

PETRONAS Dagangan Berhad (88222 - D)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

	<b>As at 31/12/2010 RM'000</b>	<b>As at preceding Financial Year End 31/03/2010 RM'000 Restated</b>
<b>ASSETS</b>		
Property, Plant and Equipment	3,513,912	3,568,831
Investment in Associates	8,571	3,617
Prepaid Lease Payments	351,856	351,399
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,874,339</b>	<b>3,923,847</b>
Inventories	679,050	751,182
Trade and Other Receivables	2,169,768	2,297,248
Cash and Cash Equivalents	1,025,684	912,471
<b>TOTAL CURRENT ASSETS</b>	<b>3,874,502</b>	<b>3,960,901</b>
<b>TOTAL ASSETS</b>	<b>7,748,841</b>	<b>7,884,748</b>
<b>EQUITY</b>		
Share Capital	993,454	993,454
Reserves	3,573,039	3,565,093
Total Equity Attributable to Shareholders of the Company	4,566,493	4,558,547
Minority Shareholders' Interests	40,394	35,511
<b>TOTAL EQUITY</b>	<b>4,606,887</b>	<b>4,594,058</b>
<b>LIABILITIES</b>		
Deferred Tax Liabilities	153,749	126,510
Provisions	19,306	20,970
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>173,055</b>	<b>147,480</b>
<b>LIABILITIES</b>		
Trade and Other Payables	2,831,435	3,000,404
Taxation	137,464	142,806
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,968,899</b>	<b>3,143,210</b>
<b>TOTAL LIABILITIES</b>	<b>3,141,954</b>	<b>3,290,690</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,748,841</b>	<b>7,884,748</b>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	460	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 31 DECEMBER 2010

	Individual Quarter		Individual/ Cumulative Quarter	
	Current Year To Date 31/12/2010 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000	Current Year To Date 31/12/2010 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000
<b>Revenue</b>	<u>5,932,199</u>	<u>5,337,713</u>	<u>16,884,984</u>	<u>15,269,549</u>
<b>Profit from operations</b>	331,971	256,499	893,586	809,131
Finance costs	(248)	236	(770)	5,466
Share of profit after tax of associates	<u>174</u>	<u>189</u>	<u>554</u>	<u>308</u>
<b>Profit before taxation</b>	331,897	256,924	893,370	814,905
Tax expense	<u>(94,286)</u>	<u>(68,791)</u>	<u>(247,215)</u>	<u>(219,846)</u>
<b>Profit for the period/ Total comprehensive income for the period</b>	<u>237,611</u>	<u>188,133</u>	<u>646,155</u>	<u>595,059</u>
<b>Attributable to:</b>				
Shareholders of the Company	236,164	187,245	641,272	591,827
Minority shareholders' interests	<u>1,447</u>	<u>888</u>	<u>4,883</u>	<u>3,232</u>
<b>Total comprehensive income for the period</b>	<u>237,611</u>	<u>188,133</u>	<u>646,155</u>	<u>595,059</u>
Earnings per ordinary share - basic (sen)	23.8	18.8	64.5	59.6

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 31 DECEMBER 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		
<b>At 1 April 2009</b>	993,454	3,169,802	4,163,256	49,033	4,212,289
Total comprehensive income for the period	-	591,827	591,827	3,232	595,059
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 December 2009</b>	<u>993,454</u>	<u>3,403,986</u>	<u>4,397,440</u>	<u>34,153</u>	<u>4,431,593</u>
<b>At 1 April 2010</b>	993,454	3,565,093	4,558,547	35,511	4,594,058
Total comprehensive income for the period	-	641,272	641,272	4,883	646,155
Dividends paid	-	(633,326)	(633,326)	-	(633,326)
<b>At 31 December 2010</b>	<u>993,454</u>	<u>3,573,039</u>	<u>4,566,493</u>	<u>40,394</u>	<u>4,606,887</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 31 DECEMBER 2010

