



Quarterly Rpt On Consolidated Results For The Financial Period Ended 31/10/2008

Dec 17, 2008

Financial Results

Company Name	:	GAMUDA BERHAD
Stock Name	:	GAMUDA
Date Announced	:	17/12/2008
Financial Year End	:	31/07/2009
Quarter	:	1
Quarterly report for the financial period ended	:	31/10/2008
The figures	:	have not been audited

Attachment:

[\[File\]](#) [\[File\]](#) [\[File\]](#)

Remarks:

c.c. Securities Commission

GAMUDA BERHAD (29579-T)**Condensed Consolidated Income Statement**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-Oct-08 RM'000	Comparative Quarter 31-Oct-07 RM'000	Current Year To Date 31-Oct-08 RM'000	Preceding Year Corresponding Period 31-Oct-07 RM'000
Revenue	613,964	482,422	613,964	482,422
Operating expenses	(571,638)	(414,988)	(571,638)	(414,988)
Other income	5,730	4,847	5,730	4,847
Profit from operations	48,056	72,281	48,056	72,281
Finance costs	(10,773)	(2,670)	(10,773)	(2,670)
Share of results of associated companies	34,694	36,865	34,694	36,865
Profit before tax	71,977	106,476	71,977	106,476
Income tax expense	(14,503)	(16,073)	(14,503)	(16,073)
Profit for the year	57,474	90,403	57,474	90,403
Attributable to :-				
Equity holders of the Company	55,036	88,063	55,036	88,063
Minority interests	2,438	2,340	2,438	2,340
	57,474	90,403	57,474	90,403
Earnings per share attributable to equity holders of the Company				
Basic earnings per share (sen)	2.74	4.43	2.74	4.43
Fully diluted earnings per share (sen)	2.74	4.39	2.74	4.39

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial statements.

GAMUDA BERHAD (29579-T)**Condensed Consolidated Balance Sheet**

	As at 31 Oct 08	As at 31 July 08
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	293,744	288,130
Prepaid lease payment	7,208	7,232
Land held for property development	519,627	519,277
Investment properties	3,278	3,288
Motorway development expenditure	326,890	326,809
Intangible assets	67,397	68,189
Investment in associated companies	1,302,822	1,510,822
Other investments	733	733
Deferred tax assets	16,531	13,777
Receivables	42,433	42,433
	<u>2,580,663</u>	<u>2,780,690</u>
Current assets		
Property development costs	385,814	388,513
Inventories	107,177	110,122
Receivables	1,082,569	1,319,735
Amount due from customers for construction contracts	310,473	304,635
Tax recoverable	10,051	4,996
Marketable securities	20,000	20,000
Cash and bank balances	943,988	845,610
	<u>2,860,072</u>	<u>2,993,611</u>
TOTAL ASSETS	<u>5,440,735</u>	<u>5,774,301</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	2,006,171	2,005,016
Reserves	1,069,063	1,046,566
Shareholders' equity	<u>3,075,234</u>	<u>3,051,582</u>
Minority interests	45,371	45,901
Total equity	<u>3,120,605</u>	<u>3,097,483</u>
Non-current liabilities		
Other payables	29,193	28,736
Deferred tax liabilities	20,149	17,549
Long term borrowings	1,051,500	1,036,500
	<u>1,100,842</u>	<u>1,082,785</u>
Current liabilities		
Short term borrowings	577,254	782,253
Payables	550,893	768,264
Amount due to customers for construction contracts	73,631	17,524
Income tax payable	17,510	25,992
	<u>1,219,288</u>	<u>1,594,033</u>
Total liabilities	<u>2,320,130</u>	<u>2,676,818</u>
TOTAL EQUITY AND LIABILITIES	<u>5,440,735</u>	<u>5,774,301</u>
Net assets per share attributable to equity holders of the Company (RM)	1.53	1.52

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial statements.

