

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 30 September 2009.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30 SEPTEMBER 2009 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2008 RM '000	CURRENT YEAR TO DATE 30 SEPTEMBER 2009 RM '000	PRECEDING YEAR TO DATE 30 SEPTEMBER 2008 RM '000
	Revenue	3,527,103	4,455,932	7,420,537
Other operating income	<u>29,056</u>	<u>124,103</u>	<u>123,603</u>	<u>219,519</u>
Operating profit	256,471	597,051	611,182	1,256,520
Loss on disposal of ships	(19,803)	-	(28,292)	-
Finance cost	(79,063)	(99,886)	(167,339)	(199,148)
Share of profit of associates	75	61	84	470
Share of profit/(loss) of jointly controlled entities	2,958	627	18,501	(616)
Profit before tax	<u>160,638</u>	<u>497,853</u>	<u>434,136</u>	<u>1,057,226</u>
Taxation	<u>(31,869)</u>	<u>(13,990)</u>	<u>(33,959)</u>	<u>(23,852)</u>
Profit after tax	<u>128,769</u>	<u>483,863</u>	<u>400,177</u>	<u>1,033,374</u>
Attributable to:				
Shareholders of the parent	82,062	450,197	315,511	973,055
Minority interests	<u>46,707</u>	<u>33,666</u>	<u>84,666</u>	<u>60,319</u>
	<u>128,769</u>	<u>483,863</u>	<u>400,177</u>	<u>1,033,374</u>
Earnings per share attributable to shareholders of the parent : -				
(i) Basic (based on 3,719,827,586 ordinary shares) (sen)	2.2	12.1	8.5	26.2
(ii) Diluted (based on 3,719,827,586 ordinary shares) (sen)	2.2	12.1	8.5	26.2

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2009)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009

	AS AT END OF CURRENT QUARTER 30 SEPTEMBER 2009 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31 MARCH 2009 RM '000
Ships	25,746,151	25,843,161
Property, Plant and Equipment	1,629,032	1,430,046
Prepaid Land & Building Lease Payments	109,501	111,640
Investments in Associates	3,002	3,320
Investments in Jointly Controlled Entities	348,794	311,754
Other non-current financial assets	502,846	645,684
Intangible Assets	973,959	1,023,532
Deferred Tax Asset	3,732	4,133
	<u>29,317,017</u>	<u>29,373,270</u>
Current Assets		
<i>Inventories</i>	509,849	441,627
<i>Trade & Other Receivables</i>	2,800,105	2,844,201
<i>Cash</i>	2,068,338	3,725,436
<i>Amounts due from Group Companies</i>	311,245	313,201
<i>Amounts due from Associates</i>	6,768	4,638
<i>Amounts due from Jointly Controlled Entities</i>	39,373	54,541
<i>Assets held for sale</i>	153	153
	<u>5,735,831</u>	<u>7,383,797</u>
Current Liabilities		
<i>Short Term Borrowings</i>	1,422,665	3,104,324
<i>Trade & Other Payables</i>	3,890,861	3,380,041
<i>Provision for Taxation</i>	45,482	52,621
<i>Amounts due to Group Companies</i>	58,777	42,998
<i>Amounts due to Associates</i>	4,419	4,821
<i>Amounts due to Jointly Controlled Entities</i>	1,253	1,210
	<u>5,423,457</u>	<u>6,586,015</u>
Net Current Assets	<u>312,374</u>	<u>797,782</u>
	<u>29,629,391</u>	<u>30,171,052</u>
Shareholders' Funds		
Shareholders of parent		
Share Capital	3,719,828	3,719,828
Reserves		
<i>Revaluation Reserve</i>	1,381	1,381
<i>Other Reserves</i>	1,227,068	2,206,538
<i>Statutory Reserve</i>	1,242	1,242
<i>Retained Profits</i>	14,597,855	15,024,173
	<u>19,547,374</u>	<u>20,953,162</u>
Minority interests	452,716	341,079
Total equity	<u>20,000,090</u>	<u>21,294,241</u>
Non-Current Liabilities		
<i>Long Term Borrowings</i>	9,435,925	8,747,646
<i>Deferred Taxation</i>	24,674	22,903
<i>Derivatives Liabilities</i>	168,702	106,262
	<u>29,629,391</u>	<u>30,171,052</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2009)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	CUMULATIVE	
	CURRENT YEAR TO DATE 30 SEPTEMBER 2009 RM '000	PRECEDING YEAR TO DATE 30 SEPTEMBER 2008 RM '000
Cash Flow from Operating Activities	2,007,728	2,581,456
Cash Flow from Investing Activities	(2,106,626)	(2,002,960)
Cash Flow from Financing Activities	(1,414,031)	1,424,824
Net Change in Cash & Cash Equivalents	<u>(1,512,929)</u>	<u>2,003,320</u>
Cash & Cash Equivalents at the beginning of the year	3,725,436	1,964,361
Currency translation difference	(144,169)	107,678
Cash & Cash Equivalent at the end of the period	<u><u>2,068,338</u></u>	<u><u>4,075,359</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2009)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	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
6 MONTHS ENDED 30 SEPTEMBER 2009						
At 1 April 2009	3,719,828	2,209,161	15,024,173	20,953,162	341,079	21,294,241
	3,719,828	2,209,161	15,024,173	20,953,162	341,079	21,294,241
Currency translation differences	-	(921,813)	-	(921,813)	(19,317)	(941,130)
Long term investments:						
Fair value gain	-	13,442	-	13,442	-	13,442
Cash flow hedge:						
Fair value (loss)/gain	-	(71,099)	-	(71,099)	8,659	(62,440)
Net loss not recognised in income statement	-	(979,470)	-	(979,470)	(10,658)	(990,128)
Acquisition of a subsidiary	-	-	-	-	61,261	61,261
Dividend	-	-	(741,829)	(741,829)	(23,632)	(765,461)
Profit for the year	-	-	315,511	315,511	84,666	400,177
At 30 September 2009	3,719,828	1,229,691	14,597,855	19,547,374	452,716	20,000,090

