



Ranhill

RANHILL BERHAD (430537-K)
INTERIM REPORT FOR THE QUARTER PERIOD ENDED 30 JUNE 2011
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter Period 30/06/2011 RM'000	Preceding Year Corresponding Quarter 30/06/2010 RM'000	Current Year To date 30/06/2011 RM'000	Preceding Year Corresponding Period 30/06/2010 RM'000
Revenue	8	499,675	644,149	1,991,597	2,120,716
Cost of sales		(363,450)	(558,551)	(1,509,042)	(1,589,187)
Gross profit		136,225	85,598	482,555	531,529
Other operating income		56	22,662	60,557	111,345
Administrative expenses		(96,474)	(40,306)	(283,675)	(296,185)
Tendering and marketing expenses		(6,796)	(2,394)	(14,689)	(10,850)
Operating profit		33,011	65,560	244,748	335,839
Finance costs		(51,891)	(41,087)	(160,602)	(186,071)
Finance income		4,812	710	36,610	17,540
Finance costs-net		(47,079)	(40,377)	(123,992)	(168,531)
Share of (loss)/profit of associates		(2,115)	(165)	(2,538)	135
(Loss)/profit before taxation		(16,183)	25,018	118,218	167,443
Taxation					
- Company and subsidiaries	17	(14,322)	(6,374)	(57,061)	(57,291)
(Loss)/profit for the year		(30,505)	18,644	61,157	110,152
<u>Other comprehensive income/(loss)</u> <u>net of tax</u>					
Currency translation difference		712	(21,785)	(3,145)	23,295
Share of associate's currency translation differences		-	(275)	-	(275)
Total comprehensive (loss)/income for the period		(29,793)	(3,416)	58,012	133,172
<u>(Loss)/profit attributable to:</u>					
Owners of the parent		(34,469)	(21,151)	5,400	15,339
Minority interests		3,964	39,795	55,757	94,813
		(30,505)	18,644	61,157	110,152
<u>Total comprehensive (loss)/income attributable to:</u>					
Owners of the parent		(33,674)	(40,649)	3,069	42,285
Minority interests		3,881	37,233	54,943	90,887
		(29,793)	(3,416)	58,012	133,172
Basic/diluted (loss)/earnings per share attributable to: equity holders of the Company	26	Sen (5.77)	Sen (3.54)	Sen 0.90	Sen 2.57

