

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement
for the second quarter ended 30th June 2008

Highlights

- Special dividend of RM1.35 and interim dividend of RM0.05 gross per share
- Mercedes-Benz Malaysia joint venture agreement renegotiated
- Business restructuring completed
- Mercedes-Benz performance impacted by supply constraints

“Having completed the restructuring of its operations, the Company is now able to concentrate on its Mercedes-Benz retail business and is better positioned to meet the challenges ahead.”

Ben Keswick

Chairman
 30th July 2008

Results

	Six months ended 30th June		
	2008 RMm	2007 RMm	Change %
Revenue from continuing operations	255.1	(Restated) 261.4	(2)
Net profit from:			
(a) Continuing operations (excluding gain on disposal of properties, voluntary separation scheme costs and one-off premium from investment in Mercedes-Benz, Malaysia (“MBM”))	8.0	8.6	(7)
(b) Gain on disposal of properties	12.2	1.0	1,120
(c) Voluntary Separation Scheme	(4.7)	-	(100)
(d) One-off premium from investment in MBM	18.7	-	100
(e) Discontinued operations	(0.2)	(4.4)	95
Net profit attributable to shareholders	34.0	5.2	554
	Sen	Sen	
Basic earnings per share	33.76	5.12	559
	As at 30.6.2008 RMm	As at 31.12.2007 RMm	
Shareholders’ funds	317.9	287.6	11
	RM	RM	
Net assets per share	3.16	2.85	11

The results for the six months ended 30th June 2008 and 30th June 2007 were not audited. The financial position as at 31st December 2007 was audited.

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Performance

Net profit from continuing operations for the six months ended 30th June 2008 was RM8.0 million, 7% lower than the previous year due to lower sales. Net profit attributable to shareholders at RM34 million benefited from a one-off premium of RM18.7 million received from the Company's investment in Mercedes-Benz Malaysia ("MBM") and a net gain of RM12.2 million arising from the disposal of surplus properties, which more than offset losses incurred on discontinued operations and the cost of voluntary separation scheme. This compares with RM5.2 million recorded in the first half of 2007.

Developments

In May 2008, the Company entered into an amended joint venture agreement with Daimler AG in respect of its investment in MBM. Under the terms of the amended agreement, the Company will continue to receive an annual dividend of RM11.2 million from its investment in MBM, instead of the lower amount announced previously, and the respective put and call options relating to the Company's stake in MBM will only be exercisable after 2012. In addition, the Company was paid a premium of RM18.7 million, which would have only been payable under the terms of the original agreement when the joint venture came to an end.

The Company discontinued its Peugeot operations last year, and in the first half of 2008 it disposed of its Mazda franchise and completed a voluntary separation scheme designed to rationalise the Group's headcount. On 18th July 2008, the Company announced the sale of its parts and truck businesses to a company controlled by its previous Managing Director, Steven Foster. The Company has now completed its restructuring, enabling it to focus on its Mercedes-Benz franchise going forward.

Business Activity

Sales of Mercedes-Benz passenger cars in the first half of 2008 were 8% lower than the corresponding period in 2007 at approximately 700 units, mainly due to supply constraints of the new C-Class.

The sale of a property in Petaling Jaya, previously used by the discontinued Peugeot business, was completed in April 2008 producing a gain of RM7.5 million. A small profit was recorded on the completion of the sale of the Mazda franchise in the first half while the sale of the parts and truck businesses at their net tangible asset values will not result in any gain or loss.

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People

On 18th July 2008, Steven Foster stepped down as Managing Director and on 19th July 2008 Wong Kin Foo, previously the Director of Retail Operations, was appointed the Chief Operating Officer.

On behalf of the Board, I would like to thank Steven for the significant contribution he has made to the Group, particularly the rationalisation he undertook of the motor business portfolio in a difficult operating environment. I would also like to wish Kin Foo well in his new role.

Dividends

After the completion of the restructuring of the Group's businesses and operations, the Company is now in a position to return surplus funds not earmarked for operational needs or for investment in the foreseeable future.

A special dividend of RM1.35 per share less tax and an interim dividend of RM0.05 per share less tax have been declared. The net amount for the special dividend and the interim dividend amounts to RM104.4 million based on the present share capital of 100,744,500 shares. The dividends will be paid on 19th September 2008 to shareholders whose names appear in the Record of Depositors on 29th August 2008.

Prospects

Having completed the restructuring of its operations, the Company is now able to concentrate on its Mercedes-Benz retail business and is better positioned to meet the challenges ahead.

Ben Keswick
Chairman
30th July 2008