



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	3rd Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/03/2011 RM'000	Preceding Year Corresponding Quarter 31/03/2010 RM'000	Current Year To date 31/03/2011 RM'000	Preceding Year Corresponding Period 31/03/2010 RM'000
Revenue	8	481,403	414,644	1,491,922	1,476,567
Cost of sales		(373,309)	(276,653)	(1,145,591)	(1,030,636)
Gross profit		108,094	137,991	346,331	445,931
Other operating income		19,887	34,439	66,342	88,683
Administrative expenses		(70,804)	(95,811)	(193,042)	(255,879)
Tendering and marketing expenses		(1,337)	(747)	(7,893)	(8,456)
Operating profit		55,840	75,872	211,738	270,279
Finance costs		(36,408)	(33,306)	(108,711)	(144,984)
Finance income		18,604	1,245	31,799	16,830
Finance costs-net		(17,804)	(32,061)	(76,912)	(128,154)
Share of profit/(loss) of associates		150	(360)	(424)	301
Profit before taxation		38,186	43,451	134,402	142,426
Taxation					
- Company and subsidiaries	17	(9,968)	(12,266)	(42,739)	(50,918)
Profit for the year		28,218	31,185	91,663	91,508
<u>Other comprehensive (loss)/income net of tax</u>					
Currency translation difference		(6,066)	35,377	(3,857)	45,080
Total comprehensive income for the period		22,152	66,562	87,806	136,588
<u>Profit attributable to:</u>					
Owners of the parent		10,010	13,676	39,870	36,490
Minority interests		18,208	17,509	51,793	55,018
		28,218	31,185	91,663	91,508
<u>Total comprehensive income attributable to:</u>					
Owners of the parent		5,431	49,860	36,744	82,934
Minority interests		16,721	16,702	51,062	53,654
		22,152	66,562	87,806	136,588
		Sen	Sen	Sen	Sen
Basic/diluted earnings per share attributable to: equity holders of the Company	26	1.68	2.29	6.68	6.11

**THESE CONDENSED FINANCIAL STATEMENTS ARE TO BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>UNAUDITED</u>	<u>AUDITED</u>
	As At End of Current Quarter 31 March 2011 RM'000	As At Preceding Year Financial Year End 30 June 2010 RM'000
Note		
<b>Non-current assets</b>		
Property, plant and equipment	1,482,786	1,397,327
Prepaid lease payment	5,327	5,443
Intangible assets	311,103	311,203
Goodwill	41,162	41,162
Investments in associates	10,040	8,528
Other investment	1,088	-
Available-for-sale financial assets	189,226	189,226
Operating financial assets	74,484	72,232
Investment in oil and gas properties	-	14,686
Deferred tax assets	340,020	364,403
	<u>2,455,236</u>	<u>2,404,210</u>
<b>Current assets</b>		
Inventories	44,352	27,823
Trade and other receivables	685,754	779,214
Operating financial assets	705	688
Amount due from customers on contracts	891,657	759,123
Prepayments	27,701	43,620
Tax recoverable	14,502	19,325
Amounts due from jointly controlled entities	24,157	23,464
Amounts due from associates	2,361	2,631
Derivative financial instruments	521	-
Deposits, bank and cash balances	663,585	602,758
<b>Total Current assets</b>	<u>2,355,295</u>	<u>2,258,646</u>
<b>Less : Current liabilities</b>		
Trade and other payables	840,683	955,447
Amount due to customers on contracts	499,625	485,656
Amounts due to an associate	216	216
Amounts due to jointly controlled entities	30,112	20,783
Short term borrowings	876,832	236,299
Current tax liabilities	23,231	25,770
Provision for retirement benefits	2,775	2,245
	<u>2,273,474</u>	<u>1,726,416</u>
<b>Total Current liabilities</b>	<u>2,273,474</u>	<u>1,726,416</u>
<b>Net Current assets/(liabilities)</b>	<u>81,821</u>	<u>532,230</u>
<b>Less : Non-current liabilities</b>		
Consumer deposits	66,831	62,122
Provision for retirement benefits	43,372	40,831
Deferred tax liabilities	22,726	23,466
Finance lease liabilities	1,633	1,961
Long term loans	1,044,195	1,599,989
Convertible unsecured loan stocks	4,387	11,600
	<u>1,183,144</u>	<u>1,739,969</u>
	<u>1,353,913</u>	<u>1,196,471</u>
<b>Equity</b>		
Share capital	597,265	597,265
Share premium	185,333	185,333
Other reserves	(1,938)	1,309
Accumulated losses	(34,090)	(112,128)
	<u>746,570</u>	<u>671,779</u>
Capital and reserves attributable to equity holders of the Company	<u>746,570</u>	<u>671,779</u>
Minority interests	599,759	524,692
	<u>1,346,329</u>	<u>1,196,471</u>
Convertible unsecured loan stocks	7,584	-
<b>Total equity</b>	<u>1,353,913</u>	<u>1,196,471</u>
	<u>-</u>	<u>-</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.25</u>	<u>1.12</u>