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



RANHILL BERHAD (430537-K)
INTERIM REPORT FOR THE QUARTER PERIOD ENDED 30 JUNE 2011
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>UNAUDITED</u>	<u>AUDITED</u>
	As At End of Current Quarter 30 June 2011 RM'000	As At Preceding Year Financial Year End 30 June 2010 RM'000
Note		
Non-current assets		
Property, plant and equipment	1,497,745	1,397,327
Prepaid lease payment	5,293	5,443
Intangible assets	310,929	311,203
Goodwill	41,162	41,162
Investments in associates	7,925	8,528
Other investment	870	-
Available-for-sale financial assets	189,226	189,226
Operating financial assets	88,200	72,232
Investment in oil and gas properties	-	14,686
Amounts due from jointly controlled entities	47	-
Deferred tax assets	333,284	364,403
	<u>2,474,681</u>	<u>2,404,210</u>
Current assets		
Inventories	43,592	27,823
Trade and other receivables	749,582	779,214
Operating financial assets	3,665	688
Amount due from customers on contracts	920,007	759,123
Prepayments	23,378	43,620
Tax recoverable	15,146	19,325
Amounts due from jointly controlled entities	14,137	23,464
Amounts due from associates	2,407	2,631
Deposits, bank and cash balances	578,619	602,758
Total Current assets	<u>2,350,533</u>	<u>2,258,646</u>
Less : Current liabilities		
Trade and other payables	818,228	955,447
Amount due to customers on contracts	491,487	485,656
Amounts due to an associate	216	216
Amounts due to jointly controlled entities	18,133	20,783
Short term borrowings	84,981	236,299
Current tax liabilities	20,539	25,770
Provision for retirement benefits	2,952	2,245
	<u>1,436,536</u>	<u>1,726,416</u>
Total Current liabilities	<u>1,436,536</u>	<u>1,726,416</u>
Net Current assets/(liabilities)	<u>913,997</u>	<u>532,230</u>
Less : Non-current liabilities		
Consumer deposits	67,956	62,122
Provision for retirement benefits	43,640	40,831
Deferred tax liabilities	23,563	23,466
Finance lease liabilities	1,630	1,961
Long term loans	1,923,652	1,599,989
Convertible unsecured loan stocks	4,518	11,600
	<u>2,064,959</u>	<u>1,739,969</u>
	<u>1,323,719</u>	<u>1,196,471</u>
Equity		
Share capital	597,265	597,265
Share premium	185,333	185,333
Other reserves	(1,143)	1,309
Accumulated losses	(67,531)	(112,128)
	<u>713,924</u>	<u>671,779</u>
Capital and reserves attributable to equity holders of the Company	<u>713,924</u>	<u>671,779</u>
Minority interests	602,211	524,692
	<u>1,316,135</u>	<u>1,196,471</u>
Convertible unsecured loan stocks	7,584	-
Total equity	<u>1,323,719</u>	<u>1,196,471</u>
	<u>-</u>	<u>-</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.20</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 QUARTER PERIOD ENDED 30 JUNE 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
At 1 July 2010								
-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
Total comprehensive income	-	-	-	(2,331)	5,400	3,069	54,943	58,012
Acquisition of additional shares in jointly controlled entities	-	-	-	-	(36)	(36)	(16)	(52)
Disposal of shares in subsidiaries	-	-	-	-	24,863	24,863	48,137	73,000
Dividends for the year ended 30 June 2010	-	-	-	-	(5,973)	(5,973)	(23,750)	(29,723)
At 30 June 2011	597,265	597,265	185,333	(1,143)	(67,531)	713,924	602,211	1,316,135
At 1 July 2009								
-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
Total comprehensive income	-	-	-	26,946	15,339	42,285	90,887	133,172
Disposal of interest in a subsidiary to minority interest	-	-	-	881	(881)	-	20,000	20,000
Dividends for the year ended 30 June 2009	-	-	-	-	(4,479)	(4,479)	(279,825)	(284,304)
At 30 June 2010	597,265	597,265	185,333	1,309	(112,128)	671,779	524,692	1,196,471

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 QUARTER PERIOD ENDED 30 JUNE 2011
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	12 months ended 30 June 2011 RM'000	12 months ended 30 June 2010 RM'000
Cash flows from operating activities		
Cash receipts from customers	1,412,006	1,681,448
Cash paid to suppliers and employees	(1,491,788)	(1,670,941)
Cash (used in)/generated from operations	<u>(79,782)</u>	<u>10,507</u>
Tax refund	5,295	2,350
Tax paid	(33,130)	(33,478)
Net cash flow used in operating activities	<u>(107,617)</u>	<u>(20,621)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(187,263)	(460,085)
Proceeds from disposal of property, plant and equipment	325	1,023
Proceeds from disposal of other investment	-	2,210
Proceeds from disposal of investment in oil and gas	2,151	-
Proceed from disposal of water related assets	144,903	937,125
Proceed from disposal of shares in subsidiary to minority interest	73,000	-
Acquisition of associate companies	(1,936)	(3,464)
Placement of fixed deposits pledged	21,135	(37,833)
Deposits paid against purchase consideration for additional interest in subsidiary	-	(12,850)
Purchase of other investment	(20)	(14,441)
Interest received	8,511	7,604
Net cash flow generated from investing activities	<u>60,806</u>	<u>419,289</u>
Cash flows from financing activities		
Payment for termination of Swap Agreement	-	(20,751)
Funds from borrowings	1,051,702	508,036
Repayment of term loans	(781,324)	(415,833)
Payments of finance lease liabilities	(943)	(9,375)
Interest paid	(173,124)	(221,451)
Dividend paid to shareholders	(5,973)	(4,479)
Dividend paid to minority interests	(23,750)	(311,025)
Net cash flow generated from/(used in) financing activities	<u>66,588</u>	<u>(474,878)</u>
Net increase/(decrease) in cash and cash equivalents	19,777	(76,210)
Effect of foreign exchange rate changes	(7,585)	(29,933)
Cash and cash equivalents		
- at the beginning of the period	213,046	319,189
- at the end of the period	<u>225,238</u>	<u>213,046</u>

