



PETRONAS Dagangan Berhad (88222 - D)

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	As at 31/12/2008 RM'000	As at preceding Financial Year End 31/03/2008 RM'000
ASSETS		
Property, Plant and Equipment	3,046,426	2,922,206
Investment in Associates	6,090	5,692
Prepaid Lease Payments	733,618	701,717
Goodwill	22,294	23,400
TOTAL NON-CURRENT ASSETS	3,808,428	3,653,015
Inventories	398,405	1,077,351
Trade and Other Receivables	2,400,909	3,331,243
Cash and Cash Equivalents	721,697	547,999
TOTAL CURRENT ASSETS	3,521,011	4,956,593
TOTAL ASSETS	7,329,439	8,609,608
EQUITY		
Share Capital	993,454	993,454
Reserves	2,997,451	2,923,963
Total Equity Attributable to Shareholders of the Company	3,990,905	3,917,417
Minority Shareholders' Interests	49,795	46,732
TOTAL EQUITY	4,040,700	3,964,149
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	99,477	99,852
Provisions	24,966	24,271
TOTAL NON-CURRENT LIABILITIES	124,443	124,123
CURRENT LIABILITIES		
Trade and Other Payables	3,085,860	4,427,969
Taxation	78,436	93,367
TOTAL CURRENT LIABILITIES	3,164,296	4,521,336
TOTAL LIABILITIES	3,288,739	4,645,459
TOTAL EQUITY AND LIABILITIES	7,329,439	8,609,608
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	402	394

The Unaudited Consolidated Balance Sheet should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2008.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2008

	Individual Quarter		Individual/ Cumulative Quarter	
	Current Year Quarter 31/12/2008 RM'000	Preceding Year Corresponding Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Revenue	<u>5,561,380</u>	<u>5,706,776</u>	<u>19,992,622</u>	<u>16,251,386</u>
Profit from operations	68,542	255,834	574,404	690,367
Finance costs	(266)	(148)	(648)	(513)
Share of profit after tax of associates	<u>40</u>	<u>258</u>	<u>605</u>	<u>739</u>
Profit before taxation	68,316	255,944	574,361	690,593
Tax expense	(24,704)	(61,977)	(164,192)	(190,361)
Profit for the period	<u>43,612</u>	<u>193,967</u>	<u>410,169</u>	<u>500,232</u>
Attributable to:				
Shareholders of the Company	42,471	192,288	406,320	496,112
Minority shareholders' interests	<u>1,141</u>	<u>1,679</u>	<u>3,849</u>	<u>4,120</u>
Profit for the period	<u>43,612</u>	<u>193,967</u>	<u>410,169</u>	<u>500,232</u>
Earnings per ordinary share - basic (sen)	4.3	19.4	40.9	49.9

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2008.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

	-- Attributable to Shareholders of the Company --			Minority Shareholders Interests	Total Equity
	Non Distributable	Distributable	Total		
	Share Capital	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2007	993,454	2,494,371	3,487,825	55,035	3,542,860
Profit for the period	-	496,112	496,112	4,120	500,232
Dividends paid	-	(232,072)	(232,072)	(767)	(232,839)
Redemption of preference shares	-	-	-	(13,650)	(13,650)
At 31 December 2007	<u>993,454</u>	<u>2,758,411</u>	<u>3,751,865</u>	<u>44,738</u>	<u>3,796,603</u>
At 1 April 2008					
- as previously reported	993,454	2,923,963	3,917,417	46,732	3,964,149
- effect of FRS 139	-	2,459	2,459	-	2,459
- as restated	<u>993,454</u>	<u>2,926,422</u>	<u>3,919,876</u>	<u>46,732</u>	<u>3,966,608</u>
Profit for the period	-	406,320	406,320	3,849	410,169
Dividends paid	-	(335,291)	(335,291)	(786)	(336,077)
At 31 December 2008	<u>993,454</u>	<u>2,997,451</u>	<u>3,990,905</u>	<u>49,795</u>	<u>4,040,700</u>

The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2008.

