



Company No. : 570244-T
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2006.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2006 RM'000	Preceding year corresponding quarter 30/6/2005 RM'000	Six months to 30/6/2006 RM'000	Six months to 30/6/2005 RM'000
Revenue (Remark 1)	510,806	420,357	1,025,832	825,692
Cost of operations	(153,804)	(138,328)	(288,526)	(309,757)
Gross profit	357,002	282,029	737,306	515,935
Other income (Remark 3)	10,003	8,710	23,443	350,373
General and administration expenses	(7,527)	(12,462)	(18,116)	(17,948)
Finance income	16,415	12,821	31,381	24,792
Finance costs	(108,713)	(95,514)	(217,418)	(188,517)
Profit before taxation	267,180	195,584	556,596	684,635
Taxation (Note 14)	118	(1,435)	(2,676)	(3,236)
Profit for the period attributable to equity holders of the parent	267,298	194,149	553,920	681,399
Basic earnings per share (Note 26)				
- before Senai Compensation (Remark 3)	5.35 sen	3.88 sen	11.08 sen	6.99 sen
- after Senai Compensation (Remark 3)	5.35 sen	3.88 sen	11.08 sen	13.63 sen

The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.



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Remarks :-

1. Revenue consists of expressway toll collections, toll compensation recoverable from the Government, net of the Government's share of toll revenue (if any), and operation service fees receivable from the provision of expressway operation services to other expressway companies. Revenue is analysed as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Toll collection	411,680	412,250	820,678	815,664
Gross toll compensation	159,364	42,436	317,764	83,964
Less: Notional tax on tax exempt dividend (a)	(62,222)	(38,889)	(116,578)	(77,778)
Notional interest on Government Support Loan ("GSL") (b)	-	2,639	-	-
Net toll compensation	97,142	6,186	201,186	6,186
Net toll revenue	508,822	418,436	1,021,864	821,850
Operation service fees	1,984	1,921	3,968	3,842
Total revenue	510,806	420,357	1,025,832	825,692

- (a) For the period under review, net toll compensation has been computed after taking into account, inter alia, the effects of notional tax on tax exempt dividend (pursuant to the provisions of the Second Supplemental Concession Agreement with the Government) based on the dividend declared by Projek Lebuhraya Utara-Selatan Berhad ("PLUS"), the wholly owned subsidiary of PLUS Expressways Berhad. The deduction of notional tax on tax exempt dividend for the first quarter 2006 included the excess amount brought forward from year 2005 of RM3.83 million.
- (b) Pursuant to the provisions under the Third Supplemental Concession Agreement ("TSCA") dated 22 April 2005, the notional interest on GSL for the year 2005 and the years thereafter shall be equivalent to nil. The provision of notional interest on GSL made in the first quarter 2005 of RM2.6 million has been reversed accordingly in the second quarter of 2005.



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2. Included in cost of operations and general and administration expenses is the amount of depreciation and amortisation, analysed as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2006 RM'000	Preceding year corresponding quarter 30/6/2005 RM'000	Six months to 30/6/2006 RM'000	Six months to 30/6/2005 RM'000
Depreciation of property, plant and equipment	1,326	2,206	2,601	4,496
Amortisation of concession assets	52,892	43,527	103,345	85,070
Amortisation of intangible assets	<u>265</u>	<u>208</u>	<u>516</u>	<u>401</u>
Total depreciation and amortisation	<u><u>54,483</u></u>	<u><u>45,941</u></u>	<u><u>106,462</u></u>	<u><u>89,967</u></u>

3. Included in other income for the six months ended 30 June 2005 is the compensation amount of RM331.68 million due to PLUS by the Government as a result of the closure of the Senai toll plaza ("Senai Compensation") effective 1 March 2004.



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II. **CONDENSED CONSOLIDATED BALANCE SHEET**

		Unaudited As at end of current quarter 30/6/2006	Audited As at preceding financial year-end 31/12/2005 (As restated)
	<u>Note</u>	RM'000	RM'000
ASSETS			
Non-current assets			
Concession assets		8,737,704	8,718,554
Property, plant and equipment		42,749	43,500
Intangible assets		3,116	3,546
Deferred tax assets		70,322	70,322
Toll compensation recoverable from the Government		767,470	566,284
Long term investment	16(c)	21,269	-
		9,642,630	9,402,206
Current assets			
Inventories		133	266
Amount recoverable from the Government for Additional Works	27	128,761	22,400
Sundry receivables, deposits and prepayments		25,121	21,855
Amount owing by related companies		2,631	5,645
Short term investments	16(b)	10,616	20,438
Short term deposits		2,179,937	2,526,073
Cash and bank balances		4,928	8,908
		2,352,127	2,605,585
Total assets		11,994,757	12,007,791



