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# Gamuda Berhad

*Seeking Out Opportunities*

**Q2 `09 INVESTORS BRIEFING**

*26 March 2009*



# INCOME STATEMENT SUMMARY

(RMmil)	HY `09	HY `08	Change (%)
<b>Revenue</b>	<b>1205.7</b>	<b>977.7</b>	<b>+23</b>
Profit from operations (EBIT)	91.1	154.6	-41
Finance Costs	(22.2)	(7.0)	+219
<b>Share of associates (net of tax)</b>	<b>69.8</b>	<b>72.3</b>	<b>-3</b>
<b>Profit before tax</b>	<b>138.6</b>	<b>219.9</b>	<b>-37</b>
Tax	(30.3)	(35.7)	-15
Minority Interests	(4.2)	(6.0)	-30
<b>Net profit attributable to equity holders</b>	<b>104.1</b>	<b>178.2</b>	<b>-38</b>
Fully diluted EPS (sen)	5.2	8.9	
<b>Dividend per share (sen)</b>	<b>4.0</b>	<b>12.5</b>	
<b>EBIT margins (%)</b>	<b>7.6</b>	<b>15.8</b>	
<b>PBT margins (%)</b>	<b>11.5</b>	<b>22.5</b>	



# BALANCE SHEET SUMMARY

(RMmil)	As at 31 Jan `09	As at 31 Oct `08
Current Assets	2924.6	2860.1
Current Liabilities	1367.5	1219.3
Current Ratio	2.1x	2.3x
Total borrowings	1735.7	1628.7
Cash and marketable securities	815.9	964.0
<b>Net borrowings</b>	<b>919.8</b>	<b>664.7</b>
Share capital	2006.2	2006.2
Reserves	1056.6	1069.1
<b>Equity attributable to equity holders</b>	<b>3062.9</b>	<b>3075.2</b>
<b>Net gearing (overall)</b>	<b>30%</b>	<b>22%</b>
Net assets per share (RM)	1.53	1.53



## KEY HIGHLIGHTS

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- **Slightly weaker Q2 amidst challenging business conditions**  
– continued weaknesses in construction, properties divisions
- **Business prospects appear more stable** – challenges remain, but signs of stability emerge, slower pace of declines
- **Favourable cost environment** – low raw material prices, supports margins, reduces risks, encourages new spending
- **Brighter FY10?** – global recovery, domestic pump-priming, depressed raw material prices are key catalysts
- **Focused on cash conservation, cashflow management** – dividend, capex reviews amidst tight credit environment



## RECENT DEVELOPMENTS

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- Double Track project moved to Deferred Payment structure; further progress made on land acquisition
- Yenso STP construction works gaining momentum; other infra works in full swing
- Yenso commercial development to kick off by year end; residential launches by mid-2010
- Property sales remain weak, but show signs of stabilizing
- RM2bn cash offer for Splash from State rejected; awaiting fresh offer from Federal govt
- Dukhan Highway completed; handover expected next month



# CONSTRUCTION ORDER BOOK

- Current balance of works about **RM8.5 billion** (US\$2.3bn)

Major Projects	Balance works (RMbn)	Completion Status		Comments
		% now	completion date	
<u>Major Ongoing</u> Double Tracking Yenso Park infra	5.0 1.2	20 15	2013 2010/11	Land acquisition progressing Gaining momentum
<u>Other Ongoing</u> Dukhan Highway} NDIA – Ph 1, 2} Sitra Bridges}	0.5	100 75 70	2009 2010 2010	Preparing for handover Steady progress Steady progress
<u>Pending Finalization</u> Nam Theun 1	1.8	0	2013	Tariff renegotiation underway



# CONSTRUCTION - OUTLOOK

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- Another weak quarter, impacted by delays, low margins
- Double Track moved to Deferred Payment structure; 54% of project value to be paid via loan from Bank Pembangunan
- New payment mode will free up working capital; facility sufficient to take project to 75% completion spanning 3 years
- 72% of project corridor handed over; risk of delays remains
- Yenso infra to pick up momentum in coming quarters; work on STP gaining significant pace after initial delay
- Margins expected to improve in medium term provided raw material prices hold steady
- Seeking out new opportunities given increased pump priming



# PROPERTIES - OUTLOOK

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- Subdued Q2 performance in line with Q1
- RM70m new sales achieved in Q2, bringing YTD to RM150m; unbilled sales stand at RM400m;
- Mixed performances achieved – Valencia the best performing whilst newly launched Jade Hills is the weakest
- Market remains soft but appears to be stabilizing
- Relatively strong demand for shop lots and shop offices
- Encouraging response to incentive schemes on offer
- Yenso's commercial development to kick-off by year end, residential launches targetted for mid-2010





# INFRASTRUCTURE - OUTLOOK

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- Stable Q2 overall for division
- Toll expressways achieve 10% revenue growth in HY
- Traffic volumes have recovered to pre-fuel hike levels in July '08
- RM2bn cash offer for Splash rejected; awaiting fresh offer from Federal govt
- Nam Theun 1 hydropower project still in tariff renegotiation stage but political developments in Thailand could hamper progress



# BALANCE SHEET HIGHLIGHTS

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- Minor changes in balance sheet from end-Q1– increased net borrowing levels, rise in working capital
- Cash reserves stand at RM0.8bn+; net gearing rises to 30% (overall), 20% (excluding non-recourse borrowings)
- Capex over next 2 years will see net gearing rise to peak at 60-70% in FY10; no major funding issues expected
- Cash conservation and cashflow management are primary focuses of management



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**THANK YOU**

For any clarification, please email  
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