**PLUS EXPRESSWAYS BERHAD**
**Company No. : 570244-T**
**Incorporated In Malaysia**

**QUARTERLY REPORT ON CONSOLIDATION RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**THE FIGURES HAVE NOT BEEN AUDITED**

## I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current year quarter **30/06/2010** RM'000 | Preceding year corresponding quarter **30/06/2009** RM'000 Restated | Six months to **30/06/2010** RM'000 | Six months to **30/06/2009** RM'000 Restated |
| Continuing operations | | | | |
| **Revenue** (Remark 1) | 859,743 | 772,248 | 1,672,945 | 1,510,010 |
| Direct cost of operations | (244,669) | (211,963) | (469,548) | (429,461) |
| **Gross profit** | **615,074** | **560,285** | **1,203,397** | **1,080,549** |
| Other income | 36,784 | 30,764 | 73,181 | 63,533 |
| General and administration expenses | (20,132) | (19,302) | (39,460) | (36,944) |
| Finance costs | (188,469) | (177,249) | (376,373) | (341,767) |
| Share of result from associate | 314 | - | 314 | - |
| **Profit before income tax** | **443,571** | **394,498** | **861,059** | **765,371** |
| Income tax | (124,572) | (112,973) | (243,175) | (205,007) |
| **Profit for the period** | **318,999** | **281,525** | **617,884** | **560,364** |
| | | | | |
| Attributable to: | | | | |
| Owners of the Parent | 319,562 | 281,399 | 618,692 | 560,010 |
| Minority interests | (563) | 126 | (808) | 354 |
| Profit for the period | 318,999 | 281,525 | 617,884 | 560,364 |
| | | | | |
| Earnings per share (Note 25) | | | | |
| Basic (based on 2010: 5,000,000,000 [2009: 5,000,000,000] ordinary shares) | 6.39 sen | 5.63 sen | 12.37 sen | 11.20 sen |

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## I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current year quarter **30/06/2010** RM'000 | Preceding year corresponding quarter **30/06/2009** RM'000 Restated | Six months to **30/06/2010** RM'000 | Six months to **30/06/2009** RM'000 Restated |
| Profit for the period | 318,999 | 281,525 | 617,884 | 560,364 |
| Foreign currency translation differences for foreign operations | (12,716) | 10,576 | (14,607) | 10,739 |
| **Other comprehensive income for the period, net of tax** | (12,716) | 10,576 | (14,607) | 10,739 |
| **Total comprehensive income for the period** | 306,283 | 292,101 | 603,277 | 571,103 |
| **Attributable to:** | | | | |
| Owners of the Parent | 311,771 | 290,096 | 609,220 | 568,913 |
| Minority interests | (5,488) | 2,005 | (5,943) | 2,190 |
| **Total comprehensive income for the period** | 306,283 | 292,101 | 603,277 | 571,103 |

The condensed Consolidated Income Statement and Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**Remarks :-**

1. Revenue consists of expressway toll collections, toll compensation received and recoverable from the Government, net of the Government's share of toll revenue (if any) and others. Revenue is analysed as follows:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current year quarter **30/06/2010** | Preceding year corresponding quarter **30/06/2009** | Six months to **30/06/2010** | Six months to **30/06/2009** |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Toll collection | 645,740 | 576,614 | 1,252,909 | 1,127,113 |
| Toll compensation | 211,698 | 195,634 | 417,731 | 382,897 |
| Net toll revenue | 857,438 | 772,248 | 1,670,640 | 1,510,010 |
| Other revenues (Note a) | 2,305 | - | 2,305 | - |
| **Total revenue** | **859,743** | **772,248** | **1,672,945** | **1,510,010** |

(a) Other revenues are contributed by PLUS Helicopter Services Sdn Bhd ("PHSB") which commenced operation in June 2010 and Teras Teknologi Sdn Bhd ("TERAS") which was acquired by PLUS Expressways Berhad ("PEB") on 15 June 2010.

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 **30/06/2010** | Preceding year corresponding quarter **30/06/2009** | Six months to **30/06/2010** | Six months to **30/06/2009** |
| | RM'000 | RM'000 Restated | RM'000 | RM'000 Restated |
| Depreciation of property, plant and equipment | 1,602 | 1,395 | 3,127 | 2,549 |
| Amortisation of concession assets | 105,532 | 97,812 | 206,125 | 191,091 |
| Amortisation of intangible assets | 364 | 486 | 678 | 849 |
| **Total depreciation and amortisation** | **107,498** | **99,693** | **209,930** | **194,489** |

