

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31 MARCH 2005**

The Board of Directors is pleased to announce the unaudited financial results of the Group for the interim financial period ended 31 March 2005.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		3 months ended	
		31/03/05	31/03/04	31/03/05	31/03/04
		Unaudited		Unaudited	
		RM'000	RM'000	RM'000	RM'000
Revenue		679,026	1,133,829	679,026	1,133,829
Operating expenses		(659,440)	(1,022,637)	(659,440)	(1,022,637)
Other operating income		4,538	21,398	4,538	21,398
Profit from operations		24,124	132,590	24,124	132,590
Finance cost		(32)	(14,597)	(32)	(14,597)
Share of results of associates		5,717	3,684	5,717	3,684
Profit before tax		29,809	121,677	29,809	121,677
Tax	13	(10,167)	(39,325)	(10,167)	(39,325)
Profit after tax		19,642	82,352	19,642	82,352
Minority interests		-	(34,923)	-	(34,923)
Net profit attributable to shareholders		19,642	47,429	19,642	47,429
		sen	sen	sen	sen
Earnings per share:	25				
- Basic	(a)	7.89	19.30	7.89	19.30
- Diluted	(b)	7.89	19.22	7.89	19.22

The Condensed Consolidated Income Statements should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2004.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 31/03/05 RM'000	Audited As At 31/12/2004 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	303,952	306,848
Investments	13,709	13,709
Jointly controlled entity	6,720	-
Associates	113,804	111,984
Deferred tax assets	7,004	8,794
	445,189	441,335
CURRENT ASSETS		
Inventories	471,132	211,526
Receivables	234,020	256,440
Tax recoverable	1,217	885
Cash and bank balances and deposits with financial institutions	467,518	557,842
	1,173,887	1,026,693
CURRENT LIABILITIES		
Payables	370,563	242,903
Amounts due to associates	18,846	15,884
Taxation	15,338	15,857
Provisions for liabilities and charges	9,931	8,852
	414,678	283,496
NET CURRENT ASSETS	759,209	743,197
NON-CURRENT LIABILITIES		
Deferred tax liabilities	10,048	10,059
Provision for retirement benefits	8,533	8,172
Long-term lease payables	818	1,056
	19,399	19,287
	1,184,999	1,165,245
SHARE CAPITAL	248,993	248,993
RESERVES	936,006	916,252
SHAREHOLDERS' FUNDS	1,184,999	1,165,245
	-	-
	RM	RM
Net tangible assets per share	4.76	4.68

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2004.

EDARAN OTOMOBIL NASIONAL BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<u>Note</u>	<u>Non-distributable</u>				<u>Distributable</u>	<u>Total</u> RM'000
	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Statutory Reserves</u> RM'000	<u>Currency Translation Reserves</u> RM'000	<u>Retained Earnings</u> RM '000	
(Unaudited)						
At 1 January 2005	248,993	8,367	-	5,694	902,191	1,165,245
Movements in equity during the period						
Share of associates' reserves				112		112
Net gains not recognised in the income statement	-	-	-	112	-	112
Net profit for the period					19,642	19,642
At 31 March 2005	248,993	8,367	-	5,806	921,833	1,184,999
(Unaudited)						
At 1 January 2004	244,714	461,978	302,412	3,842	1,244,716	2,257,662
Movements in equity during the period						
Share of associates' reserves				606		606
Net gains not recognised in the income statement	-	-	-	606	-	606
Net profit for the period					47,429	47,429
Issue of shares						
- exercise of share options	2,261	12,532				14,793
At 31 March 2004	246,975	474,510	302,412	4,448	1,292,145	2,320,490

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2004.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 3 months ended 31/03/05 RM'000	Unaudited 3 months ended 31/03/04 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit attributable to shareholders	19,642	47,429
Adjustments for investing and financing items and non-cash items:		
Tax	10,167	39,325
Minority interests	-	34,923
Profit retained in associates	(5,717)	(3,684)
Depreciation	4,918	12,268
Other investing and financing items and non-cash items	(315)	49,816
Operating profit before working capital changes	28,695	180,077
Increase in loans, advances and financing	-	(226,034)
Increase in deposits from customers and deposits and placements of banks and other financial institutions	-	382,509
Net changes in other working capital	(106,750)	283,654
Cash generated from/(used in) operations	(78,055)	620,206
Add/(Less) :		
Interest received	2,235	504
Interest paid	(33)	(93)
Income tax paid, net of refund	(6,662)	(12,192)
Net cash flow from operating activities	<u>(82,515)</u>	<u>608,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and interest received from investment securities	-	38,330
Dividends received from associates	1,432	4,972
Proceeds from sale of property, plant and equipment	189	1,337
Investment in jointly controlled entity	(6,720)	-
Additional investment in an associate	-	(1,106)
Purchases, net of proceeds from sale of investment securities	-	(27,178)
Purchase of property, plant and equipment	(2,155)	(15,887)
Net cash flow from investing activities	<u>(7,254)</u>	<u>468</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares	-	14,793
Proceeds from issuance of Subordinated Notes	-	843,078
Payment of finance lease	(555)	(897)
Net cash flow from financing activities	<u>(555)</u>	<u>856,974</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(90,324)	1,465,867
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	557,842	3,703,815
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>467,518</u>	<u>5,169,682</u>
<u>Represented by:</u>		
Cash and cash equivalents of the banking group *	-	4,600,645
Cash and cash equivalents included in non-banking assets	467,518	569,037
	<u>467,518</u>	<u>5,169,682</u>

