

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)
(Incorporated in Malaysia)

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

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

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months ended		9 months ended	
		31/12/2008	31/12/2007	31/12/2008	31/12/2007
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		533,219	535,904	1,917,473	1,400,100
Operating expenses		(528,371)	(531,022)	(1,896,056)	(1,388,266)
Other operating income		1,219	3,744	6,957	13,213
Profit from operations		6,067	8,626	28,374	25,047
Finance cost		(2)	(1)	(4)	(4)
Share of results of jointly controlled entities		6,290	5,595	22,164	20,100
Share of results of associates		(419)	(967)	708	1,138
Write back of allowance for impairment of investment in an associate		-	-	-	8,225
Profit before tax		11,936	13,253	51,242	54,506
Tax	19	(472)	(3,698)	(8,555)	(6,633)
Profit after tax		11,464	9,555	42,687	47,873
Profit attributable to equity holders		11,464	9,555	42,687	47,873
		sen	sen	sen	sen
Earnings per share:	27				
- Basic	(a)	4.60	3.84	17.14	19.23
- Diluted	(b)	N/A	N/A	N/A	N/A

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 31/12/2008 RM'000	Audited As At 31/3/2008 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	174,087	180,657
Investment properties	18,530	18,530
Prepaid lease	10,947	11,167
Investments	5,075	5,075
Jointly controlled entities	100,917	105,435
Associates	57,372	50,368
Deferred tax assets	4,050	3,521
	370,978	374,753
CURRENT ASSETS		
Inventories	246,000	291,367
Receivables	108,029	134,913
Amounts due from holding company	6	-
Amounts due from jointly controlled entities/ an associate	1,246	1,169
Amounts due from other related companies	2,070	18
Tax recoverable	-	4,015
Cash and bank balances and deposits with financial institutions	63,035	383,519
	420,386	815,001
CURRENT LIABILITIES		
Payables	97,199	266,252
Amounts due to jointly controlled entities/ an associate	20,718	22,270
Amounts due to other related companies	103	-
Taxation	3,220	6,530
Provisions for liabilities and charges	5,295	4,995
	126,535	300,047
NET CURRENT ASSETS	293,851	514,954
NON-CURRENT LIABILITIES		
Deferred tax liabilities	6,387	2,091
Provision for retirement benefits	8,631	7,845
	15,018	9,936
	649,811	879,771
SHARE CAPITAL	248,993	248,993
RESERVES	400,818	630,778
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	649,811	879,771
	RM	RM
Net assets per share attributable to equity holders	2.61	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 Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Currency Translation Reserves</u> RM'000	<u>Revaluation Reserves</u> RM'000	<u>Retained 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		-	-	1,220	-	-	1,220
Net profit not recognised in income statement		-	-	1,220	-	-	1,220
Net profit attributable to equity holders		-	-	-	-	42,687	42,687
Total income and expenses for the period		-	-	1,220	-	42,687	43,907
Dividends		-	-	-	-	(273,867)	(273,867)
At 31 December 2008		248,993	8,367	3,680	1,380	387,391	649,811
(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		-	-	623	-	-	623
Net losses not recognised in income statement		-	-	623	-	-	623
Net profit attributable to equity holders		-	-	-	-	47,873	47,873
Total income and expenses for the period		-	-	623	-	47,873	48,496
Dividends		-	-	-	-	(249,018)	(249,018)
At 31 December 2007		248,993	8,367	2,317	-	572,201	831,878