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## II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | **Unaudited** **As at end of current quarter** **30/06/2010** RM'000 | **Audited** **As at preceding financial year end** **31/12/2009** RM'000 Restated |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Concession assets | | 12,643,591 | 12,417,516 |
| Property, plant and equipment | | 52,048 | 49,146 |
| Land held for development | 1(c) | 27,831 | 27,831 |
| Intangible assets | | 3,956 | 3,729 |
| Investment in associate | | 33,721 | - |
| Other investment held to maturity | 15(c) | 159,834 | 159,192 |
| Deferred tax assets | | 10,016 | 8,316 |
| Toll compensation recoverable from the Government | | 2,352,877 | 2,486,189 |
| Long term deposits | 10 (ii) | 22,521 | 501 |
| | | 15,306,395 | 15,152,420 |
| **Current assets** | | | |
| Toll compensation recoverable from the Government | | 221,611 | 117,879 |
| Inventories | | 171 | 118 |
| Trade receivables | | 16,913 | - |
| Sundry receivables, deposits and prepayments | | 89,832 | 77,688 |
| Amount owing by related companies | | 9,214 | 1,937 |
| Tax recoverable | | 8,375 | 4,812 |
| Short term investments held to maturity | 15(b) | 103,975 | 129,936 |
| Short term deposits with licensed banks | | 2,807,153 | 2,851,406 |
| Cash and bank balances | | 22,542 | 32,124 |
| | | 3,279,786 | 3,215,900 |
| Assets of disposal group classified as held for sale | 9 | 32,530 | - |
| **Total assets** | | **18,618,711** | **18,368,320** |

## II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

| | Note | Unaudited As at end of current quarter 30/06/2010 RM'000 | Audited As at preceding financial year end 31/12/2009 RM'000 Restated |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the Parent** | | | |
| Share capital | | 1,250,000 | 1,250,000 |
| Capital reserve | | 461,138 | 461,138 |
| Merger reserve | | 298,834 | 298,834 |
| Other non-distributable reserves | | (12,957) | (7,664) |
| Retained earnings | | 3,881,057 | 4,075,169 |
| Reserve of disposal group classified as held for sale | 9 | (522) | - |
| | | 5,877,550 | 6,077,477 |
| Minority interests | | 58,104 | 21,000 |
| Total equity | | 5,935,654 | 6,098,477 |
| **Non-current liabilities** | | | |
| Long term financial liabilities | 17 | 8,828,151 | 8,763,035 |
| Long term borrowings | 17 | 1,864,276 | 1,654,284 |
| Amount due to Government | | 38,096 | 38,096 |
| Amount owing to immediate holding company | | 3,324 | 6,885 |
| Other long term payables | | 95 | 97 |
| Retirement benefits | | 16,622 | 15,698 |
| Deferred liabilities | | 73,488 | 76,001 |
| Deferred revenue | | 42,277 | 43,789 |
| Deferred tax liabilities | | 934,632 | 806,779 |
| | | 11,800,961 | 11,404,664 |
| **Current liabilities** | | | |
| Trade payables | | 58,834 | 35,454 |
| Sundry payables and accruals | | 115,426 | 127,063 |
| Amount received from the Government for Additional Works | | 19,417 | 19,216 |
| Deferred liabilities | | 7,260 | 6,920 |
| Deferred revenue | | 3,122 | 3,194 |
| Short term financial liabilities | 17 | 557,994 | 557,917 |
| Short term borrowings | 17 | 28,390 | 23,947 |
| Amount owing to immediate holding company | | 6,237 | 4,255 |
| Amount owing to related companies | | 83,360 | 86,406 |
| Tax payable | | 1,986 | 807 |
| | | 882,026 | 865,179 |
| Liabilities directly associated with disposal group classified as held for sale | 9 | 70 | - |
| **Total liabilities** | | **12,683,057** | **12,269,843** |
| **Total equity and liabilities** | | **18,618,711** | **18,368,320** |
| **Net assets per share attributable to owners of the Parent** | | **RM1.18** | **RM1.22** |

The condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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## III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | **Unaudited** Six months to **30/06/2010** RM'000 | **Unaudited** Six months to **30/06/2009** RM'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts from toll operations | | 1,263,690 | 1,320,485 |
| Cash receipts from other services | | 34,456 | 24,891 |
| Cash payments for expenses | | (288,367) | (267,485) |
| Cash generated from operations | | 1,009,779 | 1,077,891 |
| Income taxes paid | | (3,946) | (4,391) |
| Future maintenance expenditure received | | 507 | 3,296 |
| **Net cash generated from operating activities** | | **1,006,340** | **1,076,796** |
| **Cash flows from investing activities** | | | |
| Acquisition of subsidiary, net of cash and cash equivalents acquired | 10 (iv) | (82,373) | - |
| Investment in associate | | (33,407) | - |
| Long term deposit | | (22,047) | - |
| Profit element and interest income received | | 31,329 | 45,018 |
| Proceeds from maturity of short term investments | | 128,000 | 80,000 |
| Proceeds from disposal of property, plant and equipment | | 57 | 384 |
| Interest earned on amount received from the Government for Additional Works | | 208 | 236 |
| Purchase of property, plant and equipment and computer software | | (4,304) | (4,240) |
| Purchase of investments | | (101,734) | (99,988) |
| Payments for Additional Works | | (6,101) | (57,077) |
| Payments for concession assets | | (186,871) | (192,883) |
| **Net cash used in investing activities** | | **(277,243)** | **(228,550)** |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of Islamic Sukuk | | 443,060 | 1,739,565 |
| Drawdown of borrowings | | - | 19,454 |
| Redemption of Islamic bonds | | (550,000) | (1,260,000) |
| Profit element and interest paid | | (137,859) | (219,553) |
| Settlement of borrowings | | (12,507) | (325,249) |
| Dividends paid | | (500,000) | - |
| **Net cash used in financing activities** | | **(757,306)** | **(45,783)** |
| **Net change in cash and cash equivalents** | | **(28,209)** | **802,463** |
| Effects of foreign exchange rate changes | | (769) | 3,563 |
| Cash and cash equivalents as at beginning of financial period | | 2,883,530 | 2,234,430 |
| **Cash and cash equivalents as at end of financial period** | (a) | **2,854,552** | **3,040,456** |

