



PETRONAS Dagangan Berhad (88222 - D)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	As at 30/06/2010 RM'000	As at preceding Financial Year End 31/03/2010 RM'000 Restated
ASSETS		
Property, Plant and Equipment	3,520,279	3,568,831
Investment in Associates	8,265	3,617
Prepaid Lease Payments	349,439	351,399
TOTAL NON-CURRENT ASSETS	3,877,983	3,923,847
Inventories	602,372	751,182
Trade and Other Receivables	1,786,335	2,297,248
Cash and Cash Equivalents	1,145,099	912,471
TOTAL CURRENT ASSETS	3,533,806	3,960,901
TOTAL ASSETS	7,411,789	7,884,748
EQUITY		
Share Capital	993,454	993,454
Reserves	3,764,761	3,565,093
Total Equity Attributable to Shareholders of the Company	4,758,215	4,558,547
Minority Shareholders' Interests	37,069	35,511
TOTAL EQUITY	4,795,284	4,594,058
LIABILITIES		
Deferred Tax Liabilities	127,904	126,510
Provisions	21,196	20,970
TOTAL NON-CURRENT LIABILITIES	149,100	147,480
LIABILITIES		
Trade and Other Payables	2,337,912	3,000,404
Taxation	129,493	142,806
TOTAL CURRENT LIABILITIES	2,467,405	3,143,210
TOTAL LIABILITIES	2,616,505	3,290,690
TOTAL EQUITY AND LIABILITIES	7,411,789	7,884,748
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	479	459

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2010.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2010

	Individual/ Current Year To Date 30/06/2010 RM'000	Cumulative Quarter Preceding Year Corresponding Period 30/06/2009 RM'000
Revenue	<u>5,456,472</u>	<u>4,779,866</u>
Profit from operations	277,201	275,978
Finance costs	(226)	6,026
Share of profit after tax of associates	<u>248</u>	<u>62</u>
Profit before taxation	277,223	282,066
Tax expense	(75,997)	(75,560)
Profit for the period/ Total comprehensive income for the period	<u>201,226</u>	<u>206,506</u>
Attributable to:		
Shareholders of the Company	199,668	205,362
Minority shareholders' Interests	<u>1,558</u>	<u>1,144</u>
Total comprehensive income for the period	<u>201,226</u>	<u>206,506</u>
Earnings per ordinary share - basic (sen)	20.1	20.7

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2010.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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
At 1 April 2009	993,454	3,169,802	4,163,256	49,033	4,212,289
Total comprehensive income for the period	-	205,362	205,362	1,144	206,506
Redemption of preference shares by minority shareholders of a subsidiary	-	-	-	(17,325)	(17,325)
At 30 June 2009	<u>993,454</u>	<u>3,375,164</u>	<u>4,368,618</u>	<u>32,852</u>	<u>4,401,470</u>
At 1 April 2010	993,454	3,565,093	4,558,547	35,511	4,594,058
Total comprehensive income for the period	-	199,668	199,668	1,558	201,226
At 30 June 2010	<u>993,454</u>	<u>3,764,761</u>	<u>4,758,215</u>	<u>37,069</u>	<u>4,795,284</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2010.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2010

	3 months ended 30/06/2010 RM'000	3 months ended 30/06/2009 RM'000
Receipt from customers	5,556,122	4,587,883
Payment to suppliers and employees	<u>(5,152,463)</u>	<u>(3,951,500)</u>
	403,659	636,383
Payment of taxes	(87,915)	(43,828)
Net cash generated from operating activities	<u>315,744</u>	<u>592,555</u>
Investment in an associate	(4,400)	(200)
Interest income from deposits with licensed banks	3,149	3,748
Purchase of property, plant and equipment	(75,549)	(83,157)
Prepayment of leases	(6,681)	(18,957)
Proceeds from disposal of property, plant and equipment	365	176
Net cash used in investing activities	<u>(83,116)</u>	<u>(98,390)</u>
Repayment of finance lease liabilities	-	(111)
Payment of interest for finance lease liabilities	-	(22)
Redemption of preference shares by minority shareholders of a subsidiary	-	(17,325)
Net cash used in financing activities	<u>-</u>	<u>(17,458)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	232,628	476,707
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	912,471	538,082
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,145,099</u>	<u>1,014,789</u>

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2010.

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Notes to the Interim Financial Report

A1 BASIS OF PREPARATION

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 Main Market 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 2010. The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2010.

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 2010.

On 1 April 2010 the following Financial Reporting Standards (FRSs), Interpretations and Amendments to FRSs which are effective for annual periods beginning on or after 1 January 2010 (unless otherwise stated) have been adopted:

FRS 8	<i>Operating Segments</i> (which is effective for annual periods beginning or after 1 July 2009)
FRS 101	<i>Presentation of Financial Statements (revised)</i>
Amendments to FRS 1	<i>First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
Amendments to FRS 8	<i>Operating Segments</i>
Amendments to FRS 107	<i>Cash Flow Statements</i>
Amendments to FRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
Amendments to FRS 110	<i>Events After the Balance Sheet Date</i>
Amendments to FRS 116	<i>Property, Plant and Equipment</i>
Amendments to FRS 117	<i>Leases</i>
Amendments to FRS 118	<i>Revenue</i>
Amendments to FRS 127	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 128	<i>Investment in Associates</i>
Amendments to FRS 132	<i>Financial Instruments: Presentation (issued on 15 September 2009)</i>
Amendments to FRS 134	<i>Interim Financial Statements</i>
Amendments to FRS 136	<i>Impairment of Assets</i>
Amendments to FRS 139	<i>Financial Instruments: Recognition and Measurement and FRS 7, Financial Instruments: Disclosures</i>
Amendments to FRS 139	<i>Financial Instruments: Recognition and Measurement</i>
IC Interpretation 10	<i>Interim Financial Reporting and Impairment</i>

