

Gamuda Berhad

***Water Deadlock – Feds Intervene, Puncak Accepts,
WSIA shelved, Amicable Conclusion Possible***

Q3 2014 INVESTORS' BRIEFING
26 June 2014

INCOME STATEMENT SUMMARY



(RMmil)	9 mths to Apr '14	9 mths to Apr '13*	Change (%)
Revenue	1,637.6	1,594.5	+3
Profit from operations (EBIT)	369.0	361.6	+2
Finance Costs	(55.7)	(43.3)	+29
Share of JVs (net of tax)	132.3	80.5	+64
Share of associates (net of tax)	170.2	174.9	-3
Profit before tax	615.9	573.8	+7
Tax	(93.4)	(102.0)	-8
Minority Interests	(9.0)	(7.1)	+26
Net profit attributable to equity holders	513.5	464.7	+10
Fully diluted EPS (sen)	21.9	17.3	
Dividend per share (sen)	12.0	12.0	
EBIT margins (%)	22.5	22.7	
PBT margins (%)	37.6	36.0	

* before impact of Tribunal Awards totaling -RM113.0m in Q313 and +RM2.3m in Q413

FRS – 11 JOINT ARRANGEMENTS

- FRS 11 adopted since Q114 statements
- Joint ventures (incorporated) now treated using equity method (share of JVs), reported net of tax
- Joint ventures (unincorporated) treated as previously, using proportionate consolidation, reported gross of tax
- Share of associates reported as previously, net of tax
- Key impacts
 - substantial group revenue is `lost` as significant amount of activities are carried out by incorporated JVs
 - group and divisional margins are distorted by the mixing up of pretax and net profits above the `Group PBT` line
 - no impact on net profit, but generally understates PBT
 - performance analyses` becomes more difficult and tricky

INCOME STATEMENT (before FRS 11)



(RMmil)	9 mths to Apr '14	9 mths to Apr '13*	Change (%)
Revenue	3,813.9	2,552.1	+49
Profit from operations (EBIT)	565.8	481.7	+17
Finance Costs	(63.7)	(52.1)	+22
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	170.2	174.9	-3
Profit before tax	672.4	604.5	+11
Tax	(149.9)	(132.7)	+13
Minority Interests	(9.0)	(7.1)	+27
Net profit attributable to equity holders	513.5	464.7	+11
Fully diluted EPS (sen)	21.9	17.3	
Dividend per share (sen)	12.0	12.0	
EBIT margins (%)	14.8	18.9	
PBT margins (%)	17.6	23.7	

* before impact of Tribunal Awards totaling -RM113.0m in Q313 and +RM2.3m in Q413

BALANCE SHEET SUMMARY



(RMmil)	As at 30 Apr '14	As at 31 Jan '14
Current Assets	4,708.7	4,665.5
Current Liabilities	1,563.1	1,312.5
Current Ratio	3.0x	3.6x
Total borrowings	2,485.2	2,156.8
Cash and marketable securities	1,336.9	1,220.8
Net cash	(1,148.3)	(936.0)
Share capital	2,305.6	2,300.2
Reserves	3,051.4	2,870.9
Equity attributable to equity holders	5,356.9	5,171.1
Net gearing (overall)	21%	18%
Net assets per share (RM)	2.32	2.25

QUARTERLY SEGMENTAL PROFITS (before FRS 11)



(RMmil)	Q313	Q413	Q114	Q214	Q3 `14	Q3 `13	+/-
Construction & Eng	85.5*	67.4*	68.3	77.4	89.5	85.5*	+5
Properties	64.7	61.1	78.6	71.3	83.6	64.7	+29
Concessions	69.7	70.3	64.3	72.1	67.2	69.7	-4
Group Pretax Profit	220.0*	198.8*	211.2	220.8	240.3	220.0*	+9
Group Net Profit	162.4*	165.4*	165.5	170.1	177.9	162.4*	+10

* before impact of Tribunal Awards totaling -RM113.0m in Q313 and +RM2.3m in Q413

YTD Segmentals

(RMmil)	9M `14	9M `13	+/-
Construction	235.3	206.0*	+14
Properties	233.5	197.4	+18
Concessions	203.6	201.2	+1
Group PBT	672.4	604.5	+11

Pretax Margins (YTD)

%	9M `14	9M `13
Construction	8.4	12.1
Properties	25.7	26.2
Concessions	n.m.	n.m.
Group PBT	17.6	23.7

