

**PADIBERAS NASIONAL BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2012**

	Individual Quarter		Cumulative Year To Date	
	3 months ended		3 months ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	893,788	823,840	893,788	823,840
Other income	4,306	3,947	4,306	3,947
Changes in inventory of finished goods and work in progress	347,044	146,664	347,044	146,664
Raw materials and consumables	(1,072,365)	(777,809)	(1,072,365)	(777,809)
Staff costs	(38,362)	(48,712)	(38,362)	(48,712)
Depreciation of property, plant and equipment	(8,573)	(9,502)	(8,573)	(9,502)
Other operating expenses	(65,455)	(57,642)	(65,455)	(57,642)
Finance costs	(14,687)	(12,565)	(14,687)	(12,565)
Share of profit of associates	3,938	8,320	3,938	8,320
Profit before tax	49,634	76,541	49,634	76,541
Income tax expense	(10,072)	(20,271)	(10,072)	(20,271)
Profit for the period	39,562	56,270	39,562	56,270
Attributable to :				
Equity holders of the parent	37,580	55,323	37,580	55,323
Non-controlling interests	1,982	947	1,982	947
	39,562	56,270	39,562	56,270
Earnings per share (sen)				
(i) Basic (based on 470,402,000 ordinary shares (2011: 470,402,000 ordinary shares))	7.99	11.76	7.99	11.76

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**PADIBERAS NASIONAL BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**  
**FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2012**

	Individual Quarter		Cumulative Year To Date	
	3 months ended		3 months ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	39,562	56,270	39,562	56,270
Other comprehensive income:				
Loss on fair value changes of available-for-sales investments	15	-	15	-
Total comprehensive income for the period	<u>39,577</u>	<u>56,270</u>	<u>39,577</u>	<u>56,270</u>
Attributable to :				
Equity holders of the parent	37,595	55,323	37,595	55,323
Non-controlling interests	<u>1,982</u>	<u>947</u>	<u>1,982</u>	<u>947</u>
	<u>39,577</u>	<u>56,270</u>	<u>39,577</u>	<u>56,270</u>

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**PADIBERAS NASIONAL BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

<b>ASSETS</b>	<b>As at 31/03/2012 RM'000</b>	<b>Audited as at 31/12/2011 RM'000 Restated</b>	<b>Audited as at 1/1/2011 RM'000 Restated</b>
<b>Non-current assets</b>			
Property, plant and equipment	396,631	392,822	381,098
Investment in associated companies	322,505	320,672	242,363
Other investments	44,777	36,462	-
Intangible assets	139	139	139
Deferred tax assets	42,566	47,089	62,704
	<u>806,618</u>	<u>797,184</u>	<u>686,304</u>
<b>Current assets</b>			
Tax recoverable	22,197	15,825	1,916
Inventories	1,113,922	766,878	583,877
Trade and other receivables	907,536	827,385	865,685
Amount owing from associated companies	29,607	46,470	20,479
Cash and bank balances	309,365	378,503	243,872
	<u>2,382,627</u>	<u>2,035,061</u>	<u>1,715,829</u>
<b>TOTAL ASSETS</b>	<u><b>3,189,245</b></u>	<u><b>2,832,245</b></u>	<u><b>2,402,133</b></u>
<b>Current liabilities</b>			
Retirement benefit obligations	3,881	5,543	4,428
Short term borrowings	859,779	556,648	515,377
Trade and other payables	219,694	211,399	223,566
Amount owing to associated companies	2,163	657	304
Tax payable	8,560	3,762	20,825
	<u>1,094,077</u>	<u>778,009</u>	<u>764,500</u>
<b>Net Current Assets</b>	<u>1,288,550</u>	<u>1,257,052</u>	<u>951,329</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations	69,731	67,647	65,989
Long term borrowings	768,876	769,869	409,484
Deferred tax liabilities	20,327	19,965	19,604
	<u>858,934</u>	<u>857,481</u>	<u>495,077</u>
<b>Total liabilities</b>	<u>1,953,011</u>	<u>1,635,490</u>	<u>1,259,577</u>
<b>Net Assets</b>	<u>1,236,234</u>	<u>1,196,755</u>	<u>1,142,556</u>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	470,402	470,402	470,402
Retained profits	651,774	614,194	566,045
Other reserves	22,962	22,947	22,469
	<u>1,145,138</u>	<u>1,107,543</u>	<u>1,058,916</u>
Non-controlling interests	91,096	89,212	83,640
<b>Total equity</b>	<u>1,236,234</u>	<u>1,196,755</u>	<u>1,142,556</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>3,189,245</b></u>	<u><b>2,832,245</b></u>	<u><b>2,402,133</b></u>
Net assets per share (RM)	<u><b>2.43</b></u>	<u><b>2.35</b></u>	<u><b>2.25</b></u>

Upon the adoption of the MFRS framework, the condensed consolidated statements of financial position as at 1 January 2011 and 31 December 2011 have been restated.

