



Quarterly Rpt On Consolidated Results For The Financial Period Ended 31/1/2009

Mac 26, 2009

**Financial Results**

Company Name	:	GAMUDA BERHAD
Stock Name	:	GAMUDA
Date Announced	:	26/03/2009
Financial Year End	:	31/07/2009
Quarter	:	2
Quarterly report for the financial period ended	:	31/01/2009
The figures	:	have not been audited

Attachment:

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Remarks:

c.c. Securities Commission

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-Jan-09 RM'000	Comparative Quarter 31-Jan-08 RM'000	Current Year To Date 31-Jan-09 RM'000	Preceding Year Corresponding Period 31-Jan-08 RM'000
Revenue	591,731	495,242	1,205,695	977,664
Operating expenses	(556,473)	(418,850)	(1,128,111)	(833,838)
Other income	7,753	5,913	13,483	10,760
<b>Profit from operations</b>	<b>43,011</b>	<b>82,305</b>	<b>91,067</b>	<b>154,586</b>
Finance costs	(11,433)	(4,287)	(22,206)	(6,957)
Share of results of associated companies	35,062	35,420	69,756	72,285
<b>Profit before tax</b>	<b>66,640</b>	<b>113,438</b>	<b>138,617</b>	<b>219,914</b>
Income tax expense	(15,792)	(19,655)	(30,295)	(35,728)
<b>Profit for the period</b>	<b>50,848</b>	<b>93,783</b>	<b>108,322</b>	<b>184,186</b>
Attributable to :-				
<b>Equity holders of the Company</b>	<b>49,056</b>	90,107	<b>104,092</b>	178,170
Minority interests	1,792	3,676	4,230	6,016
	<b>50,848</b>	<b>93,783</b>	<b>108,322</b>	<b>184,186</b>
<b>Earnings per share attributable to equity holders of the Company</b>				
Basic earnings per share (sen)	2.45	4.51	5.19	8.94
Fully diluted earnings per share (sen)	2.44	4.47	5.18	8.87

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**

	<b>As at</b> <b>31 Jan 09</b>	<b>As at</b> <b>31 July 08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	356,347	288,130
Prepaid lease payment	7,208	7,232
Land held for property development	529,627	519,277
Investment properties	3,268	3,288
Motorway development expenditure	326,752	326,809
Intangible assets	66,605	68,189
Associated companies	1,310,421	1,510,822
Other investments	733	733
Deferred tax assets	16,527	13,777
Receivables	40,306	42,433
	<u>2,657,794</u>	<u>2,780,690</u>
<b>Current assets</b>		
Property development costs	387,385	388,513
Inventories	105,339	110,122
Receivables	1,242,444	1,319,735
Amount due from customers for construction contracts	360,217	304,635
Tax recoverable	13,345	4,996
Marketable securities	20,000	20,000
Cash and bank balances	795,869	845,610
	<u>2,924,599</u>	<u>2,993,611</u>
<b>TOTAL ASSETS</b>	<u>5,582,393</u>	<u>5,774,301</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	2,006,233	2,005,016
Reserves	1,056,636	1,046,566
Shareholders' equity	<u>3,062,869</u>	<u>3,051,582</u>
<b>Minority interests</b>	<u>48,293</u>	<u>45,901</u>
<b>Total equity</b>	<u>3,111,162</u>	<u>3,097,483</u>
<b>Non-current liabilities</b>		
Other payables	29,585	28,736
Deferred tax liabilities	20,159	17,549
Long term borrowings	1,054,000	1,036,500
	<u>1,103,744</u>	<u>1,082,785</u>
<b>Current liabilities</b>		
Short term borrowings	681,722	782,253
Payables	437,186	768,264
Amount due to customers for construction contracts	232,229	17,524
Income tax payable	16,350	25,992
	<u>1,367,487</u>	<u>1,594,033</u>
<b>Total liabilities</b>	<u>2,471,231</u>	<u>2,676,818</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>5,582,393</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	Minority Interests	Total equity
	Share Capital	Share premium	Option reserves	Other reserves	Retained profits			
<u>Current Year To date</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2008</b>	2,005,016	27,353	15,366	89,150	914,697	3,051,582	45,901	3,097,483
Currency translation differences recognised directly in equity	-	-	-	(37,779)	-	(37,779)	(1,838)	(39,617)
Profit for the period	-	-	-	-	104,092	104,092	4,230	108,322
Total recognised income and expense for the period	-	-	-	(37,779)	104,092	66,313	2,392	68,705
Exercise of Employees' Share Options ("ESOS")	1,217	927	-	-	-	2,144	-	2,144
Share options granted under ESOS	-	-	5,733	-	-	5,733	-	5,733
Share options exercised	-	280	(2,998)	-	-	(2,718)	-	(2,718)
Dividends	-	-	-	-	(60,185)	(60,185)	-	(60,185)
<b>At 31 January 2009</b>	<b>2,006,233</b>	<b>28,560</b>	<b>18,101</b>	<b>51,371</b>	<b>958,604</b>	<b>3,062,869</b>	<b>48,293</b>	<b>3,111,162</b>
<b>At 1 August 2007</b>	981,528	955,688	6,454	42,349	959,931	2,945,950	48,433	2,994,383
Currency translation differences recognised directly in equity	-	-	-	11,966	-	11,966	(10,362)	1,604
Profit for the period	-	-	-	-	178,170	178,170	6,016	184,186
Total recognised income and expense for the period	-	-	-	11,966	178,170	190,136	(4,346)	185,790
Exercise of Employees' Share Options ("ESOS")	14,005	26,402	-	-	-	40,407	-	40,407
Conversion of warrants	10,858	29,858	-	-	-	40,716	-	40,716
Bonus Issue	994,963	(994,963)	-	-	-	-	-	-
Acquisition of shares in a subsidiary	-	-	-	-	-	-	2,949	2,949
Share options granted under ESOS	-	-	5,150	-	-	5,150	-	5,150
Share options exercised	-	2,304	(3,654)	-	-	(1,350)	-	(1,350)
Dividends	-	-	-	-	(184,848)	(184,848)	-	(184,848)
<b>At 31 January 2008</b>	<b>2,001,354</b>	<b>19,289</b>	<b>7,950</b>	<b>54,315</b>	<b>953,253</b>	<b>3,036,161</b>	<b>47,036</b>	<b>3,083,197</b>

