



# Nestlé

**INTERIM REPORT**  
**NESTLÉ (MALAYSIA) BERHAD**  
 (110925-W)  
 (Incorporated in Malaysia)

The Directors are pleased to present the Interim Report for the period ended 31 December 2012 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

	3 months ended 31 December		12 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Revenue - Sales of goods</b>	1,099,779	1,072,828	4,556,423	4,246,744
Cost of sales	(704,808)	(711,038)	(3,003,239)	(2,862,535)
<b>Gross profit</b>	<b>394,971</b>	<b>361,790</b>	<b>1,553,184</b>	<b>1,384,209</b>
Operating expenses	(278,383)	(253,625)	(896,309)	(804,781)
<b>Operating profit</b>	<b>116,588</b>	<b>108,165</b>	<b>656,875</b>	<b>579,428</b>
Interest costs	(4,215)	(6,443)	(20,131)	(21,398)
Interest income	318	39	929	458
Share of post tax (loss)/profit of an associate	173	86	(5)	321
<b>Profit before tax</b>	<b>112,864</b>	<b>101,847</b>	<b>637,668</b>	<b>558,809</b>
Tax expense	(13,385)	(26,579)	(132,316)	(131,681)
<b>Profit after taxation</b>	<b>99,479</b>	<b>75,268</b>	<b>505,352</b>	<b>427,128</b>
Minority interests	-	-	-	-
<b>Profit after tax and minority interest</b>	<b>99,479</b>	<b>75,268</b>	<b>505,352</b>	<b>427,128</b>
<b>Net profit for the period</b>	<b>99,479</b>	<b>75,268</b>	<b>505,352</b>	<b>427,128</b>
<b>Other comprehensive income, net of tax</b>				
Cash flow hedge	(1,317)	(542)	21,490	(26,456)
Defined benefit plan actuarial (losses)/gains	(6,255)	(3,671)	(6,255)	(3,671)
<b>Total other comprehensive income for the period, net of tax</b>	<b>(7,572)</b>	<b>(4,213)</b>	<b>15,235</b>	<b>(30,127)</b>
<b>Total comprehensive income for the period</b>	<b>91,907</b>	<b>71,055</b>	<b>520,587</b>	<b>397,001</b>
<b>Basic earnings per share (sen)</b>	<b>42.42</b>	<b>32.09</b>	<b>215.50</b>	<b>182.14</b>
<b>Dividend per share - net (sen)</b>	<b>155.00</b>	<b>125.00</b>	<b>210.00</b>	<b>180.00</b>
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
<b>Net assets per share attributable to equity holders (RM)</b>	3.20		2.78	

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
<b>Non current assets</b>		
Property, plant and equipment	945,812	889,741
Intangible assets	61,024	61,024
Investment in an associate	3,217	3,210
Deferred tax assets	32,412	18,460
Receivables, deposits and prepayments	22,001	23,802
	<u>1,064,466</u>	<u>996,237</u>
<b>Current assets</b>		
Receivables, deposits and prepayments	394,144	444,854
Inventories	411,170	517,573
Current tax assets	796	176
Cash and cash equivalents	34,593	52,461
	<u>840,703</u>	<u>1,015,064</u>
<b>Total assets</b>	<b><u>1,905,169</u></b>	<b><u>2,011,301</u></b>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	234,500	234,500
Reserves	516,706	418,219
<b>Total equity</b>	<u>751,206</u>	<u>652,719</u>
<b>Non current liabilities</b>		
Loans and borrowings	95,167	337,711
Employee benefits	54,546	42,316
Deferred tax liabilities	74,858	63,815
	<u>224,571</u>	<u>443,842</u>
<b>Current liabilities</b>		
Payables and accruals	872,045	878,321
Loans and borrowings	4,223	4,223
Taxation	53,124	32,196
	<u>929,392</u>	<u>914,740</u>
	<b><u>1,905,169</u></b>	<b><u>2,011,301</u></b>
<b>Net assets per share attributable to shareholders (RM)</b>	<u>3.20</u>	<u>2.78</u>

