

PADIBERAS NASIONAL BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THREE MONTHS PERIOD ENDED 31 MARCH 2009

	Individual Quarter 3 months ended		Cumulative Year To Date Ended	
	31/03/2009 RM'000	31/03/2008 RM'000	31/03/2009 RM'000	31/03/2008 RM'000
Revenue	735,404	606,697	735,404	606,697
Cost of sales	(664,411)	(521,011)	(664,411)	(521,011)
Gross profit	70,993	85,686	70,993	85,686
Other income	2,822	1,426	2,822	1,426
Administrative expenses	(52,816)	(48,328)	(52,816)	(48,328)
Selling and marketing expenses	(4,353)	(4,561)	(4,353)	(4,561)
Distribution costs	(5,908)	(2,505)	(5,908)	(2,505)
Other expenses	(9,271)	(13,029)	(9,271)	(13,029)
Finance costs, net	(6,583)	(3,000)	(6,583)	(3,000)
Share of results from associates	8,371	7,660	8,371	7,660
Profit before taxation	3,255	23,349	3,255	23,349
Taxation	9,193	(3,980)	9,193	(3,980)
Net profit for the period	12,448	19,369	12,448	19,369
Attributable to :				
Equity holders of the parent	10,192	17,666	10,192	17,666
Minority interests	2,256	1,703	2,256	1,703
	12,448	19,369	12,448	19,369
Earnings per share (sen)				
(i) Basic (based on 470,402,000 ordinary shares (2007: 470,402,000 ordinary shares) (sen))	2.65	4.12	2.65	4.12
Net dividend per share (sen)	-	-	5.00	4.00

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2009

ASSETS	As at 31/03/2009 RM'000	Audited as at 31/12/2008 RM'000
Non-current assets		
Property, plant and equipment	340,256	333,999
Investment in associated companies	223,155	214,784
Long term investments	40	40
Intangible assets	210	210
Deferred tax assets	88,106	78,205
Lease prepayments	30,734	27,285
	<u>682,501</u>	<u>654,523</u>
Current assets		
Tax recoverable	6,129	15,201
Inventories	408,625	371,501
Trade and other receivables	663,846	780,316
Cash and bank balances	203,263	212,600
	<u>1,281,863</u>	<u>1,379,618</u>
TOTAL ASSETS	<u>1,964,364</u>	<u>2,034,141</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	470,402	470,402
Reserves	397,128	390,853
	<u>867,530</u>	<u>861,255</u>
Minority interests	65,911	63,655
Total equity	<u>933,441</u>	<u>924,910</u>
Non-current liabilities		
Retirement benefit obligations	59,746	58,477
Long term borrowings	10,192	12,785
Deferred tax liabilities	32,117	32,500
	<u>102,055</u>	<u>103,762</u>
Current liabilities		
Retirement benefit obligations	2,889	3,018
Short term borrowings	754,266	858,793
Trade and other payables	171,713	130,959
Dividend payable	-	-
Tax payable	-	12,699
	<u>928,868</u>	<u>1,005,469</u>
Total liabilities	<u>1,030,923</u>	<u>1,109,231</u>
TOTAL EQUITY AND LIABILITIES	<u>1,964,364</u>	<u>2,034,141</u>
	-	-
Net assets per share (RM)	1.98	1.97

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THREE MONTHS PERIOD ENDED 31 MARCH 2009

Note	Attributable to Equity holders of the Parent				Total	Minority interest	Total equity
	Share capital	Share premium	Other reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	470,402	7,085	21,012	468,996	967,495	45,109	1,012,604
Currency exchange translation differences	-	-	58	-	58	-	58
Transfer from Government Stockpile	-	-	(6,609)	-	(6,609)	-	(6,609)
Net expense recognised directly in equity	-	-	(6,551)	- #	(6,551) #	-	(6,551)
Profit for the period	-	-	-	(76,018)	(76,018)	18,546	(57,472)
Total recognised income and expense for the year	-	-	(6,551)	(76,018)	(82,569)	18,546	(64,023)
Dividend	-	-	-	(23,671)	(23,671)	-	(23,671)
At 31 December 2008	470,402	7,085	14,461	369,307	861,255	63,655	924,910
	Share capital	Share premium	Other reserves	Retained profits	Total	Minority interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	470,402	7,085	14,461	369,307	861,255	63,655	924,910
Foreign currency translation	-	-	388	-	388	-	388
Transfer to Government Stockpile	-	-	(4,305)	-	(4,305)	-	(4,305)
Net expense recognised directly in equity	-	-	(3,917)	-	(3,917)	-	(3,917)
Net loss for the period	-	-	-	10,192	10,192	2,256	12,448
Total recognised income and expense for the year	-	-	(3,917)	10,192	6,275	2,256	8,531
Effects arising from acquisition of minority interest of a subsidiary	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
At 31 March 2009	470,402	7,085	10,544	379,499	867,530	65,911	933,441

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NATIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THREE MONTHS PERIOD ENDED 31 MARCH 2009

	Year ended 31 March 2009	Year ended 31 March 2008
	RM '000	RM '000
Net cash generated from operating activities	86,415	40,929
Net cash used in investing activities	(5,131)	(11,170)
Net cash used in financing activities	(107,120)	(5,483)
Net Change in Cash and Cash Equivalents	(25,836)	24,276
Cash and Cash Equivalents at beginning of period	208,260	254,915
Cash and Cash Equivalents at end of period	182,424	279,191
Cash and Cash Equivalents comprise :-		
Cash and bank balances	203,263	301,808
Bank overdrafts	(20,839)	(22,617)
	182,424	279,191

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD (Company No. 295514 U)
(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements 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 financial year ended 31 December 2008.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2008 was unqualified.