GAMUDA BERHAD (29579-T)

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company							Total equity RM'000
	Share Capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves RM'000	Retained profits RM'000	Minority Interests RM'000	Total equity RM'000	
Current Year To date								
At 1 August 2008	2,005,016	27,353	15,366	89,150	914,697	45,901	3,051,582	3,097,483
Currency translation differences recognised directly in equity	-	-	-	(32,837)	-	(2,968)	(32,837)	(35,805)
Profit for the period	-	-	-	-	55,036	2,438	55,036	57,474
Total recognised income and expense for the period	-	-	-	(32,837)	55,036	(530)	22,199	21,669
Exercise of Employees' Share Options ("ESOS")	1,155	881	-	-	-	-	2,036	2,036
Share options granted under ESOS	-	-	2,125	-	-	-	2,125	2,125
Share options exercised	-	267	(2,975)	-	-	-	(2,708)	(2,708)
At 31 Oct 2008	2,006,171	28,501	14,516	56,313	969,733	45,371	3,075,234	3,120,605
At 1 August 2007	981,528	955,688	6,454	42,349	959,931	48,433	2,945,950	2,994,383
Currency translation differences recognised directly in equity	-	-	-	2,874	-	(2,128)	2,874	746
Profit for the period	-	-	-	-	88,063	2,340	88,063	90,403
Total recognised income for the period	-	-	-	2,874	88,063	212	90,937	91,149
Exercise of Employees' Share Options ("ESOS")	2,577	8,701	-	-	-	-	11,278	11,278
Conversion of warrants	10,858	29,858	-	-	-	-	40,716	40,716
Bonus Issue	994,963	(994,963)	-	-	-	-	-	-
	1,008,398	(956,404)	-	-	-	-	51,994	51,994
Share options granted under ESOS	-	-	1,228	-	-	-	1,228	1,228
Share options exercised	-	1,065	(4,150)	-	-	-	(3,085)	(3,085)
At 31 Oct 2007	1,989,926	349	3,532	45,223	1,047,994	48,645	3,087,024	3,135,669

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial statements.

GAMUDA BERHAD (29579-T)
Condensed Consolidated Cash Flow Statement

	3 months ended	
	31-Oct-08 RM'000	31-Oct-07 RM'000
Cash Flows From Operating Activities		
Net profit before tax	71,977	106,476
Adjustment for non-cash items/non-operating items	(30,819)	(31,817)
Operating profit before changes in working capital	<u>41,158</u>	<u>74,659</u>
<u>Changes in working capital</u>		
Net change in current assets	219,468	(58,476)
Net change in current liabilities	(142,741)	(141,254)
Cash generated from / (used in) operations	<u>117,885</u>	<u>(125,071)</u>
Dividend received from associated companies	19,753	21,442
Tax paid	(36,420)	(26,652)
Others	(10,774)	(2,669)
Net cash generated from / (used in) operating activities	<u>90,444</u>	<u>(132,950)</u>
Cash Flows From Investing Activities		
Purchase of plant and equipment	(12,294)	(9,074)
Proceeds on disposal of plant and equipment	459	215
Capital repayment from an associated company	213,953	-
Purchase of land for property development	-	(43,004)
Additional investment in associated companies	(5,522)	(18,603)
Interest received	5,471	3,382
Net cash generated from / (used in) investing activities	<u>202,067</u>	<u>(67,084)</u>
Cash Flows From Financing Activities		
Net proceeds from issuance of shares	2,036	51,994
Net repayment of borrowings	(189,997)	(344,664)
Net cash used in financing activities	<u>(187,961)</u>	<u>(292,670)</u>
Net increase/(decrease) in cash and cash equivalents	104,550	(492,704)
Effects of exchange rate changes	(6,172)	968
Cash and cash equivalents at beginning of period	845,610	980,269
Cash and cash equivalents at end of period	<u>943,988</u>	<u>488,533</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the interim financial statements.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

1. Basis of Preparation

- a) The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting.
- b) The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 July 2008.
- c) The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the preparation of the financial statements for the year ended 31 July 2008.