**THESE CONDENSED FINANCIAL STATEMENTS ARE TO BE READ IN CONJUNCTION  
WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**



**Ranhill**

**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Issued and fully paid ordinary shares of RM1 each

Note	Number of shares 000	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Accumulated losses RM'000	Sub-total RM'000	Minority Interest RM'000	Total RM'000
<b>At 1 July 2010</b>								
-as previously reported	597,265	597,265	185,333	1,309	(112,128)	671,779	524,692	1,196,471
- change in accounting policy	-	-	-	(121)	20,343	20,222	(1,795)	18,427
As restated	597,265	597,265	185,333	1,188	(91,785)	692,001	522,897	1,214,898
<b>Total comprehensive income</b>	-	-	-	<b>(3,126)</b>	<b>39,870</b>	<b>36,744</b>	<b>51,062</b>	<b>87,806</b>
Acquisition of additional shares in jointly controlled entities	-	-	-	-	(36)	(36)	(16)	(52)
Disposal of shares in subsidiaries	-	-	-	-	23,834	23,834	49,166	73,000
Dividends for the year ended 30 June 2010	-	-	-	-	(5,973)	(5,973)	(23,350)	(29,323)
<b>At 31 March 2011</b>	<b>597,265</b>	<b>597,265</b>	<b>185,333</b>	<b>(1,938)</b>	<b>(34,090)</b>	<b>746,570</b>	<b>599,759</b>	<b>1,346,329</b>
<b>At 1 July 2009</b>								
-as previously reported	597,265	597,265	185,333	(27,584)	(142,902)	612,112	684,262	1,296,374
- change in accounting policy	-	-	-	1,066	20,795	21,861	9,368	31,229
As restated	597,265	597,265	185,333	(26,518)	(122,107)	633,973	693,630	1,327,603
<b>Total comprehensive income</b>	-	-	-	46,444	36,490	82,934	53,654	136,588
Disposal of interest in a subsidiary to minority interest	-	-	-	-	-	-	(2)	(2)
Dividends for the year ended 30 June 2009	-	-	-	-	(4,479)	(4,479)	(245,260)	(249,739)
<b>At 31 March 2010</b>	<b>597,265</b>	<b>597,265</b>	<b>185,333</b>	<b>19,926</b>	<b>(90,096)</b>	<b>712,428</b>	<b>502,022</b>	<b>1,214,450</b>