4. Comments About Seasonal or Cyclical Factors

The Group’s performance for the period under review has not been affected by seasonal or cyclical factors.

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equities, net income, or cash flows during the financial year ended 31 December 2008.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter.

8. Dividends Paid

No dividend has been paid or declared by the Company since the end of previous financial year ended 31 December 2008.

9. Segmental Information

No segmental information is presented as the activities of the Group during the current and previous periods are substantially in the importing, buying, processing and selling of rice and/or by-products and/or paddy and were predominantly conducted in Malaysia.

10. Carrying Amount of Revalued Assets

There are no assets carried at valuation.

11. Significant and Subsequent Events

There were no significant event in the current quarter .

12. Changes in Composition of the Group

There are no changes in the composition of the Group since date of the previous announcement.

13. Changes in Contingent Liabilities and Contingent Assets

(a) The Company was served with a Writ and Statement of Claim dated 14 October 2005 by Konsortium Pemborong Beras (Melayu) Kelantan Sdn Bhd ("KBK") and was named as the First Defendant. KBK is seeking, the following:

- (i) A declaration that the Company violated the terms of the Joint Venture Agreement ("JVA") by not complying with its duties and obligations as a member/partner of Formula Timur Sdn Bhd ("the Joint Venture Company");
- (ii) A declaration that the Company's action in stopping the supply of rice to the Joint Venture Company is contrary to the provisions of the JVA, was wrongful and invalid;
- (iii) A declaration that the Company by commission or omission committed a fraud upon the minority shareholders of the Joint Venture Company and/or abuse of power;

13. Changes in Contingent Liabilities and Contingent Assets (Contd.)

(a) Contd.

- (iv) General damages of RM112 million to be paid by the Company to the Joint Venture Company;
- (v) Rebate of RM760,000;
- (vi) Interest under Section 11 of the Civil Law Act, 1965 and in equity on the damages at 8% per annum from August 2003 till payment; and
- (vii) Injunction and Costs and other reliefs as the Court deem just.

The Company filed the application to strike out the said Statement of Claim against the Company on the ground that there is no valid cause of action. The Senior Assistant Registrar had dismissed the Company's application to strike out.

The Company's Notice of Appeal to Judge in Chambers against the Senior Assistant Registrar's decision on 7 May 2007 pertaining to the Company's striking out application was fixed for decision on 20 May 2009. On 20 May 2009, the Judge in Chambers has dismissed the Company's appeal with costs in relation to the Senior Assistant Registrar's decision on 7 May 2007 for the Company's striking out application. The Company has upon advice by the solicitors, instructed its solicitors to file a Notice of Appeal at the Court of Appeal against the decision of the Judge in Chambers.

(b) On 27 March 2006, the Company was served with a sealed copy of a Summons in Chambers dated 3 March 2006 by KBK for an interlocutory injunction, inter alia, the followings:

- (i) Restrain the Company from selling, hiring and supplying rice to any third party or allowing any activities which may compete with the business of the Plaintiff; and
- (ii) Instruct the Company to resume selling, hiring and supplying rice to the Plaintiff.

KBK's application for injunctive relief has been fixed for mention on 22 June 2009 pending the filing of the Notice of change of Solicitors by KBK's Solicitors. The Company had given instruction to its Solicitors to set aside the said injunction application.

(c) The Company was served with a Writ of Summons and Statement of Claim dated 5 May 2006 initiated by A Halim Bin Hamzah & 291 others ("the Plaintiffs"). The civil suit is brought by the Plaintiffs against the Company & 24 others ("the Defendants") for, inter alia, the following claims:

- (i) A declaration that the 2000 VSS scheme initiated by the Company is void and of no effect.
- (ii) A declaration that the Defendants had by unlawful means conspired and combined together to defraud or injure the Plaintiffs.
- (iii) Alternatively, a declaration that the Defendants had acted in furtherance of a wrongful conspiracy to injure the Plaintiffs.

13. Changes in Contingent Liabilities and Contingent Assets (Contd.)

(c) Contd.

(iv) Damages to be assessed.

(v) Interest and costs.

In relation to the Suit filed by the Plaintiffs against the Defendants, the Company had filed Summons in Chambers pursuant to Order 12 Rule 7 and/or Order 18 Rule 19 of the Rules of the High Court 1980 ("the Company's Application") for the following:

- (i) That the Writ and Statement of Claim as against the said Defendants be struck out as it discloses no reasonable course of actions, scandalous, frivolous, vexatious and/or is an abuse of process of the Court;
- (ii) That the cost of the said Order to be borne by the Plaintiffs; and
- (iii) Such further or other orders as the Court deemed fit.

