



Company No. : 570244-T
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007.

THE FIGURES HAVE BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2007 RM'000	Preceding year corresponding quarter 31/12/2006 RM'000	Twelve months to 31/12/2007 RM'000	Twelve months to 31/12/2006 RM'000
Revenue (Remark 1)	634,473	563,281	2,282,010	2,090,636
Direct cost of operations	(185,808)	(169,108)	(676,312)	(613,324)
Gross profit	448,665	394,173	1,605,698	1,477,312
Other income	96,635	14,940	131,404	48,589
General and administration expenses	(12,571)	(14,153)	(49,248)	(43,796)
Finance income	14,326	18,838	74,810	65,518
Finance costs	(113,695)	(115,643)	(454,674)	(439,911)
Profit before taxation	433,360	298,155	1,307,990	1,107,712
Taxation (Note 13(a))	(40,736)	1,850	(60,342)	(2,839)
Profit for the year	392,624	300,005	1,247,648	1,104,873
Attributable to :				
Equity holders of the Company	392,694	300,005	1,247,843	1,104,873
Minority interests	(70)	-	(195)	-
	392,624	300,005	1,247,648	1,104,873
Basic earnings per share (Note 25)	7.85 sen	6.00 sen	24.96 sen	22.10 sen

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.



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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 31/12/2007 RM'000	Preceding year corresponding quarter 31/12/2006 RM'000	Twelve months to 31/12/2007 RM'000	Twelve months to 31/12/2006 RM'000
Toll collection	502,713	457,263	1,820,464	1,690,624
Gross toll compensation	187,575	176,951	697,754	654,517
Less: Notional tax on tax exempt dividend	(57,328)	(72,917)	(242,260)	(262,441)
Net toll compensation	(a) 130,247	104,034	455,494	392,076
Net toll revenue	632,960	561,297	2,275,958	2,082,700
Operation service fees	1,513	1,984	6,052	7,936
Total revenue	634,473	563,281	2,282,010	2,090,636

- (a) For the year 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 31/12/2007 RM'000	Preceding year corresponding quarter 31/12/2006 RM'000	Twelve months to 31/12/2007 RM'000	Twelve months to 31/12/2006 RM'000
Depreciation of property, plant and equipment and prepaid land lease payments	780	1,481	5,958	5,649
Amortisation of concession assets	68,628	59,600	250,162	226,071
Amortisation of intangible assets	334	256	1,153	1,028
Total depreciation and amortisation	69,742	61,337	257,273	232,748



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II. CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	<u>Note</u>	Audited As at current financial year-end 31/12/2007	Audited As at preceding financial year-end 31/12/2006 (As restated)
		RM'000	RM'000
Non-current assets			
Concession assets		11,723,486	8,747,231
Property, plant and equipment		45,487	43,300
Prepaid land lease payment		27,550	27,832
Intangible assets		2,824	2,831
Other investment	15(c)	115,244	20,912
Deferred tax assets	13(b)	37,667	71,508
Toll compensation recoverable from the Government		1,392,650	958,360
Long term deposits		547	520
		13,345,455	9,872,494
Current assets			
Inventories		49	60
Sundry receivables, deposits and prepayments		58,363	23,528
Amount owing by related companies		8,194	57,517
Short term investments	15(b)	63,322	50,255
Short term deposits with licensed banks		2,378,135	2,565,397
Cash and bank balances		39,487	19,112
		2,547,550	2,715,869
Total assets		15,893,005	12,588,363



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

	<u>Note</u>	Audited As at current financial year-end 31/12/2007	Audited As at preceding financial year-end 31/12/2006 (As restated)
		RM'000	RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
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		1,040	1,677
Retained earnings		3,329,186	2,506,343
		5,340,198	4,517,992
Minority interests		9,510	495
Total equity		5,349,708	4,518,487
Non-current liabilities			
Long term financial liabilities	17	7,096,256	6,734,853
Long term borrowings	17	1,486,683	30,203
Amount due to Government		38,096	
Other long term payables		65	-
Amount owing to immediate holding company		6,885	6,885
Retirement benefits		12,822	11,403
Deferred liabilities		51,441	46,507
Deferred tax liabilities		11,494	-
		8,703,742	6,829,851
Current liabilities			
Trade payables		17,707	8,637
Sundry payables and accruals		135,847	80,096
Amount received from the Government for Additional Works		44,638	518,284
Short term financial liabilities	17	592,838	550,000
Short term borrowings	17	904,347	-
Amount owing to immediate holding company		39,880	49,802
Amount owing to related companies		103,883	33,004
Tax payable		415	202
		1,839,555	1,240,025
Total liabilities		10,543,297	8,069,876
Total equity and liabilities		15,893,005	12,588,363
Net assets per share attributable to ordinary equity holders of the Company		RM1.07	RM0.90

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.



