

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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	As at 30/06/2011 RM'000	As at 31/03/2011 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	3,552,665	3,583,364
Investment in Associates	8,946	8,770
Prepaid Lease Payments	369,389	364,886
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,931,000</b>	<b>3,957,020</b>
Inventories	1,015,799	832,600
Trade and Other Receivables	3,228,514	2,668,903
Cash and Cash Equivalents	906,676	1,026,209
<b>TOTAL CURRENT ASSETS</b>	<b>5,150,989</b>	<b>4,527,712</b>
<b>TOTAL ASSETS</b>	<b>9,081,989</b>	<b>8,484,732</b>
<b>EQUITY</b>		
Share Capital	993,454	993,454
Reserves	4,010,222	3,801,494
Total Equity Attributable to Shareholders of the Company	5,003,676	4,794,948
Minority Shareholders' Interests	37,429	35,646
<b>TOTAL EQUITY</b>	<b>5,041,105</b>	<b>4,830,594</b>
<b>LIABILITIES</b>		
Borrowing	46,251	16,232
Deferred Tax Liabilities	162,655	162,833
Provisions	21,044	19,564
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>229,950</b>	<b>198,629</b>
<b>LIABILITIES</b>		
Trade and Other Payables	3,700,501	3,351,073
Taxation	110,433	104,436
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,810,934</b>	<b>3,455,509</b>
<b>TOTAL LIABILITIES</b>	<b>4,040,884</b>	<b>3,654,138</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,081,989</b>	<b>8,484,732</b>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	504	483

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2011.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011

	Individual/ Cumulative Quarter	
	Current Year To Date 30/06/2011 RM'000	Preceding Year Corresponding Period 30/06/2010 RM'000
<b>Revenue</b>	7,539,927	5,456,472
<b>Profit from operations</b>	292,113	277,201
Finance costs	(1,479)	(226)
Share of profit after tax of associates	175	248
<b>Profit before taxation</b>	290,809	277,223
Tax expense	(80,298)	(75,997)
<b>Profit for the period/ Total comprehensive income for the period</b>	210,511	201,226
<b>Attributable to:</b>		
Shareholders of the Company	208,728	199,668
Minority shareholders' interests	1,783	1,558
<b>Total comprehensive income for the period</b>	210,511	201,226
Earnings per ordinary share - basic (sen)	21.0	20.1

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 2011.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

	-- 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 2010</b>	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
<b>At 30 June 2010</b>	993,454	3,764,761	4,758,215	37,069	4,795,284
<b>At 1 April 2011</b>	993,454	3,801,494	4,794,948	35,646	4,830,594
Total comprehensive income for the period	-	208,728	208,728	1,783	210,511
<b>At 30 June 2011</b>	993,454	4,010,222	5,003,676	37,429	5,041,105

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 2011.

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2011**

	<b>3 months ended 30/06/2011 RM'000</b>	<b>3 months ended 30/06/2010 RM'000</b>
Receipt from customers	7,213,324	5,556,122
Payment to suppliers and employees	(7,194,324)	(5,152,463)
	19,000	403,659
Payment of taxes	(74,477)	(87,915)
<b>Net cash (used)/generated from operating activities</b>	<b>(55,477)</b>	<b>315,744</b>
Investment in an associate	-	(4,400)
Interest income from deposits with licensed banks	5,044	3,149
Purchase of property, plant and equipment	(86,199)	(75,549)
Prepayment of leases	(12,973)	(6,681)
Proceeds from disposal of property, plant and equipment	55	365
<b>Net cash used in investing activities</b>	<b>(94,073)</b>	<b>(83,116)</b>
Drawdown of Islamic financing facility	30,019	-
Payment of profit margin for Islamic financing facility	(2)	-
<b>Net cash generated from financing activities</b>	<b>30,017</b>	<b>-</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(119,533)</b>	<b>232,628</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>1,026,209</b>	<b>912,471</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>906,676</b>	<b>1,145,099</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 2011.

