MISC BERHAD
(Company No.: 8178 H)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 December 2008
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2008

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31 DECEMBER 2008 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2007 RM '000	CURRENT YEAR TO DATE 31 DECEMBER 2008 RM '000	PRECEDING YEAR TO DATE 31 DECEMBER 2007 RM '000
Revenue	3,679,236	3,319,967	11,784,465	9,416,180
Other operating income	49,441	24,729	268,960	205,683
Operating profit	411,110	578,340	1,667,630	1,881,360
Gain on disposal of ships	-	-	-	53,320
Finance cost	(104,485)	(92,023)	(303,633)	(255,252)
Share of profit of associates	11	457	481	1,144
Share of profit of jointly controlled entities	5,510	5,365	4,894	76,964
Profit before tax	312,146	492,139	1,369,372	1,757,536
Taxation	(32,048)	(11,471)	(55,900)	(36,574)
Profit after tax	280,098	480,668	1,313,472	1,720,962
Attributable to:				
Shareholders of the parent	249,629	440,997	1,222,684	1,655,875
Minority interests	30,469	39,671	90,788	65,087
	280,098	480,668	1,313,472	1,720,962
Earnings per share attributable to shareholders of the parent : -				
(i) Basic (based on 3,719,827,586 ordinary shares) (sen)	6.7	11.9	32.9	44.5
(ii) Diluted (based on 3,719,827,586 ordinary shares) (sen)	6.7	11.9	32.9	44.5

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2008)

MISC BERHAD
(Company No.: 8178 H)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	AS AT END OF CURRENT QUARTER 31 DECEMBER 2008 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 MARCH 2008 RM '000
Ships	24,818,902	20,893,758
Property, Plant and Equipment	1,204,072	974,819
Prepaid Land & Building Lease Payments	111,816	111,568
Investments in Associates	5,123	4,317
Investments in Jointly Controlled Entities	625,823	1,116,625
Long Term Investments	286,514	188,823
Intangible Assets	994,628	962,432
Deferred Tax Asset	4,033	4,606
	28,050,911	24,256,948
Current Assets		
Inventories	516,201	399,584
Trade & Other Receivables	2,858,759	2,231,066
Cash	4,069,156	1,964,361
Amounts due from Group Companies	285,843	135,797
Amounts due from Associates	7,824	5,750
Amounts due from Jointly Controlled Entities	41,873	30,052
Assets held for sale	8,359	19,793
	7,788,015	4,786,403
Current Liabilities		
Short Term Borrowings	2,899,389	959,358
Trade & Other Payables	4,105,241	2,640,328
Derivative Financial Instruments	122,365	-
Provision for Taxation	12,254	35,782
Amounts due to Group Companies	49,765	57,181
Amounts due to Associates	4,274	3,802
Amounts due to Jointly Controlled Entities	2,190	2,036
	7,195,478	3,698,487
Net Current Assets	592,537	1,087,916
	28,643,448	25,344,864
Shareholders' Funds		
Shareholders of parent		
Share Capital	3,719,828	3,719,828
Reserves		
Revaluation Reserve	55	55
Other Reserves	1,163,908	(225,688)
Statutory Reserve	1,242	1,242
Retained Profits	14,908,574	14,958,961
	19,793,607	18,454,398
Minority interests	362,238	274,061
Total equity	20,155,845	18,728,459
Non-Current Liabilities		
Long Term Borrowings	8,439,509	6,568,769
Deferred Taxation	48,094	47,636
	28,643,448	25,344,864

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2008)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2008

	CUMULATIVE	
	CURRENT YEAR TO DATE 31 DECEMBER 2008 RM '000	PRECEDING YEAR TO DATE 31 DECEMBER 2007 RM '000
Cash Flow from Operating Activities	3,264,595	3,226,602
Cash Flow from Investing Activities	(3,454,473)	(3,180,726)
Cash Flow from Financing Activities	2,176,525	(357,759)
Net Change in Cash & Cash Equivalents	1,986,647	(311,883)
Cash & Cash Equivalents at the beginning of the year	1,964,361	2,217,564
Currency translation difference	118,148	(38,070)
Cash & Cash Equivalent at the end of the period	4,069,156	1,867,611

