

**GAMUDA BERHAD (29579-T)**

**Condensed Consolidated Income Statement**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-Oct-09 RM'000	Comparative Quarter 31-Oct-08 RM'000	Current Year To Date 31-Oct-09 RM'000	Preceding Year Corresponding Period 31-Oct-08 RM'000
Revenue	<b>623,960</b>	613,964	<b>623,960</b>	613,964
Operating expenses	<b>(575,833)</b>	(571,638)	<b>(575,833)</b>	(571,638)
Other income	<b>7,340</b>	5,730	<b>7,340</b>	5,730
<b>Profit from operations</b>	<b>55,467</b>	48,056	<b>55,467</b>	48,056
Finance costs	<b>(11,167)</b>	(10,773)	<b>(11,167)</b>	(10,773)
Share of results of associated companies	<b>39,188</b>	34,694	<b>39,188</b>	34,694
<b>Profit before tax</b>	<b>83,488</b>	71,977	<b>83,488</b>	71,977
Taxation	<b>(17,464)</b>	(14,503)	<b>(17,464)</b>	(14,503)
<b>Profit for the period</b>	<b>66,024</b>	57,474	<b>66,024</b>	57,474
Attributable to :-				
<b>Equity holders of the Company</b>	<b>63,017</b>	55,036	<b>63,017</b>	55,036
Minority interests	<b>3,007</b>	2,438	<b>3,007</b>	2,438
	<b>66,024</b>	57,474	<b>66,024</b>	57,474
<b>Earnings per share attributable to equity holders of the Company</b>				
Basic earnings per share (sen)	<b>3.13</b>	2.74	<b>3.13</b>	2.74
Fully diluted earnings per share (sen)	<b>3.11</b>	2.74	<b>3.11</b>	2.74

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

	As at 31 Oct 09 RM'000	As at 31 July 09 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	347,621	364,419
Land held for property development	463,614	482,678
Investment properties	2,638	2,648
Prepaid land lease payments	6,541	6,650
Motorway development expenditure	326,024	326,271
Concession and quarry rights	64,973	65,747
Investment in associated companies	1,291,925	1,286,680
Other investments	733	733
Deferred tax assets	24,158	23,114
Receivables	40,306	40,306
	<u>2,568,533</u>	<u>2,599,246</u>
<b>Current assets</b>		
Property development costs	426,236	440,186
Inventories	72,149	101,082
Receivables	1,082,425	1,079,815
Amount due from customers for construction contracts	320,291	379,319
Tax recoverable	22,775	24,114
Marketable securities	100,668	100,668
Cash and bank balances	1,335,873	1,154,029
	<u>3,360,417</u>	<u>3,279,213</u>
<b>TOTAL ASSETS</b>	<b>5,928,950</b>	<b>5,878,459</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	2,016,031	2,009,257
Reserves	1,217,169	1,151,754
Shareholders' equity	<u>3,233,200</u>	<u>3,161,011</u>
<b>Minority interests</b>	49,732	46,763
<b>Total equity</b>	<b>3,282,932</b>	<b>3,207,774</b>
<b>Non-current liabilities</b>		
Other payables	15,872	15,651
Deferred tax liabilities	16,828	17,083
Long term borrowings	1,210,500	1,210,500
	<u>1,243,200</u>	<u>1,243,234</u>
<b>Current liabilities</b>		
Short term borrowings	403,534	328,165
Payables	560,242	690,980
Amount due to customers for construction contracts	421,588	393,488
Tax payable	17,454	14,818
	<u>1,402,818</u>	<u>1,427,451</u>
<b>Total liabilities</b>	<b>2,646,018</b>	<b>2,670,685</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,928,950</b>	<b>5,878,459</b>
Net assets per share attributable to equity holders of the Company (RM)	1.60	1.57

