

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Individual Quarter		Cumulative Year To Date	
	3 month ended		9 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	935,900	887,486	2,710,512	2,718,848
Other income	6,638	4,732	17,309	14,164
Changes in inventory of finished goods and work in progress	38,698	71,115	2,984	198,615
Raw materials and consumables	(791,085)	(803,506)	(2,183,090)	(2,443,518)
Staff costs	(43,939)	(42,255)	(133,163)	(119,645)
Depreciation of property, plant and equipment	(9,129)	(8,251)	(25,531)	(24,825)
Other operating expenses	(76,785)	(73,360)	(215,415)	(195,212)
Finance costs	(13,651)	(14,333)	(43,186)	(43,731)
Share of profit of associates	5,190	4,003	11,883	13,832
Profit before tax	51,837	25,631	142,303	118,528
Income tax expense	(16,304)	(4,474)	(45,335)	(31,116)
Profit for the period	35,533	21,157	96,968	87,412
Attributable to :				
Equity holders of the parent	34,780	18,650	93,256	81,352
Non-controlling interests	753	2,507	3,712	6,060
	35,533	21,157	96,968	87,412
Earnings per share (sen)				
(i) Basic (based on 470,402,000 ordinary shares (2012: 470,402,000 ordinary shares) (sen))	7.39	3.96	19.82	17.29

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Individual Quarter		Cumulative Year To Date	
	3 months ended		9 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	35,533	21,157	96,968	87,412
Profit on fair value changes of available-for-sales investments	13	9	-	15
Total comprehensive income for the period	<u>35,546</u>	<u>21,166</u>	<u>96,968</u>	<u>87,427</u>
Attributable to :				
Equity holders of the parent	34,793	18,659	93,256	81,367
Non-controlling interests	753	2,507	3,712	6,060
	<u>35,546</u>	<u>21,166</u>	<u>96,968</u>	<u>87,427</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2013

	As at 30/09/2013	As at 31/12/2012
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	470,666	467,118
Investment in associated companies	337,484	327,289
Other investments	44,864	45,655
Intangible assets	35,290	40,139
Deferred tax assets	55,359	55,602
	<u>943,663</u>	<u>935,803</u>
Current assets		
Tax recoverable	4,217	217
Inventories	921,654	918,670
Trade and other receivables	670,805	664,331
Amount owing from associated companies	11,031	28,376
Cash and bank balances	612,671	398,604
	<u>2,220,378</u>	<u>2,010,198</u>
TOTAL ASSETS	<u>3,164,041</u>	<u>2,946,001</u>
Current liabilities		
Retirement benefit obligations	17,773	13,620
Short term borrowings	770,916	590,107
Trade and other payables	199,297	198,098
Amount owing to associated companies	303	310
Dividend payable	-	42,336
Tax payable	19,189	17,942
	<u>1,007,478</u>	<u>862,413</u>
Net Current Assets	<u>1,212,900</u>	<u>1,147,785</u>
Non-current liabilities		
Retirement benefit obligations	78,711	96,681
Long term borrowings	767,679	771,364
Deferred tax liabilities	19,895	19,152
	<u>866,285</u>	<u>887,197</u>
Total liabilities	<u>1,873,763</u>	<u>1,749,610</u>
Net Assets	<u>1,290,278</u>	<u>1,196,391</u>
Equity attributable to equity holders of the Company		
Share capital	470,402	470,402
Reserves	724,241	632,127
	<u>1,194,643</u>	<u>1,102,529</u>
Non-controlling interests	95,635	93,862
Total equity	<u>1,290,278</u>	<u>1,196,391</u>
TOTAL EQUITY AND LIABILITIES	<u>3,164,041</u>	<u>2,946,001</u>
Net assets per share (RM)	<u>2.54</u>	<u>2.34</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Distributable retained profits RM'000	Non- distributable reserves, total RM'000	<-----Non-distributable reserves----->					Non- controlling interests 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	1,195,235	1,106,023	470,402	612,674	22,947	7,085	2,864	12,520	(11)	489	89,212
Total comprehensive income for the period	87,427	81,367	-	81,352	15	-	-	-	15	-	6,060
Transactions with owners											
Dividends on ordinary shares	(72,596)	(70,560)	-	(70,560)	-	-	-	-	-	-	(2,036)
At 30 September 2012	1,210,066	1,116,830	470,402	623,466	22,962	7,085	2,864	12,520	4	489	93,236

