/09/2009 RM' 000
Revenue		534,031	312,567	1,298,870	941,194
Other operating income		14,438	7,367	182,105	20,107
Expenses excluding finance cost and tax		(524,825)	(303,323)	(1,308,335)	(886,648)
Finance cost		(5,671)	(5,108)	(15,614)	(17,322)
Share of results of associates after tax		8,249	2,655	11,197	3,055
Profit before taxation		26,222	14,158	168,223	60,386
Taxation	B1	(5,771)	(3,681)	(13,776)	(10,087)
Profit for the financial period		20,451	10,477	154,447	50,299
Other comprehensive income / (loss):					
Net gain on revaluation of financial investments available-for-sale		1,027	-	2,820	-
Exchange differences on translation of foreign operations		41,167	4,518	(41,088)	8,812
Total other comprehensive income / (loss)		42,194	4,518	(38,268)	8,812
Total comprehensive income for the period		62,645	14,995	116,179	59,111
Total profit attributable to:					
Owners of the parent		15,555	9,340	151,655	44,175
Minority Interest		4,896	1,137	2,792	6,124
		20,451	10,477	154,447	50,299
Total comprehensive income / (loss) attributable to:					
Owners of the parent		54,561	14,735	116,995	51,309
Minority Interest		8,084	260	(816)	7,802
		62,645	14,995	116,179	59,111
		sen	sen	sen	sen
Earnings per share attributable to equity holders of the parent	B15	2.89	2.53	30.02	11.95

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Interim report as at 30 September 2010
The figures have not been audited.

	Note	30/09/2010 RM'000	Audited 31/12/2009 RM'000
ASSETS			
Non current assets			
Property, plant and equipment		598,082	359,502
Trademarks		16,335	19,122
Development costs		25,143	26,951
Goodwill		106,498	118,604
Computer software licence		4,052	2,893
Investment in associates		40,474	34,557
Available-for-sale financial assets		20,344	16,146
Pension Trust Fund		188,776	188,776
Deferred tax assets		30,999	31,538
		1,030,703	798,089
Current assets			
Inventories		456,273	306,934
Receivables, deposits & prepayments		461,828	317,337
Tax recoverable		4,692	5,287
Pension Trust Fund		25,124	25,124
Deposits, cash and bank balances		143,161	62,709
		1,091,078	717,391
Total Assets		**2,121,781**	**1,515,480**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		512,796	343,169
Share premium		74,964	59,869
Currency translation		(65,375)	(27,902)
Available-for-sale reserve		1,921	-
Retained profits		359,967	218,583
Treasury shares, at cost		(15,569)	(13,678)
		868,704	580,041
Minority interest		33,432	23,095
Total Equity		902,136	603,136
Non current liabilities			
Payables		9,481	11,527
Post employment benefit obligations	B8		
- Removable pension liabilities		164,974	202,458
- others		51,773	57,894
Borrowings	B5	298,794	152,921
Deferred tax liabilities		7,523	7,705
		532,545	432,505
Current liabilities			
Payables		384,317	223,892
Post employment benefit obligations	B8		
- Removable pension liabilities		10,131	11,909
- others		1,288	1,559
Provisions		79,078	422
Borrowings	B5	205,099	235,210
Current tax liabilities		7,187	6,847
		687,100	479,839
Total Liabilities		1,219,645	912,344
Total Equity and Liabilities		**2,121,781**	**1,515,480**
Net assets per share attributable to equity holders of the parent (RM)		1.69	1.69

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 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 2010
The figures have not been audited.