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III. **CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Audited Twelve months to 31/12/2007 RM'000	Audited Twelve months to 31/12/2006 RM'000
Cash flows from operating activities		
Cash receipts from toll operations	1,825,614	1,683,955
Cash receipts from other services	63,989	57,144
Cash payments for expenses	(456,583)	(417,580)
Income tax paid	(5,285)	(5,974)
Future maintenance expenditure received	1,756	800
Net cash generated from operating activities	1,429,491	1,318,345
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash and cash equivalents acquired (Note 10)	(493,903)	-
Profit element and interest income received	66,230	64,235
Proceeds from maturity of short term investments	258,000	82,000
Proceeds from disposal of property, plant and equipment	-	195
Interest earned on amount received from the Government for Additional Works	13,802	24,066
Purchase of property, plant and equipment	(6,602)	(5,463)
Purchase of computer software	(1,111)	(313)
Payment for leasehold land	(7,719)	-
Long term deposits	-	(520)
Purchase of investments	(364,810)	(132,322)
Payments for Additional Works	(444,556)	(177,003)
Payments for concession assets	(375,808)	(279,951)
Net cash used in investing activities	(1,356,477)	(425,076)
Cash flow from financing activities		
Redemption of Bai Bithaman Ajil Islamic Debt Securities ("BAIDS")	(550,000)	(400,000)
Profit element on BAIDS and interest paid	(248,431)	(273,075)
Proceeds from drawdown of borrowings	974,490	30,680
Proceeds from issuance of Sukuk Series 3	-	548,095
Proceeds from minority shareholders in respect of additional capital injection during the year	2,110	514
Proceeds from advance of share capital from minority shareholders	9,374	-
Dividends paid	(425,000)	(750,000)
Net cash used in financing activities	(237,457)	(843,786)
Net change in cash and cash equivalents	(164,443)	49,483
Effects of foreign exchange rate changes	(2,444)	45
Cash and cash equivalents as at beginning of the financial year	2,584,509	2,534,981
Cash and cash equivalents as at end of the financial year	2,417,622	2,584,509

(a)



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	Audited	Audited
	As at	As at
	31/12/2007	31/12/2006
	RM'000	RM'000
(a) Cash and cash equivalents comprise the following:		
Short term deposits	2,378,135	2,565,397
Cash and bank balances	39,487	19,112
	<u>2,417,622</u>	<u>2,584,509</u>

The use of the balances in PLUS, which include the minimum amounts of RM961.8 million (2006: RM979.9 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 balance of the amount received from the Government of RM44.6 million shall be used solely for the Additional Works pursuant to the provisions under the Third Supplemental Concession Agreement.

Included in deposits placed with licensed banks is an amount of RM1.93 million (2006:RM1.88 million) which has been pledged as security for a performance bond by Expressway Lingkaran Tengah Sdn Bhd ("Elite"). The use of the balances in Elite, which include the minimum amounts of RM57.5 million held under the Finance Service Reserve Account pursuant to its Al-Bai Bithaman Ajil Islamic Debt Securities ("Elite BAIDS") agreement, is subject to certain covenants and restrictions as set out in the security arrangements of the bonds.

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.