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2008

	9 months ended 31/12/2008 RM'000	9 months ended 31/12/2007 RM'000
Cash received from customers	20,827,415	16,179,304
Cash paid to suppliers and employees	<u>(19,816,074)</u>	<u>(15,361,302)</u>
	1,011,341	818,002
Payment of taxes	(180,319)	(185,522)
Net cash generated from operating activities	<u>831,022</u>	<u>632,480</u>
Acquisition of an associated company	-	(200)
Interest income from deposits with financial institutions	6,333	11,378
Purchase of property, plant and equipment	(281,112)	(322,221)
Prepayment of leases	(49,864)	(36,730)
Proceeds from disposal of property, plant and equipment	3,396	600
Net cash used in investing activities	<u>(321,247)</u>	<u>(347,173)</u>
Repayment of Al-Bai' Bithaman Ajil long term facility	-	(5,280)
Payment of profit share margin	-	(1,118)
Payment of dividends to shareholders	(335,291)	(232,072)
Payment of dividends to minority shareholders of a subsidiary	(786)	(767)
Redemption of Preference Shares by minority shareholders of a subsidiary	-	(13,650)
Net cash used in financing activities	<u>(336,077)</u>	<u>(252,887)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	173,698	32,420
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	547,999	544,013
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>721,697</u>	<u>576,433</u>

The Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2008.

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Notes to the Interim Financial Report

A1 BASIS OF PREPARATION

The Interim Financial Report has been prepared using historical cost basis except for certain financial assets and liabilities.

The Interim Financial Report is unaudited and has been prepared in accordance with the requirements of FRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Interim Financial Report should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2008. The explanatory notes attached to the Interim Financial Report 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 year ended 31 March 2008.

Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the Audited Annual Financial Statements for the year ended 31 March 2008 except for the early adoption of Financial Reporting Standard (FRS) 139, *Financial Instruments: Recognition and Measurement* beginning on 1 April 2008.

The adoption of the abovementioned FRS does not result in significant changes in accounting policies of the Group, other than as highlighted below:

FRS 139, Financial Instruments: Recognition and Measurement

In line with PETRONAS Group of Companies, the company voluntarily adopts FRS139 for the financial year beginning 1 April 2008, to enable the company's financial statements to be comparable with other multinational companies and in accordance with International Financial Reporting Standards (IFRS). FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorisation applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others will need to be stated at amortised cost. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. FRS 139 prescribed prospective application for first time adoption.

The adoption of FRS 139 has resulted in a restatement of the opening balance of Retained Profits and other Balance Sheet items as a result of the write-back of general provision for doubtful debts. The details of the restatement are set out below:

	At 1 April 2008 As previously reported (RM'000)	Effect of FRS 139 (RM'000)	At 1 April 2008 As restated (RM'000)
Trade and Other Receivables	3,331,243	3,279	3,334,522
Reserves	2,923,963	2,459	2,926,422
Deferred Tax Liabilities	99,852	820	100,672

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A2 AUDIT QUALIFICATION

Not applicable.

A3 SEASONAL OR CYCLICAL FACTORS

The Group's operations in relation to sales volume are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

A4 EXCEPTIONAL ITEM

None.

A5 CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates in the current quarter.

A6 CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at balance sheet date not provided for in the Interim Financial Report are:-

	<u>31/12/2008</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	84,819
Approved but not contracted for	264,547
	<hr/> 349,366 <hr/>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

A8 DIVIDENDS PAID

During the nine months period ended 31 December 2008, the following dividend payments were made:

1. A final dividend of 33 sen per ordinary share less tax at 25% amounting to RM245,879,865 (2007: 20 sen per ordinary share less tax at 27% amounting to RM145,044,284) was paid on 26 August 2008 in respect of financial year ended 31 March 2008.
2. An interim dividend of 12 sen per ordinary share less tax at 25% amounting to RM89,410,860 (2007: interim dividend of 12 sen per ordinary share less tax at 27% amounting to RM87,026,570) was paid on 24 December 2008 in respect of financial year ending 31 March 2009.

A9 SEGMENTAL INFORMATION

The Group's principal activity is domestic marketing of petroleum products. Segment reporting is deemed not necessary.

A10 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any.

A11 EVENTS AFTER BALANCE SHEET DATE

In the opinion of the Directors, no transaction or event of a material or unusual nature had occurred between 31 December 2008 and the date of this announcement.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

Lub Dagangan Sdn Bhd ("LDSB"), previously an associate of PDB with 20% equity interest has become a wholly owned subsidiary effective 23 January 2009.