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 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 RM'000	Minority Interests RM'000	Total equity RM'000
	Share Capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves RM'000	Retained profits RM'000			
<b>Current Year To date</b>								
<b>At 1 August 2009</b>	2,009,257	31,989	26,679	105,290	987,796	3,161,011	46,763	3,207,774
Currency translation differences	-	-	-	(4,595)	-	(4,595)	(38)	(4,633)
Net expenses recognised directly in equity	-	-	-	(4,595)	-	(4,595)	(38)	(4,633)
Profit for the period	-	-	-	-	63,017	63,017	3,007	66,024
Total recognised income and expense for the period	-	-	-	(4,595)	63,017	58,422	2,969	61,391
Exercise of Employees' Share Options ("ESOS")	6,774	7,054	-	-	-	13,828	-	13,828
Share options granted under ESOS	-	-	1,191	-	-	1,191	-	1,191
Share options exercised under ESOS	-	1,681	(2,933)	-	-	(1,252)	-	(1,252)
<b>At 31 October 2009</b>	2,016,031	40,724	24,937	100,695	1,050,813	3,233,200	49,732	3,282,932
<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	-	-	-	(32,837)	-	(32,837)	(2,968)	(35,805)
Net expenses recognised directly in equity	-	-	-	(32,837)	-	(32,837)	(2,968)	(35,805)
Profit for the period	-	-	-	-	55,036	55,036	2,438	57,474
Total recognised income and expense for the period	-	-	-	(32,837)	55,036	22,199	(530)	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 under ESOS	-	267	(2,975)	-	-	(2,708)	-	(2,708)
<b>At 31 October 2008</b>	2,006,171	28,501	14,516	56,313	969,733	3,075,234	45,371	3,120,605

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

	<b>3 months ended</b>	
	<b>31-Oct-09</b>	<b>31-Oct-08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	83,488	71,977
Adjustments for non-cash items/non-operating items	(25,269)	(30,819)
Operating profit before changes in working capital	<u>58,219</u>	<u>41,158</u>
<u>Changes in working capital</u>		
Net change in current assets	128,784	219,468
Net change in current liabilities	(28,877)	(142,741)
Cash generated from operations	<u>158,126</u>	<u>117,885</u>
Dividend received from associated companies	32,531	19,753
Tax paid	(10,403)	(36,420)
Others	(28,689)	(10,774)
Net cash generated from operating activities	<u>151,565</u>	<u>90,444</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(1,871)	(12,294)
Proceeds on disposal of plant and equipment	3,370	459
Capital repayment from an associated company	-	213,953
Investment in associated companies	-	(5,522)
Interest received	3,813	5,471
Net cash generated from investing activities	<u>5,312</u>	<u>202,067</u>
<b>Cash Flows From Financing Activities</b>		
Net proceeds from issuance of shares	13,828	2,036
Net drawdown/(repayment) of borrowings	75,370	(189,997)
Dividend paid to shareholders	(60,405)	-
Net cash generated/ (used in) from financing activities	<u>28,793</u>	<u>(187,961)</u>
Net increase in cash and cash equivalents	185,670	104,550
Effects of exchange rate changes	(3,826)	(6,172)
Cash and cash equivalents at beginning of the period	<u>1,154,029</u>	<u>845,610</u>
Cash and cash equivalents at end of the period	<u>1,335,873</u>	<u>943,988</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 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 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 financial year ended 31 July 2009.
- 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 2009 except for the adoption of FRS 8 – Operating Segments which became effective for financial periods beginning on and after 1 July 2009. The adoption of FRS 8 does not have any financial impact on the Group.

#### **2. Audit Report of Preceding Annual Financial Statements**

The audit report of the Group’s annual financial statements for the year ended 31 July 2009 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 year, except for the issuance of 6,774,000 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 2009