* Prior to the distribution of shares in EON Capital Berhad to shareholders in July 2004.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2004.

EDARAN OTOMOBIL NASIONAL BERHAD
EXPLANATORY NOTES TO THE FINANCIAL REPORT

Disclosure requirements pursuant to Malaysian Accounting Standards Board No. 26

1. Basis of preparation and Accounting policies

The interim financial report is prepared in accordance with the Malaysian Accounting Standards Board (MASB) No. 26 (Interim Financial Reporting) and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group's annual financial report for the year ended 31 December 2004.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2004.

2. Audit report of the preceding annual financial statements

The audit report of the Group's preceding audited annual financial statements did not contain any qualification.

3. Seasonality or cyclicity of operations

The business operations of the Group are not materially affected by seasonal or cyclical fluctuations.

4. Items of unusual nature, size or incidence

There were no items of unusual nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the interim financial report.

5. Changes in estimates

There were no material change in estimates of amounts reported in prior financial years that have a material effect on the interim financial statements.

6. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities and, no share buy-backs, shares held as treasury shares and resale of treasury shares during the current interim financial period.

7. Dividends paid

There was no dividend paid for the current interim financial period.

8. Segment reporting

	3 months ended			
	Revenue		Profit Before Tax	
	31/03/05	31/03/04	31/03/05	31/03/04
	RM'000	RM'000	RM'000	RM'000
Motor	679,026	668,684	24,092	14,274
Share of results of associates	-	-	5,717	3,684
	679,026	668,684	29,809	17,958
<u>Discontinued operations</u>				
Financial services*	-	468,595	-	103,719
Inter-segment revenue eliminations	-	(3,450)	-	-
	679,026	1,133,829	29,809	121,677

* These were in respect of the results of EON Capital (ECB) group prior to the distribution of ECB shares to the shareholders in July 2004. Subsequent to that, the Group's activities are focused on the motor sector.

9. Property, plant and equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. Subsequent events

On 9 March 2005, the Company announced that its wholly-owned subsidiary, Euromobil Sdn Bhd (Euromobil) has entered into a Supplemental Sale Agreement with Audi AG. Under the Agreement, Euromobil has agreed to the appointment of Territorial Star Sdn Bhd (Territorial) by Audi AG as an additional importer of Audi vehicles in Malaysia for the sole purpose of facilitating the import of Audi vehicles into Malaysia for exclusive sale to Euromobil.

On 12 April 2005, the Company announced that its associate company formed under the joint venture with Mitsubishi Corporation (MC), Mitsubishi Motors Malaysia Sdn Bhd (MMM), has entered into an agreement with Mitsubishi Motors Corporation (MMC) for the appointment of MMM as the exclusive distributor responsible for the import, assembly and sale including after sales service of Mitsubishi Motors badged motor vehicles and spare parts in Malaysia.

On 25 April 2005, the Company announced that it has entered into a Memorandum of Understanding (MOU) with Scott & English (Malaysia) Sdn Bhd to establish a new joint venture company, in which EON's stake is 51% to distribute the TATA marque in Malaysia.

11. Changes in the composition of the group

On 8 March 2005, the Company subscribed for 6,720,000 new ordinary shares of RM1.00 each representing 48% equity interest in MMM, a company formed under the joint venture with MC.

12. Commitments and contingent liabilities

There were no material commitments and contingent liabilities as at the end of the current interim financial period.