THESE CONDENSED FINANCIAL STATEMENTS ARE TO BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	9 months ended 31 March 2011 RM'000	9 months ended 31 March 2010 RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	1,111,608	1,261,584
Cash paid to suppliers and employees	(1,118,597)	(1,276,390)
<b>Cash used in operations</b>	<u>(6,989)</u>	<u>(14,806)</u>
Tax refund	5,295	1,064
Tax paid	(23,027)	(21,375)
Net cash flow used in operating activities	<u>(24,721)</u>	<u>(35,117)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(147,726)	(475,161)
Proceeds from disposal of property, plant and equipment	317	438
Proceeds from disposal of investment in oil and gas	2,151	-
Proceed from disposal of water related assets	141,164	910,353
Proceed from disposal of shares in subsidiary to minority interest	73,000	-
Acquisition of associate companies	(1,936)	(3,739)
Placement of fixed deposits pledged	(34,598)	(87,976)
Deposits paid against purchase consideration for additional interest in subsidiary	-	(12,450)
Purchase of other investment	(20)	(14,478)
Interest received	5,532	4,280
Net cash flow generated from investing activities	<u>37,884</u>	<u>321,267</u>
<b>Cash flows from financing activities</b>		
Payment for termination of Swap Agreement	-	(20,751)
Funds from borrowings	230,772	375,840
Repayment of term loans	(112,622)	(337,871)
Payments of finance lease liabilities	(947)	(8,582)
Interest paid	(75,380)	(128,722)
Dividend paid to shareholders	(5,973)	(4,479)
Dividend paid to minority interests	(23,350)	(276,460)
Net cash flow generated from/(used in) financing activities	<u>12,500</u>	<u>(401,025)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	25,663	(114,875)
<b>Effect of foreign exchange rate changes</b>	(8,381)	(19,476)
<b>Cash and cash equivalents</b>		
- at the beginning of the period	<u>213,045</u>	<u>319,189</u>
- at the end of the period	<u>230,327</u>	<u>184,838</u>

<i>NOTE 1</i>	<u>RM'000</u>	<u>RM'000</u>
Bank and cash balances	269,553	228,710
Deposits with licensed banks*	394,032	396,138
As per Condensed Consolidated Balance Sheet	<u>663,585</u>	<u>624,848</u>
Restricted deposits*	(237,220)	(217,977)
Restricted sinking funds	(156,641)	(192,007)
Bank overdrafts (Note 21)	(39,397)	(30,026)
As per Condensed Consolidated Statement of Cash Flow	<u>230,327</u>	<u>184,838</u>

\*The restricted deposits of RM237.220m consist of RM194.783m which are pledged with banks as security for banking facilities and RM42.437m for the USD220m bond Debt Service Reserve Account.

**THESE CONDENSED FINANCIAL STATEMENTS ARE TO BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**PART A : EXPLANATORY NOTES**

**1. ACCOUNTING POLICIES**

The quarterly financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, and should be read in conjunction with Ranhill Berhad’s financial statements for the year ended 30 June 2010, which have been prepared in accordance with FRSs.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 30 June 2010 except for the adoption of the following new standards, amendments to standards and IC interpretations issued by Malaysian Accounting Standards Board (“MASB”) that are mandatory for the Group for the financial year beginning 1 July 2010:

FRS 3	Business Combinations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 2	Share-based Payment Vesting Conditions and Cancellations
Amendment to FRS 3	Business Combinations
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 117	Leases
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of and Investment in a Subsidiary, Jointly-Controlled Entity or Associate
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interests in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 4	Determining whether an arrangement contains a lease
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 14	FRS 119 The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:

- (a) **Presentation of financial statements (FRS 101 (revised) “Presentation of financial statements”)**  
The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes

**PART A : EXPLANATORY NOTES**

**1. ACCOUNTING POLICIES (Continued)**

**(a) Presentation of financial statements (FRS 101 (revised) “Presentation of financial statements”)  
(Continued)**

in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in a single statement.

**(b) Financial assets (FRS 139 “Financial instruments: Recognition and Measurement”)**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in classifications of financial assets of the Group:

**(i) Available-for-sale financial assets**

Other investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

**(ii) Loans and receivables**

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset’s original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

**PART A : EXPLANATORY NOTES**

**1. ACCOUNTING POLICIES (Continued)**

**(b) Financial assets (FRS 139 “Financial instruments: Recognition and Measurement”)  
(Continued)**

(iii) Fair value through profit or loss

Derivative financial instruments were not previously recognised in the financial statements on inception. These are now recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss at each reporting date.

(iv) Payables

Payables were previously measured initially and subsequently at cost, are now initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method.

The Group has applied the new policies in relation to the financial instruments above in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financial assets and financial liabilities as at 1 July 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained earnings and available-for-sale reserves as appropriate. Comparatives are not restated.

