

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2011

	Individual Quarter		Cumulative Year To Date	
	3 months ended		3 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	823,840	778,639	823,840	778,639
Other income	3,947	3,279	3,947	3,279
Changes in inventory of finished goods and work in progress	146,664	304,137	146,664	304,137
Raw materials and consumables	(777,809)	(928,610)	(777,809)	(928,610)
Staff costs	(48,712)	(41,552)	(48,712)	(41,552)
Depreciation of property, plant and equipment	(9,502)	(8,573)	(9,502)	(8,573)
Other operating expenses	(57,642)	(60,695)	(57,642)	(60,695)
Finance cost	(12,565)	(5,500)	(12,565)	(5,500)
Share of profit of associates	8,320	7,576	8,320	7,576
Profit before tax	<u>76,541</u>	<u>48,701</u>	<u>76,541</u>	<u>48,701</u>
Income tax credit	<u>(20,271)</u>	<u>(6,036)</u>	<u>(20,271)</u>	<u>(6,036)</u>
Total comprehensive income for the period	<u>56,270</u>	<u>42,665</u>	<u>56,270</u>	<u>42,665</u>
Attributable to :				
Equity holders of the parent	55,323	40,637	55,323	40,637
Minority interests	<u>947</u>	<u>2,028</u>	<u>947</u>	<u>2,028</u>
	<u>56,270</u>	<u>42,665</u>	<u>56,270</u>	<u>42,665</u>
Earnings per share (sen)				
(i) Basic (based on 470,402,501 ordinary shares (2010: 470,402,501 ordinary shares) (sen))	11.76	8.64	11.76	8.64

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2011

	Individual Quarter		Cumulative Year To Date	
	3 months ended		3 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	56,270	42,665	56,270	42,665
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>56,270</u>	<u>42,665</u>	<u>56,270</u>	<u>42,665</u>
Attributable to :				
Equity holders of the parent	55,323	40,637	55,323	40,637
Non-controlling interests	947	2,028	947	2,028
	<u>56,270</u>	<u>42,665</u>	<u>56,270</u>	<u>42,665</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

ASSETS	As at 31/03/2011 RM'000	Audited as at 31/12/2010 RM'000
Non-current assets		
Property, plant and equipment	378,985	381,098
Investment in associated companies	248,861	242,363
Intangible assets	139	139
Deferred tax assets	65,568	62,704
	<u>693,553</u>	<u>686,304</u>
Current assets		
Tax recoverable	1,420	1,916
Inventories	730,541	583,877
Trade and other receivables	999,385	865,685
Amount owing from associated companies	18,143	20,479
Cash and bank balances	658,525	243,872
	<u>2,408,014</u>	<u>1,715,829</u>
TOTAL ASSETS	<u>3,101,567</u>	<u>2,402,133</u>
Current liabilities		
Retirement benefit obligations	5,543	4,428
Short term borrowings	803,958	515,377
Trade and other payables	207,702	223,566
Amount owing to associated company	311	304
Dividend payable	45,864	-
Tax payable	28,847	20,825
	<u>1,092,225</u>	<u>764,500</u>
Net Current Assets	<u>1,315,789</u>	<u>951,329</u>
Non-current liabilities		
Retirement benefit obligations	65,838	65,989
Long term borrowings	759,076	409,484
Deferred tax liabilities	31,540	19,604
	<u>856,454</u>	<u>495,077</u>
Total liabilities	<u>1,948,679</u>	<u>1,259,577</u>
Net Assets	<u>1,152,888</u>	<u>1,142,556</u>
Equity attributable to equity holders of the Company		
Share capital	470,402	470,402
Reserves	597,973	588,514
	<u>1,068,375</u>	<u>1,058,916</u>
Minority interests	84,513	83,640
Total equity	<u>1,152,888</u>	<u>1,142,556</u>
TOTAL EQUITY AND LIABILITIES	<u>3,101,567</u>	<u>2,402,133</u>
	-	-
Net assets per share (RM)	2.27	2.25

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2011

	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Non- distributable Share capital RM'000	<---Distributable--->		<-----Non-distributable reserves----->				Minority interest RM'000
				Retained profits RM'000	Other reserves RM'000	Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Foreign exchange reserve RM'000	
At 1 January 2010										
As previously stated	1,088,273	1,018,254	470,402	527,645	20,207	7,085	2,864	12,520	(2,262)	70,019
Effects of adopting FRS 139	(8,362)	(8,362)	-	(8,362)	-	-	-	-	-	-
As at 1 January 2010 (restated)	1,079,911	1,009,892	470,402	519,283	20,207	7,085	2,864	12,520	(2,262)	70,019
Total comprehensive income for the year	42,665	40,637	-	40,637	-	-	-	-	-	2,028
Transactions with owners										
Dividend	(42,340)	(42,340)	-	(42,340)	-	-	-	-	-	-
At 31 March 2010	1,080,236	1,008,189	470,402	517,580	20,207	7,085	2,864	12,520	(2,262)	72,047