	Share Capital	Share premium (non distributable)	Currency translation (non distributable)	Available-for-sales reserve (non distributable)	Retained profits (distributable)	Treasury shares, at cost (distributable)	Equity attributable to owners 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
Balance at 1 January 2010	343,169	59,869	(27,902)	-	218,583	(13,678)	580,041	23,095	603,136
- effects of adopting FRS 139	-	-	-	(892)	(127)	-	(1,019)	(5)	(1,024)
As restated	343,169	59,869	(27,902)	(892)	218,456	(13,678)	579,022	23,090	602,112
Total comprehensive income for the period	-	-	(37,473)	2,813	151,655	-	116,995	(816)	116,179
Acquisition of subsidiaries	-	-	-	-	-	-	-	31,708	31,708
Acquisition of shares in an existing subsidiary	-	-	-	-	-	-	-	(21,326)	(21,326)
Rights Issue, net of share issue costs	169,627	15,095	-	-	-	-	184,722	-	184,722
Purchase of own shares	-	-	-	-	-	(1,891)	(1,891)	-	(1,891)
Dividends	-	-	-	-	(10,144)	-	(10,144)	776	(9,368)
Balance at 30 September 2010	512,796	74,964	(65,375)	1,921	359,967	(15,569)	868,704	33,432	902,136
Balance at 1 January 2009	343,169	59,869	(34,888)	-	188,977	(13,501)	543,626	19,177	562,803
Total comprehensive income for the period	-	-	7,134	-	44,175	-	51,309	7,802	59,111
Purchase of own shares	-	-	-	-	-	(177)	(177)	-	(177)
Dividends	-	-	-	-	(6,785)	-	(6,785)	-	(6,785)
Balance at 30 September 2009	343,169	59,869	(27,754)	-	226,367	(13,678)	587,973	26,979	614,952

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 2009 and the accompanying explanatory notes attached to the interim financial statements.

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Interim report for the financial period ended 30 September 2010
The figures have not been audited.

		Financial period ended	
	Note	**30/09/2010 RM' 000**	**30/09/2009 RM' 000**
Operating activities			
Cash receipts from customers		1,290,969	981,344
Cash paid to suppliers and employees		(1,277,471)	(892,620)
		13,498	88,724
Interest received		1,034	500
Interest paid		(8,452)	(10,155)
Taxation paid		(12,103)	(15,660)
Net cash (used in)/ from operating activities		(6,023)	63,409
Investing activities			
Acquisition of subsidiaries	A11	(186,002)	(14,604)
Purchase of property, plant and equipment		(15,534)	(24,134)
Proceeds from disposal of property, plant and equipment		3,400	4,971
Dividend received		5,730	1,705
Interest paid		(5,804)	(4,403)
Purchase of computer software licence		(260)	(230)
Development expenses paid		(5,144)	(6,854)
Purchase of investments		(2,681)	-
Net cash used in investing activities		(206,295)	(43,549)
Financing activities			
Drawdown of bank borrowings		448,588	92,777
Repayments of bank borrowings		(312,798)	(93,117)
Hire purchase and finance lease principal payments		(1,029)	(2,459)
Rights issue, net of share issue costs		184,722	-
Purchase of own shares		(1,891)	(177)
Dividends paid to shareholders		(10,144)	(6,785)
Net cash from/(used in) financing activities		307,448	(9,761)
Net increase in cash and cash equivalents during the financial period		95,130	10,099
Currency translation		(18,707)	(10,348)
Cash and cash equivalents at beginning of financial period		50,926	43,848
Cash and cash equivalents at end of financial period		127,349	43,599
Cash and cash equivalents comprise :			
Cash and bank balances		143,161	72,193
Bank overdrafts		(15,812)	(28,594)
		127,349	43,599

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 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 2010

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 2009.

A2. Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2009, except for the adoption of the following.

FRSs/Interpretations	**Effective date**
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segment	1 July 2009
FRS 101, Presentation of Financial Statements	1 January 2010
FRS 123, Borrowing Costs	1 January 2010
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132, Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures, and IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
Improvements to FRSs (2009)	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11, FRS 2: Group and Treasury Share Transactions	1 January2010
IC Interpretation 13, Customer Loyalty Programmes	1 January 2010
IC Interpretation 14, FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A2. Accounting Policies (cont'd)

FRS 4 is not relevant to the Group's and the Company's operations.