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 9 months ended 31/12/2008 RM'000	Unaudited 9 months ended 31/12/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit attributable to equity holders	42,687	47,873
Adjustments for investing and financing items and non-cash items:		
Tax	8,555	6,633
Share of results of jointly controlled entities	(22,164)	(20,100)
Share of results of associates	(708)	(1,138)
Depreciation	9,597	10,254
Other investing and financing items and non-cash items	(2,291)	(12,505)
Operating profit before working capital changes	35,676	31,017
Net changes in working capital	(101,927)	24,066
Cash generated from/(used in) operations	(66,251)	55,083
Add/(Less) :		
Interest received	5,438	9,495
Interest paid	(5)	(4)
Income tax paid, net of refund	(4,571)	(2,123)
Net cash flow from/(used in) operating activities	<u>(65,389)</u>	<u>62,451</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	28,875	13,986
Proceeds from sale of property, plant and equipment	341	2,320
Proceeds from sale of investment securities	-	768
Proceeds from sale of associate company	516	-
Additional investment in associate company	(7,733)	-
Additional investment in unquoted companies	-	(7)
Purchase of property, plant and equipment	(3,033)	(4,999)
Net cash flow from investing activities	<u>18,966</u>	<u>12,068</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease	(194)	(772)
Payment of cash dividends	(273,867)	(249,018)
Net cash flow used in financing activities	<u>(274,061)</u>	<u>(249,790)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(320,484)	(175,271)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	383,519	474,564
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>63,035</u>	<u>299,293</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

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 statements for the financial period ended 31 March 2008.

2. Changes in accounting policies

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 except for the adoption of the following new/revised Financial Reporting Standards (FRS):

- 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 121 Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of FRS 107, 112, 118, 134 and FRS 137 does not have significant financial impact on the Group's financial statements. FRS 111, 120 and Amendment to FRS 121 are not applicable to the Group's operations.

3. 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.

4. Seasonality or cyclicity of operations

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

5. Items of unusual nature, size or incidence

There was no item of unusual nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the current interim financial period.

6. Changes in estimates

There was no material change in estimates of amounts reported in prior financial years that has a material effect on the financial statements of the current interim financial period.

7. Debt and equity securities

There was 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.

8. Dividends paid

No dividend was paid in the current reporting quarter.

Dividends paid by the Company during the current financial year to date were as follows:

	Sen	RM'000
- Special tax exempt dividend of RM1.00 per share in respect of the financial year ending 31 March 2009, paid on 25 July 2008.	100.0	248,993
- Final dividend of 13.5 sen per share less tax at 26% in respect of the financial period ended 31 March 2008, paid on 30 September 2008.	13.5	24,874
	113.5	273,867

9. Segmental reporting

The Group's activities are focused on the motor sector.

10. Property, plant and equipment

There was 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.

11. Subsequent events

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

12. Changes in the composition of the group

On 22 December 2008, Proton Cars (Europe) Limited, in which Proton Holdings Berhad and EON have 55.56% and 44.44% shareholding interests respectively, has been dissolved based on the publication in the Companies House (United Kingdom) Website. Following that, Proton Cars (Europe) Limited ceased to be an associated company of the Group.

13. Changes in contingent assets or contingent liabilities

There was no material change in contingent assets or contingent liabilities since the last balance sheet date as at 31 March 2008.

14. Capital commitments

There was no material capital commitment as at the end of the current interim financial period.

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

15. Review of performance

Total Industry Volume (TIV) for the 12 months ended 31 December 2008 was higher at 548,115 units (12 months ended 31 December 2007: 487,176 units). The TIV for passenger car segment also registered higher at 425,847 units, an increase of 12.2% from 379,639 units recorded in year 2007. Accordingly, Proton market share in the passenger car segment increased from 31.0% to 33.3% with EON's market share increasing from 9.5% to 10.3%.

The Group's revenue of RM533.2 million for the third quarter ended 31 December 2008 was lower than the corresponding quarter in 2007 of RM535.9 million by RM2.7 million. This was mainly due to lower Proton vehicles sales.

Accordingly, the Group's profit before tax was lower at RM11.9 million for the third quarter ended 31 December 2008 compared to RM13.3 million achieved in the same quarter of 2007.

The Group's revenue of RM1,917.5 million for the 9 months ended 31 December 2008 improved over the revenue of RM1,400.1 million registered in the same period of 2007, mainly due to higher Proton and Mitsubishi vehicles sales.