2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group’s annual financial statements for the year ended 31 July 2008 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group are not affected by any significant seasonal or cyclical factors.

4. Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

5. Changes in Estimates

There are no changes in estimates of amounts reported previously that have any material effect in the current quarter under review.

6. Changes in Debt and Equity Securities

There were no cancellations, repurchases, resale of equity securities during the financial period, except for the issuance of 1,155,000 new ordinary shares of RM1 each, pursuant to the exercise of the Employees’ Share Option Scheme.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

7. Segmental Reporting

Segment information is presented in respect of the Group's business segment.

	Engineering and Construction	Property Development	Water related and Expressway Concessions	Inter- segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 Oct 2008					
Revenue					
External	490,464	98,243	25,257	-	613,964
Inter segment	5,679	-	-	(5,679)	-
	<u>496,143</u>	<u>98,243</u>	<u>25,257</u>	<u>(5,679)</u>	<u>613,964</u>
Segment results					
Profit from operations	15,649	17,745	14,662	-	48,056
Finance costs	(6,226)	(834)	(3,713)	-	(10,773)
Share of results of associated companies	-	3,685	31,009	-	34,694
Profit before tax	<u>9,423</u>	<u>20,596</u>	<u>41,958</u>	<u>-</u>	<u>71,977</u>
<i>Percentage of segment results</i>	<i>13%</i>	<i>29%</i>	<i>58%</i>		
Income tax expense					(14,503)
Profit for the period					<u>57,474</u>
Attributable to:-					
Equity holders of the Company					55,036
Minority interests					<u>2,438</u>
					<u>57,474</u>

8. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward without amendment from the previous audited financial statements.

9. Material Events Subsequent to Balance Sheet Date

There are no material events subsequent to the end of the quarter under review.

10. Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 October 2008.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

11. Dividend

- a) The Board of Directors declared an interim dividend in respect of financial year ending 31 July 2009 as follows:
- i) An interim dividend of 4.00 sen per ordinary share less 25% taxation;
 - ii) An interim dividend of 12.5 sen per ordinary share less 26% was declared in previous corresponding period;
 - iii) Expected date of dividend payment to be determined at a later date.
 - iv) In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at book closure date to be determined later.
- b) The total dividend per share for the current financial period is 4.00 sen less 25% taxation. For the preceding year's corresponding period, a total dividend per share of 12.50 sen less 26% taxation was declared.

12. Changes in Contingent Liabilities or Contingent Assets

	<u>31 October 2008</u> RM'000	<u>31 July 2008</u> RM'000
Performance and retention sum guarantees	1,066,000	1,013,329

The contingent liabilities mainly relate to advance payment guarantees and performance bonds for the construction projects undertaken by the Group.

13. Review of Performance

For the current quarter under review, the Group recorded revenue and profit before tax of RM614.0 million and RM72.0 million respectively as compared to RM482.4 million and RM106.5 million respectively in the corresponding preceding quarter. The decrease in profit before tax is mainly due to lower contributions from the following divisions:-

- a) Property division
Lower profit due to the current weak property market; and
- b) Construction division
Lower profit due to slower work progress of the Electrified Double Tracking Project as a result of late hand over of land from the authorities.

14. Comparison with Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded profit before tax of RM72.0 million as compared to RM136.2 million in the immediate preceding quarter. The lower profit before tax is mainly due to lower contributions from all divisions.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

15. Current Year Prospects

Electrified Double Tracking Railway Project

The work progress achieved to-date is approximately 18%, with 83% of the contract works and services (including Electrification System Works) awarded to various bumiputera and non-bumiputera sub-contractors and suppliers.

Under the terms of the contract signed by the project company and the Government of Malaysia, 95% of the total land should be handed over by now but so far, only 61% has been handed over. The project faces potential delay as a result of the delay in land acquisition especially in Penang. Up to now, the delay in project completion due to the delay in land acquisition is estimated at one year.