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Distributable retained profits RM'000	Non- distributable reserves, total RM'000	<-----Non-distributable reserves----->					Non- controlling interests 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 2013	1,196,391	1,102,529	470,402	609,720	22,407	7,085	2,864	12,520	2	(64)	93,862
Total comprehensive income for the period	96,968	93,256	-	93,256	-	-	-	-	-	-	3,712
Transactions with owners											
Dividends on ordinary shares	(3,081)	-	-	-	-	-	-	-	-	-	(3,081)
Bonus issue	-	(1,142)	-	(1,142)	-	-	-	-	-	-	1,142
At 30 September 2013	1,290,278	1,194,643	470,402	701,834	22,407	7,085	2,864	12,520	2	(64)	95,635

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2013

	Quarter ended 30/09/2013 RM '000	Quarter ended 30/09/2012 RM '000
OPERATING ACTIVITIES		
Profit before tax	142,303	118,528
Adjustments for:		
Amortisation of intangible assets	4,849	-
Depreciation of property, plant and equipment	25,531	24,825
Loss on disposal of property, plant and equipment	(7)	(102)
Loss on disposal of other investments	74	-
Property, plant and equipment written off	1,745	166
Impairment/(writeback) loss on receivables	6,620	(11,423)
Provision for retirement benefits	8,596	9,065
Write back provision for retirement benefits	(13,310)	-
Interest expense	42,376	43,117
Interest income	(8,863)	(4,220)
Share of results from associates	(11,883)	(13,832)
Inventories written down	1,896	-
Negative goodwill	451	-
Unrealised (gain)/loss in foreign exchange	15,457	(2,019)
Operating profit before working capital changes	215,835	164,105
Decrease/(increase) in receivables	1,137	(111,142)
Increase in inventories	(4,880)	(198,615)
Increase in payables	1,854	24,515
Cash generated from/(used in) operations	213,946	(121,137)
Interest paid	(42,376)	(43,117)
Retirement benefits paid	(9,103)	(6,930)
Income tax paid	(46,890)	(32,518)
Interest income received	8,863	4,220
Net cash generated from/(used in) operating activities	124,440	(199,482)
INVESTING ACTIVITIES		
Addition to other investments	-	(6,289)
Sales of subsidiaries, net of cash disposed	(1,262)	-
Dividend received from associates	1,688	3,160
Purchase of property, plant and equipment	(31,076)	(54,554)
Proceeds from disposal of property, plant and equipment	229	167
Proceeds from disposal of other investment	717	-
Net cash used in investing activities	(29,704)	(57,516)
FINANCING ACTIVITIES		
Drawdown of borrowings	1,411,205	1,522,714
Repayment of borrowings	(1,245,570)	(1,383,874)
Dividend paid	(42,336)	(70,560)
Net cash generated from financing activities	123,299	68,280
Net Change in Cash and Cash Equivalents	218,035	(188,718)
Cash and Cash Equivalents at beginning of period	391,526	376,468
Cash and Cash Equivalents at end of period	609,561	187,750
Cash and Cash Equivalents comprise :-		
Cash and bank balances	612,671	193,205
Bank overdrafts	(3,110)	(5,455)
	609,561	187,750

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

1. Basis of preparation

This condensed consolidated interim financial statements (Condensed Report), other than retirement benefit obligations, have been prepared under the historical cost convention. The retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 Employee Benefits.

This condensed report, for the period ended 30 September 2013, have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). This condensed report 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 2012, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS").

This condensed report should be read inconjunction with the audited financial statements for the financial year ended 31 December 2012. These explanatory notes attached to these condensed report 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 2012.

2. Significant Accounting Policies

2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations

The Group adopted the following Standards, Amendments and IC Interpretations:

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and MFRSs 2009- 2011 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

2.2 Standards issued but not yet effective

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:

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group 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 2012 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 third quarter ended 30 September 2013.

