



PETRONAS Dagangan Berhad (88222 - D)

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTMEBER 2007

	Individual Quarter		Individual / Cumulative Quarter	
	Current Year Quarter 30/09/2007 RM'000	Preceding Year Corresponding Quarter 30/09/2006 RM'000	Current Year To Date 30/09/2007 RM'000	Preceding Year Corresponding Period 30/09/2006 RM'000
Revenue	<u>5,404,596</u>	<u>5,084,782</u>	<u>10,544,610</u>	<u>9,823,845</u>
Profit from operations	182,722	205,671	434,533	435,622
Finance costs	(172)	64	(365)	(240)
Share of profit after tax of associates	<u>203</u>	<u>208</u>	<u>479</u>	<u>446</u>
Profit before taxation	182,753	205,943	434,647	435,828
Tax expenses	(53,820)	(56,709)	(128,384)	(128,141)
Profit for the period	<u>128,933</u>	<u>149,234</u>	<u>306,263</u>	<u>307,687</u>
Attributable to:				
Shareholders of the Company	127,971	148,049	303,822	305,571
Minority interests	<u>962</u>	<u>1,185</u>	<u>2,441</u>	<u>2,116</u>
Profit for the period	<u>128,933</u>	<u>149,234</u>	<u>306,263</u>	<u>307,687</u>
Earnings per ordinary share - basic (sen)	12.9	14.9	30.6	30.8

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 SEPTEMBER 2007

	As at end of Current Quarter 30/09/2007 RM'000	Restated As at preceding Financial Year End 31/03/2007 RM'000
<b>ASSETS</b>		
Property, plant and equipment	2,666,412	2,604,826
Investment in associates	5,320	4,641
Long term receivables	781,981	763,921
Goodwill	24,137	24,874
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,477,850</b>	<b>3,398,262</b>
Inventories	1,010,024	477,650
Trade and other receivables	2,962,255	2,096,976
Cash and cash equivalents	385,812	544,013
<b>TOTAL CURRENT ASSETS</b>	<b>4,358,091</b>	<b>3,118,639</b>
<b>TOTAL ASSETS</b>	<b>7,835,941</b>	<b>6,516,901</b>
<b>EQUITY</b>		
Share capital	993,454	993,454
Reserves	2,653,149	2,494,370
Total equity attributable to shareholders of the Company	3,646,603	3,487,824
Minority interests	56,709	55,034
<b>TOTAL EQUITY</b>	<b>3,703,312</b>	<b>3,542,858</b>
<b>LIABILITIES</b>		
Deferred taxation	101,339	102,642
Provisions	28,775	28,309
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>130,114</b>	<b>130,951</b>
<b>LIABILITIES</b>		
Trade and other payables	3,848,695	2,716,861
Borrowings	0	5,280
Taxation	153,820	120,951
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,002,515</b>	<b>2,843,092</b>
<b>TOTAL LIABILITIES</b>	<b>4,132,629</b>	<b>2,974,043</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,835,941</b>	<b>6,516,901</b>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	367	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 SEPTEMBER 2007

	6 months ended 30/09/2007 <u>RM'000</u>	6 months ended 30/09/2006 <u>RM'000</u>
Cash receipts from operations	10,322,406	9,499,343
Cash paid to suppliers & employees	<u>(10,018,005)</u>	<u>(9,132,749)</u>
	304,401	366,594
Taxation paid	(96,818)	(52,645)
<b>Net cash generated from operating activities</b>	<b><u>207,583</u></b>	<b><u>313,949</u></b>
Acquisition of associated companies	(200)	-
Interest income from fund investments	8,169	8,991
Purchase of property, plant & equipment	(195,547)	(217,128)
Prepaid rental of service station sites	(25,997)	(22,527)
Proceeds from disposal of property, plant & equipment	-	610
<b>Net cash used in investing activities</b>	<b><u>(213,575)</u></b>	<b><u>(230,054)</u></b>
Dividends paid to shareholders	(145,044)	(107,293)
Dividends paid to minority interests of a subsidiary	(767)	(756)
Repayment of Al-Bai' Bithaman Ajil facility	(5,280)	(4,960)
Profit share margin paid	(1,118)	(2,356)
<b>Net cash used in financing activities</b>	<b><u>(152,209)</u></b>	<b><u>(115,365)</u></b>
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(158,201)</b>	<b>(31,470)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>544,013</b>	<b>466,006</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>385,812</u></b>	<b><u>434,536</u></b>