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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 2011. 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 2011.

**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 2011.

On 1 April 2011 the following Financial Reporting Standards (FRSs), Interpretations and Amendments to FRSs which are effective for annual periods beginning on or after 1 July 2010 (unless otherwise stated) have been adopted:

FRS 1	<i>First-Time Adoption of Financial Reporting Standards (revised);</i>
FRS 3	<i>Business Combinations (revised);</i>
FRS 127	<i>Consolidated and Separate Financial Statements (Revised);</i>
FRS 138	<i>Intangible Assets;</i>
Amendments to FRS 1	<i>First-time Adoption of Financial Reporting Standard – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First Time Adopters (effective from annual periods beginning on or after 1 January 2011)</i>
Amendments to FRS 1	<i>First-time Adoption of Financial Reporting Standard [Improvements to FRSs (2010)] (effective from annual periods beginning on or after 1 January 2011);</i>
Amendments to FRS 3	<i>Business Combinations [Improvements to FRSs (2010)] (effective for annual periods beginning on or after 1 January 2011);</i>
Amendments to FRS 7	<i>Financial Instruments: Disclosures - [Improvements to FRSs (2010)] (effective for annual periods beginning on or after 1 January 2011);</i>
Amendments to FRS 101	<i>Improvements to FRSs (2010) (effective for annual periods beginning on or after 1 January 2011);</i>
Amendments to FRS 128	<i>Investment in Associates [Improvements to FRSs (2010)] (effective for annual periods beginning on or after 1 January 2011);</i>
Amendments to FRS 131	<i>Interests in Joint Ventures [Improvements to FRSs (2010)] (effective for annual periods beginning on or after 1 January 2011);</i>

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Amendments to FRS 132	<i>Financial Instruments: Presentation [Improvements to FRSs (2010)]</i> (effective for annual periods beginning on or after 1 January 2011);
Amendments to FRS 134	<i>Interim Financial Reporting [Improvements to FRSs (2010)]</i> (effective for annual periods beginning on or after 1 January 2011);
Amendments to FRS 139	<i>Financial Instruments: Recognition and Measurement [Improvements to FRSs (2010)]</i> (effective for annual periods beginning on or after 1 January 2011);
IC Interpretation 4	<i>Determining Whether an Arrangement contains a Lease</i> (effective for annual periods beginning on or after 1 January 2011)
Amendments to IC 13	<i>Customer Loyalty Programmes [Improvements to Interpretation 13 FRSs (2010)]</i> (effective for annual periods beginning on or after 1 January 2011);
IC Interpretation 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> (effective for annual periods beginning on or after 1 July 2011); <i>and</i>
FRS 124	<i>Related Party Disclosures Transactions</i> (effective for annual periods beginning on or after 1 January 2012).

Initial application of these pronouncements for the Group and the Company will be effective from the annual period beginning:

- (i) 1 April 2011 for pronouncements which are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011.
- (ii) 1 January 2012 for pronouncements which are effective for annual periods beginning on or after 1 July 2011 and 1 January 2012.

The abovementioned new and revised FRSs, amendments to FRS, and IC Interpretations which was already adopted will have no significant impact on the interim financial statements report.

**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 financial position date not provided for in the Interim Financial Report are:-

	<u>30/06/2011</u>
	RM'000
Approved and contracted for	53,331
Approved but not contracted for	328,451
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	381,782
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**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 Period-ended 30 June 2011**

Reportable Segments	Retail RM '000	Commercial RM '000	Others RM '000	Elimination RM '000	Group RM '000
Revenue	3,105,756	4,462,221	12,946	(40,996)	7,539,927
Operating expenditures					
Depreciation & Amortisation	58,832	10,757	371	-	69,960
Finance costs	1,317	163	-	-	1,480
Impairment of PPE	(340)	-	-	-	(340)
<b>Profit before taxation for reportable segments</b>	<b>120,316</b>	<b>128,942</b>	<b>6,719</b>	<b>(144)</b>	<b>255,833</b>
Other income	24,014	-	10,787	-	34,801
Share of profit after tax of associates					175
<b>Profit before taxation</b>					<b>290,809</b>

