

PETRONAS Dagangan Berhad (88222 - D)

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	As at 30/06/2008 RM'000	As at preceding Financial Year End 31/03/2008 RM'000
ASSETS		
Property, Plant and Equipment	3,027,298	2,922,206
Investment in Associates	6,268	5,692
Prepaid Lease Payments	714,380	701,717
Goodwill	23,032	23,400
TOTAL NON-CURRENT ASSETS	3,770,978	3,653,015
Inventories	1,203,037	1,077,351
Trade and Other Receivables	4,561,861	3,331,243
Cash and Cash Equivalents	737,493	547,999
TOTAL CURRENT ASSETS	6,502,391	4,956,593
TOTAL ASSETS	10,273,369	8,609,608
EQUITY		
Share Capital	993,454	993,454
Reserves	3,158,625	2,923,963
Total Equity Attributable to Shareholders of the Company	4,152,079	3,917,417
Minority Shareholders' Interests	48,035	46,732
TOTAL EQUITY	4,200,114	3,964,149
LIABILITIES		
Deferred Tax Liabilities	101,153	99,852
Provisions	24,482	24,271
TOTAL NON-CURRENT LIABILITIES	125,635	124,123
LIABILITIES		
Trade and Other Payables	5,825,443	4,427,969
Taxation	122,177	93,367
TOTAL CURRENT LIABILITIES	5,947,620	4,521,336
TOTAL LIABILITIES	6,073,255	4,645,459
TOTAL EQUITY AND LIABILITIES	10,273,369	8,609,608
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	418	394

The Unaudited Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 March 2008.

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008

	Individual/ Cumulative Quarter Current Year To Date <u>30/06/2008</u> RM'000	Preceding Year Corresponding Period <u>30/06/2007</u> RM'000
Revenue	<u>6,741,049</u>	<u>5,140,014</u>
Profit from operations	322,725	251,812
Finance costs	(189)	(193)
Share of profit after tax of associates	<u>576</u>	<u>276</u>
Profit before taxation	323,112	251,895
Tax expense	(89,606)	(74,564)
Profit for the period	<u>233,506</u>	<u>177,331</u>
Attributable to:		
Shareholders of the Company	232,203	175,852
Minority shareholders' interests	<u>1,303</u>	<u>1,479</u>
Profit for the period	<u>233,506</u>	<u>177,331</u>
Earnings per ordinary share - basic (sen)	23.4	17.7

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 March 2008.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2008

	-- Attributable to Shareholders of the Company --			Minority Shareholders Interests	Total Equity
	Non Distributable	Distributable	Total		
	Share Capital	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000
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
At 1 April 2008	993,454	2,923,963	3,917,417	46,732	3,964,149
- effect of FRS 139	-	2,459	2,459	-	2,459
At 1 April 2008, restated	993,454	2,926,422	3,919,876	46,732	3,966,608
Profit for the period	-	232,203	232,203	1,303	233,506
At 30 June 2008	993,454	3,158,625	4,152,079	48,035	4,200,114

The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the audited Annual Financial Statements for the year ended 31 March 2008.

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UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008

	3 months ended 30/06/2008 <u>RM'000</u>	3 months ended 30/06/2007 <u>RM'000</u>
Cash received from customers	5,533,855	5,069,547
Cash paid to suppliers and employees	<u>(5,191,463)</u>	<u>(5,007,818)</u>
	342,392	61,729
Payment of taxes	(60,315)	(55,256)
Net cash generated from operating activities	<u>282,077</u>	<u>6,473</u>
Interest income from deposits with financial institutions	2,050	2,141
Purchase of property, plant and equipment	(76,227)	(95,195)
Prepayment of leases	(18,406)	(2,416)
Net cash used in investing activities	<u>(92,583)</u>	<u>(95,470)</u>
Repayment of Al-Bai' Bithaman Ajil long term facility	-	(2,579)
Payment of profit share margin	-	(573)
Net cash used in financing activities	<u>-</u>	<u>(3,152)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	189,494	(92,149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	547,999	544,013
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>737,493</u>	<u>451,864</u>

The Unaudited Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 March 2008.

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Notes to the Interim Financial Report

A1 BASIS OF PREPARATION

The Interim Financial Report has been prepared using historical cost basis except for certain financial assets and liabilities.

The Interim Financial Report is unaudited and has been prepared in accordance with the requirements of FRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Interim Financial Report should be read in conjunction with the audited financial statements for the year ended 31 March 2008. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2008.

Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 except for the early adoption of Financial Reporting Standard (FRS) 139, *Financial Instruments: Recognition and Measurement* beginning on 1 April 2008.

The adoption of the abovementioned FRS does not result in significant changes in accounting policies of the Group, other than as highlighted below:

FRS 139, Financial Instruments: Recognition and Measurement

In line with PETRONAS Group of Companies, the Group voluntarily adopts FRS 139 for the financial year beginning 1 April 2008, to enable the Group's financial statements to be comparable with other multinational companies and in accordance with International Financial Reporting Standards (IFRS). FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorisation applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others will need to be stated at amortised cost. FRS 139 prescribed prospective application for first time adoption.

The adoption of FRS 139 has resulted in a restatement of the opening balance of retained profits and other balance sheet items as a result of the write-back of general provision for doubtful debts. The details of the restatement are set out below:

	Audited 31 March 2008 (RM'000)	Effect of FRS 139 (RM'000)	At 1 April 2008 (RM'000)
Trade and Other Receivables	3,331,243	3,279	3,334,522
Reserves	2,923,963	2,459	2,926,422
Deferred Tax Liabilities	99,852	820	100,672

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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 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>30/06/2008</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	78,542
Approved but not contracted for	475,162
	<hr/> 553,704 <hr/>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

A8 DIVIDENDS PAID

No dividends have been paid during the period under review.

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 nature had occurred between 30 June 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

For the current quarter under review, the Group's revenue increased by 31.1% to RM6,741.0 million as compared to RM5,140.0 million in the corresponding period last year. The increase is a result of higher average selling price.

Group profit before tax for the quarter increased by 28.3% to RM323.1 million as compared to RM251.9 million recorded in the corresponding period last year. This is mainly contributed by higher average gross profit.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenue for the current quarter increased by 11.4% to RM6,741.0 million from RM6,050.2 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 RM323.1 million, an increase of RM103.6 million compared to the preceding quarter which recorded a profit before tax of RM219.5 million mainly due to higher average gross profit.

B3 CURRENT YEAR PROSPECTS (2008/2009)

The Directors are of the opinion that revenue is expected to remain satisfactory and market leadership will be maintained with continuous strategic marketing initiatives. However, profits will continue to be impacted by fluctuations in petroleum product costs as a consequence of volatile international oil prices.

B4 PROFIT FORECAST

No profit forecast was issued for the financial period.

B5 TAX EXPENSE

Taxation comprises the following:

	First Quarter Current Year
	<u>30/06/2008</u>
	RM'000
<u>Income Tax:</u>	
Current Quarter	89,125
<u>Deferred Taxation:</u>	
Current Quarter	481
	<hr/>
	89,606
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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

The Company is pursuing legal action against a customer for recovery of trade receivables amounting to RM31.7 million.

B12 DIVIDENDS

No dividends have been declared during the period under review.

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 RM232,203,000 (30 June 2007: RM175,852,000) and on the number of ordinary shares as at 30 June 2008 of 993,454,000 (30 June 2007: 993,454,000).

BY ORDER OF THE BOARD

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