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD  
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2012

	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Distributable retained profits RM'000	Non- distributable reserves, total RM'000	←-----Non-distributable reserves-----→					Non- controlling interest RM'000
						Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	AFS reserve RM'000	Foreign exchange reserve RM'000	
At 1 January 2011 (restated)	1,142,556	1,058,916	470,402	566,045	22,469	7,085	2,864	12,520	-	-	83,640
Total comprehensive income for the period	56,270	55,323	-	55,323	-	-	-	-	-	-	947
<b>Transactions with owners</b>											
Dividend	(45,938)	(45,864)	-	(45,864)	-	-	-	-	-	-	(74)
At 31 March 2011 (restated)	1,152,888	1,068,375	470,402	575,504	22,469	7,085	2,864	12,520	-	-	84,513

	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Distributable retained profits RM'000	Non- distributable reserves, total RM'000	←-----Non-distributable reserves-----→					Non- controlling interest RM'000
						Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	AFS reserve RM'000	Foreign exchange reserve RM'000	
At 1 January 2012 (restated)	1,196,755	1,107,543	470,402	614,194	22,947	7,085	2,864	12,520	(11)	489	89,212
Total comprehensive income for the period	39,577	37,595	-	37,580	15	-	-	-	15	-	1,982
<b>Transactions with owners</b>											
Dividend	(98)	-	-	-	-	-	-	-	-	-	(98)
At 31 March 2012	1,236,234	1,145,138	470,402	651,774	22,962	7,085	2,864	12,520	4	489	91,096

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**PADIBERAS NASIONAL BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2012**

	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	49,634	76,541
Adjustments for:		
Depreciation of property, plant and equipment	8,573	9,502
Loss on disposal of property, plant and equipment	-	821
Property, plant and equipment written off	10	107
Impairment loss on receivables	433	405
Provision for retirement benefits	1,986	1,986
Interest expense	14,480	12,565
Interest income	(1,439)	(1,554)
Share of results from associates	(3,938)	(8,320)
Unrealised gain in foreign exchange	(6,190)	(7,613)
Operating profit before working capital changes	<u>63,549</u>	<u>84,440</u>
Increase in receivables	(63,721)	(133,634)
Increase in inventories	(347,044)	(144,295)
Increase/(decrease) in payables	9,703	(16,436)
Cash used in operations	<u>(337,513)</u>	<u>(209,925)</u>
Interest paid	(14,480)	(12,565)
Retirement benefits paid	(1,564)	(1,022)
Income tax paid	(6,761)	(3,289)
Interest income received	1,439	1,554
Net cash used in operating activities	<u>(358,879)</u>	<u>(225,247)</u>
<b>INVESTING ACTIVITIES</b>		
Addition to other investments	(8,300)	-
Dividend received from associates	2,105	2,430
Purchase of property, plant and equipment	(12,392)	(8,504)
Proceeds from disposal of property, plant and equipment	-	187
Net cash used in investing activities	<u>(18,587)</u>	<u>(5,887)</u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of borrowings	526,339	922,321
Repayment of borrowings	(218,153)	(276,331)
Net cash generated from financing activities	<u>308,186</u>	<u>645,990</u>
Net Change in Cash and Cash Equivalents	(69,280)	414,856
Cash and Cash Equivalents at beginning of period	<u>376,468</u>	<u>239,638</u>
Cash and Cash Equivalents at end of period	<u>307,188</u>	<u>654,494</u>
<b>Cash and Cash Equivalents comprise :-</b>		
Cash and bank balances	309,365	658,525
Bank overdrafts	(2,177)	(4,031)
	<u>307,188</u>	<u>654,494</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 PERIOD ENDED 31 MARCH 2012**

**1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 : First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

These explanatory notes attached to these condensed consolidated 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 2011.

The date of transition to the MFRS Framework is 1 January 2011. The transition from FRS to MFRS has not had material impact on the financial position, financial performance and cash flows of the Group and the Company.

**2. Significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

**(a) Foreign exchange reserve**

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign exchange reserves for all foreign operations are deemed to be nil as at the date of translation to MFRS.

Accordingly, at date of translation to MFRS, the cumulative foreign currency translation differences of RM3.77 million (31 March 2011: RM3.77 million; 31 December 2011: RM3.77 million) were adjusted to retained profits.

