



PETRONAS Dagangan Berhad (88222 - D)

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

	Individual Quarter		Individual / Cumulative Quarter	
	Current Year Quarter 31/12/2007 RM'000	Preceding Year Corresponding Quarter 31/12/2006 RM'000	Current Year To Date 31/12/2007 RM'000	Preceding Year Corresponding Period 31/12/2006 RM'000
Revenue	<u>5,706,776</u>	<u>4,824,901</u>	<u>16,251,386</u>	<u>14,648,746</u>
Profit from operations	255,834	231,715	690,367	667,337
Finance costs	(148)	(247)	(513)	(487)
Share of profit after tax of associates	<u>258</u>	<u>194</u>	<u>739</u>	<u>640</u>
Profit before taxation	255,944	231,662	690,593	667,490
Tax expense	(61,977)	(64,209)	(190,361)	(192,350)
Profit for the period	<u>193,967</u>	<u>167,453</u>	<u>500,232</u>	<u>475,140</u>
Attributable to:				
Shareholders of the Company	192,288	165,613	496,112	471,184
Minority interests	<u>1,679</u>	<u>1,840</u>	<u>4,120</u>	<u>3,956</u>
Profit for the period	<u>193,967</u>	<u>167,453</u>	<u>500,232</u>	<u>475,140</u>
Earnings per ordinary share - basic (sen)	19.4	16.7	49.9	47.4

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

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	As at end of Current Quarter 31/12/2007 RM'000	Restated As at preceding Financial Year End 31/03/2007 RM'000
<b>ASSETS</b>		
Property, Plant and Equipment	2,695,529	2,604,826
Investment in Associated Companies	5,580	4,641
Prepaid Lease Payments	790,359	763,921
Goodwill	23,769	24,874
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,515,237</b>	<b>3,398,262</b>
Inventories	888,751	477,650
Trade and Other Receivables	3,071,335	2,096,976
Cash and Cash Equivalents	576,433	544,013
<b>TOTAL CURRENT ASSETS</b>	<b>4,536,519</b>	<b>3,118,639</b>
<b>TOTAL ASSETS</b>	<b>8,051,756</b>	<b>6,516,901</b>
<b>EQUITY</b>		
Share Capital	993,454	993,454
Reserves	2,758,411	2,494,370
Total Equity Attributable to Shareholders of the Company	3,751,865	3,487,824
Minority Interests	44,738	55,034
<b>TOTAL EQUITY</b>	<b>3,796,603</b>	<b>3,542,858</b>
<b>LIABILITIES</b>		
Deferred Taxation	99,934	102,642
Provisions	29,111	28,309
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>129,045</b>	<b>130,951</b>
<b>LIABILITIES</b>		
Trade and Other Payables	3,997,610	2,716,861
Borrowings	0	5,280
Taxation	128,498	120,951
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,126,108</b>	<b>2,843,092</b>
<b>TOTAL LIABILITIES</b>	<b>4,255,153</b>	<b>2,974,043</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,051,756</b>	<b>6,516,901</b>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	378	351

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

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

	9 months ended 31/12/2007 RM'000	9 months ended 31/12/2006 RM'000
Cash receipts from customers	16,179,304	14,309,266
Cash paid to suppliers and employees	<u>(15,361,302)</u>	<u>(13,527,826)</u>
	818,002	781,440
Taxation paid	(185,522)	(135,980)
<b>Net cash generated from operating activities</b>	<b><u>632,480</u></b>	<b><u>645,460</u></b>
Interest income from fund investments	11,378	11,973
Purchase of Property, Plant and Equipment	(322,221)	(290,375)
Prepaid lease payments	(36,730)	(52,295)
Proceeds from disposal of Property, Plant and Equipment	600	613
Investment in an Associated Company	(200)	-
<b>Net cash used in investing activities</b>	<b><u>(347,173)</u></b>	<b><u>(330,084)</u></b>
Repayment of Al-Bai' Bithaman Ajil facility	(5,280)	(7,481)
Profit share margin paid	(1,118)	(1,979)
Dividends paid to shareholders	(232,072)	(178,821)
Dividends paid to minority shareholders of a subsidiary	(767)	(756)
Redemption of Preference Shares by minority shareholders of a subsidiary	(13,650)	-
<b>Net cash used in financing activities</b>	<b><u>(252,887)</u></b>	<b><u>(189,037)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>32,420</b>	<b>126,339</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>576,433</u></b>	<b><u>592,345</u></b>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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 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	-	471,184	471,184	3,956	475,140
Dividends paid	-	(178,821)	(178,821)	(756)	(179,577)
<b>At 31 December 2006</b>	<b>993,454</b>	<b>2,325,247</b>	<b>3,318,701</b>	<b>52,658</b>	<b>3,371,359</b>
<b>At 1 April 2007</b>	993,454	2,494,371	3,487,825	55,035	3,542,860
Profit for the period	-	496,112	496,112	4,120	500,232
Dividends paid	-	(232,072)	(232,072)	(767)	(232,839)
Redemption of preference shares	-	-	-	(13,650)	(13,650)
<b>At 31 December 2007</b>	<b>993,454</b>	<b>2,758,411</b>	<b>3,751,865</b>	<b>44,738</b>	<b>3,796,603</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited 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 Financial Reporting Standard ("FRS") 134 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 the following FRSs as issued by Malaysian Accounting Standards Board:-