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD ENDED 31 DECEMBER 2012**

	Non Distributable		Distributable	Total Equity RM'000
	Share capital and share premium	Hedging reserve	Retained profits	
	RM'000	RM'000	RM'000	
<b>At 1 January 2011</b>	267,500	4,016	382,852	654,368
Cash flow hedge	-	(26,456)	-	(26,456)
Defined benefit plan actuarial gain	-	-	(3,671)	(3,671)
Profit for the period	-	-	427,128	427,128
<b>Total comprehensive income for the period</b>	-	(26,456)	423,457	397,001
<b>Dividends paid:</b>				
- 2010 Final	-	-	(269,675)	(269,675)
- 2011 Interim	-	-	(128,975)	(128,975)
<b>At 31 December 2011</b>	267,500	(22,440)	407,659	652,719
<b>At 1 January 2012</b>	267,500	(22,440)	407,659	652,719
Cash flow hedge	-	21,490	-	21,490
Defined benefit plan actuarial gain	-	-	(6,255)	(6,255)
Profit for the period	-	-	505,352	505,352
<b>Total comprehensive income for the period</b>	-	21,490	499,097	520,587
<b>Dividends paid:</b>				
- 2011 Final	-	-	(293,125)	(293,125)
- 2012 Interim	-	-	(128,975)	(128,975)
<b>At 31 December 2012</b>	267,500	(950)	484,656	751,206

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR PERIOD ENDED  
31 DECEMBER 2012**

	12 months ended 31.12.2012 RM'000	12 months ended 31.12.2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	637,668	558,809
<i>Adjustments for:</i>		
Amortisation, depreciation and impairment	101,601	101,743
Net interest expense	19,202	20,940
Decrease/(Increase) in working capital	179,897	(41,245)
Income tax paid	(119,995)	(78,432)
Others	10,279	20,029
<b>Net cash generated from operating activities</b>	828,652	581,844
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(158,442)	(93,015)
Others	2,739	2,332
<b>Net cash used in investing activities</b>	(155,703)	(90,683)
<b>Cash flows from financing activities</b>		
Interest paid	(20,131)	(21,398)
Repayment of borrowings	(248,586)	(40,965)
Dividend payment	(422,100)	(398,650)
<b>Net cash used in financing activities</b>	(690,817)	(461,013)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(17,868)	30,148
<b>Cash and cash equivalents as at 1 January</b>	52,461	22,313
<b>Cash and cash equivalents as at 31 December</b>	34,593	52,461

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

## INTERIM FINANCIAL REPORT

### Notes:

#### 1 Basis of preparation

This interim financial report is based on the audited financial statements for the quarter ended 31 December 2012 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and *International Financial Reporting Standards*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

These are the Group's interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. An explanation of how the transition to MFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in note 14.

2 There was no qualification made on the preceding audited financial statements.

3 The Group's operations are affected by economic cycles and festive seasons.

#### 4 Items affecting assets, liabilities, equity, net income or cash flow.

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group.

##### a. Fixed Assets

As at the end of this quarter, the Group has acquired / disposed the following assets:

	3 months ended 31 December 2012		12 months ended 31 December 2012	
	Assets acquired RM'000	Assets disposed RM'000	Assets acquired RM'000	Assets disposed RM'000
Building (improvements and additions)	7,481	20	17,455	605
Plant and machinery	52,656	1,179	104,715	1,487
Tools and furniture	15,485	231	26,977	519
Motor vehicles	941	98	1,876	389
Information system	7,078	14	9,165	35
	83,640	1,542	160,188	3,035

\* Inclusive of assets acquired through finance lease amounting to RM1,746,000 during the year.

##### b. Intangible Assets

There was no capitalisation of intangible assets in this quarter.

#### 5 Changes in estimates

There were no significant changes in estimates for prior periods that have materially affected the results of this quarter.

#### 6 Debts and equity security

There is no issuance of debts and equity security in this quarter.