Other than the implications as disclosed below, the adoptions of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group:

(a) FRS 139, Financial Instruments: Recognition and Measurement, Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments.

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. The Group categorises financial instruments as follows:

Financial Assets

(i) Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A2. Accounting Policies (cont'd)

(ii) Available-for-sale financial assets

Available-for-sale category comprises investment in equity instruments that are not held for trading. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognised in profit and loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit and loss.

All financial assets, except for those measured at fair value, are subject to review for impairment.

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit and loss.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost, other than those measured at fair value.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit and loss.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A2. Accounting Policies (cont'd)

In accordance with the transitional provisions of FRS 139, the changes in this accounting policy are applied prospectively and the comparatives as at 31 December 2009 are not restated. These changes will be accounted for by restating the opening balances in the statement of financial position as at 1 January 2010. The effects of the changes are summarised below:

	As at 1 January 2010 RM'000
Decrease in minority interest	(5)
Decrease in receivables, deposits and prepayments	(145)
Decrease in available-for-sale financial assets	(879)
Decrease in available-for-sale reserves (non-distributable)	(892)
Decrease in retained profits (distributable)	(127)

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries and associates were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and associates are now categorised and measured as available-for-sale as detailed above.

(b) FRS 8, Operating Segments

Following the adoption of FRS 8, Operating Segments, effective 1 January 2010, an operating segment is a component of the Group that engages in business activities within a particular economic environment (geographical segment) from which it may earn revenues and incur expenses. The Group determines and presents operating segments based on information that is internally provided to the Chief Executive Officer, who is the Group's chief operation decision maker, to make decisions about resources to be allocated to the segment and assess its performance.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A2. Accounting Policies (cont'd)

(c) FRS 101, Presentation of Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only detail of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, have been re-presented to be in conformity with the revised standard. The adoption of this standard does not have any impact on the financial position and results of the Group.

A3. Report of the Auditors to the Members

The report of the auditors on the annual financial statements for the financial year ended 31 December 2009 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.

A4. Seasonality or Cyclicality of Interim Operations

The Group's traditional business and the newly acquired Herlitz business dealing with stationery, especially for school and office, was affected by the "back to school" season in Europe which normally records higher sales in mid year. The gift business of Herlitz generates better results towards the end of the year. Sales of Pelikan Hardcopy Holding AG ("PHH") group and Geha GmbH (formerly known as German Hardcopy AG) ("Geha") group dealing with hardcopy related products and printer consumables such as inkjet and toner cartridges, thermal transfer, office media and impact cartridges, are generally not influenced by seasonal fluctuation. The combined sales of the Group therefore have lesser effects of seasonality.

A5. Exceptional and/or Extraordinary Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Other than the negative goodwill resulting from the Herlitz acquisition as well as the related provision for merger and reorganisation expenses, and except as disclosed elsewhere in this interim financial report, there were no other exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 September 2010.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A6. Material Effect of Changes in Estimates of Amounts Reported in the Prior Interim Periods of the Current Financial Year or Prior Financial Years

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

A7. Debt and Equity Securities

The Company repurchased a total of 1,667,400 of its shares from the open market for a total consideration of RM1,890,932 during the 9 months financial period ended 30 September 2010. The Company repurchased a total of 59,100 of its shares from the open market for a total consideration of RM66,765 during the current quarter.

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.

The Company had completed the Rights Issue with the listing of and quotation for 169,627,220 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad with effect from 12 February 2010.

Other than mentioned above, there were no other issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter ended 30 September 2010.

A8. Dividends

For the financial year ended 31 December 2009, a final dividend of 2 sen per share single tier dividend* (2008: 2 sen per share single tier dividend*) amounted to RM10,144,487, which had been approved by the shareholders at the Annual General Meeting held on 21 June 2010, had been paid on 15 September 2010.