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2008)

MISC BERHAD
(Company No.: 8178 H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

	Share Capital* Ordinary shares RM '000	Non-distributable Other reserves RM '000	Distributable Retained profits RM '000	Total RM '000	Minority interest RM '000	Total equity RM '000
9 MONTHS ENDED 31 DECEMBER 2008						
At 1 April 2008	3,719,828	(224,391)	14,958,961	18,454,398	274,061	18,728,459
Prior year adjustments						
- effects of adopting FRS 139	-	-	17,154	17,154	-	17,154
At 1 April 2008 (restated)	3,719,828	(224,391)	14,976,115	18,471,552	274,061	18,745,613
Currency translation differences	-	1,430,577	-	1,430,577	26,111	1,456,688
Long term investments:						
Fair value gains	-	81,384	-	81,384	-	81,384
Cash flow hedge:						
Fair value loss	-	(122,365)	-	(122,365)	-	(122,365)
Net gain not recognised in income statement	-	1,389,596	-	1,389,596	26,111	1,415,707
Acquisition of a subsidiary	-	-	-	-	1,640	1,640
Dividend	-	-	(1,290,225)	(1,290,225)	(30,362)	(1,320,587)
Profit for the year	-	-	1,222,684	1,222,684	90,788	1,313,472
At 31 DECEMBER 2008	3,719,828	1,165,205	14,908,574	19,793,607	362,238	20,155,845
9 MONTHS ENDED 31 DECEMBER 2007						
At 1 April 2007	3,719,828	1,121,422	13,797,911	18,639,161	241,435	18,880,596
Currency translation differences	-	(486,712)	-	(486,712)	(20,091)	(506,803)
Transfer to reserves from retained profit	-	14,425	(14,425)	-	-	-
Net loss not recognised in income statement	-	(472,287)	(14,425)	(486,712)	(20,091)	(506,803)
Acquisition of a subsidiary	-	-	-	-	2,450	2,450
Reclass of a subsidiary to jointly controlled entity	-	-	-	-	(198)	(198)
Dividend	-	-	(1,307,261)	(1,307,261)	(34,929)	(1,342,190)
Profit for the year	-	-	1,655,875	1,655,875	65,087	1,720,962
At 31 December 2007	3,719,828	649,135	14,132,100	18,501,063	253,754	18,754,817

* Included in share capital is one preference share of RM1.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2008)

NOTES TO THE FINANCIAL REPORT
The figures have not been audited.

A1. ACCOUNTING POLICIES

The interim financial statements have been prepared under the historical cost convention except for the derivatives financial instruments and long term investments that have been measured at fair value.

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008. The 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 year ended 31 March 2008.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 except for the adoption of the following new standards and amendments to published standards that are effective for the financial periods beginning 1 April 2008:

FRS 107: Cash Flow Statements
FRS 111: Construction Contracts
FRS 112: Income Taxes
FRS 118: Revenue
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
FRS 134: Interim Financial Reporting
FRS 137: Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in Foreign Operation

The Group has applied the above standards and amendments to the published standards effective financial period beginning 1 April 2008. The application of the above standards and amendments to published standards did not result in any significant impact on the financial results and financial position of the Group.

Malaysia Accounting Standard Board has issued FRS 139: Financial Instruments: Recognition and Measurement to be adopted effective 1 January 2010. However, the Group has elected to early adopt the FRS 139 with effect 1 April 2008.

FRS 139: Financial instruments: Recognition and Measurements

The adoption of FRS 139 has affected classification and consequential accounting of financial assets and financial liabilities.