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Results for Period-ended 30 June 2010

Reportable Segments	Retail RM '000	Commercial RM '000	Others RM '000	Elimination RM '000	Group RM '000
Revenue	2,755,780	2,737,434	11,818	(48,560)	5,456,472
Operating expenditures					
Depreciation & Amortisation	51,253	10,569	397	-	62,219
Finance costs	206	20	-	-	226
<b>Profit before taxation for reportable segments</b>	<b>119,915</b>	<b>121,251</b>	<b>5,689</b>	<b>129</b>	<b>246,984</b>
Other income	22,259	-	7,732	-	29,991
Share of profit after tax of associates					248
<b>Profit before taxation</b>					<b>277,223</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 30 June 2011 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 30 June 2011 increased by RM2,083.4 million to RM7,539.9 million, 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 ended 30 June 2011 increased by RM13.6 million to RM290.8 million, from the corresponding period last year due to higher gross profit.

**B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group revenue for the current quarter was RM7,539.9 million, an increase of RM1,157.2 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 RM290.8 million, a decrease of RM24.7 million compared to the preceding quarter profit before tax of RM315.5 million mainly due to lower gross profit during the current quarter.

**B3 CURRENT YEAR PROSPECTS (2011)**

The Directors are of the opinion that market demand conditions remain challenging due to the slowdown in economic growth and rising inflation rates. 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 year will be lower due to the 9-month financial period arising from the change in financial year end to 31 December beginning from April 2011. The profits 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:

	Current Year
	<u>30/06/2011</u>
	RM'000
<u>Income Tax:</u>	
Current Quarter / Year-to-date	80,122
<u>Deferred Taxation:</u>	
Current Quarter / Year-to-date	(176)
	<u>80,298</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**

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

**B9 BORROWINGS**

Particulars of the Group's borrowing, all of which is denominated in Ringgit Malaysia, as at 30 June 2011 is as follows:

	<b>30/06/2011</b>
	<b>RM'000</b>
Long Term - Unsecured	46,251

**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.

There were no outstanding forward foreign currency contracts as at 30 June 2011.

**B11 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

There are no financial liabilities (other than derivative financial instruments) 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**

The Directors has declared an Interim Dividend of 15 sen per ordinary share less tax at 25% for the three month ended 30 June 2011 amounting to RM111,763,575 (2010/11: Nil) to shareholders payable on 22 September 2011.

NOTICE IS HEREBY GIVEN that the Interim Dividend of 15 sen less tax at 25% will be payable on 22 September 2011 to depositors registered in the Records of Depositors at the close of the business on 26 August 2011. A depositor shall qualify for entitlement to the dividends only in respect of:-

- a) Shares transferred into Depositors' Securities Account before 4pm on 26 August 2011 in respect of ordinary transfer.
- b) Share bought on the Bursa Malaysia on a cum entitlement basis according to the rules of the Bursa Malaysia.

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**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 2011.

	Current Year	
	<u>30/06/2011</u>	<u>30/06/2010</u>
Profit attributable to shareholders of the Company (RM'000)	208,728	199,668
Number of ordinary shares in issue ('000)	993,454	993,454
Earnings per ordinary share (sen)	21.0	20.1

**B15 REALISED AND UNREALISED PROFIT/LOSSES**

The breakdown of the retained earnings of the Group as at 30 June 2011, into realised and unrealised profits is as follows:

	<b>2011 Group RM'000</b>
Total retained profits for the company and its subsidiaries	
- realised	4,229,314
- unrealised	(175,496)
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	4,053,818
Total retained profits of associates attributable to the Group	
- realised	3,124
- unrealised	(3)
Less: Consolidation adjustments	(46,717)
<b>Total retained profits</b>	<hr/> <b>4,010,222</b> =====

**BY ORDER OF THE BOARD**

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