

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement
for the third quarter ended 30 September 2007

Highlights

- Trading conditions remain difficult
- Industry volume for new motor vehicles declines
- Mercedes-Benz sales and margins improve
- Peugeot distribution to be discontinued
- Income from DaimlerChrysler Malaysia investment to be reduced from 2008

“Although the Group’s Mercedes-Benz and Mazda operations have shown improvements in sales, difficult trading conditions are expected to continue for the rest of the year.”

Tan Sri Samsudin Osman
 Chairman
 12 November 2007

Results

	Nine months ended 30 September		
	2007	2006	Change
	RMm	RMm	%
Revenue from continuing operations	503.2	481.8	4
Net profit from:			
(a) Continuing operations (exclude gain on disposal of properties)	8.3	5.4	54
(b) Gain on disposal of properties	1.0	8.3	(88)
(c) Discontinued operations	0.3	0.3	-
Net profit attributable to shareholders	9.6	14.0	(31)
	Sen	Sen	
Basic earnings per share	9.57	13.85	(31)
	As at 30.9.2007	As at 31.12.2006	
	RMm	RMm	
Shareholders’ funds	290.2	287.3	1
	RM	RM	
Net assets per share	2.88	2.85	1

The results for the nine months ended 30 September 2007 and 30 September 2006 were not audited. The financial position as at 31 December 2006 was audited.

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Overview

Trading conditions in the automotive market in Malaysia continued to be difficult and industry volumes for new motor vehicle sales declined by 6.3% compared to the same period in 2006.

Results

The Group recorded a net profit of RM8.3 million from continuing operations (excluding gain on disposal of properties) for the nine months ended 30 September 2007, an increase of 54% over the same period in 2006. There were improved performances from Mercedes-Benz and Mazda, partially offset by stock write-downs for Peugeot and higher IT expenses. Net profit attributable to shareholders of RM9.6 million was 31% lower than the corresponding period in 2006, which had been enhanced by a greater gain from property disposals.

The results included a net return of RM8.4 million (2006: RM8.4 million) from the Group's investment in DaimlerChrysler Malaysia ("DCM"). Under the terms of the agreement with DaimlerChrysler AG, the current return on the Group's investment in DCM of 17% per annum will be reduced from 2008 onwards to 300 basis points above the yield on Malaysian Government 5-year bonds. As a consequence, from 1 January 2008, the annual contribution to the Group's net profit will be reduced from RM11.2 million to approximately RM4.3 million based on current bond yields.

Trading Performance

The trading performance of Mercedes-Benz improved as sales increased and pressure on margins eased. Sales of Mazda vehicles also improved as stocks were cleared ahead of the launch of new models planned for later in the year, reducing significantly the losses from Mazda compared to the same period last year.

Peugeot continued to struggle, however, due to uncompetitive pricing. The results were also impacted by write-downs against aging inventory. In October, the Group announced its intention not to renew its agreement with Automobiles Peugeot to distribute Peugeot vehicles in Malaysia when it expires at the end of 2007. The discontinuation of the agreement will stem further operating losses and enable the Group to focus on its other marques.

A new Kerridge Autoline management information system has been implemented to support the Group's Mercedes-Benz business, as required under the terms of the Group's dealership agreement with DCM, and this has led to an increase in operating expenses.

The assembly of Sinotruck trucks from China began during the period, and sales are expected to commence before the year end.

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The Company has reached agreement to dispose of a vacant piece of land in Sepang, Selangor, for a consideration of RM11.7 million. The transaction, which is conditional on the consent of the State Authority, is expected to complete in the first quarter of 2008 giving rise to a profit of some RM4.7 million.

Prospects

Although the Group's Mercedes-Benz and Mazda operations have shown improvements in sales, difficult trading conditions are expected to continue for the rest of the year.

Tan Sri Samsudin Osman
Chairman
12 November 2007