

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2007

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2007 RM'000	Preceding Year Corresponding Quarter 31/03/2006 RM'000	Current Year To Date 31/03/2007 RM'000	Preceding Year Corresponding Period 31/03/2006 RM'000
Revenue	<u>4,847,614</u>	<u>4,283,395</u>	<u>19,496,360</u>	<u>16,567,916</u>
Profit from operations	235,659	107,338	902,996	725,426
Finance costs	(234)	(329)	(721)	(1,485)
Share of profit after tax of associates	<u>283</u>	<u>200</u>	<u>923</u>	<u>729</u>
Profit before taxation	235,708	107,209	903,198	724,670
Tax expenses	(64,209)	(36,085)	(256,559)	(213,500)
Profit for the period	<u>171,499</u>	<u>71,124</u>	<u>646,639</u>	<u>511,170</u>
Attributable to:				
Shareholders of the Company	169,123	69,180	640,307	504,722
Minority interests	<u>2,376</u>	<u>1,944</u>	<u>6,332</u>	<u>6,448</u>
Profit for the period	<u>171,499</u>	<u>71,124</u>	<u>646,639</u>	<u>511,170</u>
Earnings per ordinary share - basic (sen)	17.0	7.0	64.5	50.8

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007

	As at end of Current Quarter 31/03/2007 RM'000	As at preceding Financial Year End 31/03/2006 RM'000
ASSETS		
Property, plant and equipment	3,086,920	2,852,818
Investment in associates	4,641	3,718
Long term receivables	281,827	247,622
Goodwill	24,874	26,349
TOTAL NON-CURRENT ASSETS	<u>3,398,262</u>	<u>3,130,507</u>
Inventories	477,650	605,447
Trade and other receivables	2,096,976	1,968,921
Cash and cash equivalents	544,013	466,006
TOTAL CURRENT ASSETS	<u>3,118,639</u>	<u>3,040,374</u>
TOTAL ASSETS	<u>6,516,901</u>	<u>6,170,881</u>
EQUITY		
Share capital	993,454	993,454
Reserves	2,494,370	2,032,884
Total equity attributable to shareholders of the Company	<u>3,487,824</u>	<u>3,026,338</u>
Minority interests	55,034	49,458
TOTAL EQUITY	<u>3,542,858</u>	<u>3,075,796</u>
LIABILITIES		
Long term borrowings	-	5,280
Deferred taxation	102,642	93,676
Provisions	28,309	28,253
TOTAL NON-CURRENT LIABILITIES	<u>130,951</u>	<u>127,209</u>
LIABILITIES		
Trade and other payables	2,716,861	2,865,859
Borrowings	5,280	10,031
Taxation	120,951	91,986
TOTAL CURRENT LIABILITIES	<u>2,843,092</u>	<u>2,967,876</u>
TOTAL LIABILITIES	<u>2,974,043</u>	<u>3,095,085</u>
TOTAL EQUITY AND LIABILITIES	<u>6,516,901</u>	<u>6,170,881</u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	351	305

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2007

	12 months ended 31/03/2007 RM'000	12 months ended 31/03/2006 RM'000
Cash receipts from operations	19,173,311	16,393,171
Cash paid to suppliers & employees	<u>(18,205,742)</u>	<u>(15,653,130)</u>
	967,569	740,041
Taxation paid	(218,628)	(132,514)
Net cash generated from operating activities	<u>748,941</u>	<u>607,527</u>
Interest income from fund investments	16,202	14,056
Purchase of property, plant & equipment	(446,259)	(430,768)
Prepaid rental of service station sites	(49,737)	(67,988)
Proceeds from disposal of property, plant & equipment	1,047	1,772
Net cash used in investing activities	<u>(478,747)</u>	<u>(482,928)</u>
Dividends paid to shareholders	(178,821)	(107,293)
Dividends paid to minority interests of a subsidiary	(756)	(567)
Repayment of Al-Bai' Bithaman Ajil facility	(10,031)	(9,593)
Profit share margin paid	(2,579)	(3,019)
Net cash used in financing activities	<u>(192,187)</u>	<u>(120,472)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	78,007	4,127
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	466,006	461,879
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>544,013</u>	<u>466,006</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2007