### Notes To The Financial Statements

#### 7. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water related and Expressway Concessions	Inter- segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months period ended 31 October 2009</b>					
<b>Revenue</b>					
External	466,754	127,824	29,382	-	623,960
Inter segment	2,792	-	-	(2,792)	-
	<u>469,546</u>	<u>127,824</u>	<u>29,382</u>	<u>(2,792)</u>	<u>623,960</u>
<b>Segment results</b>					
Profit from operations	18,886	21,014	16,228	(661)	55,467
Finance costs	(6,479)	(2,777)	(2,572)	661	(11,167)
Share of results of associated companies	-	3,278	35,910	-	39,188
Profit before tax	<u>12,407</u>	<u>21,515</u>	<u>49,566</u>	<u>-</u>	<u>83,488</u>
<b>Percentage of segment results</b>	<b>15%</b>	<b>26%</b>	<b>59%</b>		
Taxation					<u>(17,464)</u>
Profit for the period					<u><u>66,024</u></u>
Attributable to:-					
Equity holders of the Company					63,017
Minority interests					<u>3,007</u>
					<u><u>66,024</u></u>
<b>3 months period ended 31 October 2008</b>					
<b>Revenue</b>					
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>
<b>Segment results</b>					
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>
<b>Percentage of segment results</b>	<b>13%</b>	<b>29%</b>	<b>58%</b>		
Taxation					<u>(14,503)</u>
Profit for the period					<u><u>57,474</u></u>
Attributable to:-					
Equity holders of the Company					55,036
Minority interests					<u>2,438</u>
					<u><u>57,474</u></u>

# Gamuda Berhad (29579-T)

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

### Notes To The Financial Statements

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#### 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 2009.

#### 11. Dividends

- a) The Board of Directors declared an interim dividend in respect of financial year ending 31 July 2010 as follows:
- i) An interim dividend of 6.00 sen per ordinary share less 25% taxation;
  - ii) An interim dividend of 4.00 sen per ordinary share less 25% was declared in previous corresponding period;
  - iii) The payment date of the interim dividend is on 8 February 2010;
  - iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 28 January 2010.
- b) The total dividend per share for the current financial period is 6.00 sen less 25% taxation. For the preceding year's corresponding period, a total dividend per share of 4.00 sen less 25% taxation was declared.

#### 12. Dividends Paid

	<b>3 months ended 31 Oct</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Second Interim Dividend</b>		
For the year ended 31 July 2009 : 4.00 sen less 25% taxation (2008 : Nil)	60,405	-

# Gamuda Berhad (29579-T)

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

### Notes To The Financial Statements

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

	<u>31 Oct 2009</u> RM'000	<u>31 July 2009</u> RM'000
Performance and retention sum guarantees	662,153	676,315

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

#### 14. Review of Performance

For the current quarter under review, the Group recorded revenue and profit before tax of RM624.0 million and RM83.5 million respectively as compared to RM614.0 million and RM72.0 million respectively in the corresponding preceding quarter. The increase in profit before tax is due to higher contributions from all divisions.

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

For the current quarter under review, the Group recorded profit before tax of RM83.5 million, which is higher than the immediate preceding quarter's profit before tax of RM80.4 million. The higher profit before tax is primarily due to higher contribution from the property division arising from strong property sales with effect from the middle of the last financial year.

#### 16. Current Year Prospects

##### Overall Prospects

With the existing construction projects progressing on schedule and the recovery of the property market, the Group's performance is expected to improve in the remaining quarters of the current financial year. The performance for each division is as follows:-

##### (a) Construction Division

###### Electrified Double Track Project

The work progress was behind schedule due to delays in design approval and late handover of land by the authorities. Under the terms of the contract signed by the Government of Malaysia ("GOM") and the project company, all land should be handed over to the project company early this year, but to-date, only 90% has been handed over. As a result of the delays, on 9 November 2009, GOM has granted the project company an interim extension of time of 11 months to complete the project. The project completion date is now revised from January 2013 to December 2013. The work progress is expected to pick up in the remaining quarters of the financial year.

###### New Doha International Airport Project (Qatar)

Progress claims submitted to the Qatari Government are being settled within the contractual period. Qatar which is rich in oil & gas resource is unaffected by the Dubai debt crisis. The project is progressing on schedule.

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

Yenso Park and Sewage Treatment Plant projects are progressing well. The recent devaluation of the Vietnamese Dong has no significant near term impact on the Group.