#### 7 Dividends paid

Dividends paid during the reporting period are as follows:

	3 months ended 31 Dec 2012 (RM'000)	12 months ended 31 Dec 2012 (RM'000)
Interim dividend for the financial year ended 31 December 2012 55.00 sen per share under single-tier system	128,975	128,975
Final dividend for the financial year ended 31 December 2011 125.00 sen per share (single-tier)	-	293,125
Total	128,975	422,100

## 8 Operating segment

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which is defined as the Executive Board.

The Group is focused in two areas of activity, Food & Beverages and Others which includes Nutrition and Nestlé Professional.

	12 months ended 31 December 2012		
	Food & Beverages	Others	Total
	RM'000	RM'000	RM'000
<b>Segment revenues and results</b>			
Sales	3,740,653	815,770	4,556,423
Operating Profit	536,236	121,039	657,275

	12 months ended 31 December 2011		
	Food & Beverages	Others	Total
	RM'000	RM'000	RM'000
<b>Segment revenues and results</b>			
Sales	3,500,492	746,252	4,246,744
Operating Profit	481,346	108,272	589,618

Both segments Food & Beverages (82% of total sales) and Others (18% of total sales) share the same Group's performance trend as elaborated in page 9.

Reconciliations of reported segment profit or loss:

	12 months ended 31 Dec 2012 (RM'000)	12 months ended 31 Dec 2011 (RM'000)
Total profit for reported segments	657,275	589,618
Unallocated expenses	(400)	(10,190)
Consolidated operating profit	656,875	579,428

## 9 Valuation of property, plant and equipment

There were no changes or amendments to the valuation of property, plant and equipment from the previous annual financial statements.

## 10 Events subsequent to balance sheet date

There were no subsequent events to the balance sheet date.

## 11 Changes in the composition of the Group

There were no changes in the composition of the Group in this quarter.

## 12 Changes in contingent liabilities

As of the date of this report, there were no contingent liabilities to the Group.

## 13 Related party transactions

a. Nestlé acquires services from Sanicare Hygiene Services Sdn Bhd and Cold Chain Network (M) Sdn Bhd. Dato' Mohd Rafik bin Shah Mohamad is deemed interested via his independent directorships in Nestlé (Malaysia) Berhad, Sanicare Hygiene Services Sdn. Bhd. and Cold Chain Network (M) Sdn. Bhd.

Purchase of raw materials and services from the above two companies as follows:

	3 months ended 31 Dec 2012 (RM'000)	12 months ended 31 Dec 2012 (RM'000)
Sanicare Hygiene Services Sdn. Bhd	2	45
Cold Chain Network (M) Sdn Bhd	1,580	6,488

b. Transactions related to Nestlé S.A. and companies owned by Nestlé S.A. and other affiliates are as follows:

	3 months ended 31 Dec 2012 (RM'000)	12 months ended 31 Dec 2012 (RM'000)
IT shared service	5,035	27,764
Net interest expense	1,446	8,080
Purchases of goods and services	100,469	421,775
Sales of finished goods	231,874	999,683
Royalties	49,828	202,532

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

#### 14 Explanation of transition to MFRSs

As stated in note 1, these are the Group's consolidated interim financial report prepared in accordance with MFRSs.

In preparing the MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSs. An explanation of how the transition from the previous FRSs to the new MFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany these tables.

#### Reconciliation of financial position

	As at 31.12.2011		
	FRSs RM'000	Effect of transition to MFRS RM'000	MFRSs RM'000
<b>Non current assets</b>			
Property, plant and equipment	889,741	-	889,741
Intangible assets	61,024	-	61,024
Investment in an associate	3,210	-	3,210
Deferred tax assets	9,482	8,978	18,460
Receivables, deposits and prepayments	23,802	-	23,802
	<u>987,259</u>	<u>8,978</u>	<u>996,237</u>
<b>Current assets</b>			
Receivables, deposits and prepayments	444,854	-	444,854
Inventories	517,573	-	517,573
Current tax assets	176	-	176
Cash and cash equivalents	52,461	-	52,461
	<u>1,015,064</u>	<u>-</u>	<u>1,015,064</u>
<b>Total assets</b>	<b><u>2,002,323</u></b>	<b><u>8,978</u></b>	<b><u>2,011,301</u></b>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	234,500	-	234,500
Reserves	406,360	11,859	418,219
<b>Total equity</b>	<u>640,860</u>	<u>11,859</u>	<u>652,719</u>
<b>Non current liabilities</b>			
Loans and borrowings	337,711	-	337,711
Employee benefits	42,316	-	42,316
Deferred tax liabilities	66,696	(2,881)	63,815
	<u>446,723</u>	<u>(2,881)</u>	<u>443,842</u>
<b>Current liabilities</b>			
Payables and accruals	878,321	-	878,321
Loans and borrowings	4,223	-	4,223
Taxation	32,196	-	32,196
	<u>914,740</u>	<u>-</u>	<u>914,740</u>
	<b><u>2,002,323</u></b>	<b><u>8,978</u></b>	<b><u>2,011,301</u></b>

