

# Fiscal 2009 Consolidated Results Forecast Revision

**November 27, 2008**  
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*Notes: 1. This is an English translation from the original presentation in Japanese.*

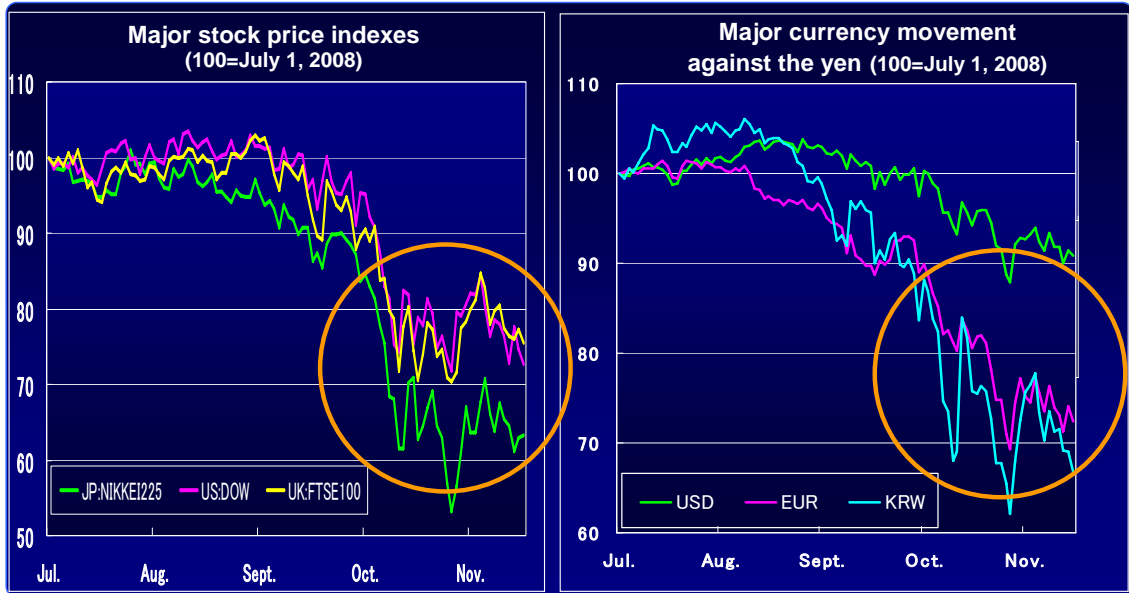
*2. In this presentation, "fiscal 2009" or "FY 2009" refers to the year ending March 31, 2009.*

1

- Panasonic Corporation announced a downward revision of its consolidated results forecast for the fiscal year ending March 31, 2009 from that announced on April 28, 2008.

## Share Price & Currency Movements

Lehman shock lead sharp declines in stock prices and a surge in the yen

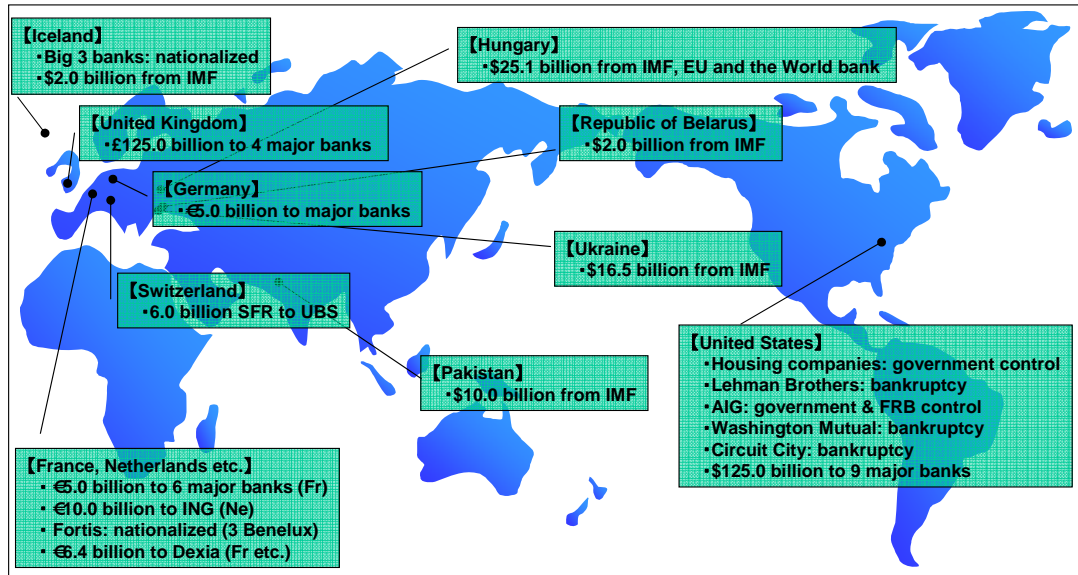


2

- Drastic changes of the environment in the last few months have made a large influence on the Company's business conditions.
- First, stock and foreign exchange markets have been extremely volatile since July 1, 2008. In particular, the markets have seen sharp declines in stock prices and the rapid appreciation of the yen after the latter half of October.

# World Financial Crisis

The crisis originated in the financial markets spreads to real economy



3

- Next, world financial crisis.
- Financial crisis and concerns in every nation of the world is curbing consumer spending and private investment. Since the latter half of October, a negative impact on the real economy has become a big issue.
- Under these circumstances, Circuit City, a major mass retailer in the U.S. filed for bankruptcy.
- The Company had intended to announce its full-year forecast revision when the third quarter financial results are published. However, it decided to bring the announcement forward as the declines in sales and profits have become more apparent.

