

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2008

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 31 March 2008.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		15 months ended	12 months ended
		31/3/2008	31/3/2007	31/3/2008	31/12/2006
		Unaudited	Unaudited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue		494,903	427,319	2,322,322	1,834,885
Operating expenses		(492,476)	(426,433)	(2,307,175)	(1,884,257)
Other operating income		5,835	4,249	23,010	28,604
Profit from operations		8,262	5,135	38,157	(20,768)
Finance cost		(1)	(2)	(7)	(810)
Share of results of jointly controlled entities		8,328	7,293	35,721	12,243
Share of results of associates		205	151	1,494	5,757
Gain on disposal of properties		32,250	-	32,537	
Write back of allowance for impairment of investment in an associate		-	-	8,225	8,042
Profit before tax		49,044	12,577	116,127	4,464
Tax	14	(2,674)	(1,456)	(10,763)	799
Profit after tax		46,370	11,121	105,364	5,263
Profit attributable to equity holders		46,370	11,121	105,364	5,263
		sen	sen	sen	sen
Earnings per share:	26				
- Basic	(a)	18.62	4.47	42.32	2.11
- Diluted	(b)	18.62	4.47	42.32	2.11

The Condensed Consolidated Income Statements should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2006.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 31/3/2008 RM'000	Audited As At 31/12/2006 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	180,657	235,137
Investment properties	18,530	-
Prepaid lease	11,167	13,274
Investments	5,075	5,179
Jointly controlled entities	105,435	97,469
Associates	50,369	45,626
Deferred tax assets	3,521	7,182
	374,754	403,867
CURRENT ASSETS		
Inventories	291,367	305,941
Receivables	137,476	187,899
Amounts due from jointly controlled entities/ an associate	1,169	52
Tax recoverable	4,015	8,411
Cash and bank balances and deposits with financial institutions	383,519	228,969
	817,546	731,272
Non-current assets held for sale	-	13,652
	817,546	744,924
CURRENT LIABILITIES		
Payables	268,834	74,913
Amounts due to jointly controlled entities/ an associate	22,270	25,725
Taxation	6,494	438
Provisions for liabilities and charges	4,995	10,187
	302,593	111,263
	514,953	633,661
NET CURRENT ASSETS		
	514,953	633,661
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,091	8,600
Provision for retirement benefits	7,845	6,747
Long-term lease payables	-	584
	9,936	15,931
	879,771	1,021,597
SHARE CAPITAL	248,993	248,993
RESERVES	630,778	772,604
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	879,771	1,021,597
	RM	RM
Net assets per share attributable to equity holders	3.53	4.10

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 31 December 2006.

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</u> <u>Capital</u> RM'000	<u>Share</u> <u>Premium</u> RM'000	<u>Translation</u> <u>Currency</u> <u>Reserves</u> RM'000	<u>Revaluation</u> <u>Reserves</u> RM'000	<u>Retained</u> <u>Earnings</u> RM'000	
(Unaudited)						
At 1 January 2008	248,993	8,367	2,012	-	762,225	1,021,597
Movements in equity during the period				1,380		1,380
Share of associates' reserves			448			448
Net losses not recognised in income statement	-	-	448		-	448
Net profit attributable to equity holders					105,364	105,364
Total income and expenses for the period	-	-	448		105,364	105,812
Dividends					(249,018)	(249,018)
At 31 March 2008	248,993	8,367	2,460	1,380	618,571	879,771
(Unaudited)						
At 1 January 2007	248,993	8,367	2,012	-	762,225	1,021,597
Movements in equity during the period						
Share of associates' reserves			(318)			(318)
Net losses not recognised in income statement	-	-	(318)		-	(318)
Net profit attributable to equity holders					11,121	11,121
Total income and expenses for the period	-	-	(318)		11,121	10,803
Dividends	-	-	-		-	-
At 31 March 2007	248,993	8,367	1,694	-	773,346	1,032,400