6 MONTHS ENDED 30 SEPTEMBER 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	-	1,226,920	-	1,226,920	19,976	1,246,896
Long term investments:						
Fair value gains	-	127,737	-	127,737	-	127,737
Cash flow hedge:						
Fair value loss	-	(51,247)	-	(51,247)	-	(51,247)
Net gain not recognised in income statement	-	1,303,410	-	1,303,410	19,976	1,323,386
Dividend	-	-	(750,928)	(750,928)	(718)	(751,646)
Profit for the year	-	-	973,055	973,055	60,319	1,033,374
At 30 September 2008	3,719,828	1,079,019	15,198,242	19,997,089	353,638	20,350,727

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

NOTES TO THE CONDENSED 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 available-for-sale financial assets 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 ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009. 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 2009.

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 2009.

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 2009.

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 30 September 2009.

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 30 September 2009, the Group has issued RM1,000.0 million nominal value Murabahah Medium Term Notes pursuant to MISC's Murabahah Medium Term Notes Programme with an aggregate nominal value of up to RM2,500.0 million.

In the same quarter, the Group has issued RM1,000.0 million nominal value Murabahah Medium Term Notes pursuant to MISC's Murabahah Commercial Papers / Medium Term Notes Programme with an aggregate nominal value of up to RM1,000.0 million.

The Group has also made a repayment of USD400.0 million in respect of USD 5-Year Guaranteed Note and a repayment of RM700.0 million in respect of Murabahah Medium Term Notes Programme.

A8. DIVIDENDS

The Group paid a final dividend of 20 sen per share tax exempt (2007/2008: 20 sen) on 21 August 2009 in respect of the 2008/2009 financial year, amounting to RM741.8 million (2007/2008: RM750.9 million) in total.

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	3,338,751	2,561,745	1,520,041	-	7,420,537
Result					
Operating profit	901,180	354,921	(639,941)	(4,978)	611,182

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 2009.

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	34,285
Bank guarantees extended to customers for performance bond on contracts	200,827

B1. REVIEW OF PERFORMANCE

The Group profit before taxation of RM180.4 million (excluding loss on disposal of ships) was 63.8% lower than the corresponding quarter's profit of RM497.9 million. The decrease was mainly due to lower profit in Petroleum business and higher losses in Liner (container shipping) and Chemical businesses.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group profit before taxation of RM180.4 million (excluding loss on disposal of ships) was 34.0% lower than the RM273.5 million profit recorded in the preceding quarter. The lower profit recorded arose mainly from reduced profit in Petroleum business and higher losses in Chemical business. Meanwhile, Liner business recorded lower losses in this quarter.

B3. CURRENT YEAR PROSPECTS

The contraction of global trade continues to pose challenges to the shipping industry as reflected by falling rates in petroleum, chemical and container shipping. The Liner business segment is expected to show further results improvement with the exit from the Grand Alliance in the final quarter of this financial year. The Group's earnings from long term charters in the LNG and Offshore businesses will also help to cushion the Group from the downward pressure on rates as mentioned earlier.

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

	Jul 09-Sep 09 RM '000	Apr 09-Sep 09 RM '000
Taxation for the period comprises the following charge		
Income tax charge		
- current period	31,591	30,751
- prior year	4	226
Deferred taxation	273	2,982
	<u>31,869</u>	<u>33,959</u>

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 30 September 2009 are as follows:-

Other Investments (Long Term)	RM '000
At cost	159,488
At carrying value	283,897
At market value	283,897

B8. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals submitted by the Group for the quarter ended 30 September 2009.

B9. GROUP BORROWINGS

- i) The tenure of Group borrowings as at 30 September 2009 classified as short and long term as well as secured and unsecured categories are as follows :-

	RM '000
Short Term Borrowings	
Secured	382,702
Unsecured	1,039,963
	<u>1,422,665</u>
Long Term Borrowings	
Secured	2,018,689
Unsecured	7,417,236
	<u>9,435,925</u>
Total	<u><u>10,858,590</u></u>

- ii) Foreign borrowings in Ringgit Malaysia equivalent as at 30 September 2009 are as follows :-

	RM '000
US Dollars	8,456,058

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the quarter ended 30 September 2009 .

B11. CHANGES IN MATERIAL LITIGATION

There were no material litigation involving the Group.

B12. DIVIDENDS

The Board of Directors has declared an interim dividend of 15 sen per share tax exempt dividend (2008/2009:15 sen) in respect of the 2009/2010 financial year amounting to RM558.0 million (2008/2009: RM558.0 million). The proposed dividend will be paid on 24 December 2009 to shareholders registered at the close of business on 10 December 2009. The Register of Members will be closed on 10 December 2009 (date inclusive) for the purpose of determining shareholders' entitlement to the dividend. A depositor shall qualify for entitlement to the dividend. A depositor shall qualify for entitlement only in respect of:

- i. securities transferred into the Depositor's Securities Account before 4:00 pm on 10 December 2009 in respect of Ordinary Transfers; and
- ii. shares bought on the BMSB on a cum entitlement basis according to the rules of BMSB.

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 RM82.1 million for the second quarter ended 30 September 2009 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.