

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2009

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 30 June 2009.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Current Quarter		Year to Date	
		3 months ended		3 months ended	
		30/6/2009	30/6/2008	30/6/2009	30/6/2008
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		627,770	662,306	627,770	662,306
Cost of sales and operating expenses		(619,418)	(655,116)	(619,418)	(655,116)
Other income		1,339	3,825	1,339	3,825
Profit from operations		9,691	11,015	9,691	11,015
Finance cost		(152)	-	(152)	-
Share of results of jointly controlled entities		3,483	6,616	3,483	6,616
Share of results of associates		(216)	543	(216)	543
Profit before tax		12,806	18,174	12,806	18,174
Tax	19	(2,623)	(2,751)	(2,623)	(2,751)
Profit after tax		10,183	15,423	10,183	15,423
Profit attributable to equity holders		10,183	15,423	10,183	15,423
		sen	sen	sen	sen
Earnings per share:	27				
- Basic	(a)	4.09	6.19	4.09	6.19
- 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 year ended 31 March 2009.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As At 30/6/2009 RM'000	Audited As At 31/3/2009 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	172,818	174,192
Investment properties	18,530	18,530
Prepaid lease	10,810	10,881
Investments	4,389	4,389
Jointly controlled entities	105,621	102,251
Associates	40,977	41,047
Deferred tax assets	5,660	5,400
	358,805	356,690
CURRENT ASSETS		
Inventories	208,276	224,375
Receivables	141,121	112,779
Amounts due from holding companies	314	5
Amounts due from jointly controlled entities/ an associate	2,012	2,160
Amounts due from other related companies	2,544	2,038
Tax recoverable	290	197
Cash and bank balances and deposits with financial institutions	165,014	119,899
	519,571	461,453
CURRENT LIABILITIES		
Payables	203,138	137,269
Amounts due to jointly controlled entities/ an associate	14,081	24,216
Amounts due to other related companies	332	504
Taxation	4,021	778
Provisions for liabilities and charges	3,385	2,858
Borrowings	10,000	20,000
	234,957	185,625
NET CURRENT ASSETS	284,614	275,828
NON-CURRENT LIABILITIES		
Deferred tax liabilities	6,050	6,102
Provision for retirement benefits	8,222	7,996
Long-term lease payables	1,383	986
	15,655	15,084
	627,764	617,434
SHARE CAPITAL	248,993	248,993
RESERVES	378,771	368,441
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	627,764	617,434
	RM	RM
Net assets per share attributable to equity holders	2.52	2.48

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 31 March 2009.

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 2009		248,993	8,367	3,251	1,380	355,443	617,434
Movements in equity during the period							-
Share of associates' reserves		-	-	147	-	-	147
Net profit not recognised in income statement		-	-	147	-	-	147
Net profit attributable to equity holders		-	-	-	-	10,183	10,183
Total income and expenses for the period		-	-	147	-	10,183	10,330
Dividends		-	-	-	-	-	-
At 30 June 2009		248,993	8,367	3,398	1,380	365,626	627,764
(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 losses 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	2,460	1,380	385,001	646,422

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 March 2009.

EDARAN OTOMOBIL NASIONAL BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 3 months ended 30/6/2009 RM'000	Unaudited 3 months ended 30/6/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit attributable to equity holders	10,183	15,423
Adjustments for investing and financing items and non-cash items:		
Tax	2,623	2,751
Share of results of jointly controlled entities	(3,483)	(6,616)
Share of results of associates	216	(543)
Depreciation	2,833	3,299
Other investing and financing items and non-cash items	1,384	(836)
Operating profit before working capital changes	13,756	13,478
Net changes in working capital	41,631	(89,915)
Cash generated from/(used in) operations	55,387	(76,437)
Add/(Less) :		
Interest received	524	2,957
Interest paid	(152)	-
Income tax paid, net of refund	215	(1,304)
Net cash flow from/(used in) operating activities	55,974	(74,784)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	-	2,057
Proceeds from sale of property, plant and equipment	54	160
Purchase of property, plant and equipment	(1,449)	(987)
Net cash flow from investing activities	(1,395)	1,230
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(10,000)	-
Proceeds from/(payment of) finance lease	536	(173)
Net cash flow used in financing activities	(9,464)	(173)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	45,115	(73,727)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	119,899	383,519
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	165,014	309,792
	-	-

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's annual financial report for the financial year ended 31 March 2009.

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 year ended 31 March 2009.

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 year ended 31 March 2009.

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 reporting 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 reporting 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 reporting period.

8. Dividends paid

No dividend was paid in the current interim financial reporting period.

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 events subsequent to the end of the financial period that have not been reflected in the financial statements for the current interim financial reporting period.

