



**Financial Results**

Reference No EM-090811-32775

Date Announced : 18/08/2009  
 Financial Year End : 31/12/2009  
 Quarter : 2  
 Quarterly report for the financial period ended : 30/06/2009  
 The figures : have not been audited

Remark:  
 Currency : Malaysian Ringgit (MYR)

**SUMMARY OF KEY FINANCIAL INFORMATION**  
**30/06/2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/06/2009 \$\$'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2008 \$\$'000	CURRENT YEAR TO DATE 30/06/2009 \$\$'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2008 \$\$'000
<b>1 Revenue</b>	1,877,940	3,309,548	3,408,952	6,262,999
<b>2 Profit/(loss) before tax</b>	178,867	224,505	249,862	294,915
<b>3 Profit/(loss) for the period</b>	128,785	159,399	179,901	209,390
<b>4 Profit/(loss) attributable to ordinary equity holders of the parent</b>	128,785	159,399	179,901	209,390
<b>5 Basic earnings/(loss) per share (Subunit)</b>	47.70	59.00	66.60	77.60
<b>6 Proposed/Declared dividend per share (Subunit)</b>	0.00	0.00	0.00	0.00
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
<b>7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>		2.0300		1.4500



The Directors of Esso Malaysia Berhad are pleased to announce the financial results of the Company for the quarter ended June 30, 2009.

**CONDENSED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED JUNE 30, 2009**

	<u>Note</u>	Quarter ended		6 months ended	
		30.06.2009 <u>RM'000</u>	30.06.2008 <u>RM'000</u>	30.06.2009 <u>RM'000</u>	30.06.2008 <u>RM'000</u>
Revenues		1,877,940	3,309,548	3,408,952	6,262,999
Other income		5,287	6,462	10,464	12,564
Cost of sales and expenses		(1,699,445)	(3,082,813)	(3,157,244)	(5,963,360)
Finance cost		<u>(4,915)</u>	<u>(8,692)</u>	<u>(12,310)</u>	<u>(17,288)</u>
Profit/(loss) before tax		178,867	224,505	249,862	294,915
Tax (expense) / credit	16	<u>(50,082)</u>	<u>(65,106)</u>	<u>(69,961)</u>	<u>(85,525)</u>
Net profit/(loss) for the period		<u>128,785</u>	<u>159,399</u>	<u>179,901</u>	<u>209,390</u>
Earnings/(loss) per ordinary stock unit (sen)	24	<u>47.7</u>	<u>59.0</u>	<u>66.6</u>	<u>77.6</u>

(The condensed income statement should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**CONDENSED BALANCE SHEET AS AT JUNE 30, 2009 (UNAUDITED)**

	<u>Note</u>	As at 30.06.2009 <u>RM'000</u>	As at 31.12.2008 <u>RM'000</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		807,508	828,178
Long-term assets and receivables		333,327	346,292
Intangible assets - software		<u>1,087</u>	<u>1,516</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>1,141,922</b></u>	<u><b>1,175,986</b></u>
<b>CURRENT ASSETS</b>			
Inventories		383,166	298,044
Assets held for sale		5,105	-
Receivables		152,915	55,167
Amounts due from related corporations		205,172	173,739
Deposit, cash and bank balances		180,880	15,990
Taxation		<u>34,999</u>	<u>34,999</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>962,237</b></u>	<u><b>577,939</b></u>
<b>CURRENT LIABILITIES</b>			
Payables		125,516	243,023
Retirement benefits obligations		3,782	2,967
Amounts due to related corporations		490,455	231,679
Borrowings (unsecured)	20	<u>807,950</u>	<u>825,008</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,427,703</b></u>	<u><b>1,302,677</b></u>
<b>NET CURRENT LIABILITIES</b>		(465,466)	(724,738)
<b>LESS: NON-CURRENT LIABILITIES</b>			
Retirement benefits obligations		47,610	47,964
Deferred taxation		<u>81,220</u>	<u>11,259</u>
		<u><b>128,830</b></u>	<u><b>59,223</b></u>
<b>TOTAL NET ASSETS EMPLOYED</b>		<u><b>547,626</b></u>	<u><b>392,025</b></u>
<b>FINANCED BY:</b>			
SHARE CAPITAL		135,000	135,000
RESERVES		8,000	8,000
RETAINED PROFITS		<u>404,626</u>	<u>249,025</u>
<b>SHAREHOLDERS' EQUITY</b>		<u><b>547,626</b></u>	<u><b>392,025</b></u>