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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Capital Reserve RM'000	Merger Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000			
Twelve months to 31 December 2007 (Audited)								
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	-	-	-	(2,306)	-	(2,306)	36	(2,270)
Profit/(loss) for the year	-	-	-	-	1,247,843	1,247,843	(195)	1,247,648
Total recognised income and expense for the year	-	-	-	(2,306)	1,247,843	1,245,537	(159)	1,245,378
Share option granted under Employee Equity Scheme (EES)	-	-	-	1,669	-	1,669	-	1,669
Issue of share capital	-	-	-	-	-	-	1,426	1,426
Acquisition of subsidiaries	-	-	-	-	-	-	7,748	7,748
Final tax exempt dividend FY2006 (Note 7)	-	-	-	-	(125,000)	(125,000)	-	(125,000)
Interim tax exempt dividend FY2007 (Note 7)	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Balance as at 31 December 2007	<u>1,250,000</u>	<u>461,138</u>	<u>298,834</u>	<u>1,040</u>	<u>3,329,186</u>	<u>5,340,198</u>	<u>9,510</u>	<u>5,349,708</u>
Twelve months to 31 December 2006 (Audited)								
Balance as at 1 January 2006	1,250,000	461,138	298,834	-	2,151,470	4,161,442	-	4,161,442
Currency translation differences	-	-	-	(139)	-	(139)	(15)	(154)
Profit for the year	-	-	-	-	1,104,873	1,104,873	-	1,104,873
Total recognised income and expense for the year	-	-	-	(139)	1,104,873	1,104,734	(15)	1,104,719
Issue of share capital	-	-	-	-	-	-	510	510
Share option granted under EES	-	-	-	1,816	-	1,816	-	1,816
Final tax exempt dividend FY2005	-	-	-	-	(250,000)	(250,000)	-	(250,000)
Interim tax exempt dividends FY2006	-	-	-	-	(500,000)	(500,000)	-	(500,000)
Balance as at 31 December 2006	<u>1,250,000</u>	<u>461,138</u>	<u>298,834</u>	<u>1,677</u>	<u>2,506,343</u>	<u>4,517,992</u>	<u>495</u>	<u>4,518,487</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.



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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 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
Amendment to FRS 119	:	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosure

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

FRS 107	:	Cash Flow Statements
FRS 111	:	Construction Contracts
FRS 112	:	Income Taxes
FRS 118	:	Revenue
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance
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 Malaysian Accounting Standard Board ("MASB") has also issued FRS 6: Exploration for and Evaluation of Mineral Resources which is effective for annual periods beginning on or after 1 January 2007. This FRS is, however, not applicable to the Group or the Company.

The adoption of the above revised and amendment to FRSs does not have any impact to the existing accounting policies of the Group except for:

(a) 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 FRS 117, lease of land of which its title is not expected to be passed to the Group by the end of the lease term, is considered an operating lease and the unamortised carrying value of the lease is 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 31 December 2007 and prior year comparatives are as follows:

	Previously Stated	Increase / (Decrease)	Restated
	RM'000	RM'000	RM'000
Non-current assets			
Property, plant and equipment	71,132	(27,832)	43,300
Prepaid land lease payments	-	27,832	27,832
	<u> </u>	<u> </u>	<u> </u>

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.



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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 year except for the consolidation of new subsidiaries acquired during the year.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior interim period of the current financial year or prior financial years that have a material effect in the current year.

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 year ended 31 December 2007 except for the following:

(i) Redemption of Primary Bonds of BAIDS amounting to RM550 million by PLUS in May 2007.

(ii) Bridging Loan facilities

On 19 September 2007 and 13 December 2007, PLUS Expressways Berhad ("PEB") has entered into loan agreements with CIMB Bank for bridging loan facilities of RM210 million and RM1,006 million respectively.

(iii) Additional debts following the acquisitions of Expressway Lingkar Tengah Sdn Bhd ("Elite") and Linkedua (Malaysia) Berhad ("Linkedua")

On 18 December, PLUS Expressways Berhad ("PEB") has completed the acquisitions of the entire issued and paid-up share capital of Elite and Linkedua from UEM Group Berhad ("UEM"). Further details of the debts of Elite and Linkedua are disclosed in Note 17.

(iv) Issuance of RM3,550 million nominal value Senior Sukuk Medium Term Notes programme ("Senior Sukuk") by PLUS

On 27 December 2007, PLUS issued Islamic Securities under the principle of Musyarakah amounting to RM3,550 million in nominal value of Senior Sukuk in exchange for the RM5,100 million nominal value of BAIDS which was issued on 31 May 2002, with an outstanding amount of RM3,550 million in nominal value as at 30 November 2007. No proceeds were raised from the issuance and the Senior Sukuk shall have the same terms as the BAIDS.