* - 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.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A9. 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
9 months ended 30 September 2010								
External revenue	743,333	75,661	43,152	248,383	129,179	59,162	-	1,298,870
Intersegment revenue	349,687	175,892	256	34,927	9,336	97,624	(667,722)	-
	1,093,020	251,553	43,408	283,310	138,515	156,786	(667,722)	1,298,870
Segment result	34,714	(2,292)	(1,520)	(6,675)	19,851	2,942	(10,926)	36,094
Unallocated income (net of cost)								136,546
Profit from operations								172,640
3 months ended 30 September 2010								
External revenue	322,970	24,866	11,180	111,384	41,628	22,003	-	534,031
Intersegment revenue	96,955	60,976	43	16,756	3,334	29,112	(207,176)	-
	419,925	85,842	11,223	128,140	44,962	51,115	(207,176)	534,031
Segment result	5,913	4,430	(921)	2,375	7,761	1,521	(9,629)	11,450
Unallocated income (net of cost)								12,194
Profit from operations								23,644

A10. Valuation of Property, Plant and Equipment

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

A11. Changes in the Composition of the Group

The Group has further increased its effective interest in Pelikan Holding AG from 87.6% to 96.5% during the quarter ended 30 September 2010.

A. Notes to the Interim Financial Report
For the third quarter and financial period ended 30 September 2010

A12. Events Subsequent to the End of the Reporting Period

There is no event subsequent to the financial period ended 30 September 2010.

A13. Contingent Liabilities

(a) In the ordinary course of business, the business of PHH and Geha 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 ("OEM") for perceived breach of patents with an assessed potential maximum exposure of EUR26.1 million (RM109.7 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 successfully be 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 assumptions as at 31 December 2009, the Company's wholly owned subsidiary Pelikan Hardcopy Scotland Limited ("PHSL")'s retirement fund has GBP18.6 million (RM90.8 million) assets to meet pension liabilities of GBP26.8 million (RM130.9 million). An amount of GBP1.3 million (RM6.2 million) has been recognised as a pension liability in the financial statements of PHSL as at 30 September 2010 in accordance with the FRS 119, Employee Benefits.

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	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
Taxation (charged)/ credited in respect of current financial period				
- income tax	(5,140)	(3,051)	(12,736)	(11,238)
- deferred tax	(631)	(630)	(1,040)	1,151
	(5,771)	(3,681)	(13,776)	(10,087)

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

During the 9 months period ended 30 September 2010, Pelikan Colombia S.A.S. disposed of a piece of land for a total consideration of COP350,000,000 (approximately RM595,000), where a loss on disposal of COP124,509,000 (approximately RM212,000) was recognised in the profit and loss.

There was no purchase or disposal of unquoted investments or properties during the current quarter ended 30 September 2010.

B3. Quoted securities

Investments as at 30 September 2010:

	RM'000
Available-for-sale financial assets	20,344

The Company increased its quoted shares investments by RM2,680,835 during the 9 months financial period ended 30 September 2010.

The Company increased its quoted shares investments by RM1,879,288 in the current quarter. Other than this purchase, 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. Proposed Utilisation of Proceeds raised from Rights Issues

The Rights Issue was completed on 12 February 2010.

The utilisation of proceeds raised from Rights Issues as at 30 September 2010 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'000	RM'000		RM'000	%	
Working capital	184,790	154,839	Within one (1) year	29,951	16.2	To be utilised
Estimated expenses	1,800	1,841	Within three (3) months	(41)	(2.3)	Excess adjusted to working capital
Total	186,590	156,680				

B5. Borrowings

Details of the Group's borrowings as at 30 September 2010 are as set out below:

	Short Term		Long Term	Total
	Secured	Unsecured	Secured	
Currency	RM' 000	RM' 000	RM' 000	RM' 000
Ringgit Malaysia	55,495	3,961	4,844	64,300
Euro	48,490	14,274	102,704	165,468
Swiss Franc	73	-	6,329	6,402
US Dollar	22,439	42,225	167,991	232,655
Poland Zloty	76	-	82	158
Czech Koruna	106	3,145	220	3,471
Mexican Peso	-	9,900	9,797	19,697
Colombian Peso	1,854	21	4,565	6,440
Great Britain Pound	-	-	2,192	2,192
Hungarian Forint	-	3,040	-	3,040
Singapore Dollar	-	-	70	70
Total	128,533	76,566	298,794	503,893