(The condensed balance sheet should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE QUARTER ENDED JUNE 30, 2009**

	Issued and fully paid ordinary stock of <u>RM0.50 each</u>		Non-distributable capital redemption <u>reserves</u>	Distributable retained <u>profits</u>	<u>Total</u>
	Number of ordinary <u>stock unit</u> '000	Nominal <u>value</u> RM'000	RM'000	RM'000	RM'000
<b>At January 1, 2008</b>	270,000	135,000	8,000	524,327	667,327
Net profit	-	-	-	209,390	209,390
Dividends for the year ended December 31, 2007 (final)	-	-	-	(23,976)	(23,976)
<b>At June 30, 2008</b>	<b>270,000</b>	<b>135,000</b>	<b>8,000</b>	<b>709,741</b>	<b>852,741</b>
<b>At January 1, 2009</b>	270,000	135,000	8,000	249,025	392,025
Net profit	-	-	-	179,901	179,901
Dividends for the year ended December 31, 2008 (final)	-	-	-	(24,300)	(24,300)
<b>At June 30, 2009</b>	<b>270,000</b>	<b>135,000</b>	<b>8,000</b>	<b>404,626</b>	<b>547,626</b>

(The condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER ENDED JUNE 30, 2009**

	<b>6 months Ended</b>	
	30.06.2009	30.06.2008
	<u>RM'000</u>	<u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	179,901	209,390
Adjustments for non-cash items	129,029	146,313
Changes in working capital:		
(Increase) / decrease in current assets	(215,860)	(627,433)
Increase / (decrease) in current liabilities	128,239	137,749
Cash from / (used in) operations	221,309	(133,981)
Interest / Tax / Retirement benefits payments	(12,859)	18,037
<b>Net cash from / (used in) operating activities</b>	<b>208,450</b>	<b>(115,944)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangibles	(15,958)	(17,696)
(Increase) / decrease in long-term assets and receivables	12,965	(2,136)
Proceeds from disposal of property, plant and equipment and intangibles	723	-
<b>Net cash used in investing activities</b>	<b>(2,270)</b>	<b>(19,832)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment of) borrowings - net	(17,058)	161,611
Dividends paid to shareholders	(24,300)	(23,976)
<b>Net cash (used in) / from financing activities</b>	<b>(41,358)</b>	<b>137,635</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>164,822</b>	<b>1,859</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,621</b>	<b>10,704</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>173,443</b>	<b>12,563</b>

(The condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended December 31, 2008)



## Part A - Explanatory Notes Pursuant to FRS 134

### 1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2008. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and the performance of the Company since the financial year ended December 31, 2008.

The same accounting policies and methods of computation are followed in the interim financial statements as for the financial statements for the year ended December 31, 2008 except as disclosed below.

The new standards, amendments to published standards and interpretations to existing standards applicable to the Company but are not yet effective and not previously disclosed, are tabulated below. These standards are effective from January 1, 2010.

- Amendment to FRS 2 Share-Based Payment, which clarifies treatment of vesting conditions and cancellations.
- Amendment to FRS 1 First Time Adoption of Financial Reporting Standards. The amendment allows first time adopter to measure the initial cost of investments in subsidiaries, jointly controlled entities (JCE) and associates either at fair value or the previous carrying amount.
- Amendment to FRS 127 Consolidated and Separate Financial Statements. The amendment mainly deleted the definition of cost method and added new paragraphs pertaining to group reorganisation. This has led to consequential amendments to other FRSs.
- FRS 123 Borrowing Costs. The new standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.



- IC Interpretation 11: FRS 2 Group and Treasury Share Transaction. This Interpretation further clarifies the treatment of transactions/arrangements relating to share-based payment.
- IC Interpretation 13 Customer Loyalty Programmes. This Interpretation explains how entities that grant loyalty award points to its customers should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points.

**Part A - Explanatory Notes Pursuant to FRS 134 (Continued)**

**1. Basis of Preparation (Continued)**

- IC Interpretation 14: FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This Interpretation addresses issues relating to availability of refunds and effects of minimum funding requirement in future contributions.