14 Explanation of transition to MFRSs (continued)

Reconciliation of comprehensive income

	3 months ended 31 December 2011		
	FRSs RM'000	Effect of transition to MFRS RM'000	MFRSs RM'000
<b>Revenue - Sales of goods</b>	1,188,961	(116,133)	1,072,828
Cost of sales	(789,252)	78,214	(711,038)
<b>Gross profit</b>	399,709	(37,919)	361,790
Operating expenses	(291,544)	37,919	(253,625)
<b>Operating profit</b>	108,165	-	108,165
Interest costs	(6,443)	-	(6,443)
Interest income	39	-	39
Share of post tax profit of an associate	86	-	86
<b>Profit before tax</b>	101,847	-	101,847
Tax expense	(14,781)	(11,798)	(26,579)
<b>Profit after taxation</b>	87,066	(11,798)	75,268
Minority interests	-	-	-
<b>Profit after tax and minority interest</b>	87,066	(11,798)	75,268
<b>Net profit for the period</b>	87,066	(11,798)	75,268
<b>Other comprehensive income, net of tax</b>			
Cash flow hedge	(542)	-	(542)
Defined benefit plan actuarial gains	(3,671)	-	(3,671)
<b>Total other comprehensive income for the period, net of tax</b>	(4,213)	-	(4,213)
<b>Total comprehensive income for the period</b>	82,853	(11,798)	71,055

14 Explanation of transition to MFRSs (continued)

Reconciliation of comprehensive income

	12 months ended 31 December 2011		
	FRSs RM'000	Effect of transition to MFRS RM'000	MFRSs RM'000
<b>Revenue - Sales of goods</b>	4,700,994	(454,250)	4,246,744
Cost of sales	(3,158,877)	296,342	(2,862,535)
<b>Gross profit</b>	1,542,117	(157,908)	1,384,209
Operating expenses	(962,689)	157,908	(804,781)
<b>Operating profit</b>	579,428	-	579,428
Interest costs	(21,398)	-	(21,398)
Interest income	458	-	458
Share of post tax profit of an associate	321	-	321
<b>Profit before tax</b>	558,809	-	558,809
Tax expense	(102,508)	(29,173)	(131,681)
<b>Profit after taxation</b>	456,301	(29,173)	427,128
Minority interests	-	-	-
<b>Profit after tax and minority interest</b>	456,301	(29,173)	427,128
<b>Net profit for the period</b>	456,301	(29,173)	427,128
<b>Other comprehensive income, net of tax</b>			
Cash flow hedge	(26,456)	-	(26,456)
Defined benefit plan actuarial gains	(3,671)	-	(3,671)
<b>Total other comprehensive income for the period, net of tax</b>	(30,127)	-	(30,127)
<b>Total comprehensive income for the period</b>	426,175	(29,173)	397,001

(i) Deferred tax on investment tax incentives

In the previous years, the Group treats investment tax incentives as part of the tax base of an asset and does not recognise the resulting deferred tax asset on initial recognition of the asset and subsequently.

Under MFRS 112, *Income Taxes*, the Group has now recognised the deferred tax asset arising from the unutilised investment tax incentives.