## III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

| | Note | Unaudited<br>As at 30/6/2010<br>RM'000 | Unaudited<br>As at 30/6/2009<br>RM'000 |
|---|---|---|---|
| **(a) Cash and cash equivalents comprise the following amounts:** | | | |
| Short term deposits | | 2,807,153 | 3,017,363 |
| Cash and bank balances | | 22,542 | 23,093 |
| Cash, bank balances and deposits included in assets for disposal group classified as held for sale | 9 | 24,857 | - |
| | | **2,854,552** | **3,040,456** |

The use of the balances, which include the minimum amounts in the reserve accounts for the following companies, is subject to certain covenants and restrictions as set out in the respective security arrangements of the Sukuk/ bonds.

| | Minimum Amounts (RM'mn) | Reserve Account |
|---|---|---|
| Projek Lebuhraya Utara-Selatan Berhad ("PLUS") | 1,087.0 | Finance Service Reserve Account ("FSRA") and Maintenance Reserve Account ("MRA") |
| Expressway Lingkaran Tengah Sdn Bhd ("Elite") | 32.4 | FSRA |
| Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd ("KLBK") | 13.1 | FSRA and MRA |
| | **1,132.5** | |

The deposits in Elite include an amount of RM2.0 million which has been pledged as security for a performance bond. Included in the cash and cash equivalents is the amount received by PLUS from the Government of RM19.4 million shall be used solely for the Additional Works pursuant to the provisions under the Third Supplemental Concession Agreement.

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

| | Note | Share Capital RM'000 | Capital Reserve RM'000 | Merger Reserve RM'000 | Other Reserves RM'000 | Reserve for disposal group classified as held for sale RM'000 | Retained Earnings RM'000 | Total RM'000 | Minority Interests RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Attributable to owners of the Parent | | | | | | | | |
| | | | Non-distributable | | | | Distributable | | | |
| **Six months to 30 June 2010 (unaudited)** | | | | | | | | | | |
| Balance as at 1 January 2010 (as previously stated) | | 1,250,000 | 461,138 | 298,834 | (7,664) | - | 4,074,326 | 6,076,634 | 21,000 | 6,097,634 |
| Effects of adopting: | | | | | | | | | | |
| Amendments to FRS117 as prior year adjustment | 1(c) | - | - | - | - | - | 843 | 843 | - | 843 |
| FRS 139 | 1(a)(ii) | - | - | - | 3,657 | - | (312,804) | (309,147) | - | (309,147) |
| Balance as at 1 January 2010 (restated) | | 1,250,000 | 461,138 | 298,834 | (4,007) | - | 3,762,365 | 5,768,330 | 21,000 | 5,789,330 |
| Total comprehensive income for the period | | - | - | - | (9,472) | - | 618,692 | 609,220 | (5,943) | 603,277 |
| Acquisition of a subsidiary | | - | - | - | - | - | - | - | 43,047 | 43,047 |
| Reserve of disposal group classified as held for sale | | - | - | - | 522 | (522) | - | - | - | - |
| Dividend | | - | - | - | - | - | (500,000) | (500,000) | - | (500,000) |
| Balance as at 30 June 2010 | | 1,250,000 | 461,138 | 298,834 | (12,957) | (522) | 3,881,057 | 5,877,550 | 58,104 | 5,935,654 |
| **Six months to 30 June 2009 (unaudited)** | | | | | | | | | | |
| Balance as at 1 January 2009 (as previously stated) | | 1,250,000 | 461,138 | 298,834 | (20,312) | - | 3,687,948 | 5,677,608 | 19,344 | 5,696,952 |
| Effect of adopting Amendments to FRS117 as prior year adjustment | 1(c) | - | - | - | - | - | 562 | 562 | - | 562 |
| Balance as at 1 January 2009 (restated) | | 1,250,000 | 461,138 | 298,834 | (20,312) | - | 3,688,510 | 5,678,170 | 19,344 | 5,697,514 |
| Total comprehensive income for the period | | - | - | - | 8,903 | - | 560,010 | 568,913 | 2,190 | 571,103 |
| Dividend | | - | - | - | - | - | (475,000) | (475,000) | - | (475,000) |
| Balance as at 30 June 2009 | | 1,250,000 | 461,138 | 298,834 | (11,409) | - | 3,773,520 | 5,772,083 | 21,534 | 5,793,617 |

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

## V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements and notes to the condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Annual Group Audited Financial Statements for the year ended 31 December 2009.

### 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 new/ revised Financial Reporting Standards ("FRS") and Interpretations effective 1 January 2010 as disclosed below:

FRS 7: Financial Instruments: Disclosure
FRS 101 (Revised): Presentation of Financial Statements
FRS 123 (Revised): Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The adoption of the above pronouncements does not have significant impact to the Group, except as described below:

**(a) FRS 139: Financial Instruments: Recognition and Measurement**

**(i) <u>Accounting policies</u>**

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as follows:

(aa) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, financial assets held-to-maturity, loans and receivables or financial assets available-for-sale.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

*Financial assets at fair value through profit or loss*
Financial assets classified as held for trading are categorised as financial assets at fair value through profit or loss. Financial assets are held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in income statement.

Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to income statement for the year.

1. **Accounting policies and methods of computation (cont'd)**

**(a) FRS 139: Financial Instruments: Recognition and Measurement (cont'd)**

**(i) <u>Accounting policies (cont'd)</u>**

(aa) Financial Assets (cont'd)

*Financial assets held-to-maturity*
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the expressed intention and ability to hold to maturity.

Investments that are intended to be held-to-maturity are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income statement when the investments are derecognised or impaired, as well as through the amortisation process.

*Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

*Financial assets available-for-sale*
Financial assets available-for-sale are non-derivative financial assets that are not classified as fair value through profit or loss, held-to-maturity or loans and receivables. After initial recognition, financial assets available-for-sale are measured at fair value with gains or losses being recognised in a reserve until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

*Derecognition of financial assets*
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(bb) Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost using the effective interest method.

*Derecognition of Financial Liabilities*
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income statement.

**1. Accounting policies and methods of computation (cont'd)**

**(a) FRS 139: Financial Instruments: Recognition and Measurement (cont'd)**

**(ii) Financial impact**

In accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from the change in accounting policies and remeasuring the financial instruments at the beginning of the financial period are recognised as adjustments of the opening balance of retained earnings as follows, whilst adjustment to comparatives are not required:-

| | **Note** | **Other non-distributable reserve** RM'000 | **Retained earnings** RM'000 | **Net asset attributable to owners of the Parent** RM'000 |
|---|---|---|---|---|
| At 1 January 2010, as previously stated | | (7,664) | 4,074,326 | 6,076,634 |
| Prior year adjustment arising from adoption of amendments to FRS 117 | 1(c) | - | 843 | 843 |
| Adjustments arising from adoption of FRS 139: | | | | |
| - Fair value adjustment of toll compensation recoverable from the Government | (aa) | - | (312,804) | (312,804) |
| - Remeasurement of interest free non-current amount owing to immediate holding company | (bb) | 3,657 | - | 3,657 |
| Net impact on FRS 139 | | 3,657 | (312,804) | (309,147) |
| At 1 January 2010, as restated | | (4,007) | 3,762,365 | 5,768,330 |

(aa) Toll compensation recoverable from the Government
Prior to the adoption of FRS 139, toll compensation recoverable from the Government was accrued based on estimation after taking into consideration the effects of the toll compensation arrangement pursuant to the Second Supplemental Concession Agreement. With the adoption of FRS 139, the fair value adjustment is recognised which is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at average interest rate over the applicable tenure.

(bb) Interest free non-current amount owing to immediate holding company
Prior to the adoption of FRS 139, non-current amount due to immediate holding company was stated at cost. With the adoption of FRS 139, this interest free amount is measured at amortised cost using the effective interest method based on appropriate interest rate at inception. The difference between the fair value and the carrying amount is recognised as other non-distributable reserve.

**1. Accounting policies and methods of computation (cont'd)**

**(b) FRS 101 (revised): Presentation of Financial Statement**

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. Pursuant to the revised standard, the Group presents all non-owner changes in equity separately in the consolidated statement of comprehensive income.

Comparative information has been restated in conformity with the revised standard.

**(c) Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 117: Leases**

The Group has adopted the amendments to FRS 117. The Group has reassessed the leasehold land previously disclosed as prepaid land lease payments and determined that it is in substance finance lease in nature and is held for future development by the Group. Hence, the leasehold land has been reclassified from prepaid land lease payments to land held for development, within non-current assets. Land held for development is stated at cost less accumulated impairment losses. The change in accounting policy has been adopted retrospectively in accordance with the transitional provisions of the amendments to FRS 117.

Accordingly, a prior year adjustment relating to the amortisation of prepaid land lease payments has been made. The prior year adjustment increases the retained earnings of the Group at 1 January 2010 by RM843,370 (1 January 2009: RM562,246).

The following comparative figures have been restated following the adoption of the amendments to FRS 117:

| | **31/12/2009** | |
|---|---|---|
| | **Land held for development** | **Prepaid land lease payments** |
| | RM'000 | RM'000 |
| At 31 December 2009, as previously stated | | |
| Net book value | - | 26,988 |
| Reclassification | 26,988 | (26,988) |
| Prior year adjustment - reversal of amortisation (Note 1 (a) (ii)) | 843 | - |
| At 31 December 2009, as restated | 27,831 | - |

**(d) IC Interpretation 13: Customer Loyalty Programmes**

The Group applies IC Interpretation 13, which became effective on 1 January 2010. Pursuant to this IC Interpretation, award credits shall be accounted for as a separately identifiable component of the sales transactions in which they are granted (the "initial sale"). The fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the award credits and the other components of the sale.

The adoption of this Interpretation does not have any material impact to the opening retained earnings, thus no retrospective adjustment is made.

**(e) Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance**

Under this Amendment, the benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with FRS 139 Financial Instruments: Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with FRS 139 and the proceeds received. However, an entity shall apply those amendments prospectively to government loans received in periods beginning on or after 1 January 2010.

The adoption of this Amendment does not apply to Elite's interest free Government Loans ("GSL") and Amount due to Government as these were received prior to 1 January 2010.

2. **Audit report in respect of the 2009 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2009 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, except as disclosed in note 10 below.