Reconciliation of equity as at 1 January 2011

RM'000	FRS as at 01.01.2011	Reclassification	MFRS as at 01.01.2011
<b>Equity</b>			
Foreign exchange reserve	(3,768)	3,768	-
Retained profits	569,813	(3,768)	566,045

Reconciliation of equity as at 31 March 2011

RM'000	FRS as at 31.03.2011	Reclassification	MFRS as at 31.03.2011
<b>Equity</b>			
Foreign exchange reserve	(3,768)	3,768	-
Retained profits	579,272	(3,768)	575,504

Reconciliation of equity as at 31 March 2012

RM'000	FRS as at 31.03.2012	Reclassification	MFRS as at 31.03.2012
<b>Equity</b>			
Foreign exchange reserve	(3,279)	3,768	489
Retained profits	655,542	(3,768)	651,774

## 2. Significant accounting policies and application of MFRS 1 (contd.)

### (a) Foreign currency translation reserve (contd.)

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretation were issued but not yet effective and have not been applied by the Group:

<u>Adoption to MFRSs, Amendments to MFRSs and IC Interpretations</u>		<u>Effective for annual period beginning on or after</u>
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

## 3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 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 2012.

## 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 was paid during the quarter ended 31 March 2012.

## 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 RM'000	Non-rice RM'000	As Per Consolidated Financial Statements RM'000
For the period ended 31 March 2012			
Revenue:-			
External customers	778,817	114,971	893,788
Segment profit	(a) 158,646	9,821	168,467
For the period ended 31 March 2011			
Revenue:-			
External customers	694,538	129,302	823,840
Segment profit	(a) 126,317	66,378	192,695

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

	Quarter ended 31/03/2012 RM'000	Quarter ended 31/03/2011 RM'000
Other income	4,306	3,947
Staff costs	(38,362)	(48,712)
Depreciation	(8,573)	(9,502)
Other expenses	(65,455)	(57,642)
Finance costs	(14,687)	(12,565)
Share of profit of associates	3,938	8,320
	<u>(118,833)</u>	<u>(116,154)</u>

### Geographical information

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

	Revenues for the current quarter ended		Non-current assets as at	
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Peninsular Malaysia	678,448	620,202	726,388	613,057
East Malaysia	215,340	203,638	80,230	80,496
	<u>893,788</u>	<u>823,840</u>	<u>806,618</u>	<u>693,553</u>

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



## 9. Segmental Information (contd.)

### Geographical information (contd.)

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000
Property, plant and equipment	396,631	378,985
Investment in associates	322,505	248,861
Other investments	44,777	0
Intangible assets	139	139
Deferred tax assets	42,566	65,568
	<u>806,618</u>	<u>693,553</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

There was no significant event in the current quarter.

## 12. Changes in Composition of the Group

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

## 13. Changes in Contingent Liabilities

(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. The matter went for hearing from 13th to 16th March 2012. The matter came up for decision on 30th April 2012 and the Learned High Court Judge dismissed the Plaintiffs' claim with no order as to cost. However, the Plaintiffs have thirty (30) days to appeal against the Judge's decision.

### 13. Changes in Contingent Liabilities (Contd.)

(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 Employees 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 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. Plaintiffs application for leave to appeal at the Federal Court has been allowed. Matter is now fixed for decision on 4 June 2012 at Federal Court.

(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 has been fixed for further mention on 6 June 2012.

No provision was made in the financial statements of the Group and of the Company as at 31 December 2011 for the matters set out in Notes (a), (b) and (c) above as the Board, after due consultation with the Company's solicitors, believe that the Company has a reasonable prospect of success against the Plaintiffs' claim.

#### 14. Capital Commitments

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000
Capital expenditure approved and contracted for:		
Property, plant and equipment	69,663	62,062
Capital expenditure approved but not contracted for:		
Property, plant and equipment	152,805	119,045
Investment	50,000	93,500
	<u>202,805</u>	<u>212,545</u>

#### 15. Performance Review

##### (a) Current YTD vs. Previous YTD

The Group's revenue increased by 8.5% for the quarter ended 31 March 2012 to RM 893.8 million as compared to RM 823.8 million in the quarter ended 31 March 2011. Rice segment contributed 87% and non-rice contributed 13% of revenue respectively. The Group's profit after tax (PAT) was RM 39.6 million, a decrease of 30% from RM 56.3 million in the previous year corresponding quarter. The lower profit was mainly due to higher cost of imported rice this year.