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 SEPTEMBER 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	
<b>At 1 April 2006</b>					
- 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	-	305,571	305,571	2,116	307,687
Dividend paid		(107,293)	(107,293)	(756)	(108,049)
<b>At 30 September 2006</b>	<b>993,454</b>	<b>2,231,162</b>	<b>3,224,616</b>	<b>50,818</b>	<b>3,275,434</b>
<b>At 1 April 2007</b>	993,454	2,494,371	3,487,825	55,035	3,542,860
Profit for the period	-	303,822	303,822	2,441	306,263
Dividends paid	-	(145,044)	(145,044)	(767)	(145,811)
<b>At 30 September 2007</b>	<b>993,454</b>	<b>2,653,149</b>	<b>3,646,603</b>	<b>56,709</b>	<b>3,703,312</b>

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 134<sub>2004</sub>: 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 September 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>	<b>Property, plant and equipment</b>	<b>Long term receivables</b>
	<b>RM'000</b>	<b>RM'000</b>
As previously reported at 31 March 2007	3,086,920	281,827
Effect of FRS 117	(482,094)	482,094
<b>Total effect at 1 April 2007</b>	<b>2,604,826</b>	<b>763,921</b>

*(In Quarter 1, the effect of FRS 117 was RM279,993,000. The above table supersedes the Quarter 1 FRS 117 effect.)*

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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>30/09/2007</u>
	RM'000
Property, plant and equipment:	
Approved and contracted for	122,861
Approved but not contracted for	261,703
	<u>384,564</u>

**A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

None.

**A8 DIVIDENDS PAID**

During the 6 months period ended 30 September 2007, 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 RM107,293,032) was paid on 23 August 2007 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.

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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 September 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**

Group revenue for the quarter and year-to-date ended 30 September 2007 rose by RM319.8 million and RM720.8 million to RM5,404.6 million and RM10,544.6 million, respectively, from the results of the corresponding period last year. This was mainly due to higher volume sold during the period.

Group profit before tax for the quarter ended 30 September 2007 registered a slight decrease of RM23.1 million to RM182.8 million from the same quarter last year amounting to RM205.9 million. Group profit before tax for the year-to-date ended 30 September 2007 also recorded a slight decrease of RM1.2 million to RM434.6 million from the corresponding period last year. The decrease of profit before tax for the quarter and year-to-date ended 30 September 2007 was due to higher operating and product costs.

**B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group revenue for the current quarter increased by 5.1% to RM5,404.6 million from RM5,140.0 million in the preceding quarter. The improvement in revenue is driven by both higher average selling price and volume.

However, the Group profit before tax for the current quarter at RM182.8 million decreased by 27.4% compared to the preceding quarter which recorded a profit before tax of RM251.9 million due to higher operating and product costs.

**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:

	Second Quarter Current Year <u>30/09/2007</u> RM'000	Cumulative Quarter Current Year to Date <u>30/09/2007</u> RM'000
<u>Income tax:</u>		
Current Quarter / Year-to-date	55,031	129,685
<u>Deferred taxation:</u>		
Current Quarter / Year-to-date	(1,211)	(1,301)
	53,820	128,384

**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**

There were no borrowings as at the date of this report.

**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 has declared an interim dividend of 12% per share less tax at 27% for the six months ended 30 September 2007 amounting to RM87,026,570 payable on 28 December 2007 (2006: interim dividend of 10% per share less tax at 28% amounting to RM71,528,688).

NOTICE IS HEREBY GIVEN that the interim dividend of 12% per share less tax at 27% will be payable on 28 December 2007 to depositors registered in the Records of Depositors at the close of business on 18 December 2007. A depositor shall qualify for entitlement to the dividends only in respect of:-

- a) Shares transferred into Depositor's Securities Account before 4pm on 28 December 2007 in respect of ordinary transfer.
- b) Share bought on the Bursa Malaysia Stock Exchange on a cum entitlement basis according to the rules of the Bursa Malaysia Stock Exchange.

**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 RM303,822,000 (September 2006: RM305,571,000) and on the number of ordinary shares as at 30 September 2007 of 993,454,000 (September 2006: 993,454,000).

**BY ORDER OF THE BOARD**

Ahmad Nabil Azizan (LS 05484)  
Yeap Kok Leong (MAICSA 0862549)  
Joint Secretaries  
Kuala Lumpur  
29 November 2007