

**ESSO MALAYSIA BERHAD (3927-V)****Financial Results**Announcement Reference No **EM-090506-42155**

Date Announced : 19/05/2009
 Financial Year End : 31/12/2009
 Quarter : 1
 Quarterly report for the : 31/03/2009
 financial period ended
 The figures : have not been audited

Remark:

SUMMARY OF KEY FINANCIAL INFORMATION**31/03/2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR TO DATE	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	DATE	CORRESPONDING PERIOD
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000
1 Revenue	1,531,012	2,953,451	1,531,012	2,953,451
2 Profit/(loss) before tax	70,995	70,410	70,995	70,410
3 Profit/(loss) for the period	51,116	49,991	51,116	49,991
4 Profit/(loss) attributable to ordinary equity holders of the parent	51,116	49,991	51,116	49,991
5 Basic earnings/(loss) per share (sen)	18.90	18.50	18.90	18.50
6 Proposed/Declared dividend per share (sen)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)		1.6400		1.4500



ESSO MALAYSIA BERHAD (3927-V)

The Directors of Esso Malaysia Berhad are pleased to announce the financial results of the Company for the quarter ended March 31, 2009.

CONDENSED INCOME STATEMENT (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2009

	Note	Quarter ended		3 months ended	
		31.03.2009 RM'000	31.03.2008 RM'000	31.03.2009 RM'000	31.03.2008 RM'000
Revenues		1,531,012	2,953,451	1,531,012	2,953,451
Other income		5,177	6,102	5,177	6,102
Cost of sales and expenses		(1,457,799)	(2,880,547)	(1,457,799)	(2,880,547)
Finance cost		<u>(7,395)</u>	<u>(8,596)</u>	<u>(7,395)</u>	<u>(8,596)</u>
Profit/(loss) before tax		70,995	70,410	70,995	70,410
Tax (expense) / credit	15	<u>(19,879)</u>	<u>(20,419)</u>	<u>(19,879)</u>	<u>(20,419)</u>
Net profit/(loss) for the period		<u>51,116</u>	<u>49,991</u>	<u>51,116</u>	<u>49,991</u>
Earnings/(loss) per ordinary stock unit (sen)	23	<u>18.9</u>	<u>18.5</u>	<u>18.9</u>	<u>18.5</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 MARCH 31, 2009 (UNAUDITED)

	<u>Note</u>	As at 31.03.2009 <u>RM'000</u>	As at 31.12.2008 <u>RM'000</u>
NON-CURRENT ASSETS			
Property, plant and equipment		814,791	828,178
Long term assets and receivables		337,176	346,292
Intangible assets - software		<u>1,301</u>	<u>1,516</u>
TOTAL NON-CURRENT ASSETS		<u>1,153,268</u>	<u>1,175,986</u>
CURRENT ASSETS			
Inventories		403,024	298,044
Receivables		108,678	55,167
Amounts due from related corporations		193,793	173,739
Deposit, cash and bank balances		12,025	15,990
Taxation		<u>34,999</u>	<u>34,999</u>
TOTAL CURRENT ASSETS		<u>752,519</u>	<u>577,939</u>
CURRENT LIABILITIES			
Payables		191,325	243,023
Retirement benefits obligations		2,553	2,967
Amounts due to related corporations		318,412	231,679
Borrowings (unsecured)	19	<u>871,266</u>	<u>825,008</u>
TOTAL CURRENT LIABILITIES		<u>1,383,556</u>	<u>1,302,677</u>
NET CURRENT LIABILITIES		(631,037)	(724,738)
LESS: NON-CURRENT LIABILITIES			
Retirement benefits obligations		47,952	47,964
Deferred taxation		<u>31,138</u>	<u>11,259</u>
		<u>79,090</u>	<u>59,223</u>
TOTAL NET ASSETS EMPLOYED		<u>443,141</u>	<u>392,025</u>
FINANCED BY:			
SHARE CAPITAL		135,000	135,000
RESERVES		8,000	8,000
RETAINED PROFITS		<u>300,141</u>	<u>249,025</u>
SHAREHOLDERS' EQUITY		<u>443,141</u>	<u>392,025</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 MARCH 31, 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
At January 1, 2008	270,000	135,000	8,000	524,327	667,327
Net profit	-	-	-	49,991	49,991
At March 31, 2008	270,000	135,000	8,000	574,318	717,318
At January 1, 2009	270,000	135,000	8,000	249,025	392,025
Net profit	-	-	-	51,116	51,116
At March 31, 2009	270,000	135,000	8,000	300,141	443,141

(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 MARCH 31, 2009**

	31.03.2009 <u>RM'000</u>	31.03.2008 <u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	51,116	49,991
Adjustments for non-cash items	51,817	53,484
Changes in working capital:		
(Increase) / decrease in current assets	(179,161)	146,255
Increase / (decrease) in current liabilities	26,615	(36,508)
	-----	-----
Cash generated / (used in) from operations	(49,613)	213,222
Interest / Tax / Retirement benefits (payments)/ refunds	(8,091)	32,356
	-----	-----
Net cash generated from / (used in) operating activities	(57,704)	245,578
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(1,695)	(4,193)
(Increase) / decrease in long term assets and receivables	9,116	614
Proceeds from disposal of property, plant and equipment	20	-
	-----	-----
Net cash generated from / (used in) investing activities	7,441	(3,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) borrowings - net	46,258	(236,642)
	-----	-----
Net cash (used in) / generated from financing activities	46,258	(236,642)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,005)	5,357
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,621	17,913
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,616	23,270
	=====	=====

(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 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.

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

There were no dividends paid in the current quarter.



Part A - Explanatory Notes Pursuant to FRS 134

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.



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

12. Review of Performance - Current Financial Period ended 31 March 2009

The Company recorded an after tax profit of RM51 million in the first quarter, about the same level as the corresponding period in 2008. However, this represents an improvement compared to the loss of RM327 million incurred in fourth quarter last year. The improved results were primarily due to inventory holding gains versus losses recorded in the fourth quarter 2008.

Revenues for the quarter were RM1.5 billion, RM1.4 billion lower compared to the RM2.9 billion recorded in the first quarter of 2008 mainly due to lower product prices.

13. Commentary on Prospects

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

14. 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

15. Taxation

	Quarter ended		3 months ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	-	24,426	-	24,426
Deferred taxation	19,879	(4,007)	19,879	(4,007)
	<u>19,879</u>	<u>20,419</u>	<u>19,879</u>	<u>20,419</u>
	=====	=====	=====	=====

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

16. Sale of Unquoted Investments and Properties

There were no sales of land in the current quarter.

17. Quoted Securities

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

18. Corporate Proposals

There were no corporate proposals.



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

19. Borrowings

The Company's borrowings as at March 31, 2009 are as follows:

		<u>RM'000</u>
Short-term, unsecured		871,266
		=====
	<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

20. Off Balance Sheet Financial Instruments

There were no financial arrangements with off balance sheet risk.

21. Changes in Material Litigation

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

22. Dividend Payable

The Company did not declare any dividends for the three months ended March 31, 2009.

23. Earnings Per Ordinary Stock Unit

	Quarter ended		3months ended	
	<u>31.03.2009</u>	<u>31.03.2008</u>	<u>31.03.2009</u>	<u>31.03.2008</u>
Net profit/(loss) for the period (RM'000)	51,116	49,991	51,116	49,991
Number of ordinary stock unit in issue ('000)	270,000	270,000	270,000	270,000
Earnings/(loss) per stock unit (sen)	18.9	18.5	18.9	18.5
	=====	=====	=====	=====

24. 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.