FRS 139 sets out the new requirements for recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. All financial assets are required to be classified into appropriate categories at initial recognition and the categorisation are re-evaluated at every reporting date. The categories are:

Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value including transaction costs and subsequently accounted for at amortised cost using effective interest method less impairment. Prior to 1 April 2008, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts.

Long-term investments

Long tern investments are those non-derivative financial assets that are not classified as fair value through profit or loss ("FVTPL") or held-to-maturity financial assets ("HTM"). Such assets are initially recognised at fair value including transaction costs and subsequently measured at fair value at each balance sheet date with all gain and losses other than impairment loss taken to equity. Impairment losses are recognised in the income statement in the period it arises. On disposal, gain and losses previously taken to equity are recognised in the income statement.

Prior to 1 April 2008, the quoted equity investments were accounted for at cost less impairment losses for diminution in value that was other than temporary, which was recognised in the income statement when they arose. Any reversal of the impairment loss was also recognised in the income statement.

Other financial liabilities

These are financial liabilities that are not held for trading nor designated at inception as fair value through profit or loss. These include the Group's trade and other payables, bank borrowings and issued bonds. These liabilities are initially recognised at fair value and subsequently remeasured at amortised cost using effective interest method. Prior to 1 April 2008, trade and other payables were stated at cost. Bank borrowings were stated at the proceed received and transaction costs on borrowings were expensed off.

Prior to 1 April 2008, derivatives were not recognised in the financial statements. Under the new FRS 139, derivatives are required to be initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value at each balance sheet date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Any gain or losses arising from change in fair value on derivatives that do not qualify for hedge accounting are recognised in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of item being hedged as follows:

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are taken to equity. The gain or losses relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects income statements. However, when the forecast transaction that is hedged results in the recognition of a non-financial assets or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in the income statement.

The Group has entered into the following derivative financial instrument to hedge its risks, namely:

1. Interest rate swap that is cash flow hedge for the Group's exposure to interest rate risk on its borrowings. The interest rate swap entitles the Group to receive interest rate at a fixed rate of 5.09% per annum and obliges to pay interest at a floating rate.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualified audit report issued by the auditors in the annual financial statements for the year ended 31 March 2008.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group are subject to market fluctuations.

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the quarter ended 31 December 2008.

A6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

During the current quarter ended 31 December 2008, there were no issuance or repayment of debt and equity securities, share buy-backs, share cancellation or shares held as treasury shares and resale of treasury shares.

A8. DIVIDENDS

The Group paid a final dividend of 20 sen per share tax exempt dividend (2006/2007:20 sen) on 29 August 2008, in respect of the 2007/2008 financial year, amounting to RM691.7 million (2006/2007:727.9 million) in total.

On 24 December 2008, the Group also paid an interim dividend of 15 sen per share tax exempt (2007/2008: 15 sen) in respect of the 2008/2009 financial year amounting to RM598.6 million.

A9. SEGMENT REPORT

Segmental analysis for the current financial period to date is as follows:

	Energy related Shipping 1) RM '000	Other Energy Businesses 2) RM '000	Integrated Liner Logistics RM '000	Non-Shipping RM '000	Total RM '000
REVENUE AND RESULT					
Revenue					
Total Revenue - External sales	6,110,100	1,984,992	3,689,373	-	11,784,465
Result					
Operating profit	1,737,654	474,502	(570,992)	26,466	1,667,630

1) LNG, petroleum and chemical
2) Offshore and heavy engineering

A10. VALUATION OF PROPERTY

The valuations of land and buildings have been brought forward without any amendments from the most recent annual audited financial statements as no revaluation has been carried out since 31 March 2008.

A11. SUBSEQUENT MATERIAL EVENT

There were no material events subsequent to the current financial quarter to date.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material change in the composition of the Group.