7. Dividend

A final tax exempt dividend of 2.5 sen per ordinary share of RM0.25 sen each amounting to RM125 million for financial year ended 31 December 2006 was paid on 13 June 2007.

An interim tax exempt dividend of 6.0 sen per ordinary share of RM0.25 each amounting to RM300 million for financial year ended 31 December 2007 (2006: two interim tax exempt dividends totalled 10.0 sen per share) was paid on 28 September 2007.

For the current financial year ended 31 December 2007, the Board of Directors recommends a proposed final tax exempt dividend of 8.0 sen per share amounting to RM400 million for shareholders' approval at the forthcoming Annual General Meeting of the Company. The dates of the Annual General Meeting and book closure for the final tax exempt dividend payment shall be announced in due course.



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8. Segment information for the current financial year

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, India and Indonesia are deemed insignificant to the Group for separate reporting.

9. Material events subsequent to the end of the current financial year

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen from 31 December 2007 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 year including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations, except as stated below:-

Acquisition of LMS

On 13 July 2007, PLUS Expressways Berhad ("PEB") has subscribed 7,638,889 ordinary shares of PT Lintas Marga Sedaya ("LMS") with a nominal value of IDR1,000 per share and having valid voting rights for a cash consideration of USD5,000,000 (approximately RM17.23 million). This represents 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 PT Baskhara Utama Sedaya.

LMS is the concessionaire appointed to undertake the design, construction, management, financing, operation, maintenance as well as toll collection for the 116-kilometre Cikampek-Palimanan toll highway project in Indonesia.

Acquisitions of Elite and Linkedua

On 18 December 2007, PEB completed the acquisitions of 294,105,932 ordinary shares of RM1.00 each in Elite, representing 100% equity interest of Elite from UEM Group Berhad ("UEM") for a cash consideration of RM802 million.

On 18 December 2007, PEB also acquired 25,000,000 ordinary shares of RM1.00 each and 437,466,462 redeemable convertible non-cumulative preference shares of RM0.01 each in Linkedua, representing 100% equity interest of Linkedua from UEM for a cash consideration of RM64 million.

Elite is the concessionaire of the North-South Expressway Central Link for a concession period ending 31 May 2030 and Linkedua is the concessionaire of the Malaysia-Singapore Second Crossing for a concession period ending 31 December 2038.

The fair value and carrying amount of assets acquired and liabilities assumed from the acquisitions of the subsidiaries are as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Concession assets	2,808,557	2,270,386
Property, plant and equipment	2,226	2,226
Other Investment	33	33
Sundry receivables, deposits and prepayments	4,319	4,319
Amount owing by related companies	5,090	5,090
Short term deposits with licensed banks	371,469	371,469
Cash and bank balances	17,862	17,862
Total assets	3,209,556	2,671,385



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	Fair value recognised on acquisition	Acquiree's carrying amount
	RM'000	RM'000
Long term financial liabilities	(746,866)	(746,866)
Long term borrowings	(1,421,282)	(1,421,282)
Retirement benefits	(176)	(176)
Deferred tax liabilities	(11,494)	(11,494)
Sundry and trade payables	(39,615)	(39,615)
Amount owing to intermediate holding company	(990)	(990)
Amount owing to immediate holding company	(289)	(289)
Amount owing to related companies	(27,768)	(27,768)
Tax payable	(207)	(207)
Total liabilities	(2,248,687)	(2,248,687)
Total net assets	960,869	
Less: Minority interest	(8,513)	
Group's share of net assets	952,356	
Negative goodwill arising on acquisition of Linkedua	(70,249)	
Foreign exchange difference	1,127	
Total cost of acquisition	883,234	
	RM'000	
Purchase consideration satisfied by cash	883,234	
Total cash outflow of the Company	883,234	
Cash and cash equivalents of subsidiaries acquired	(389,331)	
Net cash outflow of the Group	493,903	

The effect of the acquisition on the financial results of the Group from the date of acquisition to the current quarter/ financial year ended 31 December 2007 is as follows:

	Current year quarter 31/12/2007 RM'000	Twelve months to 31/12/2007 RM'000
Profit for the year	<u>162</u>	<u>162</u>

The acquisitions of Elite and Linkedua were completed on 18 December 2007. However, if the acquisitions of Elite and Linkedua had occurred on 1 January 2007, the revenue and profit for the Group would be RM2,517 million and RM1,316 million respectively.

