

EDARAN OTOMOBIL NASIONAL BERHAD

(119767 - X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial year ended 31 March 2010.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Current Quarter		Year to Date	
		3 months ended		12 months ended	
		31/3/2010	31/3/2009	31/3/2010	31/3/2009
		Unaudited	Unaudited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue		477,748	502,399	2,024,348	2,419,872
Cost of sales and operating expenses		(477,835)	(509,296)	(2,016,012)	(2,408,277)
Other income		5,789	1,808	10,499	11,690
Profit from operations		5,702	(5,089)	18,835	23,285
Finance cost		(79)	(135)	(328)	(139)
Share of results of jointly controlled entities		8,020	1,748	25,324	23,912
Share of results of associates		637	(15,838)	462	(15,130)
Profit before tax		14,280	(19,314)	44,293	31,928
Tax	19	9,875	2,306	4,481	(6,249)
Profit after tax		24,155	(17,008)	48,774	25,679
Profit attributable to equity holders		24,155	(17,008)	48,774	25,679
		sen	sen	sen	sen
Earnings per share:	27				
- Basic	(a)	9.70	(6.83)	19.59	10.31
- 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 31/3/2010 RM'000	Audited As At 31/3/2009 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	181,497	174,192
Investment properties	8,340	18,530
Prepaid lease	10,479	10,881
Investments	2,460	4,389
Jointly controlled entities	103,746	102,251
Associates	41,203	41,047
Deferred tax assets	15,640	5,400
	363,365	356,690
CURRENT ASSETS		
Inventories	226,126	224,375
Receivables	122,245	112,779
Amounts due from holding company	294	5
Amounts due from jointly controlled entities/ an associate	597	2,160
Amounts due from other related companies	1,816	2,038
Tax recoverable	918	197
Cash and bank balances and deposits with financial institutions	138,577	119,899
	490,573	461,453
CURRENT LIABILITIES		
Payables	142,370	137,269
Amount due to immediate holding company	3	
Amounts due to jointly controlled entities/ an associate	10,756	24,216
Amounts due to other related companies	1,461	504
Taxation	1,849	778
Provisions for liabilities and charges	900	2,858
Borrowings	20,000	20,000
	177,339	185,625
NET CURRENT ASSETS	313,234	275,828
NON-CURRENT LIABILITIES		
Deferred tax liabilities	6,337	6,102
Provision for retirement benefits	6,770	7,996
Long-term lease payables	645	986
	13,752	15,084
	662,847	617,434
SHARE CAPITAL	248,993	248,993
RESERVES	413,854	368,441
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	662,847	617,434
	RM	RM
Net assets per share attributable to equity holders	2.66	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</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 2009		248,993	8,367	3,251	1,380	355,443	617,434
Movements in equity during the period							-
Share of associates' reserves		-	-	(306)	-	-	(306)
Revaluation surplus arising from the transfer of certain assets from property, plant & equipment to investment properties		-	-	-	680	-	680
Net profit/(loss) not recognised in income statement		-	-	(306)	680	-	374
Net profit attributable to equity holders						48,774	48,774
Dividends						(3,735)	(3,735)
At 31 March 2010		248,993	8,367	2,945	2,060	400,482	662,847
(Audited)							
At 1 April 2008		248,993	8,367	2,460	1,380	618,571	879,771
Movements in equity during the period							
Translation of a foreign associate				41			41
Share of associates' reserves		-	-	750	-	-	750
Net losses not recognised in income statement		-	-	791	-	-	791
Net profit attributable to equity holders						25,679	25,679
Dividends		-	-	-	-	(288,807)	(288,807)
At 31 March 2009		248,993	8,367	3,251	1,380	355,443	617,434

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 12 months ended 31/3/2010 RM'000	Audited 12 months ended 31/3/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit attributable to equity holders	48,774	25,679
Adjustments for investing and financing items and non-cash items:		
Tax	(4,481)	6,249
Share of results of jointly controlled entities	(25,324)	(23,912)
Share of results of associates	(462)	15,130
Depreciation	11,290	12,249
Other investing and financing items and non-cash items	7,318	1,565
Operating profit before working capital changes	37,115	36,960
Net changes in working capital	(26,386)	(49,594)
Cash used in operations	10,729	(12,634)
Add/(Less) :		
Interest received	2,756	6,069
Interest paid	(328)	(95)
Income tax paid, net of refund	(5,174)	(6,045)
Net cash flow generated from /(used in) operating activities	<u>7,983</u>	<u>(12,705)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	24,483	28,936
Proceeds from sale of property, plant and equipment	760	504
Proceeds from redemption of redeemable preference shares	458	686
Proceeds from liquidation of an associate company	-	516
Additional investment in an associate company	-	(7,733)
Purchase of property, plant and equipment	(10,323)	(4,284)
Net cash flow generated from investing activities	<u>15,378</u>	<u>18,625</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	20,000
Proceeds from/(payment of) finance lease	(948)	(733)
Payment of cash dividends	(3,735)	(288,807)
Net cash flow used in financing activities	<u>(4,683)</u>	<u>(269,540)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	18,678	(263,620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	119,899	383,519
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>138,577</u>	<u>119,899</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 March 2009.

EDARAN OTOMOBIL NASIONAL BERHAD
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

Disclosure requirements pursuant to Financial Reporting Standard 134

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 cyclical nature 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 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 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 financial reporting period.

8. Dividends paid

No dividend was paid in the current financial reporting period.