	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Non- distributable Share capital RM'000	<---Distributable--->		<-----Non-distributable reserves----->				Minority interest RM'000
				Retained profits RM'000	Other reserves RM'000	Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Foreign exchange reserve RM'000	
At 1 January 2011										
Total comprehensive income for the year	56,270	55,323	-	55,323	-	-	-	-	-	947
Transactions with owners										
Dividend	(45,938)	(45,864)	-	(45,864)	-	-	-	-	-	(74)
At 31 March 2011	1,152,888	1,068,375	470,402	579,272	18,701	7,085	2,864	12,520	(3,768)	84,513

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NATIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2011

	Year ended 31 March 2011 RM '000	Year ended 31 March 2010 RM '000
Net cash used in operating activities	(217,634)	(167,866)
Net cash used in investing activities	(5,887)	(9,358)
Net cash generated from financing activities	638,377	239,273
Net Change in Cash and Cash Equivalents	414,856	62,049
Cash and Cash Equivalents at beginning of period	239,638	194,856
Cash and Cash Equivalents at end of period	654,494	256,905
Cash and Cash Equivalents comprise :-		
Cash and bank balances	658,525	262,315
Bank overdrafts	(4,031)	(5,410)
	654,494	256,905

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 10 MONTHS PERIOD ENDED 31 MARCH 2011**

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 2010. 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 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the year ended 31 December 2010, except with the adoption of the following new/revised Financial Reporting Standards ("FRS"), Issue Committee ("IC") Interpretations:

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132 Financial Instruments: Presentation - Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010:

FRS 1 First-time Adoption of Financial Reporting Standards (revised)

FRS 3 Business Combinations (revised)

FRS 127 Consolidated and Separate Financial Statements (revised)

Amendments to FRS 2 Share-based Payment

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 138 Intangible Assets

IC Interpretation 12 Service Concession Agreements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

Amendments to Reassessment of Embedded Derivatives

IC Interpretation 9

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

- Additional Exemptions for First-time Adopters

Amendments to FRS 2 Group Cash-settled Share Based Payment Transactions

Amendments to FRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

IC Interpretation 4 Determining whether an Arrangement contains a Lease

IC Interpretation 18 Transfers of Assets from Customers

Improvements to FRSs (2010)

The above FRSs, Amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Company upon their initial application.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 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 first quarter ended 31 March 2011.

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

On 7 September 2010 and 19 January 2011, the Group raised RM400 million and RM350 million from the issuance of Islamic Commercial Paper/Islamic Medium Term Notes ("ICP/IMTN") under an ICP/IMTN program based on the Islamic Principle of Musyarakah to finance the capital expenditures, investments and working capital requirements. These RM400 million and RM350 million ICP/IMTN are unsecured, due on 7 September 2015 and 20 January 2014, and bears profit at 5.05% p.a. and 4.55% p.a.. The profits for these ICP/IMTN are repayable within 10 and 6 equal semi-annual instalments commencing on 7 March 2011 and 19 July 2011 respectively.

8. Dividends Paid

There was no dividend paid for the current quarter.

9. Segmental Information

For management purpose, the Group is organised into business based on the products as follows:

- i. Rice
- ii. Non-rice

Management monitors the operating results of its business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as explained below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs), income taxes and segmental reporting on assets and liabilities are managed on a group basis and not allocated to operating segments.

	Rice	Non-rice	As Per Consolidated Financial Statements
	RM'000	RM'000	RM'000
2011			
Revenue:-			
External customers	694,538	129,302	823,840
Segment profit	(a) 120,967	66,378	187,345
2010			
Revenue:-			
External customers	702,221	76,418	778,639
Segment profit	(a) 86,186	63,636	149,822

9. Segmental Information (Contd.)

- (a) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	As at 31/03/2011 RM'000	As at 31/03/2010 RM'000
Other income	3,947	3,279
Staff costs	(48,712)	(41,552)
Depreciation	(9,502)	(8,573)
Other expenses	(52,292)	(56,351)
Finance cost	(12,565)	(5,500)
Share of profit of associates	8,320	7,576
	<u>(110,804)</u>	<u>(101,121)</u>

Geographical information

The activities of the Group during the current and previous financial years substantially relate to the procurement, importing, buying, processing and selling of rice, rice by-products and paddy and were predominantly conducted in Malaysia.