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.



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12. Capital commitments

	As at 31/12/2007
	RM'000
Amount authorised and contracted for	
- Additional Works	330,856
- Others	<u>539,611</u>
	<u>870,467</u>
Amount authorised but not contracted for	<u>195,639</u>

13(a) Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/2007 RM'000	Preceding year corresponding quarter 31/12/2006 RM'000	Twelve months to 31/12/2007 RM'000	Twelve months to 31/12/2006 RM'000
Income tax:				
- Malaysian income tax	6,999	517	24,987	4,757
- Under provision in prior years	<u>6</u>	<u>(1)</u>	<u>1,514</u>	<u>811</u>
	7,005	516	26,501	5,568
Deferred tax:				
- Relating to reversal and origination of temporary differences	(55,229)	(274)	(55,119)	(637)
- Relating to change in tax rate	(581)	-	(581)	-
- Under/(Over) provision in prior years	<u>89,541</u>	<u>(2,092)</u>	<u>89,541</u>	<u>(2,092)</u>
	<u>40,736</u>	<u>(1,850)</u>	<u>60,342</u>	<u>2,839</u>

The income tax for the current quarter and current year of RM7.0 million and RM26.5 million respectively mainly relate 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's 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 offset against future taxable profits.

Deferred tax assets in respect of temporary differences arising during the tax exempt period relating to qualifying expenditure incurred prior to and during the tax exempt period were not previously recognised as there was uncertainty as to whether the related capital allowances can be utilised for set-off against future taxable profits. These deferred tax assets were recognised during the current year pursuant to the confirmation from the relevant authority that these can be utilised.

14. Disposal of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties in the current year except for the maturity of unquoted investment in commercial papers of RM258 million.



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15(a) Acquisitions and disposals of quoted securities

There were no acquisitions and disposals of quoted securities in the current year ended 31 December 2007.

15(b) Short term investments

Total short term investments in securities as at 31 December 2007 are as follows:

	As at 31/12/2007
	RM'000
Quoted shares, at cost	46
Less: Accumulated impairment loss	<u>(12)</u>
Net carrying amount of quoted shares (Note i)	<u>34</u>
Islamic Commercial Papers / Medium Term Notes (Note ii)	49,517
Indonesia Central Bank Certificates (equivalent to IDR 39.8 billion)	<u>13,771</u>
Total short term investments	<u>63,322</u>

Note i: The market value of the quoted shares was RM34,020 as at 31 December 2007.

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

15(c) Other investment

	As at 31/12/2007
	RM'000
Unquoted Islamic private debt securities, at cost	25,000
Add: Premium	<u>244</u>
	25,244
Islamic structured products	<u>90,000</u>
Total other investment	<u>115,244</u>
Indicative market value of unquoted Islamic private debt securities	<u>25,428</u>

This comprises PLUS's investment in the form of Islamic medium term notes, bonds and structured products with maturity of more than 12 months.



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

The following corporate proposals have been announced but not completed as at the date of this announcement:

Proposed acquisition of the entire issued and paid-up share capital of Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd ("KLBK") from MMC Corporation Berhad ("MMC")

On 18 December 2007, PEB had entered into a conditional share sale agreement with MMC for the acquisition of 5,000,000 ordinary shares of RM1.00 each in KLBK, representing the entire issued and paid-up share capital of KLBK for a total cash consideration of RM134 million, which includes the full settlement of the shareholder's advance owing by KLBK to MMC amounting to RM85.4 million ("Proposed Acquisition"). KLBK is the concessionaire for the Butterworth-Kulim Expressway ("BKE") which is a dual two lane carriageway extending from Kulim in Kedah to Seberang Perai in Penang. The concession period is for 32 years ending in 2026.

PEB intends to fund the purchase consideration entirely through borrowings.

The Proposed Acquisition is subject to the following approvals (or confirmation of no objection) being obtained:

- (i) the Foreign Investment Committee ("FIC"); and
- (ii) KLBK's lenders and/or such persons acting as agent, trustee or other similar capacity.