Nam Theun 1 Project

The project company is still in negotiation with Electricity Generating Authority of Thailand (“EGAT”) for a new tariff agreement which will take into account the increase in construction cost due to the delay in project implementation by the client. The protracted negotiation with EGAT is expected to be delayed until the political impasse in Thailand is over. The project company expects the negotiation to be finalized by the end of the financial year.

Property Division

Property sales have been weak as a result of the uncertain economic outlook.

As for the YenSo project in Vietnam, construction of the infrastructure works is progressing well. The works on the public parks and lake clearing are in full swing. The works on the Sewerage Treatment Plant have commenced with the award of the civil works and the mechanical and electrical works contracts.

Sales of certain commercial parcels to investors for development have been delayed due to the difficulty worldwide in obtaining financing facilities for new investments. The parties are expected to proceed with their investments as and when the financial markets normalise.

Overall prospects

The outlook for the coming quarters is expected to be challenging. Nevertheless, due to the Group’s existing order book, the earnings for the rest of the current financial year should remain stable and satisfactory.

16. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

17. Tax Expense

The taxation is derived as below:

	3 months ended 31 October	
	2008 RM'000	2007 RM'000
Tax expense	14,503	16,073

The Group's effective tax rate (excluding the results of associates which is equity accounted net of tax) for the current period is higher than the statutory tax rate primarily due to certain expenses not being deductible for tax purposes.

18. Profits/(Losses) on Sale of Unquoted Investments/Properties

There is no sale of investments/properties for the current financial period under review.

19. Quoted Investments

There were no transactions on quoted investments in the current financial period under review.

20. Status of Corporate Proposal Announced

There is no corporate proposal announced but not completed at a date not earlier than 7 days from the issue of this report.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

21. Group Borrowings and Debt Securities

The details of the Group's borrowings as at end of current quarter are as follows:

		Foreign Currency '000	At 31 Oct 08 RM Equivalent '000
<u>Short Term Borrowings</u>			
Revolving Credits:			
- denominated in US Dollar ("USD")		112,880	398,568
- denominated in Ringgit Malaysia ("RM")	1		124,936
Commercial Papers (Horizon Hills)			35,000
Term Loan (Gamuda Water)			18,750
			<u>577,254</u>
<u>Long Term Borrowings</u>			
Medium Term Notes (Bandar Botanic)			300,000
Medium Term Notes (Horizon Hills)			85,000
Medium Term Notes (Gamuda Berhad)			480,000
Term Loan (Smart Project)	2		161,500
Term Loan (Gamuda Water)			25,000
			<u>1,051,500</u>
Total			<u>1,628 754</u>

Note:

1. The revolving credit for Electrified Double Tracking Railway Project was obtained by a jointly controlled entity, MMC-Gamuda Joint Venture Sdn. Bhd. in relation to design, construction, testing, commissioning and maintenance of the electrified double track between Ipoh and Padang Besar. The revolving credit is secured on the project and is on a non-recourse basis to Gamuda Group.
2. The term loan for Smart Project was obtained by a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn Bhd in relation to the motorway development of the Stormwater Channel and Motorway Works. The term loan is secured on the Smart Project and is on a non-recourse basis to Gamuda Group.

The revolving credit and term loan are consolidated into Gamuda Group's borrowings as a result of the Group's adoption of the revised FRS 131-Interests in Joint Ventures whereby the interests in the jointly controlled entities are proportionately consolidated.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

22. Off Balance Sheet Financial Instruments

The Group has entered into forward foreign currency contracts to limit its exposure to potential changes in foreign exchange rates with respect to estimated receipts and payments denominated in foreign currency.

The details of the outstanding forward foreign currency contracts are as follows:

	Contract amount	Maturity period
Forwards used to hedge receivables in USD	USD 54.49mil	Dec 2008 – Mar 2010
Forwards used to hedge payables in Vietnamese Dong	USD 7.12 mil	Dec 2008 – Mar 2009

There is minimal credit and market risk as the contracts are entered with a reputable bank.

