

PETRONAS Dagangan Berhad (88222 - D)

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	As at 31/03/2008 RM'000	Restated As at preceding Financial Year End 31/03/2007 RM'000
ASSETS		
Property, Plant and Equipment	2,922,206	2,806,926
Investment in Associates	5,692	4,641
Prepaid Lease Payments	701,717	561,821
Goodwill	23,400	24,874
TOTAL NON-CURRENT ASSETS	<u>3,653,015</u>	<u>3,398,262</u>
Inventories	1,077,351	477,650
Trade and Other Receivables	3,331,243	2,096,976
Cash and Cash Equivalents	547,999	544,013
TOTAL CURRENT ASSETS	<u>4,956,593</u>	<u>3,118,639</u>
TOTAL ASSETS	<u>8,609,608</u>	<u>6,516,901</u>
EQUITY		
Share Capital	993,454	993,454
Reserves	2,923,963	2,494,370
Total Equity Attributable to Shareholders of the Company	3,917,417	3,487,824
Minority Shareholders' Interests	46,732	55,034
TOTAL EQUITY	<u>3,964,149</u>	<u>3,542,858</u>
LIABILITIES		
Deferred Tax Liabilities	99,852	102,642
Provisions	24,271	28,309
TOTAL NON-CURRENT LIABILITIES	<u>124,123</u>	<u>130,951</u>
LIABILITIES		
Trade and Other Payables	4,427,969	2,716,861
Borrowings	-	5,280
Taxation	93,367	120,951
TOTAL CURRENT LIABILITIES	<u>4,521,336</u>	<u>2,843,092</u>
TOTAL LIABILITIES	<u>4,645,459</u>	<u>2,974,043</u>
TOTAL EQUITY AND LIABILITIES	<u>8,609,608</u>	<u>6,516,901</u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	394	351

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

	Unaudited		Audited	
	Individual Quarter		Individual / Cumulative Quarter	
	Current Year Quarter 31/03/2008	Preceding Year Corresponding Quarter 31/03/2007	Current Year To Date 31/03/2008	Preceding Year Corresponding Period 31/03/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>6,050,194</u>	<u>4,847,614</u>	<u>22,301,580</u>	<u>19,496,360</u>
Profit from operations	219,471	235,659	908,156	902,996
Finance costs	(132)	(234)	(645)	(721)
Share of profit after tax of associates	<u>112</u>	<u>283</u>	<u>851</u>	<u>923</u>
Profit before taxation	219,451	235,708	908,362	903,198
Tax expense	<u>(50,221)</u>	<u>(64,209)</u>	<u>(240,582)</u>	<u>(256,559)</u>
Profit for the period	<u>169,230</u>	<u>171,499</u>	<u>667,780</u>	<u>646,639</u>
Attributable to:				
Shareholders of the Company	167,234	169,123	661,665	640,307
Minority shareholders' interests	<u>1,996</u>	<u>2,376</u>	<u>6,115</u>	<u>6,332</u>
Profit for the period	<u>169,230</u>	<u>171,499</u>	<u>667,780</u>	<u>646,639</u>
Earnings per ordinary share - basic (sen)	16.8	17.0	66.6	64.5

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

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2008

	-- Attributable to Shareholders of the Company --			Minority Shareholders Interests	Total Equity
	Non Distributable Share Capital	Distributable Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2006	993,454	2,032,884	3,026,338	49,458	3,075,796
Profit for the year	-	640,307	640,307	6,332	646,639
Dividends	-	(178,821)	(178,821)	(756)	(179,577)
At 31 March 2007	993,454	2,494,370	3,487,824	55,034	3,542,858
At 1 April 2007	993,454	2,494,370	3,487,824	55,034	3,542,858
Profit for the year	-	661,665	661,665	6,115	667,780
Dividends	-	(232,072)	(232,072)	(767)	(232,839)
Redemption of preference shares by minority shareholders	-	-	-	(13,650)	(13,650)
At 31 March 2008	993,454	2,923,963	3,917,417	46,732	3,964,149

The Audited Consolidated Statement of Changes in Equity should be read in conjunction with the audited Annual Financial Report for the year ended 31 March 2007.

AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	12 months ended 31/03/2008 RM'000	Restated 12 months ended 31/03/2007 RM'000
Cash received from customers	22,034,045	19,173,311
Cash paid to suppliers and employees	<u>(20,976,965)</u>	<u>(18,205,742)</u>
	1,057,080	967,569
Payment of taxes	(270,956)	(218,628)
Net cash generated from operating activities	<u>786,124</u>	<u>748,941</u>
Investment in associates	(200)	-
Interest income from deposits with financial institutions	15,024	16,202
Purchase of property, plant and equipment	(381,148)	(405,749)
Prepayment of leases	(164,261)	(90,247)
Proceeds from disposal of property, plant and equipment	156	337
Proceeds from disposal of prepaid leases	1,178	710
Net cash used in investing activities	<u>(529,251)</u>	<u>(478,747)</u>
Repayment of Al-Bai' Bithaman Ajil long term facility	(5,280)	(10,031)
Payment of profit share margin	(1,118)	(2,579)
Payment of dividends to shareholders	(232,072)	(178,821)
Payment of dividends to minority shareholders of a subsidiary	(767)	(756)
Redemption of preference shares by minority shareholders of a subsidiary	(13,650)	-
Net cash used in financing activities	<u>(252,887)</u>	<u>(192,187)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,986	78,007
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	544,013	466,006
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>547,999</u>	<u>544,013</u>

The Audited Cash Flow Statement 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 audited 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 119²⁰⁰⁴ 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 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 land 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 lease of land and building are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of the lease are considered separately for the purpose of lease classification. Leasehold land held for own use is now classified as operating lease.

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 and Consolidated Cash Flow Statement as at 31 March 2007 have been restated as set out below.

	As restated (RM'000)	As previously stated (RM'000)
<u>Consolidated Balance Sheet</u>		
Property, Plant and Equipment	2,806,926	3,086,920
Prepaid Lease Payments	561,821	-
Long Term Receivables	-	281,827

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	As restated (RM'000)	As previously stated (RM'000)
<u>Consolidated Cash Flow Statement</u>		
Purchase of property, plant and equipment	(405,749)	(446,259)
Prepayments of leases	(90,247)	-
Prepaid rental of service station sites	-	(49,737)
Proceeds from disposal of property, plant and equipment	337	1,047
Proceeds from disposal of prepaid leases	710	-

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 material 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>31/03/2008</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	6,174
Approved but not contracted for	45,288
	<hr/> 51,462 <hr/>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

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A8 DIVIDENDS PAID

During the twelve months period ended 31 March 2008, the following dividend payments were made:

1. A final dividend of 20 sen per share less tax at 27% amounting to RM145,044,284 (2006: 15 sen 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 sen per share less tax at 27% amounting to RM87,026,570 (2006: 10 sen 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 activity is domestic marketing of petroleum products. 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. Freehold land is stated at cost less accumulated impairment losses, if any.

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 2008 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 ended 31 March 2008 rose by RM1,202.6 million and RM2,805.2 million to RM6,050.2 million and RM22,301.6 million, respectively, from the results of the corresponding period last year. The increase is a result of higher volume sold and higher average selling price.

Group profit before tax for the quarter ended 31 March 2008 registered at RM219.5 million was lower by RM16.2 million from RM235.7 million posted in the corresponding period last year mainly due to lower gross profit arising from higher product cost. Group profit before tax for the year ended 31 March 2008 however, recorded an increase from the corresponding period last year by RM5.2 million to RM908.4 million. This was mainly contributed by higher gross profit and higher volume sold during the year.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenue for the current quarter increased by 6.0% to RM6,050.2 million from RM5,706.8 million in the preceding quarter. The improvement in revenue is mainly driven by higher volume.

Group profit before tax for the current quarter is RM219.5 million, a decrease of RM36.4 million compared to the preceding quarter which recorded a profit before tax of RM255.9 million mainly due to lower gross profit arising from higher product cost.

B3 NEXT FINANCIAL YEAR PROSPECTS (2008/2009)

The Directors are of the opinion that revenue is expected to remain high and market leadership will be maintained with continued aggressive marketing initiatives. However, profits for the next financial 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 31/03/2008 RM'000	Cumulative Quarter Current Year-to-Date- 31/03/2008 RM'000
<u>Income Tax:</u>		
Current Quarter / Year-to-Date	50,303	249,521
Overprovision of Prior Year Taxation	-	(6,149)
<u>Deferred Taxation:</u>		
Current Quarter / Year-to-Date	(82)	(2,790)
	50,221	240,582

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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

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

The Directors propose a final dividend of 33 sen per share less tax at 25% amounting to RM245,879,865 (2007: 20 sen per share less tax at 27% amounting to RM145,044,284) to shareholders to be tabled 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 year attributable to shareholders of the Company of RM661,665,000 (March 2007: RM640,307,000) and on the number of ordinary shares as at 31 March 2008 of 993,454,000 (March 2007: 993,454,000).

BY ORDER OF THE BOARD

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