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

B6. 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	20,071
Later than 1 year and not later than 5 years	29,093
Later than 5 years	6,324
	55,488

B7. Material Litigation

In the ordinary course of business, the business of PHH and Geha 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 ("OEM") for perceived breach of patents with an assessed potential maximum exposure of EUR26.1 million (RM109.7 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 successfully be 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. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B8. Post employment benefit obligation

	RM'000
Payable within 12 months	11,419
Payable after 12 months	216,747
	228,166
Removable Pension Liabilities:	
Liabilities assumed by Pension Trust Fund	110,018
Liabilities assumed by the Company	65,087
	175,105
Other pension liabilities of the Group	53,061
	228,166

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.

B9. Capital commitments

Capital commitments not provided for in the financial statements as at 30 September 2010 were as follows:

	RM'000
Authorised and contracted:	
Property, plant and equipment	1,420

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

B10. Review of Performance

The Group's revenue for the current financial quarter was RM534.0 million compared to RM312.6 million for the corresponding quarter last year as a result of the full consolidation of the newly acquired Herlitz business. The strengthening of the Ringgit Malaysia ("RM") against the Group's major trade currencies such as Euro and United States Dollar ("USD") has resulted in lower translation of revenues into the reporting currency. The Euro and USD have weakened by 12.7% and 9.0% respectively compared to the corresponding quarter last year. The profit after tax after minority interest for the current quarter improved to RM15.6 million from RM9.3 million for the corresponding quarter last year.

The Group's revenue for the 9 months financial period was RM1.3 billion as compared to RM941.2 million for the corresponding 9 months period last year. Profit after tax after minority interest for the 9 months was RM151.7 against RM44.2 last year after taking into consideration negative goodwill and provision for related expenses recognised in the first half of 2010.

B11. Variation of results against preceding quarters

In the current quarter, the Group's revenue increased to RM534.0 million compared to RM492.1 million in the preceding quarter. The increase is mainly due to higher sales of Herlitz group in the current quarter. The profit before taxation, on the other hand, had decreased from RM27.8 million in the preceding financial quarter to RM26.2 million in the current financial quarter. This is mainly due to the additional negative goodwill of RM4.1 million recognised on the additional Herlitz share purchases in the preceding financial quarter.

B12. Prospects

The sluggish market condition especially in Europe continues to affect sales and profitability of both Pelikan and Herlitz groups. The Group has since the last 2 years strengthened cost controls to contain costs. The acquisition of Herlitz group provided opportunities for synergies and common cost savings which the Group has started to enjoy. One of the initial project is the logistics and distribution merger in Germany whereby the Group's distribution centre is now centralised in Falkensee near Berlin. Investment continues to be deployed to realise the merger benefits in the mid terms to achieve operational efficiency. The Group expected lower results in the fourth quarter of 2010 which is traditionally one of the weakest quarters.

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

B13. Dividend

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

B14. Variance on Profit Forecast / Shortfall in Profit Guarantee

Not applicable.

B15. Earnings per share

		3 months ended		Financial period ended	
		30/09/10	**30/09/09 Restated**	**30/09/10**	**30/09/09 Restated**
Profit for the financial period attributable to equity holders of the parent	(RM'000)	15,555	9,340	151,655	44,175
Weighted average number of ordinary shares in issue	('000)	512,796	343,169	484,525	343,169
Notional bonus shares in rights issue	('000)	30,476	30,476	25,397	30,476
Shares repurchased	('000)	(5,567)	(3,914)	(4,719)	(3,867)
		537,705	369,731	505,203	369,778
Earnings per share	(sen)	2.89	2.53	30.02	11.95