# Gamuda Berhad (29579-T)

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

### Notes To The Financial Statements

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(b) Property Division

Established developments like Kota Kemuning, Bandar Botanic and Valencia Development gained the most from the market turnaround in the middle of the last financial year. The property sector continues to gain momentum and the results for the quarter showed further improvement. The products in demand for the quarter were semi-detached houses, bungalow homes and commercial shops. With its substantial locked-in unbilled sales of RM700 million, the property division's performance is expected to improve further in the remaining quarters of the financial year.

(c) Water-related Concession Division

Early this year, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("Splash") received an offer from the Selangor State Government ("SSG") in respect of the taking over of the water assets and operations of Splash.

However, on 30 November 2009, the SSG informed Splash that it was unable to proceed with its takeover offer due to Syarikat Bekalan Air Selangor Sdn Bhd's and Puncak Niaga (M) Sdn Bhd's disagreement with SSG's offer to them and as such, SSG's offer to Splash was deemed lapsed and of no effect.

**17. Variance from Profit Forecast and Profit Guarantee**

This is not applicable to the Group.

**18. Taxation**

The taxation is derived as below:

	3 months ended 31 Oct	
	2009 RM'000	2008 RM'000
Malaysia income tax	17,464	14,503

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.

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

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

**20. Quoted Investments**

There was no transaction on quoted investment in the current quarter year under review.

**21. 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 2009

### Notes To The Financial Statements

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#### 22. Group Borrowings and Debt Securities

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

		<b>Foreign Currency '000</b>	<b>At 31 Oct 09 RM Equivalent '000</b>
<u>Short Term Borrowings</u>			
Revolving Credits		98,850	349,784
- denominated in US Dollar ("USD")			
Commercial Papers (Horizon Hills)			35,000
Term Loan (Gamuda Water)			18,750
			<hr/> 403,534
<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)	1		161,500
Term Loan (Jade Homes)			169,000
			<hr/> 1,210,500
Total			<hr/> <hr/> 1,614,034

Note:

1. 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 term loan is 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 2009

### Notes To The Financial Statements

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#### 23. Off Balance Sheet Financial Instruments

##### Currency forwards

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	USD8.8 million	Dec 2009 – Mar 2010

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

#### 24. Material Litigations

- 1) Wayss & Freytag (Malaysia) Sdn Bhd (“W&F”) filed the Writ of Summons and a Statement of Claim (“the Court Action”) against the MMC-Gamuda Joint Venture (“JV”) for inter-alia, a court declaration that the JV is in breach of the sub-contract dated 16 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.
- 2) On 15 May 2009, the Court allowed the JV’s application for stay of proceedings of the Court Action and unconditionally stayed the Court Action initiated by W&F.
- 3) On 1 June 2009, W&F filed an appeal against the Court’s decision to stay the proceedings.
- 4) On 30 October 2009, the court dismissed W&F’s appeal against the Court’s earlier decision to stay the Court Action. The Court Action has now been fixed for mention on 6 September 2010.
- 5) On 17 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 January 2009. A preliminary meeting between the Arbitral Tribunal members and the parties’ respective solicitors was held on 17 September 2009. At the preliminary meeting, the Arbitral Tribunal had set down various directions for the conduct of the arbitration. Among other things, it was directed that the arbitration proceedings commenced by both parties be heard together over the period 4 July 2011 till 15 July 2011.

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 2009

### Notes To The Financial Statements

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#### 25. Earnings Per Share

	<b>Current Quarter 31 October 2009</b>
<b>Basic</b>	
Net profit attributable to shareholders (RM'000)	63,017
Number of ordinary shares in issue as at 1 August 2009 ('000)	2,009,257
Effect of shares issued during the period ('000)	5,751
Weighted average number of ordinary shares in issue ('000)	2,015,008
Basic earnings per ordinary share (sen)	3.13
<b>Diluted</b>	
Net profit attributable to shareholders (RM'000)	63,017
Weighted average number of ordinary shares in issue ('000)	2,015,008
Assumed shares issued from exercise of ESOS ('000)	12,752
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	2,027,760
Fully diluted earnings per ordinary share (sen)	3.11