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II. **CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)**

	<u>Note</u>	Unaudited As at end of current quarter 30/6/2006	Audited As at preceding financial year-end 31/12/2005 (As restated)
		RM'000	RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,250,000	1,250,000
Reserves			
Capital reserve		461,138	461,138
Merger reserve		298,834	298,834
Other non-distributable reserves		341	-
Retained profits		2,455,390	2,151,470
Total equity		<u>4,465,703</u>	<u>4,161,442</u>
Non-current liabilities			
Long term borrowings	18	6,096,748	6,568,198
Amount owing to immediate holding company		6,885	6,885
Retirement benefits		10,787	10,171
Deferred liabilities		42,363	42,765
Deferred tax liabilities		1,544	1,543
		<u>6,158,327</u>	<u>6,629,562</u>
Current liabilities			
Trade payables		6,949	10,066
Sundry payables and accruals		53,073	60,145
Amount received from the Government for Additional Works	27	698,637	688,202
Amount owing to immediate holding company		36,254	17,998
Amount owing to related companies		25,503	39,768
Short term borrowings	18	550,000	400,000
Taxation		311	608
		<u>1,370,727</u>	<u>1,216,787</u>
Total liabilities		<u>7,529,054</u>	<u>7,846,349</u>
Total equity and liabilities		<u>11,994,757</u>	<u>12,007,791</u>
Net assets per share attributable to ordinary equity holders of the parent		<u>RM0.89</u>	<u>RM0.83</u>

The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.



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III. **CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Unaudited Six months to 30/6/2006 RM'000	Unaudited Six months to 30/6/2005 RM'000
Cash flows from operating activities		
Cash receipts from toll operations	818,948	814,062
Cash receipts from other services	29,026	23,915
Cash compensation received from Government in relation to closure of Senai toll plaza	-	281,410
Cash payments for expenses	(217,027)	(200,419)
Cash generated from operations	630,947	918,968
Income taxes paid	(2,972)	(2,142)
Future maintenance expenditure received	800	-
Net cash generated from operating activities	628,775	916,826
Cash flows from investing activities		
Profit element and interest income received	27,699	16,760
Proceeds from sales of property, plant & equipment	22	80
Proceeds from maturity of short term investments	50,000	15,000
Amount received from the Government for Additional Works (Note 27)	-	680,590
Interest earned on amount received from the Government for Additional Works (Note 27)	10,435	-
Purchase of property, plant and equipment	(2,337)	(5,865)
Purchase of short term investment	(61,183)	(5,021)
Payments for Additional Works	(88,169)	-
Payments for concession assets	(123,920)	(131,866)
	(187,453)	569,678
Cash flows from financing activities		
Redemption of Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	(400,000)	(300,000)
Profit element on BAIDS paid	(141,438)	(148,112)
Proceeds from issuance of Zero Coupon Serial Bai Bithaman Ajil Islamic Securities ("Zero Serial BBA")	-	1,047,972
Settlement of Government Support Loan and Additional Support Loan	-	(962,000)
Dividends paid	(250,000)	(200,000)
Net cash flow from financing activities	(791,438)	(562,140)
Net change in cash and cash equivalents	(350,116)	924,364
Cash and cash equivalents as at beginning of the financial period	2,534,981	1,360,042
Cash and cash equivalents as at end of the financial period	(a) 2,184,865	2,284,406
	Unaudited As at 30/6/2006 RM'000	Unaudited As at 30/6/2005 RM'000
(a) Cash and cash equivalents comprise the following amounts:		
Short term deposits	2,179,937	2,280,118
Cash and bank balances	4,928	4,288
	2,184,865	2,284,406

The use of the balances in PLUS, which include the minimum amounts of RM1,049.3 million (2005: RM901.4 million) held under the Finance Service Reserve Account and Maintenance Reserve Account pursuant to the Bai Bithaman Ajil Islamic Debt Securities ("BAIDS") agreement, is subject to certain covenants and restrictions as set out in the security arrangements of the bonds. In addition, the amount received from the Government of RM680.6 million and total interest earned of RM18.0 million shall be used solely for the Additional Works pursuant to the provisions under the TSCA.