The effects arising from the adoption of FRS 139, other than those disclosed in the statement of changes in equity, are set out below:

	<u>Opening balance as at 1 July 2010</u> RM'000	<u>Effect of FRS 139/FRS 132</u> RM'000	<u>Adjusted opening balance at 1 July 2010</u> RM'000
<b>Non Current Assets</b>			
Other investments	189,226	(189,226)	0
Available-for-sale financial assets	0	189,226	189,226
<b>Current Assets</b>			
Trade and other receivables	779,214	(14,208)	765,006
Amounts due from jointly controlled entities	23,464	(8)	23,456
Amounts due from associates	2,631	(65)	2,566
Derivative financial instruments	0	1,455	1,455
Deposits, bank and cash balances	602,758	<u>(12,005)</u>	590,753
		<b>(24,831)</b>	
<b>Current Liabilities</b>			
Trade and other payables	(955,447)	27,497	(927,950)
Amounts due to jointly controlled entities	(20,783)	48	(20,735)
Short-term borrowings	(236,299)	656	(235,643)
<b>Non Current Liabilities</b>			
Long term loans	(1,599,989)	15,057	(1,584,932)
Convertible Unsecured Loan Stocks (“CULS”)	(11,600)	<u>7,584</u>	(4,016)
		<b>50,842</b>	



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**NOTES TO THE ACCOUNTS**

**PART A : EXPLANATORY NOTES**

**1. ACCOUNTING POLICIES (Continued)**

	Opening balance as at July 2010 RM'000	Effect of FRS 139/FRS 132 RM'000	Adjusted opening balance at 1 July 2010 RM'000
<b>Equity</b>			
Convertible Unsecured Loan Stocks ("CULS")	0	(7,584)	(7,584)
Accumulated losses	112,128	(20,343)	91,785
Other reserves	(1,309)	121	(1,188)
Minority Interest	(524,691)	<u>1,795</u>	522,896
		<b>(26,011)</b>	

	<u>Increase/(decrease)</u> FRS139 RM'000
<b>Balance Sheet as at 31 March 2011</b>	
<b>Current Assets</b>	
Trade and other receivables	4,904
Amounts due from associates	34
Derivative financial instruments	(934)
Deposit, bank and cash balances	<u>12,140</u>
	<b>16,144</b>
<b>Current Liabilities</b>	
Trade and other payables	7,923
Amounts due to jointly controlled entities	(437)
Short-term borrowings	(608)
<b>Non Current Liabilities</b>	
Convertible Unsecured Loan Stocks ("CULS")	<u>928</u>
	<b>7,806</b>
<b>Equity</b>	
Retained earnings	8,290
Minority interest	<u>48</u>
	<b>8,338</b>
<b>For 9 months ended 31 March 2011</b>	
Other operating income	521
Interest income	18,574
Interest expenses	(10,757)
Minority interest	<u>(48)</u>
	<b>8,290</b>
<b>Effect on Earning per shares (sen)</b>	1.39





**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**NOTES TO THE ACCOUNTS**

---

**PART A : EXPLANATORY NOTES**

**2. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The preceding annual financial statements were not subject to any qualification.

**3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS**

The business operations of the Group are not materially affected by seasonal or cyclical fluctuations.

**4. ITEMS OF UNUSUAL NATURE AND AMOUNT**

There were no unusual items.

**5. CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year which give a material effect in the current interim period.

**6. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter and the financial year to-date.

**7. DIVIDENDS PAID**

The first and final net dividend for the financial year ended 30 June 2010 amounting to RM5,972,648 was paid on 28 February 2011.

**8. SEGMENTAL REPORTING**

Management has identified the reported operating segments based on the reports reviewed by the Chief Operating Officer ("COO") that are used to make strategic decisions.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**NOTES TO THE ACCOUNTS**

**PART A : EXPLANATORY NOTES**

**8. SEGMENTAL REPORTING (Continued)**

The segmental report of the Group for the financial year to-date is as follows:

Financial Year To-date 31/03/11								
By activities	EPC & EPCM		Concession, Infrastructure and Investment		Operation & maintenance		Elimination	Total
	Local RM'000	International RM'000	Local RM'000	International RM'000	Local RM'000	International RM'000		
Total revenue	382,617	354,743	230,717	-	536,102	3,929	-	1,508,108
Intersegment revenue	(29)	-	(4,596)	-	(10,715)	(846)	-	(16,186)
External revenue	382,588	354,743	226,121	-	525,387	3,083	-	1,491,922
Total		737,331		226,121		528,470		
	25.6%	23.8%	15.2%	0.0%	35.2%	0.2%		100%
Adjusted EBITDA	57,652	30,084	45,303	-	96,255	(720)	(5,500)	223,074
Total		87,736		45,303		95,535		
	25.8%	13.5%	20.3%	0.0%	43.1%	-0.3%	-2.4%	100%

\* EPC & EPCM/PMC – Engineering, procurement, construction/construction management services and project management services.



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**NOTES TO THE ACCOUNTS**

**PART A : EXPLANATORY NOTES**

**8. SEGMENTAL REPORTING (Continued)**

Financial Year To-date 31/03/10								
By activities	EPC & EPCM		Concession, Infrastructure and Investment		Operation & maintenance		Elimination	Total
	Local RM'000	International RM'000	Local RM'000	International RM'000	Local RM'000	International RM'000	RM'000	RM'000
Total revenue	441,227	362,774	169,119	-	498,249	23,149	-	1,494,518
Intersegment revenue	(62)	-	(3,728)	-	(14,161)	-	-	(17,951)
External revenue	441,165	362,774	165,391	-	484,088	23,149	-	1,476,567
Total		803,939		165,391		507,237		
	29.9%	24.6%	11.2%	0.0%	32.8%	1.5%		100.0%
Adjusted EBITDA	51,385	46,154	44,325	-	150,717	7,850	(6,770)	293,661
Total		97,539		44,325		158,567		
	17.5%	15.7%	15.1%	0.0%	51.3%	2.7%	-2.3%	100.0%

\* EPC & EPCM/PMC – Engineering, procurement, construction/construction management services and project management services.



**RANHILL BERHAD (430537-K)**  
**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2011**  
**NOTES TO THE ACCOUNTS**

**PART A : EXPLANATORY NOTES**

**8. SEGMENTAL REPORTING (Continued)**

By activities	Total assets							Total RM'000
	EPC & EPCM		Concession, Infrastructure and Investment		Operation & maintenance		Elimination	
	Local RM'000	International RM'000	Local RM'000	International RM'000	Local RM'000	International RM'000	RM'000	
31 March 2011	595,709	951,089	2,568,540	133,681	1,014,864	107,540	(900,912)	4,470,511
31 March 2010	499,576	900,206	2,718,252	126,295	981,653	103,609	(1,066,260)	4,263,331

A reconciliation of total adjusted EBITDA to total profit before tax is provided as follows:

	<b>31.03.11</b>	<b>31.03.10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Adjusted EBITDA for reportable segments</b>	223,074	293,661
Interest expenses (under cost of sales)	(1,326)	(4,745)
Depreciation and amortisation	(58,607)	(42,006)
Unrealised forex gain/loss	48,597	23,369
<b>Profit from operation</b>	211,738	270,279
Finance cost	(108,711)	(144,984)
Finance income	31,799	16,830
Share of post tax profits of associates	(424)	301
<b>Profit before taxation</b>	134,402	142,426

**PART A : EXPLANATORY NOTES**

**8. SEGMENTAL REPORTING (Continued)**

Reportable segments assets are reconciled to total assets as follows:

	<b>31.03.11</b>	<b>31.03.10</b>
	<b>RM'000</b>	<b>RM'000</b>
Total segment assets	4,470,511	4,263,331
Deferred tax asset	340,020	374,478
<b>Total assets per balance sheet</b>	<b>4,810,531</b>	<b>4,637,809</b>

The reduction on the reported revenue for EPC&EPCM segment as compared to its preceding year is mainly due to the lower recognition of revenue from Senai Desaru Expressway and Melut Expansion project.

The higher revenue reported for Concession, Infrastructure and Investment segment as compared to its preceding year is mainly due to the higher contribution from the power division upon completion of its Open Cycle in Powertron 2 for Gas Turbine IA ("GTIA")

The lower EBITDA reported for Operation and Maintenance as compared to its preceding year is mainly due to the increase of lease rental to PAAB in Ranhill Utilities for the current year.