The adoption of the abovementioned FRSs, Interpretation and Amendments to FRSs other than FRS 8, FRS 101 and FRS 117 do not result in any significant changes in the accounting policies and presentation of the financial results of the Group, other than as highlighted below:

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FRS 8: Operating Segments

FRS 8 addresses the presentation of financial information to the users in the same way as it is presented to the Chief Operating Decision Maker (CODM), being the Board in the case of PDB. Currently, the Group presents segmental information in respect of its business and geographical segments as per requirement of FRS 114. FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's CODM in order to allocate resources to the segment and to assess its performance. Therefore, on adoption of FRS 8, the Group presents segmental information in respect of its reportable segments as Retail, Commercial and Others.

The impact of applying FRS 8 on the financial statements upon first adoption of this FRS as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* are set out in A9.

FRS 101: Presentation of Financial Statements

The components of the financial statements presented in the past consisted of balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented consist of statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements.

FRS 117: Leases

Prior to 1 April 2010, the Group has recorded the cost of leasehold lands as prepaid lease payments. The costs are amortised on a straight-line basis over the remaining lease period.

Upon the adoption of Amendments to FRS 117, the Group has reassessed and determined all leasehold lands of the Group which are in substance finance leases and accordingly reclassified them as Property, Plant and Equipment and depreciated based on a straight-line basis over the remaining lease period. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

The following comparative figures have been restated following the adoption of the Amendments to FRS 117:

	At 31 March 2010 As previously reported (RM'000)	Effect of Amendments to FRS 117 (RM'000)	At 31 March 2010 As restated (RM'000)
Property, Plant and Equipment	3,130,217	438,614	3,568,831
Prepaid Lease Payments	790,013	(438,614)	351,399

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.

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A6 CAPITAL COMMITMENTS

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

	<u>30/6/2010</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	32,408
Approved but not contracted for	386,277
	<u>418,685</u>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

A8 DIVIDENDS PAID

No dividends have been paid during the period under review.

A9 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's reportable segments which are based on internal reports regularly reviewed by the entity's Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group operates only in Malaysia and accordingly, information by geographical location of the Group's operation is not presented.

Segmental results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Results for 3 months ended 30 June 2010

Reportable Segments	Retail RM '000	Commercial RM '000	Others RM '000	Elimination RM '000	Consol RM '000
Revenue	2,755,780	2,737,434	11,818	(48,560)	5,456,472
Operating expenditures					
Depreciation	51,253	10,569	397	-	62,219
Finance costs	206	20	-	-	226
Profit before taxation for reportable segments	119,915	121,251	5,689	129	246,984
Other income	22,259	-	7,732	-	29,991
Share of profit after tax of associates					248
Profit before taxation					277,223

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A9 SEGMENTAL INFORMATION (CONT'D.)

Results for 3 months ended 30 June 2009

Reportable Segments	Retail RM '000	Commercial RM '000	Others RM '000	Elimination RM '000	Consol RM '000
Revenue	2,496,188	2,299,406	10,138	(25,866)	4,779,866
Operating expenditures					
Depreciation	57,203	9,021	405	-	66,629
Finance costs	(5,312)	(736)	-	-	(6,048)
Profit before taxation for reportable segments	170,697	78,080	4,251	341	253,369
Other income	21,251	-	7,384	-	28,635
Share of profit after tax of associates					62
Profit before taxation					282,066

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 30 June 2010 and the date of this announcement.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

None.

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 30 June 2010 was RM5,456.5 million, an increase of RM676.6 million from the results of the corresponding period last year. The increase was a result of higher product average selling prices and higher sales volume.

Group profit before tax for the quarter ended 30 June 2010 was RM277.2 million, a decrease of RM4.9 million from the corresponding period last year mainly due to lower gross profit.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenue for the current quarter was RM5,456.5 million, an increase of RM39.0 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 RM277.2 million, an increase of RM46.1 million compared to the preceding quarter profit before tax of RM231.1 million mainly due to lower operating expenditures.

B3 CURRENT 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 current 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:

	First Quarter Current Year
	<u>30/06/2010</u>
	RM'000
<u>Income Tax:</u>	
Current Quarter	74,603
 <u>Deferred Taxation:</u>	
Current Quarter	1,394
	<u>75,997</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 period.

B7 QUOTED INVESTMENTS

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

B8 STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

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B9 BORROWINGS

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

B10 DERIVATIVE FINANCIAL INSTRUMENTS

There are no derivative financial instruments as at the date of this report.

B11 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There are no financial liabilities measured at fair value through profit or loss as at the date of this report.

B12 MATERIAL LITIGATION

There are no material litigations as at the date of this report.

B13 DIVIDENDS

No dividends have been declared during the period under review.

B14 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 30 June.

	First Quarter Current Year	
	<u>30/06/2010</u>	<u>30/06/2009</u>
Profit attributable to shareholders of the Company (RM'000)	199,668	205,362
Number of ordinary shares in issue ('000)	993,454	993,454
Earnings per ordinary share (sen)	20.1	20.7

BY ORDER OF THE BOARD

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