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 would have a material effect in the current period.

6. **Debt and equity securities**

The Group did not undertake any 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 2010 except for the following:

(i) Issuance of RM1 billion nominal value of Sukuk Series 3
On 31 May 2010, PLUS issued RM1 billion nominal value (RM443 million present value on the issue date) of zero coupon Sukuk Series 3 pursuant to the RM4,500 million nominal value of Sukuk Series 3 medium term notes programme to partially redeem the Senior Sukuk in accordance with the Senior Sukuk trust deed.

(ii) Redemption of Primary Bonds of Senior Sukuk amounting to RM550 million by PLUS in May 2010.

7. **Dividend**

On 29 April 2010, the shareholders of the Company approved the payment of a final single tier dividend of 10.0 sen per ordinary share of RM0.25 each amounting to RM500 million for the financial year ended 31 December 2009 at the Eighth Annual General Meeting of the Company. The payment was made on 18 May 2010.

The Directors have, on 19 August 2010, announced the declaration of an interim single tier dividend of 7.5 sen per share of RM0.25 each amounting to RM375 million for the financial year ending 31 December 2010 (2009: interim single tier dividend of 6.5 sen per share of RM0.25 each). The entitlement date for the interim dividend shall be on 6 September 2010 and the payment date shall be on 24 September 2010.

8. **Operating segments**

In the prior year's audited consolidated financial statement, the basis of segmentation was on geographical segment. In the current period ended 30 June 2010 and for the current financial year ending 31 December 2010, the basis of segmentation has been changed to operating segments based on information reported internally to the Board of Directors of the Company. The group is organised into legal entities based on the concessions of the highways and separate business as held by each entity. PLUS is the largest contributor to the group in terms of revenue, profit for the period and total assets and hence is reported as a separate operating segment whilst the rest are reported as 'Others'.

Operating segment information for the current financial period to 30 June 2010 is as follows:

| | **PLUS**<br>RM'000 | **Others**<br>RM'000 | **Total**<br>RM'000 |
|---|---|---|---|
| **Revenue** | 1,473,532 | 199,413 | 1,672,945 |
| **Profit for the period** | 662,426 | (44,542) | 617,884 |
| **Total Assets** | 13,964,183 | 4,654,528 | 18,618,711 |

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 since 30 June 2010 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 2010 that have not been reflected in the condensed financial statements, except for the proposed disposal of PT Cimanggis Cibitung Tollways ("CCTW") as disclosed in Note 16.

The major classes of assets and liabilities of CCTW classified as held for sale as at 30 June 2010 are as follows:

| | **Group**<br>RM'000 |
|---|---|
| **Assets:** | |
| Concession assets | 589 |
| Deferred tax assets | 8 |
| Sundry receivables, deposits and prepayments | 7,076 |
| Short term deposits with licensed banks | 24,842 |
| Cash and bank balances | 15 |
| Assets of disposal group classified as held for sale | 32,530 |
| **Liabilities:** | |
| Other long term payables | (1) |
| Sundry payables and accruals | (69) |
| Liabilities directly associated with disposal group classified as held for sale | (70) |
| Net assets of disposal group classified as held for sale | 32,460 |
| **Reserve:** | |
| Other non-distributable reserve | (522) |

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:-

(i) Incorporation of PLUS Plaza (Mauritius) Private Limited ("PLUS Plaza")

On 24 February 2010, PLUS Expressways Berhad ("PEB") has incorporated a foreign subsidiary in Port Louis, Mauritius vide a subscription of 1 ordinary share of United States Dollar (“USD”) 1.00 each representing 100% equity interest in PLUS Plaza for a total cash consideration of USD1.00 only.

The intended principal activity of PLUS Plaza is investment holding.

(ii) Acquisition of INIPPL

On 2 June 2010, PEB completed the acquisition of the First Tranche Shares of 49% out of INIPPL's share capital of 112,000,000 for a consideration of Rs. 68.85 crores (equivalent to RM52.6 million*) with the fulfillment of Conditions Precedent to the Share Purchase Cum Shareholders’ Agreement ("SPSA"), which inter-alia include the achievement of full Commercial Operation Date ("COD"). Following this, INIPPL has become a foreign subsidiary of PEB where PEB now has the management control over the business operation of the company as well as majority board composition. Pursuant to the SPSA, one of the Conditions Precedent subsequent to the acquisition of the 49% equity stake is that PEB shall deposit an aggregate of Rs31.05 crores (equivalent to RM22.0 million) into the Foreign Escrow Account, being consideration for the Second Tranche Shares of 25% of INIPPL's share capital. Such amount has been included in the long term deposits of the Statement of Financial Position. Upon third anniversary of the COD, the Second Tranche Shares of 25% shall be transferred to PEB.

INIPPL is the concessionaire appointed to undertake the design, construction, management, financing, operation, maintenance as well as toll collection for the 38.55-kilometre highway from Padalur to Trichy on National Highway no. 45 (NH-45) in the State of Tamil Nadu, India.

** based on exchange rate of Rs1=RM0.0764*

(iii) Acquisition of Touch 'n Go Sdn Bhd ("TnG")

On 11 June 2010, PEB completed the acquisition of 3,334,000 ordinary shares of RM1.00 each, representing 20% equity interest in TnG from UEM Land Holdings Berhad, a subsidiary of UEM Group Berhad ("UEM") which is the immediate holding company of PEB, for a total cash consideration of RM33,406,680.

