



Company No. : 570244-T  
Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007.**

**THE FIGURES HAVE NOT BEEN AUDITED.**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/6/2007</b> RM'000	Preceding year corresponding quarter <b>30/6/2006</b> RM'000	Six months to <b>30/6/2007</b> RM'000	Six months to <b>30/6/2006</b> RM'000
<b>Revenue</b> (Remark 1)	<b>569,653</b>	<b>510,806</b>	<b>1,093,645</b>	<b>1,025,832</b>
Direct cost of operations	(161,245)	(153,804)	(324,510)	(288,526)
<b>Gross profit</b>	<b>408,408</b>	<b>357,002</b>	<b>769,135</b>	<b>737,306</b>
Other income	13,320	10,003	23,953	23,443
General and administration expenses	(11,677)	(7,527)	(22,801)	(18,116)
Finance income	21,370	16,415	42,179	31,381
Finance costs	(114,543)	(108,713)	(229,718)	(217,418)
<b>Profit before taxation</b>	<b>316,878</b>	<b>267,180</b>	<b>582,748</b>	<b>556,596</b>
Taxation (Note 13(a))	(6,526)	118	(13,896)	(2,676)
<b>Profit for the period</b>	<b>310,352</b>	<b>267,298</b>	<b>568,852</b>	<b>553,920</b>
<b>Attributable to :</b>				
Equity holders of the Company	310,401	267,298	568,918	553,920
Minority interests	(49)	-	(66)	-
	<b>310,352</b>	<b>267,298</b>	<b>568,852</b>	<b>553,920</b>
<b>Basic earnings per share</b> (Note 25)	<b>6.21 sen</b>	<b>5.35 sen</b>	<b>11.38 sen</b>	<b>11.08 sen</b>

The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



Company No. : 570244-T  
Incorporated in Malaysia

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
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
Toll collection	436,250	411,680	866,193	820,678
Gross toll compensation	168,876	159,364	335,385	317,764
Less: Notional tax on tax exempt dividend	(36,986)	(62,222)	(110,959)	(116,578)
Net toll compensation	(a) 131,890	97,142	224,426	201,186
Net toll revenue	568,140	508,822	1,090,619	1,021,864
Operation service fees	1,513	1,984	3,026	3,968
Total revenue	569,653	510,806	1,093,645	1,025,832

- (a) For the current period under review, net toll compensation has been computed after taking into account, inter alia, the effects of notional tax on dividend that Projek Lebuhraya Utara-Selatan Berhad ("PLUS") declared from the tax exempt profits available for distribution, pursuant to the provisions of the Second Supplemental Concession Agreement with the Government.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,820	1,326	3,509	2,601
Amortisation of concession assets	60,046	52,892	117,938	103,345
Amortisation of intangible assets	273	265	541	516
Total depreciation and amortisation	62,139	54,483	121,988	106,462



Company No. : 570244-T  
Incorporated in Malaysia

**II. CONDENSED CONSOLIDATED BALANCE SHEET**

<b>ASSETS</b>	<u>Note</u>	<b>Unaudited As at end of current quarter 30/6/2007</b>	<b>Audited As at preceding financial year-end 31/12/2006 (As restated)</b>
		RM'000	RM'000
<b>Non-current assets</b>			
Concession assets		8,798,419	8,747,231
Property, plant and equipment		42,782	43,300
Prepaid land lease payment		27,323	27,832
Intangible assets		2,344	2,831
Other investment	15(c)	75,599	20,912
Deferred tax assets	13(b)	70,125	71,508
Toll compensation recoverable from the Government		1,182,786	958,360
Long term deposit		553	520
		10,199,931	9,872,494
<b>Current assets</b>			
Inventories		67	60
Sundry receivables, deposits and prepayments		44,598	23,528
Amount owing by related companies		38,901	57,517
Tax recoverable		547	-
Short term investments	15(b)	94,726	50,255
Short term deposits with licensed banks		2,139,502	2,565,397
Cash and bank balances		18,773	19,112
		2,337,114	2,715,869
<b>Total assets</b>		<b>12,537,045</b>	<b>12,588,363</b>