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

There is 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
For the period ended 30 September 2013	RM'000	RM'000	RM'000
Revenue:-			
External customers	2,322,352	388,160	2,710,512
Segment profit	(a) 506,180	24,226	530,406
For the period ended 30 September 2012			
Revenue:-			
External customers	2,346,103	372,745	2,718,848
Segment profit	(a) 441,931	32,014	473,945

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

	Year ended 30/09/2013	Year ended 30/09/2012
	RM'000	RM'000
Other income	17,309	14,164
Staff costs	(133,163)	(119,645)
Depreciation	(25,531)	(24,825)
Other expenses	(215,415)	(195,212)
Finance costs	(43,186)	(43,731)
Share of profit of associates	11,883	13,832
	<u>(388,103)</u>	<u>(355,417)</u>

9. Segmental Information (Contd.)

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 year ended		Non-current assets as at	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Peninsular Malaysia	2,090,540	2,094,418	863,318	801,350
East Malaysia	619,972	624,430	80,345	78,863
	<u>2,710,512</u>	<u>2,718,848</u>	<u>943,663</u>	<u>880,213</u>

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

	As at	As at
	30/09/2013	30/09/2012
	RM'000	RM'000
Property, plant and equipment	470,666	451,258
Investment in associates	337,484	331,344
Other investments	44,864	42,766
Intangible assets	35,290	139
Deferred tax assets	55,359	54,706
	<u>943,663</u>	<u>880,213</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) Proposed Voluntary Withdrawal Of Padiberas Nasional Berhad ("Bernas" Or "Company") From The Official List Of Bursa Malaysia Securities Berhad ("Bursa Securities") Pursuant To Paragraph 16.06 Of The Main Market Listing Requirements Of Bursa Securities ("Listing Requirements") ("Proposed Delisting")

On 6 November 2013, the Board of Directors of BERNAS ("Board") announced that the Company had on even date received a proposal letter from Perspective Lane (M) Sdn Bhd, Kelana Ventures Sdn Bhd, Seaport Terminal (Johore) Sdn Bhd and Acara Kreatif Sdn Bhd (collectively referred to as the "Joint Offerors"), requesting the Board to consider undertaking the Proposed Delisting ("Proposal Letter").

As required under Paragraph 16.06 of the Listing Requirements and in conjunction with the Proposed Delisting, the Joint Offerors will extend a voluntary take-over offer to acquire all the remaining ordinary shares of RM1.00 each in BERNAS ("BERNAS Shares") not already owned by the Joint Offerors and Tradewinds (M) Berhad, being the person acting in concert with the Joint Offerors ("PAC") in accordance with Section 216 of the Capital Markets and Services Act, 2007 ("Remaining BERNAS Offer Shares"), at an offer price of RM3.70 per Remaining BERNAS Offer Share ("Proposed Exit Offer").

- (b) Unconditional Take-Over Offer Exercise

On 28 February 2013, the Company received a notice of unconditional take-over offer from the Joint Offerors through Maybank Investment Bank Berhad ("Maybank IB") to acquire all the remaining ordinary shares of RM1.00 each in BERNAS not already owned by the Joint Offerors and the PAC ("BERNAS Initial Offer Shares") for a cash offer price of RM3.70 per BERNAS Initial Offer Share ("BERNAS Initial Offer").

On 21 March 2013, the documents setting out the details, terms and condition of the BERNAS Initial Offer ("BERNAS Initial Offer Documents") were despatched by the Joint Offerors to the holders of the BERNAS Initial Offer Shares for their due consideration.

On 8 April 2013, the Company has received a press notice from Maybank IB, on behalf of the Joint Offerors, on the extension of closing date of acceptance of the BERNAS Initial Offer from Thursday, 11 April 2013 to Thursday, 25 April 2013. The level of acceptances of the BERNAS Initial Offer as at 8 April 2013 was 80.23% of the total of issued and paid-up capital of BERNAS.

11. Significant and Subsequent Events (Contd.)

(b) Unconditional Take-Over Offer Exercise (contd.)

On 22 April 2013, the Company has received another press notice from Maybank IB, on behalf of the Joint Offerors, on the extension of the closing date for acceptance of the BERNAS Initial Offer has been further extended to Monday, 20 May 2013 ("Final Closing Date"). The level of acceptances of the BERNAS Initial Offer as at 22 April 2013 was 83.13% of the total of issued and paid-up capital of BERNAS.