A13. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	RM '000
Letters of guarantee issued in respect of banking facilities extended to third party	46,817
Bank guarantees extended to customers for performance bond on contracts	147,596

B1. REVIEW OF PERFORMANCE

The Group profit before taxation of RM312.1 million was 36.6% lower than the corresponding quarter of RM492.1 million. Apart from the Liner business that suffered losses, the other businesses have recorded improvement in profitability during the period under review.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group profit before taxation of RM312.1 million was 37.3% lower than the preceding quarter of RM497.9 million. The decrease was mainly due to losses in Liner business and weakening of rates in Petroleum business.

B3. CURRENT YEAR PROSPECTS

The Group's earnings arising from existing and new long term charters in the LNG and Offshore businesses will provide the Group with stable earnings. The global petroleum and container shipping rates are softening in line with weakening demand and increasing vessel supply. Whilst easing bunker price provides some element of relief for operating costs, other costs remain high, compressing profit margins.

In light of the decrease in global trade, the Group's profitability for the current and next financial year is expected to be lower than the previous financial year.

B4. VARIANCE OF ACTUAL RESULTS COMPARED WITH FORECASTED AND SHORTFALL IN PROFIT GUARANTEE

The Company did not provide any profit forecast or profit guarantee in any public document.

B5. TAXATION

	Oct 08-Dec 08 RM '000	Apr 08-Dec 08 RM '000
Taxation for the period comprises the following charge		
Income tax charge		
- current period	31,415	54,732
- prior year	1,172	(344)
Deferred taxation	(539)	1,512
	32,048	55,900

The income of the Group that is derived from the operations of sea-going Malaysian registered ships is tax exempt under Section 54A of the Income Tax Act, 1967. The taxation charge for the Group is attributable to tax in respect of other activities of the Group.

B6. PROFITS ON SALE OF INVESTMENTS AND/OR PROPERTIES

There were no material sales of investments and/or properties for the current financial year to date.

B7. PURCHASES AND SALES OF QUOTED SECURITIES

i) There were no purchases and sales of quoted securities for the current financial year to date.

ii) Investments in quoted securities as at 31 December 2008 are as follows:-

Other Investments (Long Term)	RM '000
At cost	159,488
At carrying value	230,274
At market value	230,274

B8. STATUS OF CORPORATE PROPOSALS

There are no outstanding corporate proposals submitted by the Group for the quarter ended 31 December 2008. On 25 November 2008 MISC via its subsidiary, MSEH has elected to terminate the Sale and Purchase Agreement ("SPA") with Ramunia dated 21 January 2008 as supplemented by the Supplemental SPA dated 30 September 2008 with immediate effect due to unsatisfactory due diligence findings.

B9. GROUP BORROWINGS

i) The tenure of Group borrowings as at 31 December 2008 classified as short and long term as well as secured and unsecured categories are as follows :-

	RM '000
Short Term Borrowings	
Secured	374,109
Unsecured	2,525,280
	2,899,389
Long Term Borrowings	
Secured	2,332,814
Unsecured	6,106,695
	8,439,509
Total	11,338,898

ii) Foreign borrowings in Ringgit Malaysia equivalent as at 31 December 2008 are as follows :-

	RM '000
US Dollars	10,133,503

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the quarter ended 31 December 2008 as a result of early adoption of FRS 139: Financial instruments: Recognition and Measurement. The interest rate swap which was previously classified as off balance sheet financial instruments has been recognised in the balance sheet as derivative financial instruments.

B11. CHANGES IN MATERIAL LITIGATION

There was no material litigation involving the Group.

B12. DIVIDENDS

No dividend has been proposed for the third quarter.

B13. EARNINGS PER SHARE

In respect of earnings per share :-

i) The amount used as numerator for the calculation of basic earnings per share is RM249.6 million for the third quarter ended 31 December 2008 which are the same as the net profits shown in the condensed consolidated income statement.

ii) The number of ordinary shares used as the denominator in calculating the earnings per share is 3,719.8 million.

The Group does not have any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.