(ii) Presentation of revenue

Certain allowances and discounts, granted to trade chains, distributors, retailers and consumers for services rendered to the Group concerning trade and consumer promotions, selling, distribution, advertising etc. were previously reported as cost of sales and expenses under marketing and administration expenses as well as distribution expenses on grounds that they are incurred to generate sales. These allowances and discounts, as from 1 January 2012, are disclosed as a deduction of sales in conformity with Nestlé S.A. Group policy and with the practice generally applied by consumer goods companies.



## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

### 1 Review of performance (Quarter 4, 2012 vs Quarter 4, 2011)

For the fourth quarter ending 31 December 2012, the Group registered a turnover of RM1.1 billion, 2.5% higher than the same period last year. Growth in this quarter was mainly driven by Domestic sales. The positive consumer sentiment and the Group investments in marketing and promotional activities contributed to the sustained Domestic growth. The Export sales showed a different trend however as the softer demand experienced in a few markets led to a lower turnover for the quarter.

In the fourth quarter an easing in the price of commodities and some positive mix resulted in an improvement in gross margin. Higher investments in marketing and promotional activities further strengthened the brands and positively impacted sales.

As a result Profit before tax reached RM112.9 million with an underlying margin improvement of 80 bps. To note is the lower financing cost driven by good working capital management. The Net Profit stood at RM 99.5 million showing a margin improvement of 200 bps. Lower tax expense was driven by the tax benefit realised from higher capital investments in the quarter.

### 2 Review of performance (Year-to-date, 2012 vs Year-to-date, 2011)

The Group registered a turnover of RM 4.6 billion, 7.3% higher than the same period last year. The commendable growth was mainly driven by strong Domestic demand benefiting from the local economic performance, while Exports showed a slow down.

The good Domestic sales performance has benefitted from the marketing and promotional activities initiated in conjunction with Nestle celebrating its 100th year in Malaysia. The response from the consumers was very positive and resulted in strong demand for Nestle products. Encouraging performance was particularly noted in the fast growing categories within the Group's portfolio namely, Confectionery, Liquid Drinks, Chilled Dairy and Ice Cream.

After a strong 2011 performance, growth in the Export activities showed some sign of slowing down due to lower demand experienced in some export markets.

From an input cost perspective, the prices of the major raw materials consumed by the Group stabilised in second half of the year but remained at high level. Combined with the Group's internal cost savings initiatives under the umbrella of the Nestle Continuous Excellence program, the gross profit margin improved by 150 bps against the same period last year.

Compared to the previous year the Group invested more in marketing activities in conjunction with the 100th year celebration in Malaysia. Promotional and marketing investments including public events created awareness and showed appreciation to consumers. Additionally the Group was active in renovating and innovating its range of products. Key launches during the year included NESCAFE 3 in 1 Brown and Creamy, new MILO mixes variants (Milo Less Sweet, MILO Hi-Fibre, MILO Cereal), the new MAGGI MI Goreng and two additional NESTUM 3 in 1 variants (American Ginseng and Dang Gui). All new products were well received by the market.

While the Group increased its marketing investments, higher sales volumes and an improved gross profit margin helped profit before tax reach RM 637.7 million with an underlying margin improvement of 80 bps. Net profit stood at RM 505.4 million and showed a margin improvement of 100 bps. Of note were the lower financing cost driven by good working capital management across inventories, receivables and payables.

### 3 Variation of results against previous quarter (Quarter 4, 2012 vs. Quarter 3, 2012)

In the fourth quarter, the Group registered a turnover of RM1.1 billion, lower by 3.8% compared to the previous quarter. The improvement in the gross profit margin was offset by higher operating expenses mostly related to marketing and promotional investments. Similar to the trend in past years, the fourth quarter showed a lower Operating and Net profit than the previous quarter.

### 4 Current year prospects

We expect 2013 to be another challenging year for the Group as the global economy still faces many uncertainties. The Group will continue to capitalise on the resilient Malaysian economy and remain active in innovating and renovating its product portfolio while promoting nutritionally balanced diets and healthy lifestyles in line with the Government's goal of creating a healthy and productive society.

