



PETRONAS Dagangan Berhad (88222 - D)

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008

	As at 30/09/2008 RM'000	As at preceding Financial Year End 31/03/2008 RM'000
ASSETS		
Property, Plant and Equipment	3,026,403	2,922,206
Investment in Associates	6,050	5,692
Prepaid Lease Payments	737,057	701,717
Goodwill	22,663	23,400
TOTAL NON-CURRENT ASSETS	3,792,173	3,653,015
Inventories	983,029	1,077,351
Trade and Other Receivables	4,041,176	3,331,243
Cash and Cash Equivalents	729,385	547,999
TOTAL CURRENT ASSETS	5,753,590	4,956,593
TOTAL ASSETS	9,545,763	8,609,608
EQUITY		
Share Capital	993,454	993,454
Reserves	3,044,398	2,923,963
Total Equity Attributable to Shareholders of the Company	4,037,852	3,917,417
Minority Shareholders' Interests	48,653	46,732
TOTAL EQUITY	4,086,505	3,964,149
LIABILITIES		
Deferred Tax Liabilities	98,531	99,852
Provisions	24,676	24,271
TOTAL NON-CURRENT LIABILITIES	123,207	124,123
LIABILITIES		
Trade and Other Payables	5,209,126	4,427,969
Taxation	126,925	93,367
TOTAL CURRENT LIABILITIES	5,336,051	4,521,336
TOTAL LIABILITIES	5,459,258	4,645,459
TOTAL EQUITY AND LIABILITIES	9,545,763	8,609,608
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	406	394

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

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

	Individual Quarter		Individual/ Cumulative Quarter	
	Current Year To Date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000	Current Year To Date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000
Revenue	<u>7,690,193</u>	<u>5,404,596</u>	<u>14,431,242</u>	<u>10,544,610</u>
Profit from operations	183,137	182,722	505,867	434,533
Finance costs	(193)	(172)	(382)	(365)
Share of profit after tax of associates	<u>(11)</u>	<u>203</u>	<u>566</u>	<u>479</u>
Profit before taxation	182,933	182,753	506,051	434,647
Tax expense	(49,882)	(53,820)	(139,488)	(128,384)
Profit for the period	<u>133,051</u>	<u>128,933</u>	<u>366,563</u>	<u>306,263</u>
Attributable to:				
Shareholders of the Company	131,647	127,971	363,856	303,822
Minority shareholders' interests	<u>1,404</u>	<u>962</u>	<u>2,707</u>	<u>2,441</u>
Profit for the period	<u>133,051</u>	<u>128,933</u>	<u>366,563</u>	<u>306,263</u>
Earnings per ordinary share - basic (sen)	13.3	12.9	36.6	30.6

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 SEPTEMBER 2008

	-- Attributable to Shareholders of the Company -			Minority	Total Equity
	Non Distributable Share Capital	Distributable Retained Profits	Total	Shareholders Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2007	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)
At 30 September 2007	<u>993,454</u>	<u>2,653,149</u>	<u>3,646,603</u>	<u>56,709</u>	<u>3,703,312</u>
At 1 April 2008					
- as previously reported	993,454	2,923,963	3,917,417	46,732	3,964,149
- effect of FRS 139	-	2,459	2,459	-	2,459
- as restated	<u>993,454</u>	<u>2,926,422</u>	<u>3,919,876</u>	<u>46,732</u>	<u>3,966,608</u>
Profit for the period	-	363,856	363,856	2,707	366,563
Dividends paid	-	(245,880)	(245,880)	(786)	(246,666)
At 30 September 2008	<u>993,454</u>	<u>3,044,398</u>	<u>4,037,852</u>	<u>48,653</u>	<u>4,086,505</u>

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.

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

	6 months ended 30/09/2008 RM'000	6 months ended 30/09/2007 RM'000
Cash received from customers	14,575,056	10,322,406
Cash paid to suppliers and employees	<u>(13,785,534)</u>	<u>(10,018,005)</u>
	789,522	304,401
Payment of taxes	(108,072)	(96,818)
Net cash generated from operating activities	<u>681,450</u>	<u>207,583</u>
Acquisition of an associated company	-	(200)
Interest income from deposits with financial institutions	4,211	8,169
Purchase of property, plant and equipment	(210,411)	(195,547)
Prepayment of leases	(47,304)	(25,997)
Proceeds from disposal of property, plant and equipment	106	-
Net cash used in investing activities	<u>(253,398)</u>	<u>(213,575)</u>
Repayment of Al-Bai' Bithaman Ajil long term facility	-	(5,280)
Payment of profit share margin	-	(1,118)
Payment of dividends to shareholders	(245,880)	(145,044)
Payment of dividends to minority shareholders of a subsidiary	(786)	(767)
Net cash used in financing activities	<u>(246,666)</u>	<u>(152,209)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	181,386	(158,201)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	547,999	544,013
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>729,385</u>	<u>385,812</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 Annual 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 Annual 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 company voluntarily adopts FRS139 for the financial year beginning 1 April 2008, to enable the company'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. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. 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:

	At 1 April 2008 As previously reported (RM'000)	Effect of FRS 139 (RM'000)	At 1 April 2008 As restated (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>30/09/2008</u> RM'000
Property, Plant and Equipment	
Approved and contracted for	116,910
Approved but not contracted for	310,487
	<hr/> 427,397 <hr/>

A7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

None.

A8 DIVIDENDS PAID

During the 6 months period ended 30 September 2008, a final dividend of 33 sen per ordinary share less tax at 25% amounting to RM 245,879,865 (2007: 20 sen per ordinary share less tax at 27% amounting to RM145,044,284) was paid on 26 August 2008 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 30 September 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 period ended 30 September 2008 rose by RM2,285.6 million and RM3,886.6 million to RM7,690.2 million and RM14,431.2 million respectively, from the results of the corresponding period last year. The increase is a result of higher average selling price.

Group profit before tax for the quarter and period ended 30 September 2008 rose by RM0.1 million and RM71.4 million to RM182.9 million and RM506.1 million respectively, from the corresponding period last year mainly due to higher gross profit.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group revenue for the current quarter increased by 14.1% to RM7,690.2 million from RM6,741.0 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 RM182.9 million, decreased by RM140.2 million compared to the preceding quarter which recorded a profit before tax of RM323.1 million mainly due to lower 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 be impacted by fluctuations in petroleum product costs as a consequence of volatile international oil prices and the global economy.

B4 PROFIT FORECAST

No profit forecast was issued for the financial period.

B5 TAX EXPENSE

Taxation comprises the following:

	Second Quarter Current Year	Cumulative Quarter Current Year-to-date
	<u>30/09/2008</u>	<u>30/09/2008</u>
	RM'000	RM'000
<u>Income Tax:</u>		
Current Quarter / Year-to-date	52,505	141,630
<u>Deferred Taxation:</u>		
Current Quarter / Year-to-date	(2,623)	(2,142)
	<u>49,882</u>	<u>139,488</u>

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

As previously announced, the Company has entered into an agreement for the Sale and Purchase of shares in Lub Dagangan Sdn Bhd ("LDSB") with Natpet (M) Sdn Bhd and Jurumuda Sdn Bhd whereby the Company will acquire 5,600,000 shares in LDSB representing a 80% equity interest in LDSB at a total cash consideration of RM16.24 million. As at the date of this report, the Company is awaiting approval from relevant regulatory authority to complete the transaction.

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

The Board has declared an interim dividend of 12 sen per ordinary share less tax at 25% for the six months ended 30 September 2008 amounting to RM89,410,860 payable on 24 December 2008 (2007: interim dividend of 12 sen per ordinary share less tax at 27% amounting to RM87,026,570).

NOTICE IS HEREBY GIVEN that the interim dividend of 12 sen per ordinary share less tax at 25% will be payable on 24 December 2008 to depositors registered in the Records of Depositors at the close of business on 12 December 2008. A depositor shall qualify for entitlement to the dividends only in respect of :-

- a) Shares transferred into Depositors' Securities Account before 4pm on 12 December 2008 in respect of ordinary transfer.
- b) Share bought on the Bursa Malaysia on a cum entitlement basis according to the rules of the Bursa Malaysia.

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B13 BASIC EARNINGS PER SHARE

Basic earning per share are derived based on the net profit attributable to ordinary shareholders and based on the number of ordinary shares outstanding during the period.

	Second Quarter Current Year		Cumulative Quarter Current Year-to-date	
	<u>30/09/2008</u>	<u>30/09/2007</u>	<u>30/09/2008</u>	<u>30/09/2007</u>
Profit for the period (RM'000)	131,647	127,971	363,856	303,822
Number of ordinary shares in issue ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	13.3	12.9	36.6	30.6

BY ORDER OF THE BOARD

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