	Revenues		Non-current assets	
	31/03/2011 RM'000	31/03/2010 RM'000	31/03/2011 RM'000	31/03/2010 RM'000
Peninsular Malaysia	620,202	592,348	613,057	582,637
East Malaysia	203,638	186,291	80,496	70,433
	<u>823,840</u>	<u>778,639</u>	<u>693,553</u>	<u>653,070</u>

Non-current assets presented above consist the following items as presented in the consolidated statement of financial position:

	As at 31/03/2011 RM'000	As at 31/03/2010 RM'000
Property, plant and equipment	378,985	358,819
Investment in associates	248,861	239,899
Intangible assets	139	139
Deferred tax assets	65,568	54,213
	<u>693,553</u>	<u>653,070</u>

Information about major customers

The Group's customers are primarily retailers and wholesale distributors.

10. Carrying Amount of Revalued Assets

There are no assets carried at valuation.

11. Significant and Subsequent Events

- a. On 10 January 2011, Subur Majubumi Sdn. Bhd. ("Subur Majubumi") and Berkat Beringin Sdn. Bhd. ("Berkat Beringin"), wholly-owned subsidiaries of the Company had entered into a Shareholders' Agreement with KNC Masyhur Sdn. Bhd. ("KNC Masyhur"). Berkat Beringin will be used as the joint venture vehicle for the purpose of carrying out the business which involves paddy procurement, drying and milling and rice processing and packaging.
- b. On 8 March 2011, the Company had signed a Memorandum of Understanding ("MOU") with Lembaga Kemajuan Pertanian Muda ("MADA"). The MOU signed to establish the principles of understanding to jointly undertake the commercial activities of Entry Point Project ("EPP") 10: Scaling up and Strengthening Productivity of Paddy Farming in MADA Area under the National Key Economic Area ("NKEA") programme with a view to enter into a joint venture agreement, shareholders' agreement and other related agreements thereto, and to negotiate the terms and conditions of the Joint Venture Agreement and the Shareholders' Agreement and other related agreements to regulate the parties' and/or their related entities' obligations in undertaking the commercial activities of EPP 10.

The MOU shall be effective for a period of 12 months from the execution date and may be extended as mutually agreed by the parties or upon the execution of the Joint Venture Agreement and the Shareholders Agreement, whichever is earlier.

11. Significant and Subsequent Events (Contd.)

- c. On 22 April 2011, the Company received a letter dated 20 April 2011 from the Public Private Partnership Unit under the Prime Minister's Department on the extension of the BERNAS Agreement dated 12 January 1996 between the Government of Malaysia and BERNAS where the Government has agreed to extend the BERNAS Agreement for a period of 10 years commencing from 11 January 2011 to 10 January 2021 subject to the term and conditions to be mutually agreed between both parties.

The Government has also agreed to grant the Company an interim period 6 months from 11 January 2011 to 10 July 2011 ("Interim Period") to enable both parties to finalise the terms and conditions of the new BERNAS Agreement. Pending the execution of the new BERNAS Agreement, the term and conditions of the BERNAS Agreement dated 12 January 1996 shall apply throughout the Interim Period.

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 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.
- (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 the Company 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's solicitors had on 17 April 2008, filed Statements of Defence for 2nd to 12th Defendants. During its last case management, the court fixed 30, 31 May and 1 June 2011 for hearing of the matter.

- (b) 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.)

(b) 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 13 March 2008 allowed Plaintiff's application with cost and the Company had instructed the Company's solicitors to file Grounds of Appeal to the Court of Appeal. The Court of Appeal had on 24 August 2009 allowed the Company's application to amend the memorandum of appeal and the Notice of Appeal. The Court of Appeal fixed 18 January 2011 as the hearing date for the appeal and that the decision of the same fixed for 8 February 2011. Matter came up for decision on 7 February 2011 wherein the Court of Appeal allowed the Company's appeal and set aside the High Court order with no order as to costs. Plaintiffs through their solicitors had filed an application on 7 March 2011 for leave to appeal to the Federal Court against the entire decision of the Court of Appeal given on 7 February 2011. The hearing of the leave application is fixed for 20 June 2011.