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**

	<b>6 months ended</b>	
	<b>31-Jan-09</b>	<b>31-Jan-08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Net profit before tax	138,617	219,914
Adjustment for non-cash items/non-operating items	(48,951)	(63,059)
Operating profit before changes in working capital	<u>89,666</u>	<u>156,855</u>
<u>Changes in working capital</u>		
Net change in current assets	(60,934)	(150,196)
Net change in current liabilities	(121,660)	(284,683)
Cash used in operations	<u>(92,928)</u>	<u>(278,024)</u>
Dividend received from associated companies	73,271	46,854
Tax paid	(38,786)	(44,714)
Others	(22,207)	(2,669)
Net cash used in operating activities	<u>(80,650)</u>	<u>(278,553)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of plant and equipment	(22,615)	(29,544)
Proceeds on disposal of plant and equipment	2,158	2,378
Capital repayment from an associated company	213,953	-
Proceeds on maturity of marketable securities	-	5,000
Purchase of land for property development	-	(43,004)
Subscription of shares in a subsidiary	-	(6,881)
Additional investment in associated companies	(20,522)	(37,317)
Interest received	8,258	6,868
Net cash generated from / (used in) investing activities	<u>181,232</u>	<u>(102,500)</u>
<b>Cash Flows From Financing Activities</b>		
Net proceeds from issuance of shares	2,144	81,123
Net repayment of borrowings	(99,939)	(36,266)
Dividend paid to shareholders	(60,185)	(184,848)
Net cash used in financing activities	<u>(157,980)</u>	<u>(139,991)</u>
Net decrease in cash and cash equivalents	(57,398)	(521,044)
Effects of exchange rate changes	7,657	11,875
Cash and cash equivalents at beginning of period	<u>845,610</u>	<u>980,269</u>
Cash and cash equivalents at end of period	<u><u>795,869</u></u>	<u><u>471,100</u></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 January 2009**

### **Notes To The Financial Statements**

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#### **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 1,217,000 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 January 2009

