

LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)



Financial Year End : 30/6/2011
Quarter : Third quarter

Quarterly report on consolidated results for the third quarter ended 31st March, 2011.
These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31ST MARCH 2011

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31.3.2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.3.2010 (Unaudited) RM'000	Current Year-to- Date 31.3.2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.3.2010 (Unaudited) RM'000
REVENUE	65,101	50,922	183,790	152,144
OPERATING EXPENSES	(60,721)	(43,455)	(164,726)	(133,354)
OTHER OPERATING INCOME	627	406	3,648	842
GROSS PROFIT	5,007	7,873	22,712	19,632
FINANCE COSTS	(3,796)	(3,653)	(10,938)	(8,014)
SHARE OF RESULT IN ASSOCIATED COMPANY	-	570	-	2,286
PROFIT BEFORE INCOME TAX	1,211	4,790	11,774	13,904
INCOME TAX EXPENSE	(36)	(544)	(3,137)	(1,319)
PROFIT AFTER INCOME TAX	1,175	4,246	8,637	12,585
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	1,175	4,246	8,637	12,585
ATTRIBUTABLE TO:				
Equity holders of the Company	804	4,034	6,223	11,650
Minority interests	371	212	2,414	935
PROFIT AFTER INCOME TAX	1,175	4,246	8,637	12,585
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	0.84	4.64	6.48	13.39
- Diluted	0.73	4.62	5.64	13.35

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2010)

LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2011

	As at end of current year quarter ended 31.3.2011 (Unaudited) RM'000	(As restated) As at preceding financial year ended 30.6.2010 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	417,569	355,047
Investment properties	3,410	3,410
Interest in an associated company	-	20,232
Investments	17	825
Intangible assets	12,660	12,660
	433,656	392,174
Current Assets		
Inventories	33,670	31,563
Biological Assets	14,677	-
Trade receivables	34,317	26,306
Other receivables, deposits & prepayments	28,905	29,815
Deposits, cash and bank balances	23,275	21,506
	134,844	109,190
TOTAL ASSETS	568,500	501,364
EQUITY		
Share Capital	96,014	96,014
Reserves	108,099	103,316
Shareholders' Equity	204,113	199,330
Minority interest	70,833	49,447
Total Equity	274,946	248,777
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	22,430	26,626
Term loans	59,478	72,938
Deferred taxation	3,344	644
	85,252	100,208
Current Liabilities		
Trade payables	60,257	52,273
Bankers' acceptances	73,756	44,224
Revolving credits	29,000	17,000
Other payables & accruals	7,983	6,571
Hire-purchase creditors	15,091	12,674
Term loans	20,544	19,054
Bank overdraft	1,671	399
Income tax liabilities	-	184
	208,302	152,379
Total Liabilities	293,554	252,587
TOTAL EQUITY AND LIABILITIES	568,500	501,364
Net Assets per share (sen)	2.13	2.08

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2010)

LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31st March 2011	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Minority Interest RM'000	Total RM'000
At 1st July 2010	96,014	-	13,774	3,816	85,726	49,447	248,777
Minority share of net assets in a subsidiary company	-	-	-	-	-	19,576	19,576
Minority share of dividend in a subsidiary	-	-	-	-	-	(604)	(604)
Interim dividend at 1.5% tax exempted paid on 26th November 2010	-	-	-	-	(1,440)	-	(1,440)
Profit after income tax	-	-	-	-	6,223	2,414	8,637
At 31st March 2011	96,014	-	13,774	3,816	90,509	70,833	274,946

Period ended 31st March 2010	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Minority Interest RM'000	Total RM'000
At 1st July 2009	78,045	5,325	13,522	3,816	73,280	46,823	220,811
Employees' share option scheme	17,689	(5,325)	250	-	-	-	12,614
Minority share of dividend in a subsidiary	-	-	-	-	-	(377)	(377)
First and final dividend of 3%, tax exempted paid on 23rd March, 2010	-	-	-	-	(2,618)	-	(2,618)
Profit after income tax	-	-	-	-	11,650	935	12,585
At 31st March 2010	95,734	-	13,772	3,816	82,312	47,381	243,015

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2010)

LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 31ST MARCH 2011

	Current year to date 31.3.2011 (Unaudited) RM'000	Corresponding year ended 31.3.2010 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	11,774	13,904
Adjustments for:- Non-cash items	15,797	12,632
Operating profits before working capital changes	<u>27,571</u>	<u>26,536</u>
Net changes in current assets	(6,525)	(11,059)
Net changes in current liabilities	(14,703)	1,862
Cash used in operations	<u>6,343</u>	<u>17,339</u>
Other operating activities	(13,206)	(11,503)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(6,863)</u>	<u>5,836</u>
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,171	(42,809)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	6,189	26,422
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>497</u>	<u>(10,551)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	21,107	15,223
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>21,604</u>	<u>4,672</u>