However, the Group recorded a lower profit before tax of RM51.2 million for the current 9 months period (YTD 31 December 2007: RM54.5 million) mainly due to a write back of allowance for impairment of investment in an associated company of RM8.2 million in the same period of 2007. Excluding the write back, the Group's profit before tax of RM51.2 million for the current 9 months period was higher than the Group's profit before tax registered in the same period last year of RM46.3 million. The higher Group's profit before tax was contributed by higher sales of Proton vehicles and higher earnings from Mitsubishi business.

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

The Group reported a lower profit before tax of RM11.9 million for the current quarter as compared to preceding quarter of RM21.1 million. This was mainly attributed to lower sales units for Proton and Mitsubishi vehicles.

17. Prospects

The market environment of the motor industry is expected to be challenging and competitive for the remaining period of the current financial year. The demand for motor vehicles is expected to further slow down in view of the uncertainties in the Malaysian economy following the impact of the global economic crisis.

Recognising the challenges ahead, the Group will continue to intensify its efforts to improve productivity and efficiencies of its sales and service networks. At the same time, the Group will further develop and implement various programmes and measures to mitigate the effects of the slower economic growth.

Notwithstanding the above, the Board expects the Group's results to remain profitable for the financial year ending 31 March 2009.

18. Profit forecast / profit guarantee

The Group neither made any profit forecast nor issued any profit guarantee for the current financial year in a public document.

19. Tax

Tax comprises the following:
Current tax expense / (credit)
Deferred tax

3 months ended		9 months ended	
31/12/2008	31/12/2007	31/12/2008	31/12/2007
RM'000	RM'000	RM'000	RM'000
522	1,925	4,788	4,831
(50)	1,773	3,767	1,821
472	3,698	8,555	6,652
-	-	-	(19)
472	3,698	8,555	6,633

Under/(Over) provision in prior years
Tax expense

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

20. Sale of unquoted investments and/or properties

There was no sale of unquoted investments for the current interim financial period.

21. Purchase or disposal of quoted securities

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

As at
31/12/2008
RM'000

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

(i) At cost	338
(ii) At carrying value / book value	521
(iii) At market value	835

22. Status of corporate proposals

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.

On 2 February 2009, EON announced that EON and PROTON had mutually agreed that the MOU will be extended for a further three (3) months commencing from 2 February 2009. Discussion between both parties are still on-going towards possible collaboration for the rationalisation of the existing PROTON-EON distribution networks and service centres.

23. Group borrowings and debt securities

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

24. Off balance sheet financial instruments

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 17 February 2009, the Group had entered into the following outstanding foreign currency contracts:

	Contract amount		Expiry Dates
	Foreign currency ('000)	Ringgit equivalent (RM '000)	
Japanese Yen	1,310,049	51,765	18/2/2009 - 23/3/2009
Euro	622	2,895	18/2/2009 - 15/4/2009

25. 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.

26. Dividends

The Board is pleased to declare an interim gross dividend of 8 sen per share less tax at 25% (31 December 2007: Nil), for the financial year ending 31 March 2009. The net dividend payment of approximately RM15.0 million will be made on 25 March 2009.

NOTICE IS HEREBY GIVEN that the interim gross dividend of 8 sen per share less 25% tax will be paid on 25 March 2009, to the shareholders whose names appear in the Records of Depositors of the Company at the close of business on 12 March 2009.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares deposited into the depositor's securities account before 12:30 p.m. on 10 March 2009 in respect of the shares exempted from mandatory deposit;
- (b) Shares transferred to the depositor's securities account on or before 4:00 p.m. on 12 March 2009 in respect of the transfers; and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total net dividend per share declared to date, for the financial year ending 31 March 2009 is RM1.06 per share.

27. Earnings per share

(a) Basic earnings per share

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

		3 months ended		9 months ended	
		31/12/2008	31/12/2007	31/12/2008	31/12/2007
Profit attributable to equity holders	(RM'000)	11,464	9,555	42,687	47,873
Number of ordinary shares in issue		248,992,823	248,992,823	248,992,823	248,992,823
Basic earnings per share	(sen)	4.60	3.84	17.14	19.23

(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, 24 February 2009