The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.



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IV **CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the parent →					Total Equity RM'000
	Share Capital RM'000	← Non Distributable →			Retained Profit RM'000	
	Capital Reserve RM'000	Merger Reserve RM'000	Other Reserve RM'000			
Six months to 30 June 2006 (Unaudited)						
Balance as at 1 January 2006	1,250,000	461,138	298,834	-	2,151,470	4,161,442
Net profit for the period	-	-	-	-	553,920	553,920
Share-based payment	-	-	-	341	-	341
Final tax exempt dividend FY2005 (Note 7)	-	-	-	-	(250,000)	(250,000)
Balance as at 30 June 2006	<u>1,250,000</u>	<u>461,138</u>	<u>298,834</u>	<u>341</u>	<u>2,455,390</u>	<u>4,465,703</u>
Six months to 30 June 2005 (Unaudited)						
Balance as at 1 January 2005	1,250,000	461,138	298,834	-	1,487,719	3,497,691
Net profit for the period	-	-	-	-	681,399	681,399
Final tax exempt dividend FY2004	-	-	-	-	(200,000)	(200,000)
Balance as at 30 June 2005	<u>1,250,000</u>	<u>461,138</u>	<u>298,834</u>	<u>-</u>	<u>1,969,118</u>	<u>3,979,090</u>

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.



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V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

1. **Accounting policies and methods of computation**

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134₂₀₀₄, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of an accounting policy on non-current investments and the following new/revised Financial Reporting Standards ("FRS") effective 1 January 2006 as disclosed below:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

Details of the non-current investments accounting policy adopted during the year are as follows:

Non-Current Investments

Non-current investments other than investments in subsidiaries are stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses are in accordance with that of the most recent financial statements of the Group. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is charged or credited to the Income Statement.

The adoption of FRS 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:-

a) **FRS 2: Share-based Payment**

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity or entity's parent or another entity in the same group as the entity.

United Engineers (Malaysia) Berhad ("UEM") operates an equity-settled, share-based compensation plan for the eligible employees of UEM, its subsidiaries and certain of its associates and Khazanah Nasional Berhad, namely the Employee Equity Scheme ("EES"), in relation to the shares of UEM World Berhad.

As a subsidiary of UEM, the employees of PLUS Expressways Berhad and its subsidiary company participate in the EES. Prior to 1 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting period of the grants with a corresponding increase in equity.

Under the transitional provisions of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006. The share options granted under the above EES during financial year 2005 have been fully vested and as such, have no impact to the financial statements.

Should there be any share options granted after 1 January 2006, the imputed charges of the share options will be recognised in the Income Statement over the vesting period. For the current period under review, FRS 2 has resulted in a charge of approximately RM0.3 million to the profit of the Group arising from the share options under the EES granted to the employees of the Group.



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b) **FRS 101: Presentation of Financial Statements**

The current period's presentation of the Groups' financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform to the current period's presentation.

In the Consolidated Balance Sheet, toll compensation recoverable from the Government which is expected to be realised for at least twelve months after the balance sheet date is now reclassified as non-current assets as at the balance sheet date as shown in note 1(d) below.

c) **FRS 138: Intangible Assets**

With the adoption of FRS 138, the Group changed its accounting policy and classification of certain acquired computer software and licenses whereby computer software and licenses that are not forming an integral part of the related hardware are reclassified as intangible assets from property, plant and equipment as shown in note 1(d) below. The intangible assets are stated at cost less accumulated amortisation and impairment costs. Costs are amortised on a straight line basis over their estimated useful lives of 5 years. The carrying value of intangible assets is reviewed for impairment whenever event or changes in circumstances indicate the carrying value may not be recoverable.

There is no impact to the annual amortisation of the intangible assets as a result of the reclassification.

d) **Comparatives**

The following amounts as at 31 December 2005 have been reclassified:

	Previously		
	Stated	Reclassification	Restated
	RM'000	RM'000	RMM'000
Non-current assets:			
Property, plant and equipment (Note 1c)	47,046	(3,546)	43,500
Intangible assets (Note 1c)	-	3,546	3,546
Toll compensation recoverable from the Government (Note 1b)	-	566,284	566,284
Current assets			
Toll compensation recoverable from the Government (Note 1b)	566,284	(566,284)	-

2. **Audit report in respect of the 2005 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2005 was not qualified.