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

	Gross per share	Dividend, net of tax
	Sen	RM'000
- Final dividend of 2 sen per share less tax at 25% in respect of the financial year ended 31 March 2009, paid on 15 September 2009.	2.0	3,735

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

Save as disclosed in Note 22, there has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

12. Changes in the composition of the group

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

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

15. Review of performance

The Group's revenue of RM477.7 million for the fourth quarter ended 31 March 2010 was lower than the corresponding quarter in 2009 of RM502.4 million by RM24.7 million. This was mainly due to lower sales from Proton business as a result of migration of sales and after sales dealers to Proton Edar Sdn Bhd ("EDAR") pursuant to the execution of the Master Dealership Agreement on 8 May 2009.

However, as compared to the loss before tax of RM19.3 million in the corresponding quarter of 2009, the Group recorded a higher profit before tax of RM14.3 million in the current quarter of 2010. The losses in 2009 were mainly attributed to higher share of associates' losses and lower earnings from jointly controlled entities.

The Group's revenue of RM2,024.3 million for the 12 months ended 31 March 2010 was lower than the revenue of RM2,419.9 million registered in the 12 months ended 31 March 2009. The decline in revenue was mainly due to the impact of the migration of the dealers to EDAR.

However, the Group recorded a higher profit before tax of RM44.3 million for the current financial year ended 31 March 2010 as compared to the financial year ended 31 March 2009 of RM31.9 million. This was mainly attributed to higher earnings from Audi business and higher share of associates' earnings.

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

The Group reported a higher profit before tax of RM14.3 million for the current quarter as compared to the immediate preceding quarter's profit before tax of RM0.17 million. The lower profit in the preceding quarter was mainly attributed to lower earnings from Proton business and provision made arising from implementation of mutual separation scheme and impairment of assets from the closure of certain branches.

17. Prospects

The Malaysian Automotive Association ("MAA") reported that vehicle sales in the first quarter of 2010 continued its upward trend with an increase in Total Industry Volume ("TIV") of 22% in the first quarter of 2010 compared to the same period in 2009. This was mainly due to improvement in market sentiments and consumers' confidence in view of the expected growth in the local economy in year 2010.

Notwithstanding the growing demand in vehicles and customer needs, profit margins from sales of vehicles are declining. The Group will continue to embark on various customer relationship programmes to improve the level of services in its sales and after sales network nationwide. The improvement in customer services is expected to enhance the Group's prospects for increasing sales and market share for the financial year ending 31 March 2011.

18. Profit forecast / profit guarantee

The Group made neither any profit forecast nor issued any profit guarantee for the financial year ended 31 March 2010 in a public document.

19. Tax

Tax comprises the following:

Current tax expense

Deferred tax

Under/(Over) provision in prior years

Tax expense

Current Quarter		Year to Date	
3 months ended		12 months ended	
31/3/2010	31/3/2009	31/3/2010	31/3/2009
RM'000	RM'000	RM'000	RM'000
1,444	2,790	6,771	7,578
(10,370)	(6,174)	(10,303)	(2,407)
(8,926)	(3,384)	(3,532)	5,171
(949)	1,078	(949)	1,078
(9,875)	(2,306)	(4,481)	6,249

The effective tax rate for the current financial reporting period was lower than the statutory tax rate mainly attributable to the recognition of deferred tax assets on the unabsorbed tax losses.

20. Sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current financial reporting period.

21. Purchase or disposal of quoted securities

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

	As at 31/3/2010 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	1,802

22. Status of corporate proposals

(a) Proposed Selective Capital Reduction and Repayment Exercise under Section 64 of the Companies Act, 1965

On 29 March 2010, the Company has obtained the non-controlling shareholders's approval during the Extraordinary General Meeting.

On 30 April 2010, High Court of Malaya confirmed the reduction of the capital of the Company pursuant to Section 64 of the Companies Act, 1965.

On 11 May 2010, the sealed court order was lodged with the Companies Commission of Malaysia. Accordingly, the Company has announced the entitlement and payment date to be 27 May 2010 and 17 June 2010 respectively.

(b) Proposed Acquisition of 55% Equity Interest in Multi Automotive Service and Assist Sdn Bhd ("MASA")

On 16 April 2010, the Company had entered into a Share Sale Agreement ("SSA") with Flora Areana Sdn Bhd ("FASB") to acquire 137,500 ordinary shares of RM1.00 each representing 55% of the issued and paid up share capital in MASA for a total cash consideration of RM137,500 ("Proposed Acquisition").

The Company is in the midst of undertaking financial and legal due diligence on MASA pursuant to the signing of the SSA.

23. Group borrowings and debt securities

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

	RM '000
<u>Short-term - Bankers' acceptance</u>	
Unsecured	20,000

24. Off balance sheet financial instrument

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 May 2010, the Group had entered into the following outstanding foreign currency contract:

	Contract amount		Expiry Dates
	Foreign currency ('000)	Ringgit equivalent (RM '000)	
Euro	2,732	11,715	19/5/2010 - 30/8/2010

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/final dividend is recommended for the current financial reporting period (31 March 2009: Final dividend of 2 sen less tax at 25%)

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.

	Current Quarter		Year to Date	
	3 months ended		12 months ended	
	31/3/2010	31/3/2009	31/3/2010	31/3/2009
Profit attributable to equity holders (RM'000)	24,155	(17,008)	48,774	25,679
Number of ordinary shares in issue	248,992,823	248,992,823	248,992,823	248,992,823
Basic earnings per share (sen)	9.70	(6.83)	19.59	10.31

(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 financial reporting period.

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

Shah Alam, 25 May 2010