### Notes To The Financial Statements

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#### 7. Segmental Reporting

	Engineering and Construction	Property Development	Water related and Expressway Concessions	Inter- segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months period ended 31 Jan 2009</b>					
<b>Revenue</b>					
External	962,460	193,274	49,961	-	1,205,695
Inter segment	2,227	6,427	-	(8,654)	-
	<u>964,687</u>	<u>199,701</u>	<u>49,961</u>	<u>(8,654)</u>	<u>1,205,695</u>
<b>Segment results</b>					
Profit from operations	27,850	35,524	27,693	-	91,067
Finance costs	(12,646)	(2,567)	(6,993)	-	(22,206)
Share of results of associated companies	-	8,004	61,752	-	69,756
Profit before tax	<u>15,204</u>	<u>40,961</u>	<u>82,452</u>	<u>-</u>	<u>138,617</u>
<i>Percentage of segment results</i>	<i>11%</i>	<i>30%</i>	<i>59%</i>		
Income tax expense					<u>(30,295)</u>
Profit for the period					<u><u>108,322</u></u>
Attributable to:-					
Equity holders of the Company					104,092
Minority interests					<u>4,230</u>
					<u><u>108,322</u></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 January 2009.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2009

### Notes To The Financial Statements

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#### 11. Dividends Paid

	<b>6 months ended</b>	
	<b>31 January</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
For the year ending 31 July 2009: Interim dividend of 4.00 sen less 25% taxation (2008 : Interim dividend of 12.50 sen less 26% taxation)	60,185	184,848

#### 12. Changes in Contingent Liabilities or Contingent Assets

	<b><u>31 January 2009</u></b>	<b><u>31 July 2008</u></b>
	<b>RM'000</b>	<b>RM'000</b>
Performance and retention sum guarantees	1,015,587	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 RM591.7 million and RM66.6 million respectively as compared to RM495.2 million and RM113.4 million respectively in the corresponding preceding quarter. The decrease in profit before tax is mainly due to lower contributions from construction and property divisions.

#### 14. Comparison with Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded profit before tax of RM66.6 million, which is slightly lower than the immediate preceding quarter's profit before tax of RM72.0 million.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2009

### Notes To The Financial Statements

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#### 15. Current Year Prospects

##### (a) Construction Division

##### (i) Electrified Double Tracking Railway Project

The work progress achieved to-date is approximately 20%.

The contract sum for the project is worth RM12.5 billion with progress payments from the Government of Malaysia (“GOM”) in the following mode :-

Mode of payment	Contract sum (RM’billion)
Direct payment from GOM	5.8
Deferred payment basis via loan from Bank Pembangunan Malaysia Berhad (where the loan shall eventually be repaid by GOM)	6.7
Total	12.5

##### (ii) Nam Theun 1 Project (Laos)

The status of the negotiation with Electricity Generating Authority of Thailand (“EGAT”) for a new tariff agreement remains unchanged since the last quarter.

##### (iii) Yenso Park and Sewage Treatment Plant (Vietnam)

The works on Yen So Park is progressing well and the works on Sewage Treatment Plant is expected to accelerate in the coming months.

##### (b) Property Division

Notwithstanding the weakening property market, sale of properties of mature townships like Kota Kemuning and Valencia helped to cushion the overall drop in the property sales of the division. With the uncertainty in the economic outlook, the profit contribution from the property division is expected to remain weak for the rest of the year.

The development of a commercial and residential parcel within the Hanoi city zone encompassing an area of approximately 500 acres will kick off by end 2009. The first phase of landed residences comprising semi-detached houses, terrace houses and mid –range apartments is expected to be launched in mid 2010.

##### (c) Water related and Expressway Concessions

Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“Splash”), the concession holder of Sungai Selangor Water Supply Scheme Phases 1 and 3, has rejected an offer by the Selangor State Government to take over the assets and operations of Splash. The rejection was made on grounds that the offer price was low.