A13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

None.

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Additional information required by the Bursa Malaysia Listing Requirements

B1 REVIEW OF PERFORMANCE

Group revenue for the quarter ended 31 December 2008 decreased by RM145.4 million to RM5,561.4 million from the results of the corresponding period last year. The decrease is a result of lower sales volume. However, group revenue for the year-to-date ended 31 December 2008 rose by RM3,741.2 million to RM19,992.6 million from the results of the corresponding period last year as a result of higher average selling price.

Group profit before tax for the quarter and year-to-date ended 31 December 2008 decreased by RM187.6 million and RM116.2 million to RM68.3 million and RM574.4 million respectively, from the corresponding periods last year mainly due to lower gross profit.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenue for the current quarter decreased by 27.7% to RM5,561.4 million from RM7,690.2 million in the preceding quarter. The decrease in revenue is mainly due to lower average selling price.

Group profit before tax for the current quarter is RM68.3 million, decreased by RM114.6 million compared to the preceding quarter which recorded a profit before tax of RM182.9 million mainly due to lower average gross profit.

B3 CURRENT YEAR PROSPECTS (2008/2009)

The Directors are of the opinion that revenue is expected to remain satisfactory and market leadership will be maintained with continuous strategic marketing initiatives. However, profits will be impacted by fluctuations in petroleum product costs following uncertainties in the international oil prices and the global economy.

B4 PROFIT FORECAST

No profit forecast was issued for the financial period.

B5 TAX EXPENSE

Taxation comprises the following:

	Third Quarter Current Year	Cumulative Quarter Current Year-to-date
	<u>31/12/2008</u>	<u>31/12/2008</u>
	RM'000	RM'000
<u>Income Tax:</u>		
Current Quarter / Year-to-date	24,052	165,682
Overprovision of Prior Year Taxation	(294)	(294)
 <u>Deferred Taxation:</u>		
Current Quarter / Year-to-date	946	(1,196)
	<u>24,704</u>	<u>164,192</u>

The effective tax rate is higher than the statutory tax rate due to certain expenses disallowed for tax purposes.

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B6 UNQUOTED INVESTMENTS AND PROPERTIES

There were no disposals of unquoted securities and no material gains or losses from disposal of properties during the financial period.

B7 QUOTED INVESTMENTS

There were no investments in quoted securities during the financial period.

B8 STATUS OF CORPORATE PROPOSALS ANNOUNCED

As previously announced, the Company has entered into an agreement for the Sale and Purchase of shares in Lub Dagangan Sdn Bhd ("LDSB") with Natpet (M) Sdn Bhd and Yasmin Jurumuda Sdn Bhd whereby the Company will acquire 5,600,000 shares in LDSB representing a 80% equity interest in LDSB at a total cash consideration of RM16.24 million. The parties have performed their respective obligations under the agreement and the transaction was completed on 23 January 2009. With the completion of the transaction LDSB shall become a wholly owned subsidiary of the Company. The full payment of the purchase price has been made as agreed between the parties.

B9 BORROWINGS

There were no borrowings as at the date of this report.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet risks as at the date of this report that may materially affect the position or business of the Group.

B11 MATERIAL LITIGATION

The Company is pursuing legal action against a customer for recovery of trade receivables amounting to RM31.7 million.

B12 DIVIDENDS

No dividend has been declared for the quarter.

B13 BASIC EARNINGS PER SHARE

Basic earning per share are derived based on the profit attributable to shareholders of the Company and based on the number of ordinary shares outstanding during the period.

	Third Quarter Current Year		Cumulative Quarter Current Year-to-date	
	<u>31/12/2008</u>	<u>31/12/2007</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
Profit attributable to shareholders of the Company (RM'000)	42,471	192,288	406,320	496,112
Number of ordinary shares in issue ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	4.3	19.4	40.9	49.9

BY ORDER OF THE BOARD

Ahmad Nabil Azizan (LS 05484)
Yeap Kok Leong (MAICSA 0862549)
Joint Secretaries
Kuala Lumpur
24 February 2009