The Group will remain focused on growing both top and bottom line. It will continue its long term strategy of investing in manufacturing capacity to support its growth. One major project for the coming years is the new manufacturing capacity which will be added on to the recently acquired land next to the Shah Alam Manufacturing Complex. The Group will also continue to intensify its marketing investments in line with Nestlé's objective of being the leader in Nutrition, Health & Wellness, as well as an industry benchmark for its financial performance and being trusted by all stakeholders.

### 5 Profit forecast

We do not issue any profit forecast.

### 6 Tax expense

- Current year tax  
- Prior year tax  
- Deferred tax for the current period

	Taxation for this quarter 31.12.2012 RM'000	Cumulative year 31.12.2012 RM'000
	25,965	138,297
	(884)	(884)
	(11,696)	(5,097)
	13,385	132,316

### 7 Unquoted investments

Not applicable in this quarter.

### 8 Quoted investments

Not applicable to the Group.

### 9 Status of corporate proposals

There were no corporate proposals in this quarter.

## 10 Borrowings

### Group Borrowings and Debt Securities are:

	As at 31.12.2012 RM'000
<b>Short term - Secured loans</b>	
Finance lease ( payable within a year )	4,223
<b>Total short term loans</b>	4,223
<b>Long term - Unsecured loans</b>	
Intra group loans	84,264
<b>Long term - Secured loans</b>	
Finance lease	10,903
<b>Total long term loans</b>	95,167

All the above debts are in Ringgit Malaysia.

## 11 Derivatives

Summary of outstanding derivative assets / (liabilities) as at 31.12.2012 :

Type of derivatives	Notional Value RM'000	Fair Value RM'000	Ageing
Foreign exchange contracts	413,332	1,599	Less than 1 year
Commodity futures	101,286	(2,874)	Less than 1 year

## 12 Material litigation

As of the date of this report, there were no material litigations against the Group.

## 13 Dividend

The Board of Directors has proposed to declare a final dividend of 155 sen per share, under single-tier system (2011: 125.00 sen per share) in respect of financial year ended 31 December 2012. If approved by the shareholders at the Annual General Meeting to be held on 2 May 2013, this dividend will be paid on 13 June 2013 to shareholders whose names appear on the Record of Depositors on 23 May 2013. Under current rules, single-tier dividends are not taxable in the hands of shareholders. A Depositor shall qualify for entitlement only in respect of:

- a. shares transferred into the Depositor's Securities Account before 4.00 p.m. on 23 May 2013 in respect of ordinary transfers.
- b. shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

## 14 Profit for the period

	3 months ended 31 December		12 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Profit for the period is arrived at after charging:</b>				
Depreciation of property, plant and equipment	26,699	26,102	101,601	101,894
Loss on derivatives	6,942	10,256	-	16,076
Loss on disposal of property, plant and equipment	139	657	269	670
Provision & write off of receivables	43	470	346	505
Provision & write off of inventories	2,614	2,063	796	-
Property, plant and equipment written off	193	7,174	437	7,746
Net foreign exchange loss	-	5,138	-	-
<b>and after crediting:</b>				
Gain on derivatives	-	-	2,504	-
Reversal of impairment loss on property, plant and equipment	-	151	-	151
Reversal of impairment loss on trade receivables	150	59	329	1,009
Reversal of provision of inventories	-	-	-	3,739
Net foreign exchange gain	5,406	-	10,217	7,345

**15 Realised and unrealised profit disclosure**

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of the Group and its subsidiaries:		
Realised	508,706	441,979
Unrealised	(86,125)	(74,468)
Total share of retained profits from an associated company:		
Realised	217	210
Unrealised	-	-
Less : Consolidation adjustments	61,858	39,938
Total retained profits as per consolidated accounts	484,656	407,659

**16 Basic earnings per share****a. Basic earnings per share**

The calculation of the basic earnings per share is based on the net profit attributable to ordinary shareholders of RM 505.4 million (RM 427.1 million in December 2011) and the number of ordinary shares outstanding of 234.5 million (234.5 million in December 2011)

**b. Diluted earnings per share**

Not applicable for the Group

**Date : February 21, 2013**

**BY ORDER OF THE BOARD**  
**Mohd. Shah Bin Hashim (LS0006824)**  
**Company Secretary**