On the Final Closing Date, BERNAS Shares held by the Joint Offerors and the PAC of 393,566,911 represents 83.67% of BERNAS' issued and paid-up share capital. Accordingly, BERNAS does not comply with the public shareholding spread requirement pursuant to Paragraph 8.02 of the Listing Requirements which stipulates that a listed issuer must ensure that at least 25% of its total listed shares are in the hands of public shareholders.

As set out in Section 5 of the BERNAS Initial Offer Document, the Joint Offerors do not intend to maintain the listing status of BERNAS if they receive acceptances under the BERNAS Initial Offer resulting in the Joint Offerors and the PAC holding in aggregate 90% or more of the BERNAS Shares. However, if the Joint Offerors receive acceptances under the BERNAS Initial Offer resulting in them holding in aggregate less than 90% of the BERNAS Shares, the Joint Offerors will explore various options or proposals to rectify the shortfall in the public shareholding spread of BERNAS within three (3) months from the Final Closing Date.

In view that the level of acceptances received by the Joint Offerors and the PAC pursuant to the BERNAS Initial Offer had resulted in the public spread of BERNAS being less than 25%, the Joint Offerors will explore various options or proposals to rectify the public spread within 3 months from the First Closing Date.

On 11 July 2013, the Company announced that Bursa Securities has, vide its letter dated 9 July 2013, granted BERNAS an extension of time up to 19 August 2013 to comply with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements.

On 13 November 2013, the Company announced that Bursa Securities has, vide its letter dated 11 November 2013, granted BERNAS an extension of time up to 19 February 2014 to comply with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements.

Based on the Company's Record of Depositors as at 31 October 2013, the public shareholding spread of BERNAS is approximately 16.31%, comprising 76,695,837 BERNAS Shares.

In view of the impending Proposed Delisting and Proposed Exit Offer mentioned in (a) above, the extension of time will enable BERNAS Shares to remain listed on the Main Market of Bursa Securities pending the completion of the Proposed Delisting and Proposed Exit Offer. Barring any unforeseen circumstances, the Proposed Delisting and Proposed Exit Offer are expected to be completed by the second (2nd) quarter of 2014.

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

The Group has no contingent liability or contingent assets as at 30 September 2013, other than the followings:

- (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.

13. Changes in Contingent Liabilities

(a) (Contd.)

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.

On 3 September 2007, 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 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. The Plaintiffs' had on 29 May 2012 filed Notice of Appeal to the Court of Appeal against the High Court's decision in dismissing their claims against the Company. The Court of Appeal had fixed 9 December 2013 for hearing of the appeal.

No provision was made in the financial statements of the Group and of the Company as at 30 September 2013 for the matters set out in Notes (a) 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 30/09/2013 RM'000	As at 30/09/2012 RM'000
Capital expenditure approved and contracted for:		
Property, plant and equipment	<u>86,697</u>	<u>105,251</u>
Capital expenditure approved but not contracted for:		
Property, plant and equipment	132,913	40,960
Investment	<u>55,000</u>	<u>50,000</u>
	<u>187,913</u>	<u>90,960</u>
Share of capital commitments of associated companies:		
Approved and contracted for:		
Property, plant and equipment	<u>1,040</u>	<u>5,715</u>
Approved but not contracted for:		
Property, plant and equipment	<u>2,543</u>	<u>2,109</u>

15. Performance Review

(a) Current YTD vs. Previous YTD

For the period ended 30 September 2013, the Group's revenue had decreased to RM 2.71 billion as compared to RM 2.72 billion for the previous corresponding period. This was mainly due to lower volume of rice sold. The Group's revenue according to business segments consist of 86% of rice and 14% of non-rice.

The Group recorded an increase in profit before tax by 20% to RM 142.3 million from RM 118.5 million achieved in the previous corresponding period. The higher profit was mainly attributed by the increase in rice margin on the back of lower material cost.

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

Performance of the respective operating business segments for the year ended 30 September 2013 as compared to the previous corresponding period is analysed as follows:

15. Performance Review

(a) (Contd.)

(i) Rice Segment

The sales of rice dropped by 1% or RM 23.8 million to RM 2.3 billion as compared to the previous corresponding period. The decrease was due to lower volume of rice sold by 2% to 1.08 million metric tonne compared to 1.09 million metric tonne in the previous corresponding period. The imported rice contributed 63% of the rice sales volume.

(ii) Non-Rice Segment

The increase of 4% for the non-rice sales was attributable to higher sales of paddy to Skim Pengilang Bumiputra (SPB) compared to the previous corresponding period.