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 2006.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 15 months ended 31/3/2008 RM'000	Audited 12 months ended 31/12/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit attributable to equity holders	105,364	5,263
Adjustments for investing and financing items and non-cash items:		
Tax	10,763	(799)
Share of results of jointly controlled entities	(35,721)	(12,243)
Share of results of associates	(1,494)	(5,757)
Depreciation	19,084	22,452
Other investing and financing items and non-cash items	(58,370)	975
Operating profit before working capital changes	39,626	9,891
Net changes in working capital	260,680	(156,708)
Cash generated from/(used in) operations	300,306	(146,817)
Add/(Less) :		
Interest received	14,684	4,714
Interest paid	-	(810)
Income tax paid, net of refund	(3,149)	(15,268)
Net cash flow from operating activities	<u>311,841</u>	<u>(158,181)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	28,896	8,720
Proceeds from sale of property, plant and equipment	70,356	52,997
Proceeds from sale of investment securities	105	-
Additional investment in unquoted companies	-	-
Purchase of property, plant and equipment	(6,685)	(17,855)
Net cash flow from investing activities	<u>92,672</u>	<u>43,862</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease	(945)	(1,906)
Payment of cash dividends	(249,018)	(32,275)
Net cash flow from financing activities	<u>(249,963)</u>	<u>(34,181)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	154,550	(148,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	228,969	377,469
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>383,519</u>	<u>228,969</u>

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 2006.

EDARAN OTOMOBIL NASIONAL BERHAD
EXPLANATORY NOTES TO THE FINANCIAL REPORT

Disclosure requirements pursuant to Financial Reporting Standard 134 (formerly known as Malaysian Accounting Standard Board 26)

1. Basis of preparation and Accounting policies

The interim financial report is prepared in accordance with the Financial Reporting Standard (FRS) 134 on 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 2006.

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 2006 except for the adoption of the following new / revised FRS :

(i) FRS 17: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on straight-line basis over the lease term. Prior to 1 January 2007, leasehold land were classified as property, plant and equipment which were stated at cost less accumulated depreciation and impairment losses.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised amounts of leasehold land are retained as the surrogate carrying amounts of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and comparative amounts as at 31 December 2006 have been restated as follows:

	As previously reported	Reclassification	As restated
	RM '000	RM '000	RM '000
<u>Balance sheet</u>			
<u>As at 31 December 2006 (audited)</u>			
Property, plant and equipment	248,411	(13,274)	235,137
Prepaid lease	-	13,274	13,274
	248,411	-	248,411

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 current interim financial period.

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 financial statements of the current interim financial period.

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 financial period.

7. Dividends paid

No dividend was paid in the current interim financial period.

Dividends paid by the Company during the current financial period was as follows:

	Gross per share	Dividend net of 27% tax
	Sen	RM'000
Special dividend in respect of the financial year ended 31 December 2006, paid on 6 July 2007.	137	249,018
	137	249,018

8. Segment reporting

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

There has not arisen any events subsequent to the end of the financial year that have not been reflected in the financial statements for the current interim financial period.

11. Significant event during the current period

There has not arisen any events subsequent to the end of the financial period that have not been reflected in the financial statements for the current interim financial period.

12. Changes in the composition of the group

There was no change in the composition of the Group during the current interim financial period.

13. 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
14. Tax

Tax comprises the following:

Current tax expense / (credit)

Deferred tax

Under/(Over) provision in prior years

Tax expense

3 months ended		15 months ended	12 months ended
31/3/2008	31/3/2007	31/3/2008	31/12/2006
RM'000	RM'000	RM'000	RM'000
3,429	1,788	10,048	(2,636)
(4,337)	(332)	(2,848)	1,895
(908)	1,456	7,200	(741)
3,582	-	3,563	(58)
2,674	1,456	10,763	(799)

The effective tax rate for the current financial period was lower than the statutory tax rate mainly attributable to non taxable income.

15. Sale of unquoted investments and/or properties

There were no sales of unquoted investments for the current interim financial period. Gain on disposal of properties is as follows:

	3 months ended 31/3/2008 RM'000	15 months ended 31/3/2008 RM'000
Gain from disposal of properties	32,250	32,537

16. 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
31/3/2008
RM'000

338

521

1,219

17. Status of corporate proposals**(I) Disposal of property**

On 8 June 2007, the Company's wholly owned subsidiary, EON Properties Sdn Bhd had entered into a Sale and Purchase Agreement with HICOM Indungan Sdn Bhd, to dispose approximately 26.03 acres of freehold land held under title no.HS(D) 224504, Lot No. PT 470, Bandar Glenmarie, District of Petaling Jaya, State of Selangor together with an industrial complex and related ancillary buildings erected thereon for a total cash consideration of RM67.0 million.

This transaction was completed on 7 January 2008.