3. **Seasonal or cyclical factors**

The Group's operations are not subject to any significant seasonal or cyclical factors, except that toll collection is generally higher during holiday and festive periods.

4. **Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flow that were unusual because of their nature, size and incidence in the current period.

5. **Material changes in estimates used**

There were no changes in estimates of amounts reported in prior interim period of the current financial period or prior financial years that have a material effect in the current period except as disclosed below:

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the residual values of its aircraft and motor vehicles with effect from 1 January 2006. The revisions were accounted for as change in accounting estimates and as a result, the depreciation charges for the six months ended 30 June 2006 have been reduced by RM2.0 million.



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6. Debt and equity securities

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 June 2006 except for the redemption of Primary Bonds of BAIDS amounting to RM400 million by PLUS in May 2006.

7. Dividend

A final tax exempt dividend of 5.0 sen per share amounting to RM250,000,000 for financial year ended 31 December 2005 was paid on 31 May 2006.

The Directors have, on even date, announced the declaration of an interim tax dividend of 5.0 sen per ordinary share of RM0.25 each for the financial year ending 31 December 2006 (2005: interim tax exempt dividend of 4.0 sen per ordinary share of RM0.25 each). The entitlement date for the interim dividend shall be on 11 September 2006 and the payment date shall be on 29 September 2006.

8. Segment information for the current financial period

No segment analysis is prepared as the Group is primarily engaged in the operation and maintenance of toll roads and expressways in Malaysia.

9. Valuation of property, plant and equipment

The valuations of property, plant and equipment used in the condensed financial statements have been brought forward without amendment from the previous financial statements.

10. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen from 30 June 2006 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 2006, except as disclosed in Note 11(b) below.

11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations except as stated below:-

As announced in the previous quarter, PLUS Expressways Berhad has received a letter of acceptance on 16 May 2006 from the Maharashtra State Road Development Corporation Ltd ("MSRDC") of India in relation to the tender bid jointly submitted with Concept Management Consulting Private Limited ("CMCL") through an unincorporated consortium on 15 December 2005 for the proposed four laning & improvement, operation and maintenance and toll collection of Bhiwandi – Kalyan – Shil Phata Highway on Build, Operate and Transfer basis ("BKSP project"). In relation to this, the following foreign subsidiaries were incorporated subsequently:

- (a) On 9 June 2006, PLUS Expressways Berhad has incorporated a foreign subsidiary in Port Louis, Mauritius vide a subscription of 2 ordinary shares of American Dollar ("USD") 1.00 each representing 100% equity interest in PLUS Kalyan (Mauritius) Private Limited ("PLUS Kalyan") for a total cash consideration of USD2.00 only.

PLUS Kalyan is a private company limited by shares with paid up capital of USD2.00 comprising 2 shares of USD1.00 each. The intended principal activity of PLUS Kalyan is investment holding.

- (b) On 24 July 2006, PLUS Expressways Berhad has caused a foreign subsidiary, PLUS BKSP Toll Limited ("PLUS BKSP") to be incorporated in Kanpur, India as a special purpose vehicle company to execute the BKSP project as mentioned above. PLUS Expressways Berhad has subscribed to 55% of PLUS BKSP's equity interest and the remaining 45% is subscribed by CMCL and 5 other individuals.

PLUS BKSP is a public company limited by shares with paid-up capital of Indian Rupee ("INR") 500,000, comprising 50,000 shares of INR10.00 each.



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12. Contingent liabilities

As at the date of this announcement, there does not exist any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

13. Capital commitments

As at 30/6/2006

RM'000

Amount authorised and contracted for

- Additional Works	930,457
- Others	<u>265,491</u>
	<u><u>1,195,948</u></u>

14. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/6/2006 RM'000	Preceding year corresponding quarter 30/6/2005 RM'000	Six months to 30/6/2006 RM'000	Six months to 30/6/2005 RM'000
Malaysian taxation				
- Current taxation	452	1,635	2,323	2,638
- Under provision of taxation in respect of prior years	-	-	352	-
- Deferred taxation	<u>(570)</u>	<u>(200)</u>	<u>1</u>	<u>598</u>
	<u><u>(118)</u></u>	<u><u>1,435</u></u>	<u><u>2,676</u></u>	<u><u>3,236</u></u>

The Minister of Finance has, on 25 June 2003, made an order which may be cited as Income Tax (Exemption) (No. 34) Order 2003, exempting PLUS from payment of income tax in respect of its adjusted income from all sources from 2002 until 2006.