TnG is primarily involved in providing contactless means of fare payment services via a prepaid e-payment card known as Touch 'n Go.

(iv) Acquisition of Teras Teknologi Sdn Bhd (“TERAS”)

On 15 June 2010, PEB had entered into a share sale agreement with UEM and completed the acquisition of 1,000,000 ordinary shares of RM1.00 each in TERAS, representing 100% equity interest in TERAS, from UEM for a total cash consideration of RM44,000,000.

TERAS is principally involved in the provision of information technology, facilities management, outsourcing, e-commerce services and internet related services.

10. **Changes in the composition of the Group (cont'd)**

The fair value and carrying amount of assets acquired and liabilities assumed from the acquisition of TERAS and INIPPL are as follows:

| | **Fair value recognised on acquisition** RM'000 | **Acquiree's carrying amount** RM'000 |
|---|---|---|
| Concession assets | 275,973 | 265,578 |
| Property, plant and equipment | 2,221 | 2,221 |
| Intangible assets | 24 | 24 |
| Trade receivables | 19,900 | 19,900 |
| Sundry receivables, deposits and prepayments | 26,400 | 26,400 |
| Deferred tax assets | 1,358 | 1,358 |
| Short term deposits with licensed banks | 12,410 | 12,410 |
| Cash and bank balances | 1,848 | 1,848 |
| Other current assets | 15,336 | 15,336 |
| Total assets | 355,470 | 345,075 |
| Borrowing | (187,628) | (187,628) |
| Hire purchase payables | (433) | (433) |
| Sundry and trade payables | (34,478) | (34,478) |
| Amount owing to related company | (414) | (414) |
| Total liabilities | (222,953) | (222,953) |
| Total net assets | 132,517 | 122,122 |
| Less: Minority interests | (43,047) | |
| Group's share of net assets | 89,470 | |
| Less: Negative goodwill on acquisition of TERAS | (510) | |
| Foreign exchange difference | 7,670 | |
| Total cash outflow of the Company | 96,630 | |
| Cash and cash equivalents of subsidiaries acquired | (14,257) | |
| Net cash outflow on acquisitions of subsidiaries | 82,373 | |

The above are provisional amounts for which FRS 3 allows for adjustments during the measurement period, which shall not exceed 12 months from the date of acquisition. Adjustments are allowed to be made retrospectively on the provisional amounts to reflect new information obtained about facts and circumstances that existed as of the acquisition date, if known, would have affected the measurement of the amounts recognised as of that date.

The effect of the acquisitions on the financial results of the Group from the date of acquisitions to the current period ended 30 June 2010 is as follows:

| | Current year quarter **30/06/2010** RM'000 | Six months to **30/06/2010** RM'000 |
|---|---|---|
| Revenue | 2,466 | 2,466 |
| Profit for the period | 126 | 126 |

The acquisitions of TERAS and INIPPL were completed on 15 June 2010 and 2 June 2010 respectively. However, if the acquisitions of TERAS and INIPPL had occurred on 1 January 2010, the revenue and profit for the Group would have been RM1,679.8 million and RM617.0 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.

12. **Capital commitments**

| | **As at 30/6/2010** RM'000 |
|---|---|
| Amount authorised and contracted for (Note i) | 705,165 |
| Amount authorised but not contracted for | 42,697 |

Note i: Included in the amount is an amount committed by PT Lintas Marga Sedaya ("LMS") for land acqusition costs for the Cikampek-Palimanan Highway project totaling Rp524.8 billion (equivalent to RM188.9 million*).

** based on exchange rate of Rp1=RM0.00036*

13. **Income tax**

| | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|---|---|---|---|---|
| | Current year quarter **30/06/2010** RM'000 | Preceding year corresponding quarter **30/06/2009** RM'000 | Six months to **30/06/2010** RM'000 | Six months to **30/06/2009** RM'000 |
| Malaysian taxation | | | | |
| Current taxation | 111,399 | 5,370 | 115,569 | 10,705 |
| Over/ (under) provision in respect of prior years | (19) | - | 90 | - |
| Deferred taxation | 13,192 | 107,606 | 127,516 | 194,302 |
| | 124,572 | 112,976 | 243,175 | 205,007 |
| Foreign taxation | | | | |
| Current taxation | - | (3) | - | - |
| | 124,572 | 112,973 | 243,175 | 205,007 |

The income tax for the current quarter of RM111.4 million and current period of RM115.6 million mainly relate to the Group's business income and interest income.

Inclusive in the amount of current taxation for the six months ended 30 June 2010 is PLUS's income tax of RM113.5 million, which was arrived at, after fully utilising its capital allowances and prior years tax losses. Such amount is fully set-off against its toll compensation recoverable from the Government (non-cash portion) in accordance with the provisions in the Second Supplemental Concession Agreement.

Income tax for ELITE and KLBK are on interest income only, due to availability of unabsorbed capital allowances and unused tax losses to be offset against business income.

Other subsidiaries are not subject to income tax since they are in tax loss position.

Effective tax rate of 28% for the six months period ended 30 June 2010 is higher than the statutory tax rate of 25% mainly due to non-deductible expenses.

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 RM128 million.