Company No. : 570244-T  
Incorporated in Malaysia

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

	<u>Note</u>	<b>Unaudited As at end of current quarter 30/6/2007</b>	<b>Audited As at preceding financial year-end 31/12/2006 (As restated)</b>
<b>EQUITY AND LIABILITIES</b>		RM'000	RM'000
<b>Equity attributable to equity holders of the Company</b>			
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		3,594	1,677
Retained earnings		2,950,261	2,506,343
		4,963,827	4,517,992
Minority Interests		1,522	495
Total equity		4,965,349	4,518,487
<b>Non-current liabilities</b>			
Long term financial liabilities	17	6,286,295	6,734,853
Long term borrowing	17	82,055	30,203
Amount owing to immediate holding company		6,885	6,885
Retirement benefits		12,016	11,403
Deferred liabilities		46,010	46,507
		6,433,261	6,829,851
<b>Current liabilities</b>			
Trade payables		10,576	8,637
Sundry payables and accruals		71,349	80,096
Amount received from the Government for Additional Works		422,369	518,284
Short term borrowings/ BAIDS	17	550,000	550,000
Amount owing to immediate holding company		39,700	49,802
Amount owing to related companies		33,395	33,004
Tax payable		11,046	202
		1,138,435	1,240,025
Total liabilities		7,571,696	8,069,876
Total equity and liabilities		<b>12,537,045</b>	<b>12,588,363</b>
<b>Net assets per share attributable to ordinary equity holders of the Company</b>		<b>RM0.99</b>	<b>RM0.90</b>

The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



Company No. : 570244-T  
Incorporated in Malaysia

III. **CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Six months to 30/6/2007 RM'000</b>	<b>Unaudited Six months to 30/6/2006 RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from toll operations	872,585	818,948
Cash receipts from other services	22,618	29,026
Cash payments for expenses	(244,350)	(217,027)
<b>Cash generated from operations</b>	<b>650,853</b>	<b>630,947</b>
Income tax paid	(2,216)	(2,972)
Future maintenance expenditure received	800	800
<b>Net cash generated from operating activities</b>	<b>649,437</b>	<b>628,775</b>
<b>Cash flows from investing activities</b>		
Profit element and interest income received	37,763	27,699
Proceeds from maturity of short term investments	101,000	50,000
Proceeds from sales of property, plant and equipment	-	22
Interest earned on amount received from the Government for Additional Works	7,762	10,435
Purchase of property, plant and equipment	(3,101)	(2,337)
Purchase of investments	(199,916)	(61,183)
Payments for Additional Works	(100,149)	(88,169)
Payments for concession assets	(161,671)	(123,920)
<b>Net cash used in investing activities</b>	<b>(318,312)</b>	<b>(187,453)</b>
<b>Cash flow from financing activities</b>		
Redemption of Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	(550,000)	(400,000)
Profit element on BAIDS paid	(131,638)	(141,438)
Drawdown of borrowing	49,943	-
Proceeds from issuance of shares to minority shareholders	1,130	-
Dividends paid	(125,000)	(250,000)
<b>Net cash used in financing activities</b>	<b>(755,565)</b>	<b>(791,438)</b>
<b>Net change in cash and cash equivalents</b>	<b>(424,440)</b>	<b>(350,116)</b>
Effects of foreign exchange rate changes	(1,794)	-
Cash and cash equivalents as at beginning of the financial period	2,584,509	2,534,981
<b>Cash and cash equivalents as at end of the financial period</b>	<b>(a) 2,158,275</b>	<b>2,184,865</b>



Company No. : 570244-T  
 Incorporated in Malaysia

	<b>Unaudited</b>	<b>Unaudited</b>
	<b>As at</b>	<b>As at</b>
	<b>30/6/2007</b>	<b>30/6/2006</b>
	RM'000	RM'000
(a) Cash and cash equivalents comprise the following:		
Short term deposits	2,139,502	2,179,937
Cash and bank balances	<u>18,773</u>	<u>4,928</u>
	<b><u>2,158,275</u></b>	<b><u>2,184,865</u></b>

The use of the balances in PLUS, which include the minimum amounts of RM997.8 million (2006: RM1,049.3 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 RM422.4 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 2006 and the accompanying explanatory notes attached to the interim financial statements.