**9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The valuation of property, plant and equipment has been brought forward without any amendments from the previous financial statements.

**10. SUBSEQUENT MATERIAL EVENTS**

There are no subsequent material events for the quarter under review.

**11. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

The Group's contingent liabilities are as follows: -

(a) Corporate and bank guarantees of the Group are as follows:

	<b>As at 31/03/11</b>
	<b>RM'000</b>
Bank guarantees facilities utilized by:	
• third parties *	120
• related parties *	42,865
• an unincorporated joint venture**	7,565
<b>Total</b>	<b>50,550</b>

\* these are customers who obtained the contracts and awarded them to the Group, and the bank guarantees were utilized for the purposes of the said contracts.

\*\* the bank guarantee is secured against the joint venture's project proceeds.

**PART A : EXPLANATORY NOTES**

**11. CONTINGENT LIABILITIES OR CONTINGENT ASSETS (Continued)**

- (b) A Parental Guarantee had been issued by the Company in favour of PetroDar Operating Company Limited for the due and complete performance by an unincorporated joint venture for the Engineering, Procurement, Construction and Commissioning of the Al-Jabalyn Central Processing Facilities, Palouge Field Production Facilities and Operation Base Camp Project for the Melut Basin Oil Development, Republic of Sudan.

**12. CAPITAL COMMITMENTS**

Capital commitments not provided for in the financial statements as at 31 March 2011:

	<b>As at 31/03/11</b>
	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Approved and contracted for	36
Approved but not contracted for	12,706
<b>Total</b>	<b>12,742</b>

**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**13. REVIEW OF PERFORMANCE**

The Group registered a consolidated revenue of RM481.4 million and a profit after tax of RM28.2 million for the quarter under review. The revenue registered is RM66.8 million higher as compared to the preceding year's corresponding quarter mainly due to higher recognition from the Powertron 2 (190MW) project and water projects. However the profit after tax attributable to equity holders (PATMI) of RM10.0 million is slightly lower compared to the preceding year corresponding quarter's PATMI of RM13.7 million mainly due to the higher unrealized forex exchange gain recorded in the preceding year's corresponding quarter.

**14. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group recorded a consolidated revenue of RM481.4 million for the quarter under review, this is RM85.9 million lower as compared to the preceding quarter's revenue of RM567.3 million. This is mainly due to lower contribution from the Libya project.

The PATMI of RM10.0 million recorded for the quarter under review is a RM4.2 million decrease from the PATMI of RM14.2 million registered in the preceding quarter mainly due to the lower contribution from the E&C division.

**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**15. FACTORS THAT INFLUENCE THE GROUP'S PROSPECTS**

With the recently awarded oil and gas contract by Petronas, the Group expects continuing strong growth from its Oil & Gas sector arm through Ranhill WorleyParsons Sdn Bhd. Ranhill WorleyParsons Sdn Bhd further enhances its world class skill sets and benefits from its lower cost base compared to its international competitors. As for the Group's E&C division, Amona Ranhill Consortium Sdn Bhd has suspended works in its housing project in Libya due to the force majeure condition.

As in the past, the water and power business will continue to provide steady and recurring revenue, income and cash flow to the Group in the future. The Group expects the revenue and profit contribution from the power business to increase as the new 190MW combined cycle power plant has achieved the completion of its Commercial Operation Date on 23 March 2011.

The Group continues to be exposed to fluctuations in the exchange rate of the US Dollar and Malaysian Ringgit particularly in respect of payments of interest and principal on the USD bond.

**16. PROFIT FORECAST/ PROFIT GUARANTEE**

Not applicable.

**17. TAXATION**

Taxation comprises the following: -

<b>Taxation</b>	<b>Individual Quarter 3 month ended 31 March 2011</b>	<b>Cumulative period 9 month ended 31 March 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Malaysia taxation:</b>		
Current taxation	5,979	15,556
Over provision in prior years	(1,714)	(480)
<b>Foreign taxation:</b>		
Current taxation	(2,214)	4,021
<b>Deferred taxation</b>		
Current taxation	7,860	23,585
Under provision in prior years	57	57
<b>Total</b>	<b>9,968</b>	<b>42,739</b>

The Group's effective tax rate for the current quarter and financial period ended 31 March 2011 was higher than statutory tax mainly due to higher utilisation of tax losses and capital allowance.