Performance of the respective operating business segments for the quarter ended 31 March 2012 as compared to the previous corresponding period is analysed as follows:

##### (i) Rice Segment

Rice sales increased by RM 84 million (12%) to RM 778.8 million as compared to the previous year corresponding quarter. This was mainly due to higher total volume sold by 9% to 363,352 MT as compared to 333,191 MT in the previous year. The imported rice contributed 64% of the rice volume sold.

##### (ii) Non-Rice Segment

Non-rice sales had decreased by 11% mainly due to lower sales of paddy to Skim Pengilang Bumiputra (SPB) as compared to the previous corresponding period.

#### 16. Comments on Material Changes in Profit Before Taxation

The Group recorded profit before tax of RM 49.6 million for the quarter ended 31 March 2012, an increase of 58% as compared to the profit before tax of RM 31.4 million in the fourth quarter of 2011. This was due to lower operating cost by 25% and write off arising from the closure of Save More operation in 2011.

#### 17. Commentary on Prospects

The global rice prices will likely remain under pressure in the coming months as global production outpaces consumption. According to Food and Agriculture Organisation, global paddy production in 2012 is expected to increase 1.7% year on year to 732 million MT, equivalent to approximately 488 million MT of milled rice. This is expected to exceed consumption and therefore will boost global trading stocks. On top of that, the Thai Government decision to continue the paddy pledging scheme policy will create a high level of stocks in the country, which has to be addressed at some point in the future. These scenarios coupled with reduced import demand from some key importing countries as well as the return of India as a major exporter are the key indicators to keep prices down. As such, the Group's performance is expected to be satisfactory this year.

#### 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. Profit Before Tax

The following amounts have been charged/(credited) in arriving at profit before tax:

	Individual Quarter		Cumulative Year To Date	
	3 months ended		3 months ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,439)	(1,554)	(1,439)	(1,554)
Other income including investment income	(2,867)	(2,393)	(2,867)	(2,393)
Interest expense	14,480	12,565	14,480	12,565
Depreciation and amortisation	8,573	(9,502)	8,573	(9,502)
Provision for and write off of receivables	433	405	433	405
Provision for and write off of inventories	-	-	-	-
Impairment of assets	10	107	10	107
Unrealised foreign exchange gain	(6,190)	(7,613)	(6,190)	(7,613)

## 20. Taxation

	As at	As at
	31/03/2012	31/03/2011
	RM'000	RM'000
Tax expense for the period:-		
- Malaysian Income Tax	5,187	11,199
- Deferred tax	4,885	9,072
	<u>10,072</u>	<u>20,271</u>

The effective tax rates of 20% for the current quarter ended 31 March 2012 is lower than the statutory tax rate of 25% applicable to the Group due to higher recognition of deferred tax assets and non taxable income for the quarter.

## 21. Corporate Proposals

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

## 22. Borrowings and Debt Securities

	As at	As at
	31/03/12	31/03/11
	RM'000	RM'000
Short Term Borrowings:-		
Secured	7,633	9,415
Unsecured	852,146	794,543
	<u>859,779</u>	<u>803,958</u>
Long Term Borrowings		
Secured	20,917	11,951
Unsecured	747,959	747,125
	<u>768,876</u>	<u>759,076</u>
	<u>1,628,655</u>	<u>1,563,034</u>

All the above borrowings are denominated in Ringgit Malaysia.

### 23. Retained Profits

	As at 31/03/12 RM'000	As at 31/03/11 RM'000
Total retained profits of the Company and subsidiaries:-		
- Realised	608,033	457,188
- Unrealised	28,429	33,974
	<u>636,462</u>	<u>491,162</u>
Total share of retained profits from associated companies:-		
- Realised	106,652	136,647
- Unrealised	(9,684)	(7,716)
	<u>733,430</u>	<u>620,093</u>
Less: Consolidation adjustments	(77,888)	(40,821)
Total group retained profits	<u>655,542</u>	<u>579,272</u>

### 24. Changes in Material Litigation

As at 31 March 2012, there were no changes in material litigation, including status of pending material litigation since the last annual balance sheet date of 31 December 2011 other than as disclosed in Note 13.

### 25. Dividend Payable

There was no dividend payable for the current quarter.

### 26. 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 31/03/12	As at 31/03/11
Net profit for the period (RM'000)	37,580	55,323
Weighted average number of ordinary shares in issue ('000)	<u>470,402</u>	<u>470,402</u>
Basic earnings per share (sen)	<u>7.99</u>	<u>11.76</u>

### 27. 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 25 May 2012.

BY ORDER OF THE BOARD

NASLIZA MOHD NASIR  
COMPANY SECRETARY  
PADIBERAS NASIONAL BERHAD