Company No. : 570244-T  
Incorporated in Malaysia

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

	← Attributable to equity holders of the Company →							Minority Interests RM'000	Total Equity RM'000
	← Non-distributable →				Distributable				
	Share Capital RM'000	Capital Reserve RM'000	Merger Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000			
<b>Six months to 30 June 2007 (Unaudited)</b>									
Balance as at 1 January 2007	1,250,000	461,138	298,834	1,677	2,506,343	4,517,992	495	4,518,487	
Currency translation differences, representing net income and expense recognised directly in equity	-	-	-	1,917	-	1,917	1,093	3,010	
Profit/(loss) for the period	-	-	-	-	568,918	568,918	(66)	568,852	
Total recognised income and expense for the period	-	-	-	1,917	568,918	570,835	1,027	571,862	
Final tax exempt dividend FY2006 (Note 7)	-	-	-	-	(125,000)	(125,000)	-	(125,000)	
Balance as at 30 June 2007	<u>1,250,000</u>	<u>461,138</u>	<u>298,834</u>	<u>3,594</u>	<u>2,950,261</u>	<u>4,963,827</u>	<u>1,522</u>	<u>4,965,349</u>	
<b>Six months to 30 June 2006 (Unaudited)</b>									
Balance as at 1 January 2006	1,250,000	461,138	298,834	-	2,151,470	4,161,442	-	4,161,442	
Profit for the period	-	-	-	-	553,920	553,920	-	553,920	
Total recognised income and expense for the period	-	-	-	-	553,920	553,920	-	553,920	
Share option granted under UEM's Employee Equity Scheme	-	-	-	341	-	341	-	341	
Final tax exempt dividend FY2005	-	-	-	-	(250,000)	(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>	<u>-</u>	<u>4,465,703</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 2006 and the accompanying explanatory notes attached to the interim financial statements.



Company No. : 570244-T  
 Incorporated in Malaysia

**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 2006.

**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 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following revised Financial Reporting Standards ("FRS") effective 1 January 2007:

FRS 117 : Leases

In addition to the above, the Group has also taken the option of early adoption of the revised or amendment to the following FRSs effective 1 January 2007:

FRS 107 : Cash Flow Statements  
 FRS 112 : Income Taxes  
 FRS 118 : Revenue  
 FRS 119 : Employee Benefits  
 Amendment to FRS 121 : The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation  
 FRS 126 : Accounting and Reporting by Retirement Benefit Plans  
 FRS 134 : Interim Financial Reporting  
 FRS 137 : Provisions, Contingent Liabilities and Contingent Assets

The adoptions of the above revised FRS and amendment to FRS do not have any impact to the existing accounting policies of the Group except for:

FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. On adoption of the revised FRS, lease of land which title is not expected to be passed to the Group (the lessee) by the end of the lease term, is considered an operating lease and the unamortised carrying value of the lease if now presented as prepaid land lease payments and is amortised on a straight-line basis over the lease term.

The summary of the financial effects of changes in accounting policies arising from the above on the balance sheet of the Group as at 30 June 2007 and prior year comparatives are as follows:

	<b>As at 30/6/2007</b>	<b>As at 31/12/2006</b>
	RM'000	RM'000
Property, plant and equipment	(27,323)	(27,832)
Prepaid land lease payments	27,323	27,832

**2. Audit report in respect of the 2006 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2006 was unqualified.

**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.





Company No. : 570244-T  
Incorporated in Malaysia

**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.

**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 2007 except for the redemption of Primary Bonds of BAIDS amounting to RM550 million by PLUS in May 2007.

**7. Dividend**

A final tax exempt dividend of 2.5 sen per share amounting to RM125 million for financial year ended 31 December 2006 was paid on 13 June 2007.

The Directors have, on even date, announced the declaration of an interim tax exempt dividend of 6.0 sen per share of RM0.25 each amounting to RM300 million for the financial year ending 31 December 2007 (2006: interim tax exempt dividend of 5.0 sen per share of RM0.25 each). The entitlement date for the interim dividend shall be on 10 September 2007 and the payment date shall be on 28 September 2007.

**8. Segment information for the current financial period**

No segmental analysis is prepared as the Group is primarily engaged in the operation and maintenance of toll roads and expressways in Malaysia. The Directors are of the opinion that segmental results, assets, liabilities and capital expenditure in respect of the subsidiaries located in Mauritius and India are deemed insignificant to the Group for separate reporting.

**9. 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 2007 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 2007.