23. Material Litigations

- 1) Since the date of the last quarterly report, there has been no change to the status of the Civil Suit filed by Wayss & Freytag (Malaysia) Sdn Bhd (“W&F”) against MMC-Gamuda JV (“Joint Venture”) to restrain the Joint Venture from calling on the performance bond given by W&F pursuant to the terms of the sub-contract dated 16th April 2003 (“Sub-Contract”) for the works known as the North Tunnel of the Smart Tunnel Project.

The Civil Suit is fixed for trial on 17th May 2010 and 18th May 2010.

- 2) On 13th November 2008, Gamuda Berhad (“the Company”) was served with a fresh court action (“Court Action”) by W&F. In the said Court Action, W&F seeks, *inter-alia* a court declaration that the Joint Venture is in breach of the Sub-Contract by failing to make payment for the sum of RM102,366,880.42 awarded by the Dispute Adjudication Board (“DAB”) to W&F in respect of various claims arising out of the Sub-Contract and for damages of the same amount. Under the terms of the Sub-Contract any party who is dissatisfied with the decision of the DAB has the right to file a Notice of Dissatisfaction and require the matter to be referred to arbitration for final resolution. The JV had served on W&F the relevant Notice of Dissatisfaction of the DAB’s decision.

Following the receipt of service of the Court Action, the Joint Venture had on 21st November 2008 filed an application to stay the proceedings of the Court Action on the ground that the matter ought to be referred to arbitration in accordance with the terms of the Sub-Contract. The Joint Venture’s application is now fixed for hearing before the Registrar in Chambers on 7th January 2009.

On 25th November 2008, W&F filed an application for summary judgment of the Court Action, which is fixed for hearing before a Judge in Chambers on 24th February 2009.

On 17th December 2008, in accordance with the terms of the Sub-Contract the Joint Venture has commenced arbitration proceedings by serving on W&F a notice of arbitration.

Other than the above litigation, there is no other material litigation since the last annual balance sheet date to a date not earlier than seven (7) days from the date of issue of this report.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 October 2008

Notes To The Financial Statements

24. Earnings Per Share

	Current Quarter to-date 31 October 2008
Basic	
Net profit attributable to shareholders (RM'000)	<u>55,036</u>
Number of ordinary shares in issue as at 1 August 2008 ('000)	2,005,016
Effect of shares issued during the period ('000)	<u>1,130</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,006,146</u>
Basic earnings per ordinary share (sen)	<u>2.74</u>
Diluted	
Net profit attributable to shareholders (RM'000)	<u>55,036</u>
Weighted average number of ordinary shares in issue ('000)	2,006,146
- Assumed shares issued from exercise of ESOS ('000)	<u>2,714</u>
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>2,008,860</u>
Fully diluted earnings per ordinary share (sen)	<u>2.74</u>

**Summary of Key Financial Information for the financial period ended
* 31/10/2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2008 ¹⁶ [dd/mm/yyyy] RM'000	31/10/2007 ¹⁶ [dd/mm/yyyy] RM'000	31/10/2008 ¹⁶ [dd/mm/yyyy] RM'000	31/10/2007 ¹⁶ [dd/mm/yyyy] RM'000
1 Revenue	613,964	482,422	613,964	482,422
2 Profit/(loss) before tax	71,977	106,476	71,977	106,476
3 Profit/(loss) for the period	57,474	90,403	57,474	90,403
4 Profit/(loss) attributable to ordinary equity holders of the parent	55,036	88,063	55,036	88,063
5 Basic earnings/(loss) per share (sen)	2.74	4.43	2.74	4.43
6 Proposed/Declared dividend per share (sen)	4.00	12.50	4.00	12.50
	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)		1.5300		1.5200

Remarks :

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com