**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**18. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There was no sale of unquoted investments and/or properties for the current quarter and the financial year to-date.

**19. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

(a) There was no purchase or disposal of quoted securities for the current quarter and the financial year to-date. However as part of the consideration of the disposal of Ranhill Energy Sdn Bhd's oil and gas investment in Indonesia in the quarter, resulting in the Group owning 50,677 number of Pan Orient Energy Corp shares.

(b) Total investment in quoted securities is as follows:

	<b>RM'000</b>
Investment in quoted securities	
(i) At cost	1,068
(ii) At carrying value/book value as at 30.03.11	1,068
(iii) At market value as at 20 May 2011	809

**20. STATUS OF CORPORATE PROPOSALS**

There was no corporate proposal for the current quarter and the financial year to date.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**



**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**21. GROUP BORROWINGS AND DEBT SECURITIES**

As at 31 March 2011, the Group's borrowings are as follows

Borrowing	Secured		Unsecured		Total RM'000
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000	
Bank overdrafts	6,773	-	32,624	-	39,397
Bankers acceptance/Trust Receipts	3,178	-	-	-	3,178
USD220 million nominal value guaranteed notes	663,427	-	-	-	663,427
Convertible Unsecured Loan Stocks (i)	-	-	-	4,387	4,387
Islamic Medium Term Notes (ii)	55,000	* 422,095	-	-	477,095
Revolving credits	2,000	-	12,000	-	14,000
Term loan (iii)	985	3,935	-	-	4,920
Term loans (iv)	73	127	-	-	200
Term loan (v)	611	5,030	-	-	5,641
Term loan (vi)	11,626	-	-	-	11,626
Term loan (vii)	-	550,923	-	-	550,923
Term loan (viii)	-	59,691	-	-	59,691
Term loan (ix)	42,639	-	-	-	42,639
Term loan (x)	-	2,394	-	-	2,394
Interest payable **	-	-	45,896	-	45,896
<b>Sub-total</b>	<b>786,312</b>	<b>1,044,195</b>	<b>90,520</b>	<b>4,387</b>	<b>1,925,414</b>
Hire-purchase and Finance lease	1,000	1,633	-	-	2,633
<b>Total Borrowing</b>	<b>787,312</b>	<b>1,045,828</b>	<b>90,520</b>	<b>4,387</b>	<b>1,928,047</b>

**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**21. GROUP BORROWINGS AND DEBT SECURITIES (Continued)**

Borrowings denominated in foreign currency are as follows: -

Borrowings	Secured		Unsecured	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
Trust receipts – USD	-	-	-	-
Term loan – USD	54,337	59,819	-	-
Term loan – Thai Baht	985	3,935	-	-
Bank overdraft – USD	-	-	14,997	-
Bank overdraft – Thai Baht	242	-	-	-
Term loan – Chinese Renminbi	611	7,424	-	-
USD220 million nominal value guaranteed notes	663,427	-	-	-

*Note*

\* *Non-recourse borrowings to Ranhill*

\*\* *Interest payable represents the interest that has been accrued for all borrowings as at reporting date.*

- (i) *The Convertible Unsecured Loan Stocks (“CULS”) represent the 20% interest held by minority shareholders of Ranhill Powertron Sdn Bhd. The CULS will be redeemed if not converted before the maturity date in 2019.*
- (ii) *The Islamic Medium Term Notes were issued by Powertron to finance the conversion works of a power plant from open cycle to combined cycle.*
- (iii) *This amount represents borrowings by Ranhill Water Technologies Sdn Bhd to finance the construction and equipment under 20 years water treatment concession (Amata Nakorn)*
- (iv) *The amount represents borrowings by Penang Water Limited (“PWL”) (a jointly controlled entity held by Ranhill Water Technologies Sdn Bhd) to finance the cost of machineries, equipments and M & E works.*
- (v) *This amount represents a borrowing by Ranhill (Nanchang) Waste Water Co. Ltd (a subsidiary held by Ranhill Utilities Sdn Bhd) to finance the Construction of the BOT Plant.*
- (vi) *This amount represents a borrowing by RII to refinance the outstanding amount of RII’s existing syndicated trust receipts facility guaranteed by Ranhill Berhad.*
- (vii) *This amount represents a borrowing by Ranhill Powertron II Sdn Bhd to finance its 190MW combined cycle project at Teluk Salut, Sabah. The funds would be drawn down from the facility limit of RM668million on several stages over the 27 months’ construction period.*
- (viii) *This amount represents a borrowing by Amona Ranhill Consortium Sdn Bhd to part finance the operational expenditure and the purchase of equipments and based camp setup expenditure for housing development project in Tajura, Libya.*