(c) The Company on 4 January 2010 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Rahman Bin Samud for and on behalf of the 242 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.
- (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 Company had filed its affidavit in reply to the affidavit in support affirmed by the Plaintiffs. The matter came up for mention on 5 October 2010, wherein the court fixed for 15 December 2010 for further case management pending the disposal of the appeal in the Court of Appeal in relation to the civil suit filed by Zainon Binti Ahmad & 690 others against the Company. The case which was fixed on 23 May 2011 for case management has been postponed to 11 July 2011.

(d) The Company was served with a Writ and Statement of Claim on 25 February 2011 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 as the 1st Defendant had committed fraud against the minority shareholders of Formula Timur Sdn Bhd (FTSB) including KBK;
- (ii) General damages;
- (iii) Interest;
- (iv) Costs;
- (v) Such further orders, direction or relief that the Court deems fit and appropriate.

The Company has filed its Memorandum of Appearance on 25 February 2011 and intends to dispute the said claim by filing its defence by/or on 21 March 2011. The Company has filed its defence and application to strike out KBK's Statement of Claim. The learned Judge has fixed 27 May 2011 for the decision and/or clarification in respect of the Company's application to strike out KBK's claim.

There are no other changes in contingent liabilities since the last annual balance sheet as at 31 December 2010.

14. Capital Commitments

	As at 31/03/2011 RM'000	As at 31/03/2010 RM'000
Capital expenditure approved and contracted for:		
Property, plant and equipment	<u>62,062</u>	<u>35,265</u>
Capital expenditure approved but not contracted for:		
Property, plant and equipment	<u>212,545</u>	<u>134,812</u>

15. Performance Review

Group's revenue for the quarter increased by 5.8% to RM823.4 million as compared to RM778.6 million recorded for the corresponding quarter last year. The increase is mainly due to higher selling price of rice recorded.

The Group has recorded an increase in profit after tax of RM56.4 million for the quarter as compared to RM42.7 million profit for the corresponding quarter last year due to the lower production cost of rice recorded this year.

16. Comments on Material Changes in Profit Before Taxation

The Group recorded profit before tax of RM76.5 million for the quarter ended 31 March 2011, an increase of 7.1% as compared to the profit before tax of RM71.4 million for the previous fourth quarter of 2010. The increase is mainly due to the lower production cost of rice as well as lower overhead expenses.

17. Commentary on Prospects

Global rice market prices are anticipated to be on an uptrend this year. However, the impact is lessened by the forward purchase of most of the Company's 2011 requirements. As such, the Group is expected to maintain its good performance in 2011.

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 31/03/2011 RM'000	As at 31/03/2010 RM'000
Tax expense for the period:-		
- Malaysian Income Tax	11,199	2,906
- Deferred tax	9,072	3,130
	<u>20,271</u>	<u>6,036</u>

The effective tax rates of 26% for the current quarter ended 31 March 2011 is higher than the statutory tax rate of 25% applicable to the Group due to reversal of deferred tax assets which were previously credited to income statement.

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 31/03/11 RM'000	As at 31/03/10 RM'000
Short Term Borrowings:-		
Secured	9,415	33,164
Unsecured	794,543	1,015,037
	<u>803,958</u>	<u>1,048,201</u>
Long Term Borrowings		
Secured	759,076	8,244
	<u>1,563,034</u>	<u>1,056,445</u>

All the above borrowings are denominated in Ringgit Malaysia.

24. Retained Earnings

	As at 31/03/11 RM'000
Total retained earnings of the Company and subsidiaries:-	
- Realised	457,188
- Unrealised	33,974
	<u>491,162</u>
Total share of retained earnings from associated companies:-	
- Realised	136,647
- Unrealised	(7,716)
	<u>620,093</u>
Less: Consolidation adjustments	(40,821)
Total group retained	<u>579,272</u>

25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 31 March 2011.

26. Changes in Material Litigation

As at 31 March 2011, there were no changes in material litigation, including status of pending material litigation since the last annual balance sheet date of 31 December 2010 other than as disclosed in Note 13.

27. Dividend Payable

Second Interim dividend of 13% taxable dividend less 25% taxation on 420,401,501 ordinary shares in respect of financial year ended 31 December 2010 amounting to RM45,864,000 was declared on 17 March 2011 and will be paid on 1 June 2011.

28. 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 31/03/11	As at 31/03/10
Net profit for the period (RM'000)	55,323	40,637
Weighted average number of ordinary shares in issue ('000)	<u>470,402</u>	<u>470,402</u>
Basic earnings per share (sen)	<u>11.76</u>	<u>8.64</u>

29. 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 24 May 2011.

BY ORDER OF THE BOARD

NASLIZA MOHD NASIR
COMPANY SECRETARY
PADIBERAS NASIONAL BERHAD