KEY HIGHLIGHTS



- **Federal intervenes to resolve water deadlock** – several possible solutions being considered, possibility of satisfactory resolution for Splash emerges
- **S114 will no longer be invoked** – Puncak group accepts, consolidation to proceed pending Splash outcome, extra time given for Splash resolution
- **Q3 performance continues to be strong** – double-digit profit growth from construction, properties divisions; on track for another record-breaking FY
- **KVMRT2 approved to proceed** – Cabinet approves project and PDP, major contract awards targeted starting from early 2016
- **Significant progress achieved on KVMRT1** - 11% (UG) and 6% (PDP) financial progress achieved in Q3, will drive earnings and revenue this FY
- **Property presales slows down in Q3** – but still expect to achieve another record-breaking year for presales

KEY CORPORATE UPDATES



- **Water** – Feds heavily involved in final stages of resolution; threat of S114 invocation subsides; LUAS water abstraction licence revocation order stayed by court, business as usual
- **KVMRT1** - cumulative financial progress on underground works and PDP scope at 45% (+11%) and 30% (+6%) respectively at end Q3;
- **UG** - 10km (53%) of tunnels mined; risky karstic limestone tunnelling to be completed in 4 weeks; several breakthroughs achieved; 5 TBMs tunneling, 4 decommissioned
- **PDP progress** – foundations 95%, pier construction 65%; elevated guideways 20%; SBG production (75%) systems handovers to commence starting Q4
- Kesas now a 70% subsidiary following acquisition of PNB's 20% stake
- Property presales of RM500m in Q3 (+20%); ytd RM1.5bn (+46% y-o-y); on track for RM1.9bn (+9%) for FY; RM1.8bn unbilled sales at end Q3;

CONSTRUCTION ORDER BOOK



- Current unbilled order book about **RM2.3 billion** (end Q3FY14)

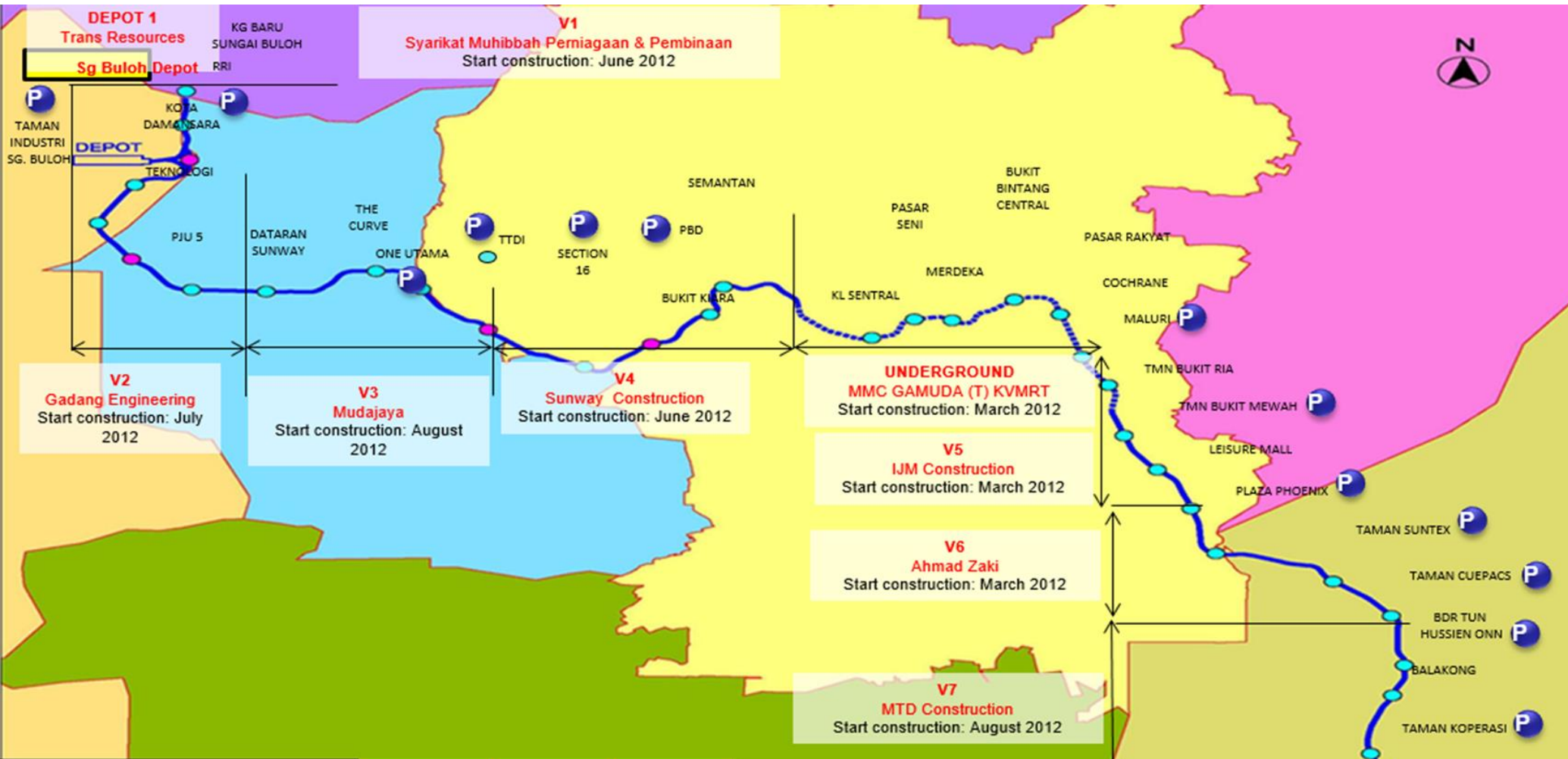
Major Projects	Balance works (RMbn)	Completion Status		Comments
		% now	completion date	
<u>Major Ongoing</u> KVMRT Line 1 (SBK Line) Tunneling (50% share)	2.3	45	2017	10km (53%) tunnels mined, 5 TBMs tunneling, 4 decommissioned; several breakthroughs achieved, work ongoing at all 7 UG stations
<u>Substantial Completion</u> Northern Electrified Double Track Railway (50% share)	-	100	2014	Main spine line handed over; Spur line to be completed by Nov 2014