**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**21. GROUP BORROWINGS AND DEBT SECURITIES (Continued)**

- (ix) *This amount represents a bridging loan facility by RB to pay the coupon interest in relation to the USD Notes(USD220mil Guaranteed Notes)*
- (x) *This amount represents a borrowing by Ranhill (Heifei) Wastewater Treatment Co. Ltd (a subsidiary held by Ranhill Utilities Sdn Bhd) to finance the Construction of the BOT Plant.*

Based on total borrowings of RM900.0 million (excluding the non-recourse project finance loans) and the group's shareholders' funds of RM746.6 million, the gearing ratio of the group stands at 1.21 times (Q32010:1.34 times).

**22. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK**

Save as disclosed previously and as updated below, the Company has no financial instruments with off balance sheet risk.

Forward Currency Contracts

The Group has entered into foreign exchange contracts/agreements as stated in schedule below. The change in fair value of these forward currency contracts as recognized in the Group's financial statements amounted to RM521,043.

Contract Value (USD)	Contract Value (RM)	Change in fair value of derivative financial asset
2,464,117	7,977,404	521,043

**23. DISCLOSURE ON UNREALISED GAIN/(LOSS)**

As at 31 March 2011, the Group has unrealised gains amounting to RM50.7 million and unrealised losses amounting to RM26.7 million in the unaudited interim consolidated accumulated losses of the Group as follows:

	<b>Group Unrealised gain</b>	<b>Group Unrealised loss</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax	750	24,392
Unrealised gains/ losses due to changes in fair value of derivatives financial instruments	521	1,455
Unrealised gain/ loss on translation of monetary assets / liabilities denominated in currency other than the functional currency of the entity	49,450	853
	<b>50,721</b>	<b>26,700</b>

**PART B : BURSA SECURITIES LISTING REQUIREMENTS (PART A of Appendix 9B)**

**24. MATERIAL LITIGATION**

Save as disclosed previously and as updated below, the Board has confirmed that the Company and its subsidiaries are not presently engaged in any material litigation either as plaintiff or defendant, claims or arbitration and they are not aware of any proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company and/or its subsidiaries:-

- (a) MAM Contracting and Construction Co. Ltd (“MAM”) against the unincorporated joint venture of Ranhill International Inc (“RII”) and Petroneeds Services International Co (“Petroneeds”) In the Khartoum North District Court

During the trial on 12.04.2011, the court adjourned the matter to 24.05.2011, 31.05.2011, 03.07.2011 and 05.07.2011 respectively.

The solicitors are of the opinion that RPJV has a strong case against MAM.

**25. DIVIDENDS**

The Directors do not recommend any interim dividend for the current quarter.

**26. EARNINGS PER SHARE**

Earnings per share	3rd Quarter		Cumulative Period	
	Current Year Quarter 31/03/11	Preceding Year Corresponding Quarter 31/03/10	Current Year to-date 31/03/11	Preceding Year to-date 31/03/10
Net profit for the period (RM'000)	10,010	13,676	39,870	36,490
<b><u>Basic earnings per share</u></b>				
Weighted average number of ordinary shares in issue ('000)	597,265	597,265	597,265	597,265
Basic earnings per share (sen)	1.68	2.29	6.68	6.11

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares in issue during the quarter and financial year to-date.

**27. AUTHORISED FOR ISSUE**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 26 May 2011.