The Court has granted Order In Terms for the Company's application to strike out the 21st Defendant with cost payable to Bernas but dismissed the Company's application to strike out the 2nd to 12th Defendants on 3 September 2007. On 3 March 2008, the Court dismissed the Company's application to strike out the 2nd to 12th Defendants from being the party to the suit. The Company solicitors had on 17 April 2008, filed Statements of Defence for 2nd to 12th Defendants. The matter has been fixed for further case management on 21 August 2009 pending the parties' compliance with the case management directions.

(d) The Company on 6 June 2006 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Zainon Bt Ahmad for and on behalf of the 690 others ("the Plaintiffs") for the following claims:

- (i) A declaration that the Plaintiffs as employees of the Company whose service of employment has been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif'.
- (ii) An order that the Company pays the Retirement/Termination Benefits due to the Plaintiffs as follows:-
 - for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and
 - for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employment Provident Fund.

13. Changes in Contingent Liabilities and Contingent Assets (Contd.)

(d) Contd.

(iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court.

(iv) Such further orders, directions or relief that the Court deems fit and appropriate.

(v) Costs to be paid by the Company to the Plaintiffs.

The Court had on 13th March 2008 allowed Plaintiff's application with cost. The Company's solicitors are in the midst of filing the Grounds of Appeal to the Court of Appeal.

There are no other changes in contingent liabilities since the last annual balance sheet as at 31 March 2009. The Group does not have any contingent assets.

14. Capital Commitments

	As at 31/03/2009 RM'000	As at 31/03/2008 RM'000
Capital expenditure approved and contracted for: Property, plant and equipment	<u>4,768</u>	<u>13,846</u>
Capital expenditure approved but not contracted for: Property, plant and equipment	<u>-</u>	<u>25,341</u>

15. Performance Review

Group's revenue for the quarter increased by 21.21% to RM735.4 million as compared to RM606.7 million recorded for the corresponding quarter last year. The increase is mainly due to the higher selling price of rice recorded.

The Group has recorded profit after tax of RM12.4 million for the quarter as compared to RM19.4 million profit for the corresponding quarter last year. The drop is mainly due to the lower margin on imported rice sales recorded and lower sales volume following the Government's subsidised rice programme.

16. Comments on Material Changes in Profit Before Taxation

The Group recorded profit before tax of RM3.3 million for the quarter ended 31 March 2009, an increase of 104.8% compared to the loss before tax of RM68.1 million in the previous fourth quarter of 2008. The increase in profitability is mainly due to the better margins for imported rice recorded and higher volume of sales.

17. Commentary on Prospects

With the stability of international rice prices and supply this year, BERNAS Group is expected to perform better for 2009.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of the actual profit after tax and minority interest and shortfall in profit guarantees are not applicable to the Company.

19. Taxation

	As at 31/03/2009 RM'000	As at 31/03/2008 RM'000
Tax expense for the period:-		
- Malaysian Income Tax	1,702	9,769
- Deferred tax	<u>(10,895)</u>	<u>(5,789)</u>
	<u>(9,193)</u>	<u>3,980</u>

The effective tax rates for the current quarter ended 31 December 2008 is lower than the statutory tax rate applicable to the Group due to deferred tax recognised from the unrealised gain on inventories.

20. Sale of Unquoted Investments and Properties

There are no sales of unquoted investments and properties for the current quarter.

21. Marketable Securities

There are no sales or purchases of marketable securities for the current quarter.

22. Corporate Proposals

There are no new corporate developments since the date of the previous announcement.

23. Borrowings and Debt Securities

	As at 31/03/09 RM'000	As at 31/03/08 RM'000
Short Term Borrowings:-		
Secured	5,692	4,041
Unsecured	748,574	191,367
	<u>754,266</u>	<u>195,408</u>
Long Term Borrowings		
Secured	10,192	10,917
	<u>764,458</u>	<u>206,325</u>

All the above borrowings are denominated in Ringgit Malaysia.

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 31 March 2009.

25. Changes in Material Litigation

As at 31 March 2009, there were no changes in material litigation, including status of pending material litigation since the last annual balance sheet date of 31 December 2008 other than as disclosed in Note 13.

26. Dividend Payable

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2008 of 3% less tax of 25% amounting to RM10,584,000 will be proposed for shareholders' approval.

27. Earnings Per Share

Earnings-per-share ("EPS") is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	As at 31/03/09	As at 31/03/08
Net profit for the period (RM'000)	12,448	19,369
Weighted average number of ordinary shares in issue ('000)	<u>470,402</u>	<u>470,402</u>
Basic earnings per share (sen)	<u>2.65</u>	<u>4.12</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 March 2009.

BY ORDER OF THE BOARD

NASLIZA MOHD NASIR
COMPANY SECRETARY
PADIBERAS NASIONAL BERHAD