The taxation for the current year quarter of RM0.45 million mainly relates to income received by PLUS Expressways Berhad for provision of expressway operational services to other expressway companies.

The deferred tax charge for the current financial period arose principally due to the accelerated capital allowances of PLUS Expressways Berhad.

15. Disposal of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties in the current period except for the maturity of unquoted investment of RM50 million in the commercial papers/medium term notes.

16(a) Acquisitions and disposals of quoted securities

There were no acquisitions and disposals of quoted securities in the current period ended 30 June 2006.



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16(b) Short term investments

Total short term investments in securities as at 30 June 2006 are as follows:

	As at 30/6/2006
	RM'000
Quoted shares, at cost	1,164
Less: Accumulated impairment loss	(532)
Net carrying amount of quoted shares (Note i)	<u>632</u>
Unquoted investment-at cost (Note ii)	<u>9,984</u>
Total short term investments	<u><u>10,616</u></u>

Note i: The market value of the quoted shares was RM632,000 as at 30 June 2006.

Note ii: For the current period under review, the subsidiary company purchased unquoted investment in the form of Islamic commercial papers.

16(c) Long term investment

	As at 30/6/2006
	RM'000
Total unquoted long term investments-at carrying value	<u>21,269</u>

For the current period under review, the subsidiary company purchased unquoted long term investment in the form of Islamic bonds, with maturity of more than 12 months.

17. Status of corporate proposals announced but not completed as at the date of this announcement

There were no corporate proposals announced but not completed as at the date of this announcement.

18. Borrowings and debt securities

The details of Group borrowings and debt securities as at 30 June 2006 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Debt securities						
Domestic						
- BAIDS (Note a)	3,550,000	-	3,550,000	550,000	-	550,000
- Bai Bithaman Ajil Serial Bonds	1,424,909	-	1,424,909	-	-	-
- Zero Coupon Serial Bai Bithaman Ajil Islamic Securities	1,121,839	-	1,121,839	-	-	-
TOTAL	6,096,748	-	6,096,748	550,000	-	550,000

(a) Included in Sundry payables and accruals in the Condensed Consolidated Balance Sheet as at 30 June 2006 is the profit amount for BAIDS of RM22.3 million due and payable in November 2006.



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19. Off Balance Sheet financial instruments

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

20. Material litigation

The Company and its subsidiary have no outstanding material litigation as at the date of this announcement.

21. Comparison between the current quarter and the immediate preceding quarter

Toll collection (as disclosed in Remark 1 to the Condensed Consolidated Income Statement) for the current quarter grew by RM2.7 million to RM411.7 million as compared to the immediate preceding quarter, attributable to a 0.7% growth in traffic volume.

Total revenue of RM510.8 million for the current quarter was RM4.2 million or 0.8% lower than the immediate preceding quarter due to lower net toll compensation as a result of higher notional tax on tax exempt dividend.

Profit before taxation for the current quarter of RM267.2 million was RM22.2 million or 7.7% lower than the immediate preceding quarter of RM289.4 million. This is mainly due to lower revenue as explained above and higher management expenditure and amortisation charge of concession assets.

22. Review of performance for the current quarter and year-to-date

Toll collection for the second quarter 2006 (as set out in Remark 1 to the Condensed Consolidated Income Statement) was lower by RM0.6 million or 0.1% as compared to second quarter 2005. For the half year ended 30 June 2006, toll collection increased by RM5.0 million to RM820.7 million from RM815.7 million for the same period last year, on a year-on-year traffic growth of 0.6%.

Total revenue for the current quarter of RM510.8 million was RM90.4 million or 21.5% higher than the preceding year corresponding quarter of RM420.4 million. As for the first six months of 2006, the Group reported total revenue of RM1,025.8 million which was RM200.1 million or 24.2% higher than RM825.7 million for the same period last year. The growth is primarily attributed to higher net toll compensation due to higher differential in the agreed toll rate per SCA (18.91 sen per km) and actual toll rate as imposed (13.60 sen per km) for computation of gross toll compensation, effective 1 January 2006.

Profit before taxation for the current quarter of RM267.2 million was RM71.6 million or 36.6% higher than the preceding year corresponding quarter of RM195.6 million, primarily attributable to higher revenue as explained above.