	9 months ended 31/12/2010 RM'000	9 months ended 31/12/2009 RM'000
Receipt from customers	16,817,611	15,174,566
Payment to suppliers and employees	<u>(15,629,654)</u>	<u>(13,893,477)</u>
	1,187,957	1,281,089
Payment of taxes	(225,314)	(150,111)
<b>Net cash generated from operating activities</b>	<b><u>962,643</u></b>	<b><u>1,130,978</u></b>
Investment in an associate	(4,400)	(1,200)
Interest income from deposits with licensed banks	17,596	11,561
Purchase of property, plant and equipment	(216,889)	(240,487)
Prepayment of leases	(22,819)	(43,141)
Proceeds from disposal of property, plant and equipment	10,408	682
<b>Net cash used in investing activities</b>	<b><u>(216,104)</u></b>	<b><u>(272,585)</u></b>
Repayment of finance lease liabilities	-	(941)
Payment of interest for finance lease liabilities	-	(29)
Redemption of preference shares by minority shareholders of a subsidiary	-	(17,325)
Payment of dividends to shareholders	(633,326)	(357,643)
Payment of dividends to minority shareholders of a subsidiary	-	(787)
<b>Net cash used in financing activities</b>	<b><u>(633,326)</u></b>	<b><u>(376,725)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>113,213</b>	<b>481,668</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>912,471</b>	<b>538,082</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>1,025,684</u></b>	<b><u>1,019,750</u></b>

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>31/12/2010</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	66,338
Approved but not contracted for	249,923
	<hr/> 316,261 <hr/>

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

None.

**A8 DIVIDENDS PAID**

During the nine months period ended 31 December 2010, a final dividend of 30 sen per ordinary share less tax at 25% amounting to RM223,527,150 (2009: 33 sen per ordinary share less tax at 25% amounting to RM245,879,865) and a special dividend of 15 sen per ordinary share less tax at 25% amounting to RM 111,763,575 (2009: Nil) was paid on 24 August 2010 in respect of financial year ended 31 March 2010. In addition, an interim dividend of 30 sen per share less tax at 25% amounting to RM223,527,150 (2009: 15 sen per ordinary share less tax at 25% amounting to RM111,763,575) and special interim dividend of 10 sen per share less tax at 25% amounting to RM74,509,050 (2009: Nil) was also paid on 28 December 2010 in respect of financial year ended 31 March 2011.

**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 9 months ended 31 December 2010**

Reportable Segments	Retail RM '000	Commercial RM '000	Others RM '000	Elimination RM '000	Consol RM '000
Revenue	8,402,725	8,597,554	36,053	(151,798)	16,884,984
Operating expenditures					
Depreciation	165,599	31,917	1,160	0	198,676
Finance costs	687	83	0	0	770
<b>Profit before taxation for reportable segments</b>	<b>440,737</b>	<b>322,054</b>	<b>17,753</b>	<b>(161)</b>	<b>780,383</b>
Other income	72,071		51,912	(11,550)	112,433
Share of profit after tax of associates					554
<b>Profit before taxation</b>					<b>893,370</b>

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**A9 SEGMENTAL INFORMATION (CONT'D.)**

**Results for 9 months ended 31 December 2009**

Reportable Segments	Retail RM '000	Commercial RM '000	Others RM '000	Elimination RM '000	Consol RM '000
Revenue	7,725,964	7,622,175	31,694	(110,284)	15,269,549
Operating expenditures					
Depreciation	193,879	29,553	1,137	0	224,569
Finance costs	(4,658)	(808)	0	0	(5,466)
<b>Profit before taxation for reportable segments</b>	<b>424,589</b>	<b>286,906</b>	<b>12,057</b>	<b>122</b>	<b>723,674</b>
Other income	66,395		26,791	(2,263)	90,923
Share of profit after tax of associates					308
<b>Profit before taxation</b>					<b>814,905</b>

**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 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 Bursa Malaysia Main Market Listing Requirements**

**B1 REVIEW OF PERFORMANCE**

Group revenue for the quarter and period ended 31 December 2010 increased by RM594.5 million and RM1,615.4 million to RM5,932.2 million and RM16,885.0 million respectively, from the results of the corresponding period last year. The increases resulted from higher product average selling prices and higher sales volume.