(II) Notice of Mandatory Offer (Notice) from Aseambankers Malaysia Berhad dated 1 November 2007, on behalf of HICOM Holdings Berhad (HICOM), effectively a 100% owned subsidiary of DRB-HICOM Berhad to acquire 125,989,923 ordinary shares of RM1.00 each in EON not already owned by HICOM as at the date of the said Notice at a cash consideration of RM2.10 per EON share

On 18 January 2008, HICOM announced that based on the acceptances received, HICOM's shareholdings in EON has increased to 79.05%. Accordingly EON does not comply with the Public Spread requirement pursuant to Paragraph 8.15(1) of the Listing Requirements.

Hence, EON Shares have been suspended from trading since 11 March 2008. The suspension in trading of EON Shares will only be uplifted by Bursa Securities upon full compliance with paragraph 8.15(1) of the Listing Requirements or as may be determined by Bursa Securities.

On 24 March 2008, EON announced the proposed voluntary withdrawal of EON from the official list of the main board of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements. The circular in relation to this proposal would be issued in due course.

On 13 May 2008, Bursa Securities has granted EON an extension of time to comply with the public shareholding spread requirement pursuant to Paragraph 8.15 of the Listing Requirements of one year from the date of the EGM to be convened for the withdrawal of listing or one year from 1 July 2008 whichever is earlier.

(III) Memorandum of understanding (MOU) between EON and Proton Holdings Berhad (PROTON) on the rationalisation of distribution network and service centres

On 2 May 2008, EON announced that the Company has entered into a MOU with PROTON to cooperate and negotiate in good faith towards formalising the rationalisation of distribution network and service centres.

The MOU shall be determined upon the execution of a formal definitive agreement or three months from the date hereof, which ever is earlier.

18. Group borrowings and debt securities

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

19. Financial instruments with off balance sheet risk

Forward foreign exchange contracts are entered into by the Group in currencies other than the functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. Foreign currency transactions that are hedged by forward foreign exchange contracts are accounted for at their contracted rates.

As at 20 May 2008, the Group had entered into the following outstanding foreign currency contracts with maturity of less than one month:

	Contract amount	
	Foreign currency ('000)	Ringgit equivalent (RM '000)
Japanese Yen	1,036,737	31,743
Euro	5	25

20. 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.

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

The Group reported a higher profit before tax (PBT) of RM49.0 million for the current quarter as compared to preceding quarter of RM13.3 million. This was mainly attributed to the gains from disposal of properties and higher share of earnings from its jointly controlled companies.

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

The Group's revenue of RM494.9 million for the current quarter was higher than the corresponding period in 2007 of RM427.3 million. This was mainly due to higher Proton and Suzuki vehicles sales.

The Group recorded a higher profit before tax of RM49.0 million (YTD March 2007: RM12.6 million). This was mainly attributed to the gains on disposal of properties amounted to RM32.3 million. Excluding the gains on disposal, the Group reported a profit before tax of RM16.7 million mainly due to higher sales of Proton vehicles and higher share of earnings from its jointly controlled companies.

23. Prospects

Total Industry Volume (TIV) for the current quarter has increased to 130,851 (preceding quarter: 104,950) an increase of 25%. Arising from the successful launch of the Proton Persona and New Saga, Proton market share in the passenger car segment increased from 28.3% to 33.8% with EON's market share increasing from 8.9% to 9.9%. Sales of Mitsubishi Vehicles have also improved following the successful launch of the Lancer.

Whilst the demand for the Persona, New Saga and Mitsubishi vehicles may continue, the automotive business will persist to be challenging and competitive.

Barring unforeseen circumstances, the Board expects the Group continues to be profitable in the next financial year.

24. Profit forecast / profit guarantee

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

25. Dividends

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

However, the Board of Directors is pleased to recommend a final gross dividend of 13.5 sen per share less 26% tax in respect of the financial period ended 31 March 2008 which is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

26. Earnings per share**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

	3 months ended		15 months ended	12 months ended
	31/3/2008	31/3/2007	31/3/2008	31/3/2007
Profit attributable to equity holders (RM'000)	46,370	11,121	105,364	5,263
Weighted average number of ordinary shares in issue	248,992,823	248,992,823	248,992,823	248,992,823
Basic earnings per share (sen)	18.62	4.47	42.32	2.11

(b) Diluted earnings per share

Diluted earnings per share is not calculated as the Company does not have any dilutive potential ordinary shares.

BY ORDER OF THE BOARD
NORZALILI MOHD YUSOF
CAROL CHAN CHOY LIN
Company Secretaries

Shah Alam, 27 May 2008