Profit before taxation for the six months ended 30 June 2006 of RM556.6 million was 18.7% or RM128.0 million lower than the preceding year corresponding period of RM684.6 million. For comparative purpose, excluding the one-off Senai Compensation recognised in the first quarter of 2005, profit before taxation for the six months period ended 30 June 2006 would be higher by RM203.7 million or 57.7%, mainly attributable to higher toll compensation.

For first half 2006, the Group has generated **cash from operating activities** of RM628.8 million for the six months ended 30 June 2006, 1.0% lower than the first half 2005 (exclusive of the portion of Senai Compensation received from the Government). The Group's **cash flow** remains strong with cash balance of RM2,184.9 million as at 30 June 2006. The balance included an amount previously received from the Government of RM680.6 million, together with interest earned therefrom of RM18.0 million, which shall be solely utilised for the Additional Works.



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23. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/6/2006 RM'000	Preceding year corresponding quarter 30/6/2005 RM'000	Six months to 30/6/2006 RM'000	Six months to 30/6/2005 RM'000
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	359,478	278,277	742,633	848,360
Adjusted tax	118	(1,435)	(2,676)	(3,236)
NOPAT	359,596	276,842	739,957	845,124
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	9,332,190	9,209,358	9,332,190	9,209,358
Weighted average cost of capital ("WACC") (%) (Note 2)	8.8%	9.0%	8.8%	9.0%
Economic charge	216,033	219,455	410,680	413,420
Economic profit	143,563	57,387	329,277	431,704

The EP statement is as prescribed under the GLC Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

EP for the current quarter of RM143.6 million is RM86.2 million higher as compared to the second quarter 2005, mainly due to higher net toll compensation. EP for the first half of 2006 of RM329.3 million is lower by RM102.4 million or 23.7% than the preceding year corresponding period of RM431.7 million, primarily due to the one-off Senai Compensation of RM331.7 million recognised in first quarter 2005. Excluding that, EP would have increased by RM229.3 million instead.

Note 1:

Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2:

WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of the period.

24. Prospects for the current financial year

The Group registered a positive traffic volume growth of 0.6%, an anticipated effect following the fuel price hike in February 2006. The Board remains confident of a positive traffic growth and better financial performance for full year 2006, in view of a historically higher traffic for the second half of the year.

As part of the efforts to further improve the traffic performance, the Group is committed to embark on various initiatives to enhance service levels of its expressways. This includes the widening of certain stretches of the North-South Expressway from dual-two lane to dual-three lane to ease the congestion during peak periods with the targeted full completion by end 2007. To continuously improve the traffic flow and minimise the inconvenience to our customers during the forthcoming festive seasons and year-end school holidays, PLUS endeavours to substantially complete the lane widening of the stretch between Seremban and Senawang ahead of its targeted completion in July 2007.

With the commitment of the Board to achieve the Key Performance Indicator set on minimum dividend growth of 12%, the Board has approved an interim dividend of 5 sen per share for financial year ending 31 December 2006.



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25. Profit forecast

No profit forecast has been made in respect of financial period ended 30 June 2006.

26. Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/6/2006	Preceding year corresponding quarter 30/6/2005	Six months to 30/6/2006	Six months to 30/6/2005
Profit for the period attributable to equity holders of the parent (RM'000)	267,298	194,149	553,920	681,399
No. of ordinary shares ('000)	5,000,000	5,000,000	5,000,000	5,000,000
Basic earnings per share (Sen)				
- before Senai Compensation	<u>5.35 sen</u>	<u>3.88 sen</u>	<u>11.08 sen</u>	<u>6.99 sen</u>
- after Senai Compensation	<u>5.35 sen</u>	<u>3.88 sen</u>	<u>11.08 sen</u>	<u>13.63 sen</u>

27. Amount received / recoverable from the Government for Additional Works

PLUS is in the process of finalising an agreement with the Government to formalise the rights, utilisation and administration of the amount received from the Government for the Additional Works of RM680.59 million and the interest earned therefrom. Pursuant to the TSCA, the amount shall be utilised solely for the purpose of the Additional Works and have been deposited into the Proceeds Account.

The amount recoverable from the Government of RM128.8 million relates to the costs incurred for the Additional Works until 30 June 2006, which shall be set off against the RM680.59 million upon signing of the above agreement.

By Order of the Board

TAN HWEE THIAN (MIA 1904)

MAZYU SHERINA BINTI MOHAMED YUSOF (LS 0008780)

Joint Company Secretaries

Kuala Lumpur
22 August 2006