The Company will apply the above standards from financial period beginning January 1, 2010. The adoptions of these standards are not expected to have a material impact on the financial position of the Company.

**2. Comments about Seasonal or Cyclical Factors**

The operations of the business are not seasonal or cyclical in nature.

**3. Unusual Items Due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Company during the current quarter.

**4. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter.

**5. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter.



**6. Dividend Paid**

The amount of dividends paid since December 31, 2008 are as follows:

RM'000

In respect of the year ended December 31, 2008:

Final dividend per stock unit, paid on June 22, 2009:

Ordinary - 12 sen gross less income tax at 25%

24,300

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**Part A - Explanatory Notes Pursuant to FRS 134 (Continued)**

**7. Segmental Information**

No segmental analysis is prepared, as the Company's principal business of manufacturing and marketing of petroleum products is one business segment.

**8. Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended December 31, 2008.

**9. Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**10. Changes in Composition of the Company**

There were no changes in the composition of the Company during the current quarter.

**11. Changes in Contingent Liabilities**

There were no significant changes in contingent liabilities or contingent assets since the last annual balance sheet as at December 31, 2008.

**12. Capital Commitments**



Capital commitments not provided for in the Interim Financial Report as at June 30, 2009 are as follows:

<b>Property, plant &amp; equipment</b>	<b>RM'000</b>
Approved and contracted for	32,156
Approved but not contracted for	8,570
	<hr/>
	<b>40,726</b> <hr/>

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**13. Review of Performance - Current Financial Period ended June 30, 2009**

The Company recorded an after tax profit of RM129 million in the second quarter, RM30 million lower than the same period in 2008. This brings the profits for the first half 2009 to RM180 million, compared to the profits of RM209 million recorded in the first half of last year. The positive results for the second quarter and first half of 2009 and for the corresponding periods of 2008 primarily reflected inventory holding gains and improved margins.

Revenues for the second quarter and first half of the year were RM1.9 billion and RM3.4 billion respectively, versus RM3.3 billion and RM6.3 billion for the same period in 2008 driven by lower product prices.

**14. Commentary on Prospects**

Looking forward, 2009 remains a challenging year for the industry in view of continued uncertain global economy and crude price environment. In this environment our strategy remains focused on flawless operations and cost control, product and service quality, while sustaining our competitive position.

**15. Profit Forecast or Profit Guarantee**

As a matter of policy, the Company does not make profit forecasts or profit guarantees.



**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**16. Taxation**

	Quarter ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	-	67,594	-	92,020
Deferred taxation	50,082	(2,488)	69,961	(6,495)
	<u>50,082</u>	<u>65,106</u>	<u>69,961</u>	<u>85,525</u>
	=====	=====	=====	=====

The statutory tax rate has been reduced to 25% for the year ended December 31, 2009 (2008: 26%).

**17. Sale of Unquoted Investments and Properties**

In the current quarter and period ended June 30, 2009, the Company recorded a gain of RM96,000 from the sale of land.

**18. Quoted Securities**

There were no purchases or disposals of quoted securities during the current quarter.

**19. Corporate Proposals**

There were no corporate proposals.



**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**20. Borrowings**

The Company's borrowings as at June 30, 2009 are as follows:

		<u>RM'000</u>
Short-term, unsecured		807,950 =====
	<u>USD'000</u>	<u>RM'000</u>
Borrowings include a floating rate term loan at fixed foreign exchange rate from a related party	140,000	507,950

**21. Off Balance Sheet Financial Instruments**

There were no financial arrangements with off balance sheet risk.

**22. Changes in Material Litigation**

There were no significant changes to material litigation since December 31, 2008.

**23. Dividend Payable**

The Company did not declare any dividends for the three months ended June 30, 2009.

**24. Earnings Per Ordinary Stock Unit**

Quarter ended	6 months ended		30.06.2009	30.06.2008
	30.06.2009	30.06.2008		
Net profit/(loss) for the period (RM'000)	128,785	159,399	179,901	209,390
Number of ordinary stock unit in issue ('000)	270,000	270,000	270,000	270,000
Earnings/(loss) per stock unit (sen)	47.7 =====	59.0 =====	66.6 =====	77.6 =====



**25. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the Company's financial statements for the year ended December 31, 2008 was not qualified.