Property, plant and equipment at aggregate cost of RM13,341,000 (2009-RM37,025,000) was acquired during the financial period of which RM9,125,000 (2009-RM4,158,000) was acquired by means of hire-purchase and term loan

Cash & cash equivalents carried forward consists of:-

Fixed deposits, Cash and bank balances	23,275	15,608
Bank overdrafts	(1,671)	(10,936)
	<u>21,604</u>	<u>4,672</u>

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2010)



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30th June 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30th June 2010.

2. Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2010 except for adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 117	Leases
Amendments to FRS 127	Consolidation and Separate Financial Statements: Costs of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation <ul style="list-style-type: none">- Puttable Financial Instruments and Obligations Arising on Liquidation- Separation of Compound Instruments
Amendments to FRS 139	Financial Instruments: Recognition and Measurement <ul style="list-style-type: none">- Reclassification of Financial Assets- Collective Assessment of Impairment for Banking Institutions
Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11, FRS 2	Group and Treasury Share Transactions
IC Interpretation 14, FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

Other than as discussed below on amendment to FRS 117, Leases, the adoption of the above FRSs, Amendments to FRSs and IC Interpretations does not have significant financial impact on the Group.

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group which is in substance financial leases and has reclassified the leasehold land to property, plant and equipment.



The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

30 June 2010	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Consolidated Statement of Financial Position			
Property, plant & equipment	348,820	6,227	355,047
Prepaid lease payment	6,227	(6,227)	-
Consolidated Statement of Comprehensive Income and Statement of Cash flow			
Depreciation of property, plant and equipment	9,865	181	10,046
Amortisation of prepaid lease payments	181	(181)	-

3. Qualification of Financial Statements

The audited report of the preceding annual financial statements was not subjected to any qualification.

4. Seasonal or Cyclical Factors

The Group's business is not materially affected by seasonal or cyclical factors.

5. Nature and Amount of Unusual Items

There were no unusual items in the quarterly financial statement under review.

6. Nature and Amount of Changes in Estimates

There were no changes in estimates reported for quarterly financial statement under review which will have material effect.

7. Debt and Equity Securities

There were no issuances and repayment of debts and equity securities during the quarter under review.

8. Dividend paid

No dividend was paid in the current quarter under review.



9. Segmental Reporting

Segment analysis for the current financial year-to-date:-

	Investment Holding	Manufacturing ,Trading And Poultry Farming	Group
Period Ended 31 March 2011	RM'000	RM'000	RM'000
REVENUE:			
- Export	-	64,782	64,782
- Local	-	119,008	119,008
TOTAL	-	183,790	183,790
RESULTS:			
Profit Before Income Tax	(494)	12,268	11,774
Income Tax Expense	-	(3,137)	(3,137)
Profit After Income Tax			8,637
Minority interest	-	(2,414)	(2,414)
Profit After Income Tax Attributable to equity holders of the Company			6,223

The Group's operations are mainly in the business of manufacturing and trading of confectionery and other related foodstuffs and poultry farming. The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group's operations is not presented.

10. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without any amendments from the previous annual financial statements.

11. General and Subsequent Events

There have been no material events subsequent to the end of the quarter that have not been reflected in the financial statements.

12. Changes in the Composition of the Group

TPC Plus Berhad was consolidated as a subsidiary of the Group with effect from 1st July, 2010.

13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet date.



14. Review of Performance

The Group achieved a profit before income tax and after minority interest of RM840 million on the back of RM65.101 million in turnover, as compared with the profit before income tax and after minority interest of RM4.578 million and a turnover of RM50.922 million, respectively, reported in the preceding year corresponding quarter. The Group's result is within management's expectation in view of the impact of the strength of Ringgit Malaysia and increase in raw material cost.

15. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 31/3/2011 RM'000	Immediate Preceding Quarter 31/12/2010 RM'000	% +/-
Turnover	65,101	60,578	+7.5
Profit before income tax	<u>1,211</u>	<u>2,819</u>	-57.0

The turnover of RM65.101 million for the current year quarter ended 31st March, 2011 as compared to a turnover of RM60.578 million achieved for the immediate preceding quarter, represent an approximate increase of 7.5%. Profit before income tax decreased by 57.0% as compared to the result of the immediate preceding quarter.