**10. 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 under section on corporate proposal, on 14 December 2006, PLUS Expressways Berhad ("PEB") has entered into a Shares Subscription Agreement and a Shareholders' Agreement with PT Baskhara Utama Sedaya ("BUS") and PT Lintas Marga Sedaya ("LMS").

LMS, a subsidiary of BUS, and the Minister of Public Works of Republic of Indonesia have entered into a Concession Agreement dated 21 July 2006 in which LMS was appointed as the concessionaire to undertake the design, construction, ownership, management, financing, operation, maintenance as well as toll collection for the 116-kilometre Cikampek-Palimanan toll highway project on a build, operate and transfer basis (the "Project"). The concession period for the Project is 35 years.

On 13 July 2007, PEB has been issued shares in the capital of LMS which represent 55% of the entire issued voting shares of LMS, making LMS a foreign subsidiary of PEB with effect from 13 July 2007 by virtue of PEB controlling LMS's voting power. The remaining 45% of LMS's voting shares is held by BUS.



Company No. : 570244-T  
Incorporated in Malaysia

**11. 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.

**12. Capital commitments**

	<b>As at 30/6/2007</b>
	RM'000
Amount authorised and contracted for	
- Additional Works	757,720
- Others	<u>388,458</u>
	<u>1,146,178</u>
Amount authorised but not contracted for	<u>39,672</u>

**13(a) Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter <b>30/6/2007</b> RM'000	Preceding year corresponding quarter <b>30/6/2006</b> RM'000	Six months to <b>30/6/2007</b> RM'000	Six months to <b>30/6/2006</b> RM'000
Income tax:				
- Malaysian income tax	4,429	452	12,270	2,323
- Under provision in prior years	<u>-</u>	<u>-</u>	<u>243</u>	<u>352</u>
	4,429	452	12,513	2,675
Deferred tax:				
- Relating to reversal and origination of temporary differences	2,097	(570)	1,383	1
	<u>6,526</u>	<u>(118)</u>	<u>13,896</u>	<u>2,676</u>

The taxation for the current quarter and year-to-date of RM6.5 million and RM13.9 million respectively mainly relates to income received by PEB for provision of expressway operational services to other expressway companies and interest income for the Group.

No provision of income tax for PLUS after expiry of PLUS's tax exempt period on 31 December 2006 due to availability of unabsorbed capital allowances and unused tax losses, except for tax on interest income.

**13(b) Deferred tax assets**

Deferred tax assets arose mainly from PLUS and pertain to unused tax losses and unabsorbed capital allowances which will be available for offsetting against future taxable profits. Included in the unabsorbed capital allowances is the capital allowance claim on qualifying capital expenditures arising in the tax exempt period. The carry forward of such capital allowances to the post tax exempt period is currently pending consent from the relevant authorities.

**14. 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 in commercial papers of RM101 million.



Company No. : 570244-T  
Incorporated in Malaysia

**15(a) Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current period ended 30 June 2007.

**15(b) Short term investments**

Total short term investments in securities as at 30 June 2007 are as follows:

	<b>As at 30/6/2007</b>
	RM'000
Quoted shares, at cost	1,164
Less: Accumulated impairment loss	<u>(809)</u>
Net carrying amount of quoted shares (Note i)	355
Unquoted investment – at cost (Note ii)	<u>94,371</u>
	<u>94,726</u>

Note i: The market value of the quoted shares was RM355,809 as at 30 June 2007.

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

**15(c) Other investment**

	<b>As at 30/6/2007</b>
	RM'000
Total unquoted other investment - at carrying value	<u>75,599</u>

This comprises PLUS's investment in the form of Islamic bonds and Islamic structured product with maturity of more than 12 months.

**16. 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 except as follows:

Proposed acquisition of the entire issued and paid-up share capital of Expressway Lingkar Tengah Sdn Bhd ("Elite") and Linkedua (Malaysia) Berhad ("Linkedua")

On 1 June 2007, PEB announced that it had entered into the following agreements with UEM Group Berhad (formerly known as United Engineers (Malaysia) Berhad) ("UEM");

- (a) conditional sale and purchase agreement for the acquisition by PEB from UEM of 100% equity interest in Elite for a cash consideration of RM802 million ("Elite Agreement") ("Proposed Elite Acquisition"); and
- (b) conditional sale and purchase agreement for the acquisition by PEB from UEM of 100% equity interest in Linkedua for a cash consideration of RM64 million ("Linkedua Agreement") ("Proposed Linkedua Acquisition").