On 7 January 2008, PEB has submitted the application to the FIC on the Proposed Acquisition.

On 31 January 2008, KLBK has obtained the relevant approvals from its lenders on the Proposed Acquisition.

17. Borrowing and financial liabilities

The details of the Group's borrowing and financial liabilities as at 31 December 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
<u>Islamic financial liabilities</u>						
- Senior Sukuk (Note a)	3,000,000	-	3,000,000	550,000	-	550,000
- Sukuk Series 1	1,561,724	-	1,561,724	-	-	-
- Sukuk Series 2	1,238,078	-	1,238,078	-	-	-
- Sukuk Series 3	592,425	-	592,425	-	-	-
- Elite BAIDS (Note b)	704,029	-	704,029	42,838	-	42,838
	7,096,256	-	7,096,256	592,838	-	592,838
<u>Other borrowings</u>						
- Bridging Loan (Note 6)	-	-	-	-	898,466	898,466
- Elite GSL (Note b)	389,917	-	389,917	-	-	-
- Linkedua GSL (Note b)	993,269	-	993,269	-	-	-
- Term Loan (denominated in Indian Rupees)	103,497	-	103,497	5,881	-	5,881
TOTAL	8,582,939	-	8,582,939	598,719	898,466	1,497,185

(a) On 27 December 2007, PLUS issued the Senior Sukuk in exchange for the BAIDS. Further details of the issuance and exchange are disclosed in Note 6. Included in Sundry payables and accruals in the Condensed Consolidated Balance Sheet as at 31 December 2007 is the profit amount for the Senior Sukuk of RM20.4 million accrued up to 31 December 2007.

(b) Following the acquisitions of Elite and Linkedua on 18 December 2007, the Group's borrowings and financial liabilities included the following:

- (i) Elite's RM800 million Al-Bai Bithaman Ajil Islamic Debt Securities ("Elite BAIDS") of which RM746.9 million is outstanding as at 31 December 2007;
- (ii) Elite's RM389.9 million Government Loans ("Elite GSL"); and
- (iii) Linkedua's Government Support Loan ("Linkedua GSL") of which RM993.3 million is outstanding as at 31 December 2007.



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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.

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 RM51.2 million to RM502.7 million as compared to the immediate preceding quarter of RM451.6 million, attributable to a 11.3% growth in traffic volume, mainly due to higher traffic during festive periods and year-end school holidays in the current quarter.

Total revenue of RM634.5 million for the current quarter was RM80.6 million or 14.6% higher than the immediate preceding quarter of RM553.9 million mainly due to higher traffic volume and higher net toll compensation of RM29.4 million.

Profit before taxation for the current quarter of RM433.4 million was RM141.5 million or 48.5% higher than the immediate preceding quarter of RM291.9 million, mainly due to higher revenue as explained above and higher other income mainly attributable to the negative goodwill of RM70.2 million arising from acquisition of Linkedua on 18 December 2007.

21. Review of performance for the current quarter and financial year

Toll collection for fourth quarter 2007 (as set out in Remark 1 to the Condensed Consolidated Income Statement) was higher by RM45.5 million or 9.9% as compared to fourth quarter 2006. For the year ended 31 December 2007, toll collection increased by RM129.9 million to RM1,820.5 million from RM1,690.6 million recorded last year, on a year-on-year traffic growth of 7.7%.

Total revenue for the current quarter of RM634.5 million was RM71.2 million or 12.6% higher than the preceding year corresponding quarter of RM563.3 million. As for the year 2007, the Group reported total revenue of RM2,282.0 million which was RM191.4 million or 9.2% higher than RM2,090.6 million in 2006. The growth is primarily attributable to higher toll collection (as explained above) and higher net toll compensation of RM63.4 million.

Profit before taxation for the current quarter of RM433.4 million was RM135.2 million or 45.3% higher than the preceding year corresponding quarter of RM298.2 million, primarily attributable to higher toll revenue (as explained above) and higher other income mainly attributable from the negative goodwill of RM70.2 million arising from the acquisition of Linkedua on 18 December 2007.