Additional disclosure requirements pursuant to paragraph 9.22 of the Bursa Malaysia Listing Requirements

13. Tax

Tax comprises the following:

Current tax

Share of associates' tax

Deferred tax

Over provision in prior years

3 months ended		3 months ended	
31/03/05	31/03/04	31/03/05	31/03/04
RM'000	RM'000	RM'000	RM'000
5,810	39,547	5,810	39,547
2,577	1,406	2,577	1,406
1,780	(1,628)	1,780	(1,628)
10,167	39,325	10,167	39,325
-	-	-	-
10,167	39,325	10,167	39,325

The effective tax rate of the Group was higher than the statutory tax rate due to certain charges and provisions not allowable for tax purposes.

14. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and properties for the current interim financial period.

15. Purchase or disposal of quoted securities

(a) There were no purchases or disposal of quoted securities for the current interim financial period.

(b) Total investments in quoted securities are as follows:

(i) At cost

(ii) At carrying value / book value

(iii) At market value

As at
31/03/05
RM'000

7,593
7,776
8,077

16. Status of corporate proposals

The Group does not have any corporate proposals announced but not completed at the date of this report.

17. Group borrowings and debt securities

The Group does not have any borrowings and debt securities as at the end of the current interim financial period.

18. Financial instruments with off balance sheet risk

The Group does not have any off balance sheet financial instruments that are of a material nature as at the date of this report.

19. Material litigation

As at the date of this report, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group.

20. Profit before tax for the current quarter compared to the immediate preceding quarter

The Group's profit before tax of RM29.8 million for the current quarter was 87.5% higher than the preceding quarter due primarily to the voluntary staff separation (VSS) cost of RM13.7 million taken up in the preceding quarter. Excluding the VSS cost, Group's profit before tax for the current quarter was comparable to RM29.6 million recorded in the preceding quarter.

21. Review of performance for the current interim financial period compared to the corresponding period in the preceding year

The Group recorded profit before tax of RM29.8 million on a Group revenue of RM679.0 million for the first quarter ended 31 March 2005, lower by 75.5% and 40.1% respectively compared to the corresponding period in 2004. This was attributable substantially to the results of ECB group included in the first quarter of 2004.

Excluding the earnings of ECB group of RM103.7 million, Group's profit before tax was 66.0% higher resulting from the various profit improvement initiatives and cost reduction measures implemented since 2004.

The passenger car market registered a growth of 15.4% to 94,035 units in the first quarter of the year with higher sales from the national as well as non-national segments. Proton sales also rose by 12.2% to 39,241 units. However, EON registered lower sales of 15,026 units compared to 15,654 units sold in the first quarter of 2004 and market share fell from 19% to 16% due mainly to supply constraints of certain models.

The Group recorded higher sales of Hyundai/Inokom and Audi cars.

22. Prospects

Malaysian Institute of Economic Research has revised downwards its GDP growth forecast for 2005 from 5.7% to 5.4% in view of the projected slowdown in the global economy amid concerns over rising oil prices.

Malaysian Automotive Association has maintained its forecast of the passenger car market at 384,000 units for 2005 (2004: 380,568 units).

Whilst Group's vehicle sales should improve in 2005, keen competition will continue to put pressure on margins. Sales of its non-Proton marques will be further enhanced with the commencement of the Mitsubishi business expected in the second half of the year.

In line with the Group's strategy to pursue new distributorships and dealerships of other marques, the Company has entered into a MOU with Scott & English (Malaysia) Sdn Bhd for the distribution of the TATA marque in Malaysia.

23. Profit forecast / profit guarantee

The Group neither made any profit forecast nor issued any profit guarantee.

24. Dividends

No interim dividend is recommended for the current interim financial period.

25. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	3 months ended		3 months ended	
	31/03/05	31/03/04	31/03/05	31/03/04
Net profit attributable to shareholders (RM'000)	19,642	47,429	19,642	47,429
Weighted average number of ordinary shares in issue	248,992,823	245,794,156	248,992,823	245,794,156
Basic earnings per share (sen)	7.89	19.30	7.89	19.30

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period adjusted for dilutive shares issueable in respect of share options under the Company's Employees' Share Option Scheme.

	3 months ended		3 months ended	
	31/03/05	31/03/04	31/03/05	31/03/04
Net profit attributable to shareholders (RM'000)	19,642	47,429	19,642	47,429
Weighted average number of ordinary shares in issue	248,992,823	245,794,156	248,992,823	245,794,156
Adjustment for share option	-	934,000	-	934,000
Weighted average number of ordinary shares in issue for diluted earnings per share	248,992,823	246,728,156	248,992,823	246,728,156
Diluted earnings per share (sen)	7.89	19.22	7.89	19.22

Diluted earnings per share is not calculated for the current interim financial period as the Company's ESOS expired on 5 October 2004.

BY ORDER OF THE BOARD
NOOR AZWAH SAMSUDIN
Company Secretary

Shah Alam, 30 May 2005