CONSTRUCTION OUTLOOK



- Steady Q3 performance with strong surge in activity levels with KVMRT1 running at peak levels; revenues expand 65% to RM2.8bn; Q3 PBT earnings rise 5% to RM90m y-o-y; ytd PBT rises 14% to RM235m; unbilled order book at RM2.3bn
- PBT margins improve to 9.1% in Q3 compared to 7.7% in Q2
- KVMRT1 – major upcoming milestones – completion of karstic limestone tunneling (~4 weeks); initial handover to systems specialists (~4 months)
- KVMRT2 – preliminary works have commenced; target to call tenders in 2HY15 and start initial awards by 1HY2016
- Double Track – main spine line (Ipoh-Padang Besar) handed over; spur line (BM-Butterworth) handover by Nov 2014

SBK LINE – SUMMARY OF CIVIL PACKAGES



DESCRIPTION	Total	Elev.	U/G
Length (km)	51.0	41.5	9.5
Station (nos)	31	24	7
Provisional Station (nos)	3	3	0
Park & Ride	16	16	

DEPOT 2
TSR Bina S/B
 Start construction: August 2012

V8
UEM Construction

V7
MTD Construction
 Start construction: August 2012

V6
Ahmad Zaki
 Start construction: March 2012

V5
IJM Construction
 Start construction: March 2012

UNDERGROUND
MMC GAMUDA (T) KVMRT
 Start construction: March 2012

V4
Sunway Construction
 Start construction: June 2012

V3
Mudajaya
 Start construction: August 2012

V2
Gadang Engineering
 Start construction: July 2012

V1
Syarikat Muhibbah Pemiagaan & Pembinaan
 Start construction: June 2012

DEPOT 1
Trans Resources
Sg Buloh Depot

PROPERTIES OUTLOOK



- Strong Q3 performance; revenues rose 42% to RM340m whilst PBT rose 29% to RM84m; ytd, revenues rose 20% to RM907m whilst PBT improved 18% to RM233m; PBT margins stable at ~26%
- Group achieved new presales of RM500m (+20%) in Q3 bringing ytd presales to RM1.5bn (+46%); unbilled sales unchanged at RM1.8bn;
- Market continues to cool off, more so in Iskandar; Key selling projects are Horizon Hills (45%), Bandar Botanic (30%), Robertson (12%)
- Despite cooling market, maintaining FY14 presales projections at RM1.9bn (+9% y-o-y);
- Landbanking efforts continue; maintain allocation of RM1.5bn for landbanking for FY14/15

CONCESSIONS OUTLOOK

- Stable concession earnings in Q1
- Acquisition of additional 20% of Kesas from PNB for RM290m cash completed; Kesas now a 70%-subsidiary
- Feds now heavily involved in resolving Splash impasse
- State water restructuring exercise no longer conditional on all concessionaires' simultaneous agreement; hence, State will proceed with completing buy-outs of the other 3 concessions
- Court grants stay order against LUAS decision of non-renewal of water abstraction licence; business as usual until Judicial Review proceedings are completed

Thank You