



Gamuda Berhad

Navigating New Challenges

Q1 `09 INVESTORS BRIEFING

17 December 2008



INCOME STATEMENT SUMMARY

(RMmil)	Q1 `09	Q1 `08	Change (%)
Revenue	614.0	482.4	+27
Profit from operations (EBIT)	48.1	72.3	-34
Finance Costs	(10.8)	(2.7)	+303
Share of associates (net of tax)	34.7	36.9	-6
Profit before tax	72.0	106.5	-32
Tax	(14.5)	(16.1)	-10
Minority Interests	(2.4)	(2.3)	+4
Net profit attributable to equity holders	55.0	88.1	-38
Fully diluted EPS (sen)	2.7	4.4	
Dividend per share (sen)	4.0	12.5	
EBIT margins (%)	7.8	15.0	
PBT margins (%)	11.7	22.1	



BALANCE SHEET SUMMARY

(RMmil)	As at 31 Oct `08	As at 31 July `08
Current Assets	2860.1	2993.6
Current Liabilities	1219.3	1594.0
Current Ratio	2.3x	1.9x
Total borrowings	1628.7	1818.8
Cash and marketable securities	964.0	865.6
Net borrowings	664.7	953.2
Share capital	2006.2	2005.0
Reserves	1069.1	1046.6
Equity attributable to equity holders	3075.2	3051.6
Net gearing (overall)	22%	31%
Net assets per share (RM)	1.53	1.52



KEY HIGHLIGHTS

- **Weaker Q1 amidst economic uncertainties ahead** – significant weaknesses in construction, properties divisions
- **A year of consolidation and challenges** – economic deterioration, property slowdown, construction delays and uncertainties will present major challenges
- **Improved operating environment** – raw material price declines will support margins, reduce project risks
- **Stronger balance sheet** – lower gearing, higher cash reserves, improved collections are key achievements
- **Focused on cash conservation, cashflow management** – dividend, capex reviews amidst tight credit environment



RECENT DEVELOPMENTS

- Raw material prices ease significantly; reduces margin pressures, sustains profitability, lowers project risks
- No omission of electrification works on Double Track – original full scope of works maintained
- Unresolved land issues for Double Track likely to slow progress and lead to completion delays
- Wayss & Freytag dispute to be resolved by arbitration – final conclusion still a long way off
- Yenso STP construction has commenced and will gain further momentum – other works in full swing



CONSTRUCTION ORDER BOOK

- Current balance of works about **RM9.0 billion** (US\$2.5bn)

Major Projects	Balance works (RMm)	Completion Status		Comments
		% now	completion date	
<u>Completed</u> Kaohsiung MRT, Sabah roads	-	100	2008	Completed
<u>Gulf States</u> Dukhan highway} NDIA - Ph 1, 2} Sitra Bridges}	650	95 70 55	2009 2009/10 2010	Losses fully provided for Margins under pressure Margins under pressure
<u>Other ongoing</u> Double-Tracking Yenso Park infra Nam Theun 1	5,300 1,300 1,800	15 3 0	2013 2010 2013	Land acquisition delays Will gain momentum Tariff renegotiation underway



CONSTRUCTION - OUTLOOK

- Lower Q1 `09 earnings due to project delays, lower margins for ongoing jobs
- Double Track likely to face delays due to unresolved land issues; up to 1 year completion delay possible; 61% of land handed over vs scheduled 95%;
- Yenso infra expected to pick up momentum in coming quarters; construction work on STP has commenced
- Margins expected to improve in medium term provided raw material prices hold steady
- Prospects for new jobs still unclear, but greater pump-priming initiatives next year could open up new opportunities



PROPERTIES - OUTLOOK

- Weaker Q1 performance amidst a very weak sector
- Q1 new sales down to RM80m; unbilled sales stand at RM500m;
- Reviewing launch schedules and product mixes to cater to changing market demands
- Slow Malaysian and Vietnamese markets likely through 2009, but see improvement in 2010
- Negotiations for Yenso's land parcel sales hampered by weak global credit markets
- Development of certain commercial parcels in Yenso could start within a few months
- Evaluating new development opportunities in Vietnam



INFRASTRUCTURE - OUTLOOK

- Slightly weaker Q1 overall for division
- Toll expressways achieve 14% revenue growth in Q1 y-o-y
- Traffic volumes have almost fully recovered to pre-fuel hike levels in June
- Negotiations on possible sale of water assets making limited progress
- Nam Theun 1 hydropower project still in tariff renegotiation stage but political developments in Thailand could hamper progress



BALANCE SHEET HIGHLIGHTS

- Stronger balance sheet from 3 months ago following significant collection of receivables
- Cash reserves have increased to almost RM1bn; net gearing has fallen to 22% (overall), 12% (excluding non-recourse borrowings)
- Capex requirements over next 2 years will see gearing rise to peak at 60-70% in FY10; no major funding issues expected
- Interim dividend cut to 4 sen (12.5 sen previously)
- Cash conservation and cashflow management are primary focuses of management



THANK YOU

For any clarification, please email
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