

PETRONAS Dagangan Berhad (88222 - D)

**AUDITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010**

	As at 31/03/2010 RM'000	As at preceding Financial Year End 31/03/2009 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	3,130,217	3,108,440
Investment in Associates	3,617	2,773
Prepaid Lease Payments	790,013	739,353
Goodwill	-	25,189
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,923,847</b>	<b>3,875,755</b>
Inventories	751,182	443,961
Trade and Other Receivables	2,297,248	1,726,416
Cash and Cash Equivalents	912,471	538,082
<b>TOTAL CURRENT ASSETS</b>	<b>3,960,901</b>	<b>2,708,459</b>
<b>TOTAL ASSETS</b>	<b>7,884,748</b>	<b>6,584,214</b>
<b>EQUITY</b>		
Share Capital	993,454	993,454
Reserves	3,565,093	3,169,802
Total Equity Attributable to Shareholders of the Company	4,558,547	4,163,256
Minority Shareholders' Interests	35,511	49,033
<b>TOTAL EQUITY</b>	<b>4,594,058</b>	<b>4,212,289</b>
<b>LIABILITIES</b>		
Deferred Tax Liabilities	126,510	107,032
Provisions	20,970	26,488
Finance Lease Liabilities	-	497
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>147,480</b>	<b>134,017</b>
<b>LIABILITIES</b>		
Trade and Other Payables	3,000,404	2,152,305
Taxation	142,806	85,159
Finance Lease Liabilities	-	444
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,143,210</b>	<b>2,237,908</b>
<b>TOTAL LIABILITIES</b>	<b>3,290,690</b>	<b>2,371,925</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,884,748</b>	<b>6,584,214</b>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	459	419

The Audited Consolidated Balance Sheet should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2009.

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010

	Individual Quarter		Individual/ Cumulative Quarter	
	Current Year To Date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000	Current Year To Date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000
<b>Revenue</b>	<u>5,417,494</u>	<u>4,374,999</u>	<u>20,687,042</u>	<u>24,367,622</u>
<b>Profit from operations</b>	239,836	237,721	1,048,967	812,127
Finance costs	(8,875)	(1,513)	(3,409)	(2,161)
Share of profit after tax of associates	<u>136</u>	<u>(279)</u>	<u>444</u>	<u>326</u>
<b>Profit before taxation</b>	231,097	235,929	1,046,002	810,292
Tax expense	(68,632)	(64,341)	(288,478)	(228,533)
<b>Profit for the period</b>	<u>162,465</u>	<u>171,588</u>	<u>757,524</u>	<u>581,759</u>
<b>Attributable to:</b>				
Shareholders of the Company	161,108	172,349	752,934	578,671
Minority shareholders' interests	<u>1,357</u>	<u>(761)</u>	<u>4,590</u>	<u>3,088</u>
<b>Profit for the period</b>	<u>162,465</u>	<u>171,588</u>	<u>757,524</u>	<u>581,759</u>
Earnings per ordinary share - basic (sen)	16.2	17.3	75.8	58.2

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2009.

## AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	-- Attributable to Shareholders of the Company --			Minority Shareholders Interests	Total Equity
	Non Distributable Share Capital	Distributable Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2008</b>					
- 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	993,454	2,926,422	3,919,876	46,732	3,966,608
Profit for the year	-	578,671	578,671	3,088	581,759
Dividends paid	-	(335,291)	(335,291)	(787)	(336,078)
<b>At 31 March 2009</b>	<b>993,454</b>	<b>3,169,802</b>	<b>4,163,256</b>	<b>49,033</b>	<b>4,212,289</b>
<b>At 1 April 2009</b>	993,454	3,169,802	4,163,256	49,033	4,212,289
Profit for the year	-	752,934	752,934	4,590	757,524
Redemption of preference shares by minority shareholders of a subsidiary	-	-	-	(17,325)	(17,325)
Dividends paid	-	(357,643)	(357,643)	(787)	(358,430)
<b>At 31 March 2010</b>	<b>993,454</b>	<b>3,565,093</b>	<b>4,558,547</b>	<b>35,511</b>	<b>4,594,058</b>

The Audited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2009.

## AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	12 months ended 31/03/2010 RM'000	12 months ended 31/03/2009 RM'000
Receipt from customers	20,620,553	25,531,724
Payment to suppliers and employees	<u>(19,302,756)</u>	<u>(24,527,274)</u>
	1,317,797	1,004,450
Payment of taxes	(211,544)	(230,382)
<b>Net cash generated from operating activities</b>	<b><u>1,106,253</u></b>	<b><u>774,068</u></b>
Acquisition of a subsidiary net of cash acquired	-	(13,352)
Investment in an associate	(1,200)	-
Interest income from deposits with licensed banks	14,546	7,760
Purchase of property, plant and equipment	(295,588)	(384,221)
Prepayment of leases	(75,478)	(61,462)
Proceeds from disposal of property, plant and equipment	1,328	2,042
Proceeds from disposal of prepaid leases	453	1,412
Receipt of dividends	800	-
<b>Net cash used in investing activities</b>	<b><u>(355,139)</u></b>	<b><u>(447,821)</u></b>
Repayment of finance lease liabilities	(941)	(72)
Payment of interest for finance lease liabilities	(29)	(14)
Redemption of preference shares by minority shareholders of a subsidiary	(17,325)	-
Payment of dividends to shareholders	(357,643)	(335,291)
Payment of dividends to minority shareholders of a subsidiary	(787)	(787)
<b>Net cash used in financing activities</b>	<b><u>(376,725)</u></b>	<b><u>(336,164)</u></b>
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>374,389</b>	<b>(9,917)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>538,082</b>	<b>547,999</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b><u>912,471</u></b>	<b><u>538,082</u></b>

The Audited Consolidated Cash Flow Statement should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2009.

**PETRONAS Dagangan Berhad (88222-D)**

**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 2009. 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 2009.

**Changes in Accounting Policies**

At the beginning of the current financial year, the Group had early adopted the following Financial Reporting Standards (FRSs) and IC Interpretation as issued by Malaysian Accounting Standards Board which is effective for annual periods beginning on or after 1 January 2010:

- (i) FRS 7, *Financial Instruments: Disclosures*; and
- (ii) IC Interpretation 13, *Customer Loyalty Programmes*.

The adoption of FRS 7 has resulted in extended disclosures on financial instruments in the Audited Consolidated Financial Statements of PDB Group for the year ended 31 March 2010. The adoption does not have any financial impact to the Group.

**IC Interpretation 13, Customer Loyalty Programmes**

Previously, the Company's loyalty programme was managed by a third party entity whereby members of the programme were awarded with loyalty points at the point of sale made at PETRONAS retail stations and Kedai Mesra. The awarded points were later charged by the third party entity to the Company and it was recognised as operating expense.

On 1 May 2009, the Company launched its in-house PETRONAS Mesra Loyalty Programme. Under the programme, members are awarded with PETRONAS Mesra points at the point of sale made at PETRONAS retail stations and Kedai Mesra. The monetary value attributed to the awarded points is treated as deferred revenue and only recognised as revenue in the income statement on redemption of the points. Members can redeem the awarded points for purchase of fuel at PETRONAS retail stations or items at Kedai Mesra.

On an annual basis, fair value of the deferred revenue will be estimated by reference to the points redemption profile. This accounting treatment is in line with IC Interpretation 13, Customer Loyalty Programmes.

The adoption of IC Interpretation 13 does not have any material impact on the Audited Consolidated Financial Statements of PDB Group for the year ended 31 March 2010.

**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.

**PETRONAS Dagangan Berhad (88222-D)**

**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>31/03/2010</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	7,769
Approved but not contracted for	92,341
	<hr/> 100,110 <hr/>

**A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

None.

**A8 DIVIDENDS PAID**

During the year ended 31 March 2010, 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 (2007/08: 33 sen per ordinary share less tax at 25% amounting to RM245,879,865) was paid on 26 August 2009 in respect of financial year ended 31 March 2009.
2. An Interim Dividend of 15 sen per ordinary share less tax at 25% amounting to RM111,763,575 (2008/09: Interim Dividend of 12 sen per ordinary share less tax at 25% amounting to RM89,410,860) was paid on 23 December 2009 in respect of financial year ended 31 March 2010.

**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 March 2010 and the date of this announcement.

**A12 CHANGES IN THE COMPOSITION OF THE GROUP**

None.

**A13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

None.