NOTE 1	RM'000	RM'000
Bank and cash balances	285,843	250,220
Deposits with licensed banks*	292,776	352,538
As per Condensed Consolidated Balance Sheet	<u>578,619</u>	<u>602,758</u>
Restricted deposits*	(167,999)	(192,675)
Restricted sinking funds	(170,129)	(167,166)
Bank overdrafts (Note 21)	(15,253)	(29,871)
As per Condensed Consolidated Cash Flow	<u>225,238</u>	<u>213,046</u>

*The restricted deposits of RM167.999m are pledged with banks as security for banking facilities.

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
Non Current Assets			
Other investments	189,226	(189,226)	0
Available-for-sale financial assets	0	189,226	189,226
Current Assets			
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
		(24,831)	
Current Liabilities			
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)
Non Current Liabilities			
Long term loans	(1,599,989)	15,057	(1,584,932)
Convertible Unsecured Loan Stocks (“CULS”)	(11,600)	<u>7,584</u>	(4,016)
		50,842	



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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
Equity			
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
		(26,011)	

	<u>Increase/(decrease)</u> FRS139 RM'000
Balance Sheet as at 30 June 2011	
Current Assets	
Trade and other receivables	8,484
Amounts due from associates	34
Amount due from jointly controlled entity	(125)
Derivative financial instruments	(1,454)
Deposit, bank and cash balances	<u>12,140</u>
	19,079
Current Liabilities	
Trade and other payables	7,576
Amounts due to jointly controlled entities	(674)
Short-term borrowings	1,903
Non Current Liabilities	
Convertible Unsecured Loan Stocks ("CULS")	<u>1,255</u>
	10,060
Equity	
Retained earnings	9,393
Currency transaction reserve	(169)
Minority interest	<u>(205)</u>
	9,019
For 12 months ended 30 June 2011	
Interest income	22,375
Interest expenses	(13,187)
Minority interest	<u>205</u>
	9,393
Effect on Earning per shares (sen)	1.57



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INTERIM REPORT FOR THE QUARTER PERIOD ENDED 30 JUNE 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.

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INTERIM REPORT FOR THE QUARTER PERIOD ENDED 30 JUNE 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 30/06/11								
By activities	EPC & EPCM		Concession, Infrastructure and Investment		Operation & maintenance		Elimination RM'000	Total RM'000
	Local RM'000	International RM'000	Local RM'000	International RM'000	Local RM'000	International RM'000		
Total revenue	515,053	403,708	356,065	-	730,219	9,970	-	2,015,015
Intersegment revenue	(29)	-	(6,775)	-	(14,667)	(1,947)	-	(23,418)
External revenue	515,024	403,708	349,290	-	715,552	8,023	-	1,991,597
Total		918,732		349,290		723,575		
	25.9%	20.3%	17.5%	0.0%	35.9%	0.4%		100%
Adjusted EBITDA	72,444	39,512	95,372	-	122,728	1,810	(6,261)	325,605
Total		111,956		90,372		124,538		
	22.2%	12.1%	29.3%	0.0%	37.7%	0.6%	-1.9%	100%