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

There were no acquisitions and disposals of quoted securities in the current period ended 30 June 2010.

15(b) **Short term investments held to maturity**

Total short term investments in securities held to maturity as at 30 June 2010 are as follows:

| | **As at 30/06/2010** RM'000 |
|---|---|
| Islamic / conventional investment (Note i) | 103,975 |

Note i: For the current period under review, the Group purchased unquoted investments in the form of Islamic and conventional commercial papers/ medium term notes with a rating of not lower than P1 or AA3 and structured products.

15(c) **Other investment held to maturity**

| | **As at 30/06/2010** RM'000 |
|---|---|
| Unquoted Islamic private debt securities, at cost | 115,000 |
| Add: Premium | 1,458 |
| Less: Discount | (6,624) |
| | 109,834 |
| Islamic structured products | 50,000 |
| Total other investment | 159,834 |

The Group's other investment held to maturity are in the form of private debt securities and structured products with maturity of more than 12 months.

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 disposal of entire equity interest of 60% by PEB in PT Cimanggis Cibitung Tollways ("CCTW") ("Proposed Disposal")

On 28 July 2010, PEB announced that it had entered into a conditional sale and purchase agreement with PT Bakrie & Brothers TBK ("BAKRIE") for the disposal by PEB of its entire equity interest of 60% in CCTW, to BAKRIE for a total cash consideration of Rp57,823,830,725 (Indonesian Rupiah Fifty Seven Billion Eight Hundred Twenty Three Million Eight Hundred Thirty Thousand and Seven Hundred Twenty Five; equivalent to approximately RM20.2 million).

CCTW is a joint venture company between BAKRIE, PEB and PT Capitalinc Investment Tbk, another listed company in Indonesia. CCTW was incorporated on 22 February 2008 to undertake and implement the Cimanggis-Cibitung toll road project located in Java Island, Indonesia.

The disposal forms part of PEB's effort to focus its resources to its other businesses in Indonesia. The Proposed Disposal is expected to result in a net gain on disposal of approximately RM1.0 million to PEB Group.

The Proposed Disposal is expected to be completed in first quarter 2011.

17. **Borrowings and debt securities**

Details of Group borrowings and financial liabilities as at 30 June 2010 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 |
| **Islamic Financial Liabilities** | | | | | | |
| - Senior Sukuk | 1,350,000 | - | 1,350,000 | 550,000 | - | 550,000 |
| - Sukuk Series 1 | 1,818,854 | - | 1,818,854 | - | - | - |
| - Sukuk Series 2 | 1,458,602 | - | 1,458,602 | - | - | - |
| - Sukuk Series 3 | 1,767,188 | - | 1,767,188 | - | - | - |
| - Seafield Sukuk | 860,837 | - | 860,837 | - | - | - |
| - KLBK BAIDS | 170,115 | - | 170,115 | 7,994 | - | 7,994 |
| - PLUS SPV Sukuk | 1,402,555 | - | 1,402,555 | - | - | - |
| | 8,828,151 | - | 8,828,151 | 557,994 | - | 557,994 |
| **Other borrowings** | | | | | | |
| - Elite GSL | 389,916 | - | 389,916 | - | - | - |
| - Linkedua GSL | 1,208,082 | - | 1,208,082 | - | - | - |
| - BKSP Term Loan (denominated in Indian Rupees) | 83,201 | - | 83,201 | 24,562 | - | 24,562 |
| - INIPPL Term Loan (denominated in Indian Rupees) (Note b) | 182,728 | - | 182,728 | 3,666 | - | 3,666 |
| - TERAS HP (Note b) | 349 | - | 349 | 162 | - | 162 |
| | 1,864,276 | - | 1,864,276 | 28,390 | - | 28,390 |
| **TOTAL** | 10,692,427 | - | 10,692,427 | 586,384 | - | 586,384 |

All the above borrowings are without recourse to PEB.

(a) Included in sundry payables and accruals in the Condensed Consolidated Statement of Financial Position as at 30 June 2010 is the profit accrued up to 30 June 2010 on Islamic financial liabilities amounting to approximately RM45.5 million.

(b) Following the acquisitions of INIPPL and TERAS in June this year, the Group's borrowings and financial liabilities included the following:
   (i) INIPPL's Rs266 Crores Term Loan facility ("INIPPL Term Loan") of which RM185.6 million is outstanding as at 30 June 2010.
   (ii) TERAS' RM0.7 million Hire Purchase facilities ("TERAS HP") of which RM511,154 is outstanding as at 30 June 2010.

18. **Derivatives**

There are no derivatives as at the date of this announcement. Hence, disclosure requirements pursuant to implementation of FRS139 issued by Bursa Malaysia dated 25 March 2010 is not applicable to the Group.

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** for the current quarter of RM645.7 million was higher by 6.3% or RM38.5 million as compared to the immediate preceding quarter of RM607.2 million. This was mainly due to higher traffic volume growth for PLUS of 10.5% in the current quarter.

Total revenue for the current quarter of RM859.7 million was 5.7% or RM46.5 million higher than immediate preceding quarter of RM813.2 million mainly due to higher toll collection (as explained above) and higher toll compensation in line with the traffic growth.

**Profit before income tax** for the current quarter of RM443.6 million was RM26.1 million or 6.3% higher than the immediate preceding quarter of RM417.5 million, mainly due to higher revenue (as explained above) mitigated by higher operating expenditure.