	----- Attributable to shareholders of the Company -----				
	Non Distributable	Distributable	Total	Minority interests	Total Equity
	Share Capital	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2005					
- as previously reported	993,454	1,650,072	2,643,526	43,577	2,687,103
- prior period adjustment in respect of dismantling, removal and site restoration costs	-	(14,617)	(14,617)	-	(14,617)
- as restated	993,454	1,635,455	2,628,909	43,577	2,672,486
Profit for the period (as restated)	-	504,722	504,722	6,448	511,170
Dividends paid	-	(107,293)	(107,293)	(567)	(107,860)
At 31 March 2006 (as restated)	993,454	2,032,884	3,026,338	49,458	3,075,796
At 1 April 2006					
- as previously reported	993,454	2,048,743	3,042,197	49,458	3,091,655
- prior period adjustment in respect of dismantling, removal and site restoration costs	-	(15,859)	(15,859)	-	(15,859)
- as restated	993,454	2,032,884	3,026,338	49,458	3,075,796
Profit for the period	-	640,307	640,307	6,332	646,639
Dividends paid	-	(178,821)	(178,821)	(756)	(179,577)
At 31 March 2007	993,454	2,494,370	3,487,824	55,034	3,542,858

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

PETRONAS Dagangan Berhad (88222-D)

Notes to the Interim Financial Report

A1 BASIS OF PREPARATION

The Interim Financial Report is unaudited and has been prepared in compliance with FRS 134₂₀₀₄: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The Interim Financial Report should also be read in conjunction with the audited Annual Financial Report for the year ended 31 March 2006.

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the Annual Financial Report for the year ended 31 March 2006, except for the accounting policy changes that are expected to be reflected in the 2007 Annual Financial Report.

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 January 2006.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2006 which have been reflected in this Interim Financial Report as a result of the new FRSs:

(a) Summary of the effect of changes in accounting policies

(i) Effect on opening balance of total equity at 1 April 2006 (as adjusted)

The following table sets out the adjustments that have been made to the opening balances as at 1 April 2006.

<i>Effect of changes in accounting policies (increase/(decrease))</i>	Share Capital	Retained profits	Total	Minority interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Prior period adjustment: FRS 116 – Provision for dismantling, removal and site restoration costs	-	(15,859)	(15,859)	-	(15,859)
Total effect at 1 April 2006	-	(15,859)	(15,859)	-	(15,859)

(ii) Effect on profit after taxation for the twelve months ended 31 March 2007 (estimated) and 31 March 2006 (as adjusted)

In respect of the twelve months period ended 31 March 2007, the following table provides estimates of the extent to which the profits for that period are higher or lower than they would have been had the previous policies still been applied in the interim period.

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*Effect of changes in
accounting policies
(increase/(decrease))*

	Twelve months ended 31 March 2007			Twelve months ended 31 March 2006		
	Share- holders of the Company	Minority Interests	Total	Share- holders of the Company	Minority interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FRS 116						
Dismantling, removal and restoration costs						
Depreciation	(674)	-	(674)	(680)	-	(680)
Finance costs	(239)	-	(239)	(562)	-	(562)
Total effect for the period	(913)	-	(913)	(1,242)	-	(1,242)

(b) Dismantling, removal and site restoration costs (FRS 116, Property, Plant and Equipment)

With the adoption of the revised FRS 116, the cost of an item of property, plant and equipment now includes the costs of dismantling and removing the item and restoring the site on which it is located, where such obligations exist. Also in accordance with FRS 116, a provision is recognised for these dismantling, removal and site restoration costs.

(c) Amortisation of purchased goodwill (FRS 3, Business Combinations and FRS 136, Impairment of Assets)

In prior periods, goodwill was amortised on a straight-line basis from the date of initial recognition over the unexpired land lease term.

With effect from 1 April 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortises purchased goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment.

(d) Changes in presentation (FRS 101, Presentation of Financial Statements and FRS 127, Consolidated and Separate Financial Statements) – Minority Interests

In prior periods, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 April 2006, in order to comply with FRS 101 and FRS 127, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the parent.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

A2 AUDIT QUALIFICATION

Not applicable.

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A3 SEASONAL OR CYCLICAL FACTORS

The Group's operations in relation to sales volume are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

A4 EXCEPTIONAL ITEM

None.

A5 CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates in the current quarter.

A6 CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at balance sheet date not provided for in the interim financial report are:-

	<u>31/3/2007</u>
	RM'000
Property, plant and equipment:	
Approved and contracted for	24,562
Approved but not contracted for	<u>88,262</u>
	<u>112,824</u>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

A8 DIVIDENDS PAID

During the twelve months period ended 31 March 2007, the following dividend payments were made:

1. A final dividend of 15% per share less tax at 28% amounting to RM107,293,032 (2005: 10% per share less tax at 28% amounting to RM71,528,688) was paid on 8 September 2006 in respect of financial year ended 31 March 2006.
2. An interim dividend of 10% per share less tax at 28% amounting to RM71,528,688 (2005: 5% per share less tax at 28% amounting to RM35,764,344) was paid on 28 December 2006 in respect of financial year ended 31 March 2007.