12. Changes in the composition of the group

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

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 2009.

14. Capital commitments

There was no material capital commitment as at the end of the current interim financial reporting 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 6 months ended 30 June 2009 was lower at 251,092 units (YTD 30 June 2008: 277,973 units). The TIV for passenger vehicle segment also registered lower at 228,200 units, a decrease of 10.2% from 254,252 units recorded in year 2008. However, Proton's market share in the passenger vehicle segment increased from 28.7% to 29.7%. EON's market share increased from 9.1% to 10.1%.

The Group's revenue of RM627.8 million for the first quarter ended 30 June 2009 was lower than the corresponding quarter in 2008 of RM662.3 million by RM34.5 million. This was mainly due to lower Proton and Mitsubishi vehicle sales.

Accordingly, the Group recorded a lower profit before tax of RM12.8 million as compared to RM18.2 million in the corresponding quarter of 2008.

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

The Group reported a profit before tax of RM12.8 million for the current quarter as compared to the immediate preceding quarter's loss before tax of RM19.3 million. This was mainly attributed to higher sales units for Proton and Audi vehicles.

The preceding quarter's loss of RM19.3 million was also attributed to higher share of associates' losses and lower earnings from jointly controlled entities.

17. Prospects

The market environment of the motor industry is expected to remain challenging and competitive for the current financial year. For the first half of 2009, the TIV achieved was 251,092 units which exceeded 50% prorata of the Malaysian Automotive Association (MAA)'s original forecast of 480,000 units for the overall TIV in 2009. Following this, MAA has revised its forecast upwards to 500,000 units on the expectation of improved consumers' sentiments. Nevertheless, financial institutions continued to be cautious and stringent in providing hire-purchase loans.

Despite the expectation of an improved sales trend in the second half of 2009, the Group continued to initiate appropriate measures to mitigate the impact from uncertainty in the economic conditions. More importantly, as most of the sales and service dealers have migrated to Proton Edar Sdn Bhd (EDAR) pursuant to the execution of the Master Dealership Agreement with EDAR on 8 May 2009, the Group has intensified its efforts to reposition the Proton dealership business on a stronger footing and to reorganize its network and manpower with the objective of sustaining the Group's profitability.

Amidst the challenging time ahead, the Board expects the Group's results to remain positive for the financial year ending 31 March 2010.

18. Profit forecast / profit guarantee

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

19. Tax

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

Current Quarter		Year to Date	
3 months ended		3 months ended	
30/6/2009	30/6/2008	30/6/2009	30/6/2008
RM'000	RM'000	RM'000	RM'000
2,935	3,354	2,934	3,354
(312)	(603)	(311)	(603)
2,623	2,751	2,623	2,751

The effective tax rate for the current interim financial reporting 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 reporting period.

21. Purchase or disposal of quoted securities

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

	As at 30/6/2009 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	1,192

22. Status of corporate proposals

Extension of time to comply with the public shareholding spread requirement pursuant to Paragraph 8.15(1) of the Listing Requirements

Bursa Malaysia Securities Berhad has via its letter dated 29 June 2009 granted EON a further extension of time of six (6) months until 29 December 2009 to comply with the public shareholding spread requirement pursuant to the Paragraph 8.15(1) of the Listing Requirements.

23. Group borrowings and debt securities

The Group's borrowings, denominated in Ringgit Malaysia, as at the end of the current interim financial reporting period are as follows:

	RM '000
<u>Short-term - Bankers' acceptance</u>	
Unsecured	<u>10,000</u>

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 18 August 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	922,902	34,917	19/8/2009 - 27/8/2009
Euro	893	4,457	1/9/2009 - 30/9/2009

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

No interim dividend is recommended for the current interim financial reporting period (30 June 2008: Special Tax Exempt Dividend of RM1.00 per share)

The Board of Directors is pleased to announce that the shareholders had approved the final gross dividend of 2 sen per share less 25% tax in respect of the financial year ended 31 March 2009 at the Company's Annual General Meeting held on 20 August 2009. The dividend will be paid on 15 September 2009.

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 current interim financial reporting period.

	Current Quarter		Year to Date	
	3 months ended		3 months ended	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Profit attributable to equity holders (RM'000)	10,183	15,423	10,183	15,423
Number of ordinary shares in issue	248,992,823	248,992,823	248,992,823	248,992,823
Basic earnings per share (sen)	4.09	6.19	4.09	6.19

(b) Diluted earnings per share

Diluted earnings per share is not calculated as the Company does not have any dilutive potential ordinary shares to be issued as at end of the current interim financial reporting period.

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

Shah Alam, 25 August 2009