(The Proposed Elite Acquisition and Proposed Linkedua Acquisition are collectively referred to as "Proposed Acquisitions").

PEB intends to fund the purchase consideration entirely through borrowings.

The Proposed Elite Acquisition and Proposed Linkedua Acquisition are inter-conditional, and are subject to the following approvals (or confirmation of no objection) being obtained:

- (i) the Foreign Investment Committee ("FIC");
- (ii) the Government, as may be required under the respective concession agreements;



Company No. : 570244-T  
Incorporated in Malaysia

**16. Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

- (iii) PEB's shareholders at an extraordinary general meeting to be convened;
- (iv) the creditors, financiers or chargees of Elite and Linkedua under the Proposed Elite Acquisition and Proposed Linkedua Acquisition respectively (where required);
- (v) UEM's creditors (where required); and
- (vi) any other relevant regulatory bodies or authorities.

On 5 July 2007, PEB has submitted the application to the FIC on the Proposed Acquisitions and is presently waiting for its response.

PEB has appointed CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad) as the main adviser for the Proposed Acquisitions.

**17. Borrowing and financial liabilities**

The details of the Group's borrowing and financial liabilities as at 30 June 2007 are as follows:

	Long term borrowings/ financial liabilities			Short term borrowings/ financial liabilities		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Islamic financial liabilities</u></b>						
Domestic						
- BAIDS (Note a)	3,000,000	-	3,000,000	550,000	-	550,000
- Sukuk Series 1	1,514,547	-	1,514,547	-	-	-
- Sukuk Series 2	1,197,908	-	1,197,908	-	-	-
- Sukuk Series 3	573,840	-	573,840	-	-	-
	6,286,295	-	6,286,295	550,000	-	550,000
<b><u>Other borrowing</u></b>						
Foreign						
- Term Loan (denominated in Indian Rupees)	82,055	-	82,055	-	-	-
<b>TOTAL</b>	<b>6,368,350</b>	<b>-</b>	<b>6,368,350</b>	<b>550,000</b>	<b>-</b>	<b>550,000</b>

(a) Included in Sundry payables and accruals in the Condensed Consolidated Balance Sheet as at 30 June 2007 is the profit amount for BAIDS of RM19.8 million accrued up to 30 June 2007.

**18. Off Balance Sheet financial instruments**

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

**19. Material litigation**

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



Company No. : 570244-T  
Incorporated in Malaysia

**20. 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 RM6.4 million to RM436.3 million as compared to the immediate preceding quarter of RM429.9 million, attributable to a 1.5% growth in traffic volume.

**Total revenue** of RM569.7 million for the current quarter was RM45.7 million or 8.7% higher than the immediate preceding quarter mainly due to the higher traffic volume as explained above and lower notional tax on tax exempt dividend.

**Profit before taxation** for the current quarter of RM316.9 million was RM51.0 million or 19.2% higher than the immediate preceding quarter of RM265.9 million, mainly due to higher revenue as explained above, lower routine maintenance expenditure and higher other income.

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

**Toll collection** for second quarter 2007 (as set out in Remark 1 to the Condensed Consolidated Income Statement) was higher by RM24.6 million or 6.0% as compared to second quarter 2006. For half year ended 30 June 2007, toll collection increased by RM45.5 million to RM866.2 million from RM820.7 million for the same period last year, on a year-on-year traffic growth of 5.5% mainly due to increasing economic and tourism activities.

**Total revenue** for the current quarter of RM569.7 million was RM58.9 million or 11.5% higher than the preceding year corresponding quarter of RM510.8 million. For the first six months of 2007, the Group reported total revenue of RM1,093.6 million which was RM67.8 million or 6.6% higher than RM1,025.8 million for the same period last year. The growth is primarily attributable to higher toll collection (as explained above), higher gross toll compensation of RM17.6 million and lower provision of notional tax on tax exempt dividend of RM5.6 million.

**Profit before taxation** for the current quarter of RM316.9 million was RM49.7 million or 18.6% higher than the preceding year corresponding quarter of RM267.2 million, primarily attributable to higher revenue (as explained above) and other income, mitigated by higher amortisation of concession assets of RM7.2 million.