Profit before taxation for the year ended 31 December 2007 of RM1,308.0 million was RM200.3 million or 18.1% higher than the preceding year of RM1,107.7 million, mainly due to higher revenue as explained above, higher other income mainly attributable from the negative goodwill of RM70.2 million arising from the acquisition of Linkedua mitigated by higher routine maintenance expenditure (RM36.4 million) and higher depreciation and amortisation expenditure (RM24.6 million).

For the year ended 31 December 2007, the Group has generated cash from operating activities of RM1,429.5 million, 8.4% higher than in 2006, with cash balance of RM2,417.6 million as at 31 December 2007.



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22. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/2007	Preceding year corresponding quarter 31/12/2006	Twelve months to 31/12/2007	Twelve months to 31/12/2006
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	532,729	394,960	1,687,854	1,482,105
Tax	(40,736)	1,850	(60,342)	(2,839)
NOPAT	491,993	396,810	1,627,512	1,479,266
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	11,284,266	9,426,961	11,284,266	9,426,961
Weighted average cost of capital ("WACC") (%) (Note 2)	7.12%	7.87%	7.12%	7.87%
Economic charge	200,860	185,476	803,440	741,902
Economic profit	291,133	211,334	824,072	737,364

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 RM291.1 million is RM79.8 million or 37.8% higher as compared to fourth quarter 2006, primarily due to higher revenue and lower WACC. EP for the year ended 31 December 2007 of RM824.1 million is higher by RM86.7 million or 11.8% than last year of RM737.4 million, mainly due to higher operating profit.

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 year.

23. Prospects for year 2008

PLUS achieved traffic volume growth of 7.7% for the year 2007 as compared to 2006, which is the highest growth achieved since 2001. Without toll rate increase in 2008 for PLUS (except for Seremban-Port Dickson Highway and 2 other toll plazas) and barring unforeseen circumstances, the Board foresees the traffic to grow further in 2008.

In line with our expansion and growth strategy, PEB has completed the acquisitions of Elite and Linkedua, which have cemented the Group's effort to achieve the Headline Key Performance Indicators ("KPI") for lane-km and revenue growth. Elite and Linkedua contributed 573 lane-km of highways, representing 15.7% of the existing 3,640 lane-km, and recorded revenue of RM173 million and RM68 million respectively in year 2007. Next in the pipeline is the acquisition of KLBK from MMC for a total cash consideration of RM134 million which PEB targets to complete in first quarter 2008.

In Indonesia, on 19 September 2007, PEB secured its second highway concession by winning the tender bid for the proposed 25.4km Cimanggis-Cibitung Toll Road, part of the proposed Jakarta Outer Ring Road 2. PEB, PT Bakrie & Brothers Tbk and PT Capitalinc Investment Tbk have executed a Joint Venture Agreement dated 15 January 2008 in relation to the proposed toll road. The concession period is for 35 years from the date of the proposed execution of the relevant concession agreement.

On the expansion of its local network, the third lane widening works for the stretches from Seremban to Ayer Keroh and from Rawang to Tanjung Malim have been completed and the traffic flow has improved since. PEB targets to fully complete the remaining northern stretch in second quarter 2008 while the modification works for through traffic between Ipoh Selatan and Jelapang are expected to be completed in third quarter 2008.

The Group will again honour its KPI commitment for a minimum dividend growth of 12% for financial year 2007. With the recommended final tax exempt dividend of RM400 million and together with the interim tax exempt dividend of RM300 million paid in 28 September 2007, the total dividend payout for financial year 2007 will be RM700 million which is 12% higher than the RM625 million paid out in financial year 2006.



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24. Profit forecast

No profit forecast has been made in respect of financial year ended 31 December 2007.

25. Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Profit for the year attributable to equity holders of the Company (RM'000)	392,694	300,005	1,247,843	1,104,873
No. of ordinary shares ('000)	5,000,000	5,000,000	5,000,000	5,000,000
Basic earnings per share (Sen)	<u>7.85 sen</u>	<u>6.00 sen</u>	<u>24.96 sen</u>	<u>22.10 sen</u>

By Order of the Board

TAN HWEE THIAN (MIA 1904)

MAZYU SHERINA BINTI MOHAMED YUSOF (LS 0008780)

**Kuala Lumpur
26 February 2008**

Joint Company Secretaries