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



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NOTES TO THE ACCOUNTS

PART A : EXPLANATORY NOTES

8. SEGMENTAL REPORTING (Continued)

Financial Year To-date 30/06/10								
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	568,258	594,595	241,566	-	708,873	29,780	-	2,143,072
Intersegment revenue	(63)	-	(6,529)	-	(12,809)	(2,955)	-	(22,356)
External revenue	568,195	594,595	235,037	-	696,064	26,825	-	2,120,716
Total	26.8%	1,162,790 28.0%	11.1%	235,037 0.0%	32.8%	722,889 1.3%		100.0%
Adjusted EBITDA	(38,692)	83,680	53,619	-	204,758	(299)	105,442	408,508
Total	-9.5%	44,988 20.5%	13.1%	53,619 0.0%	50.1%	208,459 0.0%	25.8%	100.0%

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



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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	
30 June 2011	619,669	934,766	2,658,667	93,118	1,029,545	126,446	(970,281)	4,491,930
30 June 2010	594,299	802,225	2,303,494	132,172	1,068,134	100,375	(702,246)	4,298,453

PART A : EXPLANATORY NOTES

8. SEGMENTAL REPORTING (Continued)

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

	30.06.11	30.06.10
	RM'000	RM'000
Adjusted EBITDA for reportable segments	325,605	408,508
Interest expenses (under cost of sales)	(1,353)	(7,301)
Depreciation and amortisation	(82,843)	(64,872)
Impairment on ICULS	-	(31,398)
Unrealised forex gain/loss	3,340	30,902
Profit from operation	244,749	335,839
Finance cost	(160,602)	(186,071)
Finance income	36,610	17,540
Share of post tax profits of associates	(2,539)	135
Profit before taxation	118,218	167,443

Reportable segments assets are reconciled to total assets as follows:

	30.06.11	30.06.10
	RM'000	RM'000
Total segment assets	4,491,930	4,298,453
Deferred tax asset	333,284	364,403
Total assets per balance sheet	4,825,214	4,662,856

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 SDE project, Melut Expansion project and as well as the suspension of work in the Libya Housing 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.

PART A : EXPLANATORY NOTES

10. SUBSEQUENT MATERIAL EVENTS

Amona Ranhill Consortium Sdn Bhd (“ARC”), a subsidiary of the Group has on 14 August 2011 served a Notice of Termination on the Housing Infrastructure Board (“HIB”) of Libya to terminate the General Works Contract for the design, build and handover of 10,680 housing units in Tajura, Libya (“Libya Contract”) pursuant to Article 36 of the Libya Contract as a result of the force majeure events currently being faced in Libya (“Termination of Libya Contract”).

In February 2011, social and political unrest started in Libya and as a consequence, Group evacuated its workforce out of Libya and suspended work on the Project. The social and political unrest that started in February 2011 escalated into a civil war between government and rebel forces which has resulted in Group being unable to return to site.

In March 2011, the UN Security Council adopted resolution 1973 which called for the enforcement of a no-fly zone over Libya and for the protection of the local population. From around 17 March 2011, aerial bombardments started over Libyan territory. Since mid March 2011, the Project Site has been occupied by government forces and as a result Group can no longer secure or access the Site.

As a consequence, based upon legal advice received, pursuant to Article (36) of the Contract and Article 360 of the Libyan Civil Code, on 14 August 2011 Group gives notice to the HIB of immediate termination of its employment under the Contract.

The following table highlights ARC and Ranhill Berhad Group’s position in respect of the Libyan Contract.

Assets	RM million	Liabilities	RM million
Amount Due from Customers	417.85	Amount Due to Customers	436.05
Trade Receivables	97.53	Trade Creditors	129.44
Other Receivables	17.10	Tax payables	16.11
Investments & Fixed Assets	64.22	Long Term Loan	58.02
Sinking Funds	157.92		
Cash and Bank Balances	8.71		
TOTAL	763.33	TOTAL	639.62

It is the intention of ARC to submit a claim for loss and expense arising from the termination of the contract as well as other claims for work done up to the date of termination. In addition, the legal opinion states that the termination does not affect ARC’s ability to negotiate its claims for time and money which were under consideration by HIB at the time the Project was suspended in February 2011. No decision has been reached to date on the financial impact as the Group is still unable to ascertain the full position of both asset and liabilities with certainty.

