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# Gamuda Berhad

*Seeking Out New Opportunities*

**Q3 `09 INVESTORS' BRIEFING**

*25 June 2009*



# INCOME STATEMENT SUMMARY

(RMmil)	9 months to Apr `09	9 months to Apr `08	Change (%)
<b>Revenue</b>	<b>1785.1</b>	<b>1552.4</b>	<b>+15</b>
Profit from operations (EBIT)	139.1	234.4	-41
Finance Costs	(36.2)	(15.9)	+127
<b>Share of associates (net of tax)</b>	<b>98.8</b>	<b>116.2</b>	<b>-15</b>
<b>Profit before tax</b>	<b>201.7</b>	<b>334.6</b>	<b>-40</b>
Tax	(44.7)	(70.7)	-37
Minority Interests	(6.7)	(9.1)	-26
<b>Net profit attributable to equity holders</b>	<b>150.4</b>	<b>254.9</b>	<b>-41</b>
Fully diluted EPS (sen)	7.5	12.7	
<b>Dividend per share (sen)</b>	<b>8.0</b>	<b>25.0</b>	
<b>EBIT margins (%)</b>	<b>7.8</b>	<b>15.1</b>	
<b>PBT margins (%)</b>	<b>11.3</b>	<b>21.6</b>	



# BALANCE SHEET SUMMARY

(RMmil)	As at 30 Apr `09	As at 31 Jan `09
Current Assets	2984.8	2924.6
Current Liabilities	1147.1	1367.5
Current Ratio	2.6x	2.1x
Total borrowings	1641.7	1735.7
Cash and marketable securities	1169.3	815.9
<b>Net borrowings</b>	<b>472.4</b>	<b>919.8</b>
Share capital	2006.3	2006.2
Reserves	1108.1	1056.6
<b>Equity attributable to equity holders</b>	<b>3114.3</b>	<b>3062.9</b>
<b>Net gearing (overall)</b>	<b>15%</b>	<b>30%</b>
Net assets per share (RM)	1.55	1.53



## KEY HIGHLIGHTS

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- **Brighter business prospects** – new government leadership, aggressive pump-priming likely, new construction opportunities
- **Stable properties market** – worst may be over, new sales picking up, gearing up for Vietnam launches and development
- **Favourable cost environment** – low raw material prices, supports margins, reduces risks, encourages new spending
- **New efforts to resolve water consolidation stalemate** – end June deadline approaching, fresh State offer likely
- **Stronger balance sheet** – significant build up in cash levels
- **Brighter FY10?** – earnings recovery expected, margin expansion seen, new projects likely



## RECENT DEVELOPMENTS

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- Several new sizeable projects coming up for implementation
- Prompt payments for Double Track project, sharp fall in receivables, significant cash build-up in balance sheet; 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; scouting around for new development opportunities in Vietnam
- Property sales increase in Q3, sentiment more positive
- Renewed efforts to resolve water stalemate underway



# CONSTRUCTION ORDER BOOK

- Current balance of works about **RM8.1 billion** (US\$2.2bn)

Major Projects	Balance works (RMbn)	Completion Status		Comments
		% now	completion date	
<u>Major Ongoing</u> Double Tracking Yenso Park infra	4.7 1.2	24 16	2013 2011	Land acquisition progressing Gaining momentum
<u>Other Ongoing</u> Dukhan Highway} NDIA – Ph 1, 2} Sitra Bridges}	0.4	100 80 75	2009 2010 2010	Preparing for handover Additional works likely Steady progress
<u>Pending Finalization</u> Nam Theun 1	1.8	0	n.a.	Further delay likely



# CONSTRUCTION - OUTLOOK

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- Brighter outlook, improved new project visibility with pump-priming gathering momentum
- Several multi-billion ringgit projects in pipeline over next few months; gearing up to secure meaningful participation
- Double Track progressing well; outstanding receivables fully settled; 54% of project to be paid via Bank Pembangunan
- 82% of project corridor handed over; resolution of land acquisition issues in sight
- Yenso infra to pick up momentum in coming quarters; work on STP gaining significant pace after initial delay
- Margin expansion likely in next few quarters, favourable raw material cost environment



## PROPERTIES - OUTLOOK

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- Market appears to have stabilized; new sales increase in Q3; noticeable pick up in interest levels
- RM100m new sales achieved in Q3 vs RM70m in Q2; YTD sales at RM250m; unbilled sales stand at RM400m;
- Mixed performances achieved – Valencia the best performing whilst newly launched Jade Hills is the weakest
- Relatively strong demand for shop lots and shop offices
- Encouraging response to incentive schemes on offer, esp in Horizon Hills
- Yenso's commercial development to kick-off by year end, residential launches targetted for mid-2010
- Evaluating new opportunities in Vietnam





# INFRASTRUCTURE - OUTLOOK

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- Weaker Q3 performance due to some transitional factors
- Risks to concession agreements have reduced
- Concessions continue to generate significant cashflows
- Expressway traffic volumes have recovered to record levels
- Traffic volumes increase 10% ytd across division
- Renewed efforts to resolve water consolidation stalemate underway; fresh offer from State likely
- Further delay in Nam Theun 1 project expected



# BALANCE SHEET HIGHLIGHTS

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- Substantially stronger balance sheet over Q3; strong net cashflow generated in Q3, significant build-up in cash levels
- Cash reserves stand at near RM1.2bn; net gearing falls to 15% (overall), 10% (excluding non-recourse borrowings)
- Capex over next 2 years will see net gearing rise to peak at 60-70% in FY11 (assuming no sale of Splash); no major funding issues expected
- Sale of Splash could further strengthen balance sheet
- Second interim dividend of 4 sen, YTD 8 sen per share



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# THANK YOU

For any clarification, please email  
[clarence@gamuda.com.my](mailto:clarence@gamuda.com.my)