16. Current Year Prospects

The year ending 30 June 2011 shall be another challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30th June, 2011.

17. Profit Forecast

The Company did not issue any profit forecast during this financial quarter.

18. Income tax expense

	Current Year Quarter 31/3/2011 RM'000	Current Year To Date 31/3/2011 RM'000
Income tax:		
Current period estimates	36	437
Deferred income tax:		
Transferred to deferred income tax	<u>-</u>	<u>2,700</u>
	<u>36</u>	<u>3,137</u>



The income tax provision for the period is disproportionate to the statutory tax rate principally due to claims for reinvestment allowances and capital allowances.

19. Sale of Investments and/or Properties

There were no sale of long term investments and/or properties for the current financial quarter under review.

20. Securities

As at 31st March, 2011, the Group has the following securities in Malaysia:-

	Company		Subsidiary		Group	
	Cost RM	**Market value RM	Cost RM	**Market value/Cost RM	Cost RM	Market value RM
Quoted (in Malaysia)						
Shares in corporations	17,370	17,370	-	--	17,370	17,370
Unquoted (in Malaysia)						
Bonds	4,000,000	1	-	-	4,000,000	-
	<u>4,017,370</u>	<u>17,371</u>	-	-	<u>4,017,370</u>	<u>17,371</u>
Unquoted (outside Malaysia)						
Shares in corporation	-	-	1	1	1	1
	<u>4,017,370</u>	<u>17,371</u>	<u>1</u>	<u>1</u>	<u>4,017,371</u>	<u>17,372</u>
Less : Impairment loss on investments	<u>(3,999,999)</u>	-	<u>-</u>	-	<u>(3,999,999)</u>	-
	<u><u>17,371</u></u>		<u><u>1</u></u>		<u><u>17,372</u></u>	

** Carried at lower of cost and market value.

21. Status of Corporate Proposals

The Company had announced Bursa Malaysia Securities Berhad ("Bursa Securities") on 28th February, 2011 to undertake the following proposals:

- (i) proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in the Company ("Existing Share(s)") into two (2) ordinary shares of RM0.50 each in the Company ("LBB Share(s)" or "Share(s)") held on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Share Split"); and
- (ii) proposed amendments to the Memorandum and Articles of Association ("MA") of the Company to facilitate the implementation of the Proposed Share Split ("Proposed Amendments")

(collectively, referred to as the "Proposals").



Subsequently, as announced on Bursa Securities on 6th April, 2011, the Board of the Company has decided to abort the Proposals and therefore had withdraw its letter of application to Bursa Securities for the extension of time for the submission of application for the Proposed Share Split

Other than the abovementioned, there were no new corporate proposals that have been announced by the Company as at date of this report.

22. Group Borrowings

As at 31st March, 2011

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	37,326	36,430	73,756
Revolving credits	-	29,000	29,000
Hire-purchase creditors	15,091	-	15,091
Term loans	746	19,798	20,544
Bank overdrafts	1,418	253	1,671
	54,581	85,481	140,062
Long term borrowings			
Hire-purchase creditors	22,430	-	22,430
Term loans	2,677	56,801	59,478
	25,107	56,801	81,908
Total	79,688	142,282	221,970

23. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk at the date of this quarterly report.

24. Material Litigation

There was no pending material litigation against the Group as the date of this quarterly report.

25. Proposed dividend

No interim dividend is proposed for this quarter under review.



26. Realised or unrealized retained profit

	As at 31.3.2011 RM'000	As at 30.6.2010 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	98,365	Not required
- Unrealised	(4,084)	
Consolidation adjustments	<u>(3,772)</u>	
Total Group retained profit	<u><u>90,509</u></u>	

27. Earnings per share

Earnings per share is calculated by dividing the Group's profit after income tax by:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 31/3/2011 RM	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010 RM	CURRENT YEAR TO DATE 31/3/2011 RM	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM
Basic	Fully paid up of 96,013,500 ordinary shares	Weighted number of 83,186,370 ordinary shares	Fully paid up of 96,013,500 ordinary shares	Weighted number of 83,186,370 ordinary shares
Fully diluted	Ordinary shares in issue and issueable of 110,415,525 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 87,256,653 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 110,415,525 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 87,256,653 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)

**BY ORDER OF THE BOARD
LONDON BISCUITS BERHAD**

**MR LESLIE LOOI MENG
(AUDIT COMMITTEE CHAIRMAN)**

Dated :