ARC had also issued performance bonds and advance payment guarantees (which is partially secured by sinking fund totaling RM157.92m) as follows:-

Bonds/Guarantees	Note	RM million
Performance Bond 1	1	28.3
Advance Payment Guarantee 1	1	161.7
Advance Payment Guarantee 2		258.0
Performance Bond 2	2	45.1

*Note 1: Issued by Sahara Bank on Ranhill’s behalf based on counter guarantee of a Malaysian bank.

*Note 2: Issued by Sahara Bank on Ranhill’s behalf based on counter guarantee of a foreign bank.

PART A : EXPLANATORY NOTES

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:

	As at 30/06/11
	RM'000
Bank guarantees facilities utilized by:	
• third parties *	120
• related parties *	42,286
• an unincorporated joint venture**	7,549
Total	49,955

* 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.

- (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 30 June 2011:

	As at 30/06/11
	RM'000
Property, plant and equipment	
Approved and contracted for	6,282
Approved but not contracted for	32,062
Total	38,344

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

13. REVIEW OF PERFORMANCE

The Group registered a consolidated revenue of RM499.7 million and a loss after tax of RM34.5 million for the quarter under review. The revenue registered is RM144.4 million lower as compared to the preceding year's corresponding quarter mainly due to lower recognition of revenue from Libya Housing project and Senai Desaru Expressway project. The loss after tax attributable to equity holders (LATMI) of RM34.5 million, a RM13.3 million reduction compared to the preceding year corresponding quarter's LATMI of RM21.2 million mainly due to the premium that have to be paid due to early redemption of the USD bond as per the trust deed. In addition, the losses are also due to the charging out of the total cost yet to be amortised in relation to the early redemption of both the USD bond and Ranhill Powertron II's term loan.

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

14. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a consolidated revenue of RM499.7 million for the quarter under review, which is RM18.3 million higher as compared to the preceding quarter's revenue of RM481.4 million. This is mainly due to higher contribution from Ranhill WorleyParsons Sdn Bhd .

The LATMI of RM34.5 million recorded for the quarter under review is a RM44.5 million decrease from the PATMI of RM10.0 million registered in the preceding quarter mainly due to the premium that was paid due to early redemption of the USD bond as per the trust deed. In addition, the losses are also due to the charging out of the total cost yet to be amortised in relation to the early redemption of both the USD bond and Ranhill Powertron II's term loan.

15. FACTORS THAT INFLUENCE THE GROUP'S PROSPECTS

With the recently awarded oil and gas contract by Petronas, the Group expects continuing growth from the engineering works of 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.

The suspension of works in Libya and its subsequent termination had a significant impact to the construction division. The eventual termination of the Libya project had depleted the Group's order book substantially. However, the company will continue to participate in tendering for new construction project.

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

16. PROFIT FORECAST/ PROFIT GUARANTEE

Not applicable.

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

17. TAXATION

Taxation comprises the following: -

Taxation	Individual Quarter 3 month ended 30 June 2011	Cumulative period 12 month ended 30 June 2011
	RM'000	RM'000
Malaysia taxation:		
Current taxation	6,313	21,869
Over provision in prior years	(1,549)	(2,029)
Foreign taxation:		
Current taxation	1,986	6,007
Deferred taxation		
Current taxation	8,441	32,026
Under provision in prior year	(869)	(812)
Total	14,322	57,061

The Group's effective tax rate for the current quarter and financial period ended 30 June 2011 was higher than statutory tax mainly due to higher non allowable expenses.

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 during the financial year, the Group now owns 50,677 number of Pan Orient Energy Corp shares.