- a) Amendment to FRS 119<sup>2004</sup> Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures which is effective for accounting periods beginning on or after 1 January 2007. The adoption of this FRS has no financial impact on the Group's consolidated financial statements.
- b) FRS 124 Related Party Disclosures which are effective for accounting periods beginning on or after 1 October 2006. The adoption of this FRS has no financial impact on the Group's consolidated financial statements.
- c) FRS 117 Leases which are effective for accounting periods beginning on or after 1 October 2006. The change in this accounting policy has been reflected in this Interim Financial Report.

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 purpose 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. 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 have been restated as set out below.

**Effect on Opening Balances of Property, Plant and Equipment and Prepaid Lease Payments 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.

Items	Property, Plant and Equipment (RM'000)	Prepaid Lease Payments (RM'000)
As previously reported at 31 March 2007	3,086,920	281,827
Effect of FRS 117	(482,094)	482,094
<b>Restated Opening Balances as at 1 April 2007</b>	<b>2,604,826</b>	<b>763,921</b>

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**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>31/12/2007</u> RM'000
Property, Plant and Equipment:	
Approved and contracted for	97,452
Approved but not contracted for	168,633
	<hr/> 266,085 <hr/>

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

None.

**A8 DIVIDENDS PAID**

During the nine months period ended 31 December 2007, the following dividend payments were made:

1. 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.
2. An interim dividend of 12% per share less tax at 27% amounting to RM87,026,570 (2006: 10% per share less tax at 28% amounting to RM71,528,688) was paid on 28 December 2007 in respect of financial year ended 31 March 2008.

**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 31 December 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 31 December 2007 rose by RM881.9 million and RM1,602.7 million to RM5,706.8 million and RM16,251.4 million, respectively, from the results of the corresponding period last year. This was mainly on the back of higher average selling price and volume during the period.

Group profit before tax for the quarter ended 31 December 2007 registered at RM255.9 million was higher by RM24.2 million from RM231.7 million posted in the corresponding period last year. Group profit before tax for the year-to-date ended 31 December 2007 also recorded an increase of RM23.1 million to RM690.6 million from the corresponding period last year. The higher profit before tax for the quarter and year-to-date ended 31 December 2007 was mainly contributed by the higher margin and volume captured during the period.

**B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

The Group revenue for the current quarter increased by 5.6% to RM5,706.8 million from RM5,404.6 million in the preceding quarter. The improvement in revenue is mainly driven by higher average selling price.

Group profit before tax for the current quarter is RM255.9 million, an increase of RM73.1 million compared to the preceding quarter which recorded a profit before tax of RM182.8 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:

	Third Quarter Current Year <u>31/12/2007</u> RM'000	Cumulative Quarter Current Year-to-Date <u>31/12/2007</u> RM'000
<u>Income Tax:</u>		
Current Quarter / Year-to-Date	69,533	199,218
Overprovision of Prior Year Taxation	(6,149)	(6,149)
<u>Deferred Taxation:</u>		
Current Quarter / Year-to-Date	(1,407)	(2,708)
	61,977	190,361

The effective tax rate is higher than the statutory tax rate due to certain expenses disallowed for tax purposes.



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**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.

**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**

No dividend has been declared for the current quarter.

**B13 BASIC EARNINGS PER SHARE**

The earnings per share is derived based on the year-to-date profit attributable to shareholders of the Company of RM496,112,000 (31 December 2006: RM471,184,000) and on the number of ordinary shares as at 31 December 2007 of 993,454,000 (31 December 2006: 993,454,000).

**BY ORDER OF THE BOARD**

Ahmad Nabil Azizan (LS 05484)  
Yeap Kok Leong (MAICSA 0862549)  
Joint Secretaries  
Kuala Lumpur  
26 February 2008