##### Overall prospects

Overall, the Group’s performance is expected to remain satisfactory in the current financial year.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2009

### Notes To The Financial Statements

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#### 16. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

#### 17. Tax Expense

The taxation is derived as below:	3 months ended		6 months ended	
	31 January		31 January	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax	15,792	19,655	30,295	35,728

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 January 2009

### Notes To The Financial Statements

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#### 21. Group Borrowings and Debt Securities

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

	Note	Foreign Currency '000	At 31 Jan 09 RM Equivalent '000
<u>Short Term Borrowings</u>			
Revolving Credits:			
- denominated in US Dollar ("USD")		144,580	478,986
- denominated in Ringgit Malaysia ("RM")	1		142,736
Commercial Papers (Horizon Hills)			35,000
Term Loan (Gamuda Water)			25,000
			<u>681,722</u>
<u>Long Term Borrowings</u>			
Medium Term Notes (Bandar Botanic)			300,000
Medium Term Notes (Horizon Hills)			100,000
Medium Term Notes (Gamuda Berhad)			480,000
Term Loan (Smart Project)	2		161,500
Term Loan (Gamuda Water)			12,500
			<u>1,054,000</u>
Total			<u>1,735 722</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 January 2009

### Notes To The Financial Statements

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#### 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 38.20mil	March 2009 – Mar 2010
Forwards used to hedge payables in Vietnamese Dong	USD 1.87 mil	March 2009

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

#### 23. Material Litigations

- 1) On 22<sup>nd</sup> January 2009, Wayss & Freytag (Malaysia) Sdn Bhd (“W&F”) withdrew the civil suit filed by them against MMC-Gamuda JV (“Joint Venture”) to restrain the Joint Venture from calling on the performance bond given by W&F to the Joint Venture to secure W&F’s performance under the sub-contract dated 16<sup>th</sup> April 2003. The Court has on 10<sup>th</sup> March 2009 ordered that taxed cost be paid to the Joint Venture. With the withdrawal, the civil suit has now come to an end.
- 2) The Writ of Summons and a Statement of Claim (“the Court Action”) filed by W&F against the JV for inter-alia, a court declaration that the JV is in breach of the sub-contract dated 16<sup>th</sup> April 2003 (“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 is now fixed for hearing as follows:
  - (a) the JV’s application for stay of proceedings of the Court Action is fixed for hearing on 31<sup>st</sup> March 2009; and
  - (b) W&F’s application for summary judgment of the Court Action is fixed for mention on 12<sup>th</sup> May 2009.

On 17<sup>th</sup> December 2008, in accordance with the terms of the Sub-Contract the JV commenced arbitration proceedings by serving on W&F a notice of arbitration. W&F also commenced arbitration proceedings by filing its Notice of Arbitration on 15<sup>th</sup> January 2009. Parties have agreed that both the aforementioned arbitrations are to be heard together. Arbitration is now pending the constitution of the Arbitral Tribunal.

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 January 2009

### Notes To The Financial Statements

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#### 24. Earnings Per Share

	<b>Current Quarter 31 January 2009</b>	<b>Current Year To Date 31 January 2009</b>
<b>Basic</b>		
Net profit attributable to shareholders (RM'000)	49,056	104,092
Number of ordinary shares in issue as at 1 August 2008 ('000)	2,005,016	2,005,016
Effect of shares issued during the period ('000)	1,180	1,155
Weighted average number of ordinary shares in issue ('000)	2,006,196	2,006,171
Basic earnings per ordinary share (sen)	2.45	5.19
<b>Diluted</b>		
Net profit attributable to shareholders (RM'000)	49,056	104,092
Weighted average number of ordinary shares in issue ('000)	2,006,196	2,006,171
- Assumed shares issued from exercise of ESOS ('000)	934	1,757
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	2,007,130	2,007,928
Fully diluted earnings per ordinary share (sen)	2.44	5.18

**Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION**

**Summary of Key Financial Information for the financial period ended  
\* 31/01/2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
	31/01/2009 <sup>16</sup> [dd/mm/yyyy] RM'000	31/01/2008 <sup>16</sup> [dd/mm/yyyy] RM'000	31/01/2009 <sup>16</sup> [dd/mm/yyyy] RM'000	31/01/2008 <sup>16</sup> [dd/mm/yyyy] RM'000
1 Revenue	591,731	495,242	1,205,695	977,664
2 Profit/(loss) before tax	66,640	113,438	138,617	219,914
3 Profit/(loss) for the period	50,848	93,783	108,322	184,186
4 Profit/(loss) attributable to ordinary equity holders of the parent	49,056	90,107	104,092	178,170
5 Basic earnings/(loss) per share (sen)	2.45	4.51	5.19	8.94
6 Proposed/Declared dividend per share (sen)	0.00	0.00	4.00	12.50
	<b>AS AT END OF CURRENT QUARTER*</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
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](http://www.bursamalaysia.com)