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

	RM'000
Investment in quoted securities	
(i) At cost	1,068
(ii) At carrying value/book value as at 30.06.11	849
(iii) At market value as at 5 August 2011	565

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

20. STATUS OF CORPORATE PROPOSALS

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

21. GROUP BORROWINGS AND DEBT SECURITIES

As at 30 June 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	7,231	-	8,022	-	15,253
Bankers acceptance/Trust Receipts	2,818	-	-	-	2,818
USD220 million nominal value guaranteed notes ***	-	-	-	-	-
Convertible Unsecured Loan Stocks (i)	-	-	-	4,518	4,518
Islamic Medium Term Notes (ii)	55,000	* 368,994	-	-	423,994
Revolving credits	2,000	-	-	-	2,000
Term loan (iii)	1,025	3,633	-	-	4,658
Term loans (iv)	73	128	-	-	201
Term loan (v)	625	5,150	-	-	5,775
Term loan (vi)	6,899	-	-	-	6,899
Term loan (vii)	-	-	* -	-	-
Term loan (viii)	-	58,019	-	-	58,019
Term loan (ix)	-	-	-	-	-
Term loan (x)	-	7,353	-	-	7,353
RM800 million nominal value SUKUK	-	800,000	-	-	800,000
RM690 million nominal value SUKUK	-	680,375	-	-	680,375
Interest payable **	-	-	1,288	-	1,288
Sub-total	75,671	1,923,652	9,310	4,518	2,013,151
Hire-purchase and Finance lease	1,008	1,630	-	-	2,638
Total Borrowing	76,679	1,925,282	9,310	4,518	2,015,789

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
Term loan – USD	73	58,148	-	-
Term loan – Thai Baht	1,025	3,633	-	-
Bank overdraft – USD	-	-	14,997	-
Bank overdraft – Thai Baht	232	-	-	-
Term loan – Chinese Renminbi	625	12,503	-	-

Note

* *Non-recourse borrowings to Ranhill*

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

*** *The amount has been fully paid on 2nd June 2011*

- (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 machinery, equipment and Mechanical & Engineering 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. This loan has been fully repaid during the year.*
- (viii) *This amount represents a borrowing by Amona Ranhill Consortium Sdn Bhd to partly finance the operational expenditure and the purchase of equipment and base 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). This loan has been fully repaid during the year.*
- (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 RM1,591.8 million (excluding the non-recourse project finance loans) and the group's shareholders' funds of RM713.9 million, the gearing ratio of the group stands at 2.23 times (Q42010:1.36 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 RM439.

Contract Value (USD)	Contract Value (RM)	Change in fair value of derivative financial asset
73,174	220,691	439

23. DISCLOSURE ON UNREALISED GAIN/(LOSS)

As at 30 June 2011, the Group has unrealised gains amounting to RM5.9 million and unrealised losses amounting to RM35.3 million in the unaudited interim consolidated accumulated losses of the Group as follows:

	Group Unrealised gain	Group Unrealised loss
	RM'000	RM'000
Deferred tax	1,869	33,083
Unrealised gains/ losses due to changes in fair value of derivatives financial instruments	0	1,455
Unrealised gain/ loss on translation of monetary assets / liabilities denominated in currency other than the functional currency of the entity	4,080	740
	5,949	35,278

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 10.7.2011, the court adjourned the matter to 11.09.2011, 14.09.2011, 18.09.2011 and 20.09.2011 respectively.

The solicitors are of the opinion that RPJV has a strong case against MAM and now in the midst of filing a claim against MAM.

25. DIVIDENDS

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

26. EARNINGS PER SHARE

Earnings per share	Quarter Period		Cumulative Period	
	Current Quarter Period 30/06/11	Preceding Year Corresponding Quarter 30/06/10	Current Year to-date 30/06/11	Preceding Year to-date 30/06/10
Net(loss)/ profit for the period (RM'000)	(34,469)	(21,151)	5,400	15,339
<u>Basic earnings per share</u>				
Weighted average number of ordinary shares in issue ('000)	597,265	597,265	597,265	597,265
Basic (loss)/earnings per share (sen)	(5.77)	(3.54)	0.90	2.57

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 25 August 2011.