**Profit before taxation** for the six months ended 30 June 2007 of RM582.7 million was RM26.1 million or 4.7% higher than the preceding year corresponding period of RM556.6 million, mainly due to higher revenue for first half 2007 mitigated by higher expressway maintenance expenditure as a result of additional scope of work as accrued in first quarter 2007 and higher amortisation of concession assets of RM14.6 million following a revision in toll revenue projections in June 2006.

For first half 2007, the Group has generated cash from operating activities of RM649.4 million, 3.3% higher than the first half of 2006, with cash balance of RM2,158.3 million as at 30 June 2007.

**22. Economic profit ("EP") statement**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	410,051	359,478	770,287	742,633
Tax	(6,526)	118	(13,896)	(2,676)
<b>NOPAT</b>	<b>403,525</b>	<b>359,596</b>	<b>756,391</b>	<b>739,957</b>
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	9,789,831	9,332,190	9,789,831	9,332,190
Weighted average cost of capital ("WACC") (%) (Note 2)	7.06%	8.81%	7.06%	8.81%
Economic charge	172,791	205,541	345,581	411,083
<b>Economic profit</b>	<b>230,734</b>	<b>154,055</b>	<b>410,810</b>	<b>328,874</b>



Company No. : 570244-T  
Incorporated in Malaysia

The EP statement is as prescribed under the Government-Linked Corporations (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 RM230.7 million is RM76.7 million or 49.8% higher as compared to second quarter 2006, primarily due to higher revenue and lower WACC. EP for the first half of 2007 of RM410.8 million is higher by RM81.9 million or 24.9% than the preceding year corresponding period of RM328.9 million, mainly due to lower WACC.

Note 1:

Average invested capital consists of average operating working capital, average net concession assets and 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.

### 23. Prospects for the current financial year

PLUS registered traffic volume growth of 5.5% for the half year ended 30 June 2007 with a year-on-year growth of 7.1% for the month of June 2007. The Group remains positive on traffic growth for full year 2007, in view of a historically higher traffic for the second half of the year due to long year-end school holiday and festive breaks.

The progress of the third lane widening works along certain stretches of the North-South Expressways is well under way and targeted for completion by end of 2007 while the modification works for through traffic between Ipoh Selatan and Jelapang are expected to be completed in 2008. To date, the widening works at the southern stretch from Seremban to Pedas-Linggi has been completed. Upon full completion, the traffic flow is expected to improve and overall, contribute positively to the long term traffic growth.

The Proposed Acquisitions of Elite and Linkedua, as announced on 1 June 2007, are in line with PEB's growth and expansion strategy to enhance shareholders' value. PEB will be acquiring Elite and Linkedua at a purchase consideration of RM802 million and RM64 million respectively, derived from a discounted cashflow method of valuation using discount rates of 15.2% and 15.7% respectively, which is higher than the PEB Group's cost of equity. This exercise is anticipated to be completed by end of the year. Upon completion of the Proposed Acquisitions, this will increase the total lane-km by 15.7% from the existing 3,640 lane-km, which would substantially meet the Group's Headline KPI target of 20% growth in lane-km by end 2008.

The construction of the 21.6-kilometre Bhiwandi-Kalyan-Shil Phata Highway in India is on schedule and targeted for completion by end of 2007. On the 116-kilometer Cikampek-Palimanan toll road project in Indonesia, the completion of acquisition of a controlling interest in the concession company as well as execution of a term loan facility agreement in July 2007 marked the key milestones in the progress of the project.

### 24. Profit forecast

No profit forecast has been made in respect of financial period ended 30 June 2007.

### 25. Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
Profit for the period attributable to equity holders of the Company (RM'000)	310,401	267,298	568,918	553,920
No. of ordinary shares ('000)	5,000,000	5,000,000	5,000,000	5,000,000
Basic earnings per share (Sen)	<b>6.21 sen</b>	<b>5.35 sen</b>	<b>11.38 sen</b>	<b>11.08 sen</b>

By Order of the Board

TAN HWEE THIAN (MIA 1904)

MAZYU SHERINA BINTI MOHAMED YUSOF (LS 0008780)

Kuala Lumpur  
22 August 2007

Joint Company Secretaries