Group profit before tax for the quarter and period ended 31 December 2010 increased by RM75.0 million and RM78.5 million to RM331.9 million and RM893.4 million respectively, from the corresponding period last year due to lower operating expenditures.

**B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group revenue for the current quarter was RM5,932.2 million, an increase of RM435.9 million from the results of the preceding quarter. The increase in revenue was due to higher product average selling prices and higher sales volume.

Group profit before tax for the current quarter was RM331.9 million, an increase of RM47.6 million compared to the preceding quarter profit before tax of RM284.3 million mainly due to higher gross profit arising from lag gain effect and also higher sales volume.

**B3 CURRENT YEAR PROSPECTS (2010/2011)**

The Directors are of the opinion that market demand conditions remain challenging due to weaker economic growth prospects in the last quarter of financial year. However market leadership will continue to be maintained with continuous strategic marketing efforts and initiatives. Efforts to improve margin will continue through cost optimization and operational efficiency initiatives. Profits for the current financial year however may be impacted by fluctuations in international oil price, 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:

	Third Quarter Current Year	Cumulative Quarter Current Year-to-date
	<u>31/12/2010</u> RM'000	<u>31/12/2010</u> RM'000
<u>Income Tax:</u>		
Current Quarter / Year-to-date	71,095	219,976
 <u>Deferred Taxation:</u>		
Current Quarter / Year-to-date	<u>23,191</u>	<u>27,239</u>
	<u>94,286</u>	<u>247,215</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**

Forward foreign currency contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates.

Forward foreign currency contracts are recognized on the contractual dates and are measured at fair value with changes in fair value recognized in profit or loss.

The outstanding forward foreign currency contracts as at 31 December 2010 are as follows:

Type of Derivative	Contract Value RM'000	Fair Value RM'000	Gain Arising from Fair Value Changes RM'000
Forward foreign currency contract			
- Less than 1 year	37,710	37,062	648

**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 31 December 2010.

	Third Quarter Current Year		Cumulative Quarter Current Year-to-date	
	<u>31/12/2010</u>	<u>31/12/2009</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Profit for the period (RM'000)	236,164	187,246	641,272	591,827
Number of ordinary shares in issue ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	23.8	18.8	64.5	59.6

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**B15 REALISED AND UNREALISED PROFIT/LOSSES**

The breakdown of unappropriated profits as at the end of the reporting period, on a group basis, into realised and unrealised profits are as follows:

	<u>Third Quarter Current Year (RM'000)</u>	<u>Second Quarter Current Year (RM'000)</u>
Total retained profits/(accumulated losses) for the company and its subsidiaries		
- Realised	3,778,762	3,813,146
- Unrealised	(157,974)	(131,638)
	3,620,788	3,681,508
Total retained profits of associates attributable to the group's retained profits	2,746	2,581
	3,623,534	3,684,089
Less : Consolidation adjustments	(50,495)	(49,179)
Total group retained profits	3,573,039	3,634,910

The Group's associate companies' details and share of retained profits/(losses) are disclosed as follows :

<u>Name</u>	Share of retained profits/(losses)	
	<u>Third Quarter Current Year (RM'000)</u>	<u>Second Quarter Current Year (RM'000)</u>
PS Pipeline Sdn. Bhd.	2,500	2,352
PS Terminal Sdn. Bhd.	Nil	Nil
IOT Management Sdn. Bhd.	342	319
Assar Chemicals Dua Sdn. Bhd.	(96)	(90)
	2,746	2,581

The Group chooses not to disclose the breakdown of the realised and unrealised for associates as the total amount contributed to the Group retained profits is not significant (Quarter 3: 0.08% and Quarter 2 : 0.07%).

**BY ORDER OF THE BOARD**

Nur Ashikin Khalid (LS 0008025)  
Yeap Kok Leong (MAICSA 0862549)  
Joint Secretaries  
Kuala Lumpur  
16 February 2011