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

The Group's **toll collection** for the second quarter 2010 (as set out in Remark 1 to the Condensed Consolidated Income Statement) was higher by RM69.1 million or 12.0% as compared to the second quarter 2009. The increase was mainly due to increase in PLUS's toll collection of RM51.7 million. For the half year ended 30 June 2010, the Group's toll collection of RM1,252.9 million was 11.2% higher than the preceding year corresponding period of RM1,127.1 million. The increase was mainly attributed by higher toll collection by PLUS of RM94.6 million driven by traffic growth of 9.8%.

The Group's total revenue and profit before tax also recorded similar growth trend. **Total revenue** for the current quarter of RM859.7 million was RM87.5 million or 11.3% higher than the preceding year corresponding quarter of RM772.2 million. The growth was primarily attributable to higher toll collection (as explained above) and higher toll compensation of RM16.1 million in line with higher traffic volume. For the half year ended 30 June 2010, total revenue of RM1,672.9 million was RM162.9 million or 10.8% higher than the first half 2009 of RM1,510.0 million. The increase was mainly due to higher toll collection (as explained above) and higher toll compensation of RM34.8 million.

**Profit before income tax** for the current quarter of RM443.6 million was RM49.1 million or 12.4% higher than the preceding year corresponding quarter of RM394.5 million, primarily attributable to higher toll revenue (as explained above), mitigated by higher finance costs as well as amortisation and depreciation charges. For the half year ended 30 June 2010, profit before income tax was higher by RM95.7 million or 12.5% as compared to the first half 2009 of RM765.4 million. This was mainly due to higher revenue mitigated by higher operating expenditure and finance costs.

For the first half 2010, the Group generated cash from operating activities of RM1,006.3 million, with cash and cash equivalents balance of RM2,854.6 million as at 30 June 2010.

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current year quarter | Preceding year corresponding quarter | Six months to | Six months to |
| | **30/06/2010** | **30/06/2009** | **30/06/2010** | **30/06/2009** |
| | RM'000 | RM'000 Restated | RM'000 | RM'000 Restated |
| Net operating profit after tax ("NOPAT") computation: | | | | |
| Earnings before interest and tax ("EBIT") | 610,743 | 552,694 | 1,197,974 | 1,069,201 |
| Adjusted tax | (152,686) | (138,174) | (299,494) | (267,300) |
| **NOPAT** (Note 1) | 458,057 | 414,520 | 898,480 | 801,901 |
| Economic charge computation: | | | | |
| Average invested capital (Note 2) | 14,871,695 | 14,305,648 | 14,871,695 | 14,305,648 |
| Weighted average cost of capital ("WACC") (%) (Note 3) | 6.67% | 6.94% | 6.67% | 6.94% |
| **Economic charge** | 247,986 | 248,203 | 495,971 | 496,406 |
| **Economic profit** | 210,071 | 166,317 | 402,509 | 305,495 |

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 RM210.1 million is RM43.8 million or 26.3% higher as compared to second quarter 2009. EP for the first half of 2010 is higher by RM97.0 million or 31.8% than first half 2009. The higher EP was primarily due to higher revenue as a result of higher traffic growth for the period for the local concession companies.

Note 1:
NOPAT is after a notional tax computed based on the statututory tax rate of the relevant years.

Note 2:
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 3:
WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of the period. The lower WACC for current quarter and period is mainly due to lower risk free rate which lowered the cost of equity.

23. **Prospects for year 2010**

For the half year ended 30 June 2010, all our domestic expressways registered healthy year-on-year traffic growth with PLUS at 9.8%, Elite 14.2%, Linkedua 21.4% and KLBK 10.8%. The growth is in line with the country's growing economic activities as well as due to the low traffic base effect in first half 2009. In addition, increase in domestic travelling and rapid development at certain stretches especially in the Klang valley had also contributed to the traffic growth.

Notwithstanding the above, PLUS is expected to record a marginal traffic growth in second half of 2010 mainly due to high traffic base effect in second half of 2009.

On its operations, the Group is continuously managing operating costs and improving efficiencies, which include prioritising implementation of major works as well as embarking on various cost reduction initiatives. The Group remains focused on expansion in its toll business, locally and abroad, as well as toll-related business, as seen from the acquisitions of 100% equity stake in TERAS and 20% equity stake in TnG. The completion of acquisition of INIPPL in early June 2010 provides a stronger platform for PEB to explore further value-accretive investment opportunities in India.

Based on the above, the Board is confident that the Group will be able to record better performance than preceding year.

24. **Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

25. **Basic earnings per share**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current year quarter **30/06/2010** RM'000 | Preceding year corresponding quarter **30/06/2009** RM'000 Restated | Six months to **30/06/2010** RM'000 | Six months to **30/06/2009** RM'000 Restated |
| Profit for the period attributable to owners of the Parent | 319,562 | 281,399 | 618,692 | 560,010 |
| Number of ordinary shares in issue ('000) | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Basic earnings per share | 6.39 sen | 5.63 sen | 12.37 sen | 11.20 sen |

**By Order of the Board**

**TAN HWEE THIAN** (MIA 1904)
**NOOR MEIZA AHMAD** (LS 0009016)

**Joint Company Secretaries**

**Selangor**
**19 August 2010**