

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2008

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 30 June 2008.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		3 months ended	3 months ended
		30/6/2008	30/6/2007	30/6/2008	30/6/2007
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		662,306	390,852	662,306	390,852
Operating expenses		(655,116)	(389,321)	(655,116)	(389,321)
Other operating income		3,825	5,611	3,825	5,611
Profit from operations		11,015	7,142	11,015	7,142
Finance cost		-	(2)	-	(2)
Share of results of jointly controlled entities		6,616	8,643	6,616	8,643
Share of results of associates		543	1,515	543	1,515
Write back of allowance for impairment of investment in an associate		-	8,225	-	8,225
Profit before tax		18,174	25,523	18,174	25,523
Tax	14	(2,751)	(2,128)	(2,751)	(2,128)
Profit after tax		15,423	23,395	15,423	23,395
Profit attributable to equity holders		15,423	23,395	15,423	23,395
		sen	sen	sen	sen
Earnings per share:	26				
- Basic	(a)	6.19	9.40	6.19	9.40
- Diluted	(b)	6.19	9.40	6.19	9.40

The Condensed Consolidated Income Statements should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 30/6/2008 RM'000	Audited As At 31/3/2008 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	178,343	180,657
Investment properties	18,530	18,530
Prepaid lease	11,093	11,167
Investments	5,075	5,075
Jointly controlled entities	112,085	105,435
Associates	49,104	50,368
Deferred tax assets	4,138	3,521
	378,368	374,753
CURRENT ASSETS		
Inventories	256,481	291,367
Receivables	183,959	134,913
Amounts due from jointly controlled entities/ an associate	2,261	1,169
Amounts due from other related companies	66	18
Tax recoverable	4,015	4,015
Cash and bank balances and deposits with financial institutions	309,792	383,519
	756,574	815,001
Non-current assets held for sale	-	-
	756,574	815,001
CURRENT LIABILITIES		
Payables	193,231	266,252
Amounts due to jointly controlled entities/ an associate	21,610	22,270
Amounts due to other related companies	21	-
Taxation	8,580	6,530
Provisions for liabilities and charges	5,924	4,995
Dividend payable	248,993	-
	478,359	300,047
NET CURRENT ASSETS	278,215	514,954
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,105	2,091
Provision for retirement benefits	8,056	7,845
Long-term lease payables	-	-
	10,161	9,936
	646,422	879,771
SHARE CAPITAL	248,993	248,993
RESERVES	397,429	630,778
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	646,422	879,771
	RM	RM
Net assets per share attributable to equity holders	2.60	3.53

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

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>Currency</u> <u>Translation</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 April 2008	248,993	8,367	2,460	1,380	618,571	879,771
Movements in equity during the period						-
Share of associates' reserves			221			221
Net profit not recognised in income statement	-	-	221		-	221
Net profit attributable to equity holders					15,423	15,423
Total income and expenses for the period	-	-	221		15,423	15,644
Dividends					(248,993)	(248,993)
At 30 June 2008	248,993	8,367	2,681	1,380	385,001	646,422
(Unaudited) At 1 April 2007	248,993	8,367	1,694	-	773,346	1,032,400
Movements in equity during the period						
Share of associates' reserves			(831)			(831)
Net losses not recognised in income statement	-	-	(831)		-	(831)
Net profit attributable to equity holders					23,395	23,395
Total income and expenses for the period	-	-	(831)		23,395	22,564
At 30 June 2007	248,993	8,367	863	-	796,741	1,054,964

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 3 months ended 30/6/2008 RM'000	Unaudited 3 months ended 30/6/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit attributable to equity holders	15,423	23,395
Adjustments for investing and financing items and non-cash items:		
Tax	2,751	2,128
Share of results of jointly controlled entities	(6,616)	(8,643)
Share of results of associates	(543)	(1,515)
Depreciation	3,299	3,064
Other investing and financing items and non-cash items	(836)	(10,923)
Operating profit before working capital changes	13,478	7,506
Net changes in working capital	(89,915)	(23,129)
Cash generated from/(used in) operations	(76,437)	(15,623)
Add/(Less) :		
Interest received	2,957	3,843
Interest paid	-	(2)
Income tax paid, net of refund	(1,304)	(282)
Net cash flow from/(used in) operating activities	<u>(74,784)</u>	<u>(12,064)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	2,057	144
Proceeds from sale of property, plant and equipment	160	1,354
Purchase of property, plant and equipment	(987)	(2,989)
Net cash flow from investing activities	<u>1,230</u>	<u>(1,491)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease	(173)	(427)
Net cash flow used in financing activities	<u>(173)</u>	<u>(427)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(73,727)	(13,982)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	383,519	474,564
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>309,792</u>	<u>460,582</u>
	-	-

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's annual financial report for the financial period ended 31 March 2008.