## FY2009 Revised Forecast

(yen: billions)	Revised forecast	April forecast	Change	FY2008 results	Change
<b>Sales</b>	<b>8,500.0</b>	9,200.0	-700.0	9,068.9	-568.9
<b>Operating profit</b>	<b>340.0 (4.0%)</b>	560.0 (6.1%)	-220.0	519.5 (5.7%)	-179.5
<b>Pre-tax income</b>	<b>100.0 (1.2%)</b>	500.0 (5.4%)	-400.0	435.0 (4.8%)	-335.0
<b>Net income</b>	<b>30.0 (0.4%)</b>	310.0 (3.4%)	-280.0	281.9 (3.1%)	-251.9

### 【Foreign exchange rates】

	FY09 2H	FY09	April forecast
1US dollar	100 yen	103 yen	100 yen
1Euro	125 yen	145 yen	155 yen

4

- For fiscal 2009, Panasonic revised consolidated group sales forecast to 8.5 trillion yen, down 700 billion yen from its original forecast of 9.2 trillion yen. Panasonic also expects operating profit, pre-tax income and net income declining from both its original forecasts and the previous year's results.
- Panasonic forecasts the exchange rates for the second half to be 100 yen/US dollar and 125 yen/Euro, and for the full year 103 yen/US dollar and 145 yen/Euro.

## FY2009 Operating Profit Revision (changes vs. April forecast)

(yen: billions)

Contents		Amounts
<b>Operating profit (April forecast)</b>		<b>560.0</b>
<b>Major reasons</b>	Economic downturn & price competition	<b>-300.0</b>
	Foreign exchange rates impact	<b>-22.0</b>
	Raw material price increase	<b>-38.0</b>
	Streamlining, fixed cost reduction & others	<b>+140.0</b>
	<b>Total</b>	<b>-220.0</b>
<b>Revised operating profit</b>		<b>340.0</b>

5

- Operating profit for fiscal 2009 is expected to be 340 billion yen, down by 220 billion yen from the previous forecast. Although Panasonic expects to record a 140 billion yen gain through streamlining, fixed cost reduction and others, there will be a negative impact of the economic downturn and price declines by 300 billion yen, as a result of ever-intensified competition.

## FY2009 Pre-tax Income Revision (change vs. April forecast)

(yen: billions)

Contents		Amounts
<b>Pre-tax income (April forecast)</b>		<b>500.0</b>
<b>Major reasons</b>	Operating profit (change from April)	-220.0
	Business restructuring expenses	-130.0
	Write-down of investment securities	-60.0
	Expenses related to name change & brand unification, and others	+10.0
	<b>Total</b>	<b>-400.0</b>
<b>Revised pre-tax income</b>		<b>100.0</b>

6

- For non-operating income/loss, Panasonic expects to incur 130 billion yen as business restructuring expenses aiming to enhance its management structure in the next year ahead.
- Panasonic assumes 60 billion yen as a write-down of investments securities, provided that the latest stock prices remain the same level to the year end.
- Accordingly, Panasonic has revised the pre-tax income downward by 400 billion yen to 100 billion yen.

## FY2009 Changes from April Forecast

(yen: billions)

	FY09 1H	Change	FY09 2H	Change
<b>Sales</b>	4,343.7	-46.3 -1%	4,156.3	-653.7 -14%
<b>Operating profit</b>	228.2 (5.3%)	+28.2 +14%	111.8 (2.7%)	-248.2 -69%

### 【FY09 2H Sales; changes from April forecast】

Digital AVC Networks Solution	-430.0
Solutions for the Environment and Comfortable Living	-70.0
Devices & Industry Solution	-150.0

7

- Sales for the first half decreased by approximately 50 billion yen from the Company's original forecast, and sales for the second half are now expected to fall by approximately 650 billion yen.
- Operating profit for the first half was up by 28.2 billion yen, but will be down by 248.2 billion yen for the second half.
- Changes in sales for the second half from April forecast are as shown above.

## Initiatives for Achieving Growth and Strengthening Management Structure

### Global growth

- Expanding global sales through company name change & unified brand
- Strengthening marketing in BRICs and Vietnam
- Sales activities by top management for B to B businesses
- Increasing market share by strengthening product competitiveness

### Increase profitability

- Accelerating structural reforms – reviewing global manufacturing sites, etc.
- Closure or sell-out of unprofitable businesses
- Further strengthening cost competitiveness – expanding “Itakona” activities
- Reducing fixed costs ... “Cost-busters” activities etc.

### Reduce total assets by cash flow management

- Reducing inventories
- Curbing capital expenditures

8

- Panasonic aims to enhance growth and its management structure so that the Company will be able to minimize its loss and get back on track as soon as possible.

## FY2009 Year-end Dividend

**Year-end dividend: 22.5 yen**

**(No change)**

**Annual dividends: 45 yen**

9

- The dividends for fiscal 2009, ending March 31, 2009 remain unchanged from its original forecast. Total dividends for fiscal 2009, including a year-end dividend of 22.5 yen per common share, will be 45 yen per common share.



- Considering the crisis as an opportunity, Panasonic strives to achieve steady growth with profitability and to move forward, despite the current tough economic and business conditions. Thank you for your continued support.

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