**PETRONAS Dagangan Berhad (88222-D)**

**Additional information required by the Bursa Malaysia Listing Requirements**

**B1 REVIEW OF PERFORMANCE**

Group revenue for the quarter ended 31 March 2010 was RM5,417.5 million, an increase of RM1,042.5 million from the results of the corresponding period last year. The increase was a result of higher average selling price and higher sales volume. However, year-to-date group revenue was RM20,687.0 million, a decrease of RM3,680.6 million from the results of last year. This was contributed mainly by the lower average selling price during the year.

Group profit before tax for the quarter ended 31 March 2010 was RM231.1 million, a decrease of RM4.8 million from the corresponding period last year mainly due to higher operating expenditures. However, year-to-date group profit before tax was RM1,046.0 million, an increase of RM235.7 million from last year. This was mainly contributed by higher gross profit during the year.

**B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group revenue for the current quarter was RM5,417.5 million, an increase of RM79.8 million from the results of the preceding quarter. The increase in revenue was due to higher average product selling prices.

Group profit before tax for the current quarter was RM231.1 million, a decrease of RM25.8 million compared to the preceding quarter profit before tax of RM256.9 million mainly due to lower gross profit.

**B3 NEXT FINANCIAL YEAR PROSPECTS (2010/2011)**

The Directors are of the opinion that demand conditions are anticipated to be challenging but barring unforeseen circumstances, market leadership is projected to be maintained with continuous strategic marketing efforts and initiatives. Profits for the next financial year will be impacted by fluctuations in international oil prices, petroleum product costing and global economy.

**B4 PROFIT FORECAST**

No profit forecast was issued for the financial period.

**B5 TAX EXPENSE**

Taxation comprises the following:

	Fourth Quarter Current Year	Cumulative Quarter Current Year-to-date
	<u>31/03/2010</u>	<u>31/03/2010</u>
	RM'000	RM'000
<u>Income Tax:</u>		
Current Quarter / Year-to-date	54,658	269,000
<u>Deferred Taxation:</u>		
Current Quarter / Year-to-date	13,974	19,478
	<u>68,632</u>	<u>288,478</u>

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

**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 year.

**B7 QUOTED INVESTMENTS**

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

**PETRONAS Dagangan Berhad (88222-D)**

**B8 STATUS OF CORPORATE PROPOSALS ANNOUNCED**

There were no corporate proposals announced but not completed at the latest practicable date for the Group.

**B9 BORROWINGS**

Particulars of the Group's borrowings are as follows:

	<u>31/03/2010</u>	<u>31/03/2009</u>
	RM'000	RM'000
<b>Finance lease liabilities:</b>		
Current - secured	-	444
Non-current - secured	-	497
	<u>-</u>	<u>941</u>

**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**

There is no material litigation at the date of this report.

**B12 DIVIDENDS**

The Board has declared an Interim Dividend of 15 sen per ordinary share less tax at 25% for the six months ended 30 September 2009 amounting to RM111,763,575 paid on 23 December 2009 (2008/09: Interim Dividend of 12 sen per ordinary share less tax at 25% amounting to RM89,410,860).

The Directors propose a Final Dividend of 30 sen per ordinary share less tax at 25% amounting to RM223,527,150 (2008/09: 33 sen per ordinary share less tax at 25% amounting to RM245,879,865) to shareholders to be tabled at the next Annual General Meeting, payable on a date to be announced later.

In addition, the Directors propose a Special Dividend of 15 sen per ordinary share less tax at 25% amounting to RM111,763,575 (2008/09: Nil) to shareholders to be tabled at the next Annual General Meeting, payable on a date to be announced later.

**B13 BASIC EARNINGS PER SHARE**

Basic earnings per share is derived based on the profit attributable to shareholders of the Company and based on the number of ordinary shares outstanding as at 31 March.

	Fourth Quarter Current Year		Cumulative Quarter Current Year-to-date	
	<u>31/03/2010</u>	<u>31/03/2009</u>	<u>31/03/2010</u>	<u>31/03/2009</u>
Profit attributable to shareholders of the Company (RM'000)	161,108	172,349	752,934	578,671
Number of ordinary shares in issue ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	<u>16.2</u>	<u>17.3</u>	<u>75.8</u>	<u>58.2</u>

**BY ORDER OF THE BOARD**

Ahmad Nabil Azizan (LS 05484)  
Yeap Kok Leong (MAICSA 0862549)  
Joint Secretaries  
Kuala Lumpur  
25 May 2010