

PETRONAS Dagangan Berhad (88222 - D)



UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	Individual / Cumulative Quarter	
	Current Year To Date 30/06/2007 RM'000	Preceding Year Corresponding Period 30/06/2006 RM'000
Revenue	5,140,014	4,739,063
Profit from operations	251,812	229,951
Finance costs	(193)	(304)
Share of profit after tax of associates	276	238
Profit before taxation	251,895	229,885
Tax expenses	(74,564)	(71,432)
Profit for the period	177,331	158,453
Attributable to:		
Shareholders of the Company	175,852	157,522
Minority interests	1,479	931
Profit for the period	177,331	158,453
Earnings per ordinary share - basic (sen)	17.7	15.9

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2007.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	As at end of Current Quarter 30/06/2007 RM'000	Restated As at preceding Financial Year End 31/03/2007 RM'000
ASSETS		
Property, plant and equipment	2,837,860	2,806,927
Investment in associates	4,916	4,641
Long term receivables	560,849	561,820
Goodwill	24,506	24,874
TOTAL NON-CURRENT ASSETS	3,428,131	3,398,262
Inventories	479,697	477,650
Trade and other receivables	2,795,872	2,096,976
Cash and cash equivalents	451,864	544,013
TOTAL CURRENT ASSETS	3,727,433	3,118,639
TOTAL ASSETS	7,155,564	6,516,901
EQUITY		
Share capital	993,454	993,454
Reserves	2,670,222	2,494,370
Total equity attributable to shareholders of the Company	3,663,676	3,487,824
Minority interests	56,513	55,034
TOTAL EQUITY	3,720,189	3,542,858
LIABILITIES		
Deferred taxation	102,551	102,642
Provisions	28,503	28,309
TOTAL NON-CURRENT LIABILITIES	131,054	130,951
LIABILITIES		
Trade and other payables	3,161,270	2,716,861
Borrowings	2,701	5,280
Taxation	140,350	120,951
TOTAL CURRENT LIABILITIES	3,304,321	2,843,092
TOTAL LIABILITIES	3,435,375	2,974,043
TOTAL EQUITY AND LIABILITIES	7,155,564	6,516,901
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	369	351

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2007.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	3 months ended 30/06/2007 RM'000	3 months ended 30/06/2006 RM'000
Cash receipts from operations	5,069,547	4,649,820
Cash paid to suppliers & employees	<u>(5,007,818)</u>	<u>(4,510,842)</u>
	61,729	138,978
Taxation paid	(55,256)	(26,869)
Net cash generated from operating activities	<u>6,473</u>	<u>112,109</u>
Interest income from fund investments	2,141	3,368
Purchase of property, plant & equipment	(95,195)	(98,543)
Prepaid rental of service station sites	(2,416)	(16,889)
Proceeds from disposal of property, plant & equipment	-	610
Net cash used in investing activities	<u>(95,470)</u>	<u>(111,454)</u>
Repayment of Al-Bai' Bithaman Ajil facility	(2,579)	(2,468)
Profit share margin paid	(573)	(684)
Net cash used in financing activities	<u>(3,152)</u>	<u>(3,152)</u>
NET DECREASE IN CASH & CASH EQUIVALENTS	(92,149)	(2,497)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	544,013	466,006
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>451,864</u></u>	<u><u>463,509</u></u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2007.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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 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	-	157,522	157,522	931	158,453
At 30 June 2006 (restated)	993,454	2,190,406	3,183,860	50,389	3,234,249
At 1 April 2007	993,454	2,494,370	3,487,824	55,034	3,542,858
Profit for the period	-	175,852	175,852	1,479	177,331
At 30 June 2007	993,454	2,670,222	3,663,676	56,513	3,720,189

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 2007.

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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 2007.

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 2007, except for the changes arising from the adoption of FRS 117 "Leases" and FRS "124 "Related Party Disclosure", which are the revised FRSs issued by MASB that are effective for accounting periods beginning on or after 1 October 2006.

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

(a) Prepaid lease payments (FRS 117, Leases)

Prior to 1 April 2007, leasehold lands held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss.

FRS 117 requires that leasehold lands are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Upfront payments of leasehold interests are allocated between land and building elements in proportion to their relative fair values at the inception of the leases.

Consequent to the change in accounting policies arising from the adoption of FRS 117, the Group has reclassified upfront payments of leasehold land as prepaid lease payments in long term receivables. These payments are amortised on a straight-line basis over the remaining lease period.

The Group has applied the change in accounting policy with respect to leasehold land in accordance with the transitional provisions of FRS 117. This reclassification has been applied retrospectively. Consequently, certain comparatives within the Consolidated Balance Sheet as at 31 March 2007 for the period ended 30 June 2006 have been restated as set out below.

Effect on opening balance of Property, Plant and Equipment and Long Term Receivables at 1 April 2007 (as adjusted)

The following table sets out the adjustments that have been made to the opening balances as at 1 April 2007.

<i>Consolidated Balance Sheet</i>	Property, plant and equipment	Long term receivables
	RM'000	RM'000
As previously reported at 31 March 2007	3,086,920	281,827
Effect of FRS 117	(279,993)	279,993
Total effect at 1 April 2007	2,806,927	561,820

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(b) Related Party Disclosures (FRS 124, Related Party Disclosures)

This standard affects the identification of related parties and other similar related party disclosures. This standard requires the disclosure of related party transactions and outstanding balances with other entities in a group. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group.

The adoption of this FRS has no financial impact on the Group's consolidated financial statements.

A2 AUDIT QUALIFICATION

Not applicable.

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>30/06/2007</u>
	RM'000
Property, plant and equipment:	
Approved and contracted for	82,274
Approved but not contracted for	415,790
	<u>498,064</u>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

A8 DIVIDENDS PAID

There were no dividends paid during the current quarter.

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.

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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 30 June 2007 and the date of this announcement.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

None.

A13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

None.

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Additional information required by the Bursa Malaysia Listing Requirements

B1 REVIEW OF PERFORMANCE

For the current quarter under review, the Group's revenue increased by 8.5% to RM5,140.0 million as compared to RM4,739.1 million in the first quarter 2006. This is mainly attributed to higher volume sold during the period.

Group profit before tax for the quarter increased by 9.6% to RM251.9 million as compared to RM229.9 million recorded in the first quarter 2006. This is mainly attributable to increased sales of higher margin products during the period.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenue for the current quarter increased by 6.0% to RM5,140.0 million from RM4,847.6 million in the preceding quarter. The improvement in revenue is driven by both higher average selling price and volume.

Likewise, the Group profit before tax for the current quarter at RM251.9 million increased by 6.9% compared to the preceding quarter which recorded a profit before tax of RM235.7 million.

B3 CURRENT 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:

	Individual / Cumulative Quarter Current Year to Date <u>30/06/2007</u> RM'000
<u>Income tax:</u>	
Current Quarter / Year-to-date	74,654
<u>Deferred taxation:</u>	
Current Quarter / Year-to-date	(90)
	<u>74,564</u>

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 30 June 2007, are as follows:

	<u>30/06/2007</u> RM'000
Short Term – Secured	2,701
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

No dividend has been declared for the period under review.

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 RM175,851,000 (June 2006: RM157,522,000) and on the number of ordinary shares as at 30 June 2007 of 993,454,000 (June 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
 27 August 2007