16. Comments on Material Changes in Profit Before Taxation

Quarter 3 2013 vs. Quarter 2 2013

The revenue for the quarter ended 30 September 2013 increased from previous quarter by 6% to RM935.9 million. This was mainly due to higher sales of rice by RM67.1 million in the current quarter.

As a result, the Group recorded profit before tax of RM51.8 million for the quarter ended 30 September 2013, an increase of 25% as compared to the profit before tax of RM41.5 million in the second quarter of 2013. This was due to higher volume of rice sold and lower financial cost.

17. Commentary on Prospects

A generally weak underlying tone was seen following growing world stocks and benign weather. Markets were cautious ahead of the major seasonal year-end harvest, as more price weakness seemed likely and export origins were expected to compete for sales.

The global ending rice stock is expected to be 105.2 million MT, an increase of 2.7 million MT from previous year. At the same time, the estimated 15 million MT of Thai Government rice inventories is not expected to reduce substantially as more rice will be made available on the open market due to scale down of paddy purchase by the Thai Government this year.

The above factors will contribute to rice prices trending lower and there will be ample supply of rice to meet our domestic demand. 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	9 months ended	9 months ended
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(3,510)	(1,095)	(8,863)	(4,220)
Other income including investment income	(3,128)	(3,637)	(8,446)	(9,944)
Interest expense	13,276	14,692	42,376	43,117
Amortisation of intangible assets	1,213	-	4,849	-
Depreciation and amortisation	9,129	8,251	25,531	24,825
Provision/(write back) for and write off of receivables	3,040	(2,754)	6,620	(11,423)
Provision for and write off of inventories	434	-	1,896	-
Loss/(profit) on disposal of property, plant and equipment	140	(27)	(7)	(102)
Gains on disposal of quoted or unquoted investments or properties	-	-	-	-
Assets written off	848	12	1,745	166
Unrealised foreign exchange loss/(gain)	5,671	(10,920)	15,457	(2,019)
Fair value loss on derivative instruments	*	*	*	*
Exceptional items	*	*	*	*

* There is no such reportable item as required by Bursa Securities in the current quarter and current period to date.

20. Taxation

	Individual Quarter		Cumulative Year To Date	
	3 months ended		9 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period:-				
- Malaysian Income Tax	13,592	10,630	44,349	29,383
- Deferred tax	2,712	(6,156)	986	1,733
	<u>16,304</u>	<u>4,474</u>	<u>45,335</u>	<u>31,116</u>

The higher effective tax rate for the quarter is mainly due to non allowable expenses.

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
	30/09/13	30/09/12
	RM'000	RM'000
Short Term Borrowings:-		
- Secured	9,320	11,662
- Unsecured	761,596	683,670
	<u>770,916</u>	<u>695,332</u>
Long Term Borrowings		
- Secured	18,469	23,050
- Unsecured	749,210	748,376
	<u>767,679</u>	<u>771,426</u>
	<u>1,538,595</u>	<u>1,466,758</u>

All the above borrowings are denominated in Ringgit Malaysia.

23. Retained Earnings

	As at	As at
	30/09/13	30/09/12
	RM'000	RM'000
Total retained profits of the Company and subsidiaries:-		
- Realised	720,104	625,738
- Unrealised	20,007	31,828
	<u>740,111</u>	<u>657,566</u>
Total share of retained profits from associated companies:-		
- Realised	119,011	123,957
- Unrealised	(9,169)	(9,938)
	<u>849,953</u>	<u>771,585</u>
Less: Consolidation adjustments	(148,119)	(148,119)
Total group retained profits	<u>701,834</u>	<u>623,466</u>

24. Changes in Material Litigation

As at 30 September 2013, there were no changes in material litigation, including status of pending material litigation since the last annual balance sheet date of 31 December 2012 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 30/09/13	As at 30/09/12
Net profit for the period (RM'000)	93,256	81,352
Weighted average number of ordinary shares in issue ('000)	<u>470,402</u>	<u>470,402</u>
Basic earnings per share (sen)	<u>19.82</u>	<u>17.29</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 21 November 2013.

BY ORDER OF THE BOARD

NASLIZA MOHD NASIR
COMPANY SECRETARY
PADIBERAS NASIONAL BERHAD