A9 SEGMENTAL INFORMATION

The Group's principal activities consist of domestic marketing of petroleum products and the operation of service stations. Segment reporting is deemed not necessary.

A10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost also includes costs of dismantling and removing the item and restoring the site on which it is located, where such obligations exist. Freehold land is stated at cost.

A11 EVENTS AFTER BALANCE SHEET DATE

In the opinion of the Directors, no transaction or event of a material or unusual nature had occurred between 31 March 2007 and the date of this announcement.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

None.

A13 CONTINGENT LIABILITIES

None.

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Additional information required by the Bursa Malaysia Listing Requirements

B1 REVIEW OF PERFORMANCE

Group revenue for the quarter and year ended 31 March 2007 grew by RM564.2 million and RM2,928.4 million to RM4,847.6 million and RM19,496.4 million respectively from the results of the corresponding period last year. The increase follows higher volume sold and higher average selling price.

Group pre-tax profit for the quarter ended 31 March 2007 was RM235.7 million which is more than double compared to RM107.2 million (restated for FRS) recorded in the same quarter last year. Group pre-tax profit for the year ended 31 March 2007, meanwhile, recorded an increase of RM178.5 million to RM903.2 million from the corresponding period last year. This is attributable to increased sales of higher margin products as well as better margins achieved for all products across the board.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Group pre-tax profit for the fourth quarter at RM235.7 million was comparable to the preceding quarter which recorded a pre-tax profit of RM231.7 million. The slight improvement is mainly due to improvement in gross profit.

B3 NEXT FINANCIAL YEAR PROSPECTS (2007/2008)

The Directors are of the opinion that revenue is expected to improve and market leadership will be maintained with continued aggressive marketing initiatives. However, profits for the year will continue to be impacted by fluctuations in petroleum product costs as a consequence of volatile international crude oil prices.

B4 PROFIT FORECAST

No profit forecast was issued for the financial period.

B5 TAX EXPENSE

Taxation comprises the following:

	Fourth Quarter Current Year <u>31/03/2007</u> RM'000	Cumulative Quarter Current Year to Date <u>31/03/2007</u> RM'000
<u>Income tax:</u>		
Current Quarter / Year-to-date	56,227	248,868
Overprovision of Prior Year Taxation	(48)	(1,275)
<u>Deferred taxation:</u>	8,030	8,966
Current Quarter / Year-to-date	64,209	256,559
	<hr/>	<hr/>

B6 UNQUOTED INVESTMENTS AND PROPERTIES

There were no disposals of unquoted securities and no material gains or losses from disposal of properties during the financial period.

B7 QUOTED INVESTMENTS

There were no investments in quoted securities during the financial period.

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B8 STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed at the latest practicable date for the Group.

B9 BORROWINGS

Particulars of the Group's borrowing, all of which is denominated in Ringgit Malaysia, as at 31 March 2007, are as follows:

	<u>31/03/2007</u> RM'000
Short Term – Secured	5,280
Long Term – Secured	Nil

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet risks as at the date of this report that may materially affect the position or business of the Group.

B11 MATERIAL LITIGATION

There has been no material litigation at the date of this report.

B12 DIVIDENDS

The Board had declared an interim dividend of 10% per share less tax at 28% for the six months ended 30 September 2006 amounting to RM71,528,688 (2005: 5% per share less tax at 28% amounting to RM35,764,344) and was paid on 28 December 2006.

The Directors propose a final dividend of 20% per share less tax at 27% amounting to RM145,044,284 (2006: 15% per share less tax at 28% amounting to RM 107,293,032) to shareholders at the next Annual General Meeting, payable on a date to be announced later.

B13 BASIC EARNINGS PER SHARE

The earnings per share is derived based on the profit for the period attributable to shareholders of the Company of RM640,307,000 (March 2006 (restated for FRS): RM504,722,000) and on the number of ordinary shares as at 31 March 2007 of 993,454,000 (March 2006: 993,454,000).

BY ORDER OF THE BOARD

Noor Lily Zuriati Binti Abdullah (LS 05485)
Yeap Kok Leong (MAICSA 0862549)
Joint Secretaries
Kuala Lumpur
28 May 2007