**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 financial period ended 31 March 2008.

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 financial period ended 31 March 2008.

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 interim financial period.

7. Dividends paid

No dividend was paid in the current interim financial period.

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		3 months ended	
30/6/2008	30/6/2007	30/6/2008	30/6/2007
RM'000	RM'000	RM'000	RM'000
3,354	2,299	3,354	2,299
(603)	(171)	(603)	(171)
2,751	2,128	2,751	2,128
-	-	-	-
2,751	2,128	2,751	2,128

The effective tax rate for the current financial period was lower than the statutory tax rate mainly attributable to availability of unabsorbed tax losses.

15. Sale of unquoted investments and/or properties

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

16. Purchase or disposal of quoted securities

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

As at
30/6/2008
RM'000

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

(i) At cost

(ii) At carrying value / book value

(iii) At market value

338
521
1,181

17. Status of corporate proposals

- (I) 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 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.

On 30 June 2008, the Proposed de-listing was not approved by the Company's shareholders at the EGM held on the said date.

- (II) 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 had signed a MOU with PROTON to cooperate and negotiate in good faith towards formalising the rationalisation of distribution network and service centres.

The negotiation between EON and PROTON is still in progress.

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 August 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	808,138	24,413
Euro	822	4,050

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 lower profit before tax (PBT) of RM18.2 million for the current quarter as compared to preceding quarter of RM49.0 million. This was mainly attributed to the gains from disposal of properties of RM32.3 million recorded in the preceding quarter.

Excluding the gains from disposal of properties, the higher PBT for the current quarter (Preceding quarter: RM16.7 million) was mainly due to higher sales units for Proton and Mitsubishi vehicles.

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

The Group's revenue of RM662.3 million for the current quarter was higher than the corresponding period in 2007 of RM390.9 million. This was mainly due to higher Proton and Mitsubishi vehicles sales.

However, the Group recorded a lower profit before tax of RM18.2 million (Quarter ended 30 June 2007: RM25.5 million) mainly due to the write back of allowance for impairment of investment in an associate of RM8.2 million registered in quarter ended 30 June 2007. Excluding the write back, the Group's higher profit before tax of RM18.2 million for the current quarter (Quarter ended 30 June 2007: RM17.3 million) was mainly due to higher sales of Proton vehicles and higher earnings from Mitsubishi business.

23. Prospects

Total Industry Volume (TIV) for the 6 months ended 30 June 2008 was higher at 277,973 (6 months ended 30 June 2007: 220,739). The TIV for passenger car segment also registered higher at 216,105, an increase of 26.5% from 170,894 recorded in year 2007. Accordingly, Proton market share in the passenger car segment increased from 27.4% to 33.7% with EON's market share increasing from 8.5% to 10.7%.

The automotive business will persist to be challenging due to increased inflationary pressure arising from the fuel hike in early June 2008.

Barring unforeseen circumstances, the Board expects the Group to be profitable for the current financial year.

24. Profit forecast / profit guarantee

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

25. Dividends

The Board declared a Special tax exempt dividend of RM1.00 per share for the financial year ending 31 March 2009, during the current interim financial period. The dividend payment of RM249 million was made on 25 July 2008.

The Board of Directors is pleased to announce that the shareholders had approved the final gross dividend of 13.5 sen per share less 26% tax in respect of the financial period ended 31 March 2008 at the Company's Annual General Meeting held on 27 August 2008. The dividend will be paid on 30 September 2008.

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		3 months ended	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
Profit attributable to equity holders (RM'000)	15,423	23,395	15,423	23,395
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)	6.19	9.40	6.19	9.40

(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 August 2008