

# Gamuda reports lower 3Q09 earnings

**Lower contributions from all divisions, higher finance costs hit profit**

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**KUALA LUMPUR:** Developer Gamuda Bhd's earnings for its third quarter ended April 30 (3Q09) declined by 40% to RM46.3 million from RM76.71 million a year ago owing to lower contributions from all divisions.

According to the 3Q09 results submitted yesterday to Bursa Malaysia, Gamuda's revenue, on a year-on-year (y-o-y) basis, rose marginally to RM579.37 million from RM574.7 million.

However, its profit before tax (PBT) showed a marked decrease of 45% to RM63.12 million from RM114.7 million.

Based on Gamuda's consolidated income statement, quarterly earnings were lower y-o-y owing to higher operating expenses, higher finance costs and lower contributions from associated companies.

Despite the poorer earnings, Gamuda has declared a second gross interim dividend of four sen per share subject to 25% tax (three sen net).

This is down from a gross payment of 12.5 sen per share less 26% tax (9.25 sen net) paid out as a second interim dividend for the previ-

ous corresponding period.

The year-to-date (YTD) comparisons for 3Q09 and 3Q08 ran along the same lines: revenue was up for FY09 to RM1.79 billion from RM1.55 billion, but earnings had fallen 41% to RM150.4 million in FY09 from RM254.88 million in FY08.

Based on the breakdown of contributions from the various segments provided by Gamuda, the segment experiencing the most significant drop was the engineering and construction (E&C) segment.

The PBT for the E&C segment dropped 79%, contributing RM21.32 million for the nine months ended April 30, 2009, compared with RM103.34 million for the same period in 2008.

Its property sector had also slipped 45% to RM58.74 million from RM105.89 million, while its water related and highway concessions dropped marginally to contribute RM121.67 million from RM125.38 million.

Gamuda reported a continuing weakness in its property division despite a slight pickup in sales in 3Q09 compared to the previous quarter.

It added that its water business, SPLASH, was also in negotiations with the Selangor state government to finalise the water restructuring plan.

As for its major project, the electrified double-tracking railway project from Ipoh to Padang Besar, Gamuda said in the announcement that the financial arrangement for the project had been finalised and it had been paid for work completed.

"Out of the total contract sum of RM12.5 billion, RM6.7 billion shall be paid by the government by way of a deferred payment loan from Bank Pembangunan Malaysia Bhd," Gamuda said. "The deferred payment loan was finalised in April 2009 and progress claims for work done were paid from the drawdown of this loan from April 2009 onwards.

As for its two projects in Vietnam — the Yen So Park and a sewage treatment plant — Gamuda said that both were progressing well.

Gamuda closed yesterday at RM2.69, up 8 sen from the previous day's close.