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

QUARTERLY REPORT ON CONSOLIDATION RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

THE FIGURES HAVE NOT BEEN AUDITED

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter **31/3/2011** RM'000	Preceding year corresponding quarter **31/3/2010** Restated RM'000	Three months to **31/3/2011** RM'000	Three months to **31/3/2010** Restated RM'000
Discontinued operations				
Revenue (Remark 1)	1,047,718	783,080	1,047,718	783,080
Direct cost of operations	(262,030)	(251,340)	(262,030)	(251,340)
Gross profit	**785,688**	**531,740**	**785,688**	**531,740**
Other income	91,547	61,089	91,547	61,089
General and administration expenses	(17,896)	(19,398)	(17,896)	(19,398)
Finance costs	(182,529)	(182,474)	(182,529)	(182,474)
Share of result from associate	1,067	-	1,067	-
Profit before income tax	**677,877**	**390,957**	**677,877**	**390,957**
Income tax	(184,121)	(108,756)	(184,121)	(108,756)
Profit for the period	**493,756**	**282,201**	**493,756**	**282,201**
Attributable to:				
Owners of the Parent	495,118	282,446	495,118	282,446
Non-controlling interests	(1,362)	(245)	(1,362)	(245)
Profit for the period	493,756	282,201	493,756	282,201
Earnings per share (Note 26)				
Basic (based on 2011: 5,000,000,000 [2010: 5,000,000,000] ordinary shares)	9.90 sen	5.65 sen	9.90 sen	5.65 sen

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter **31/3/2011**	Preceding year corresponding quarter **31/3/2010** Restated	Three months to **31/3/2011**	Three months to **31/3/2010** Restated
Discontinued operations	RM'000	RM'000	RM'000	RM'000
Profit for the period	493,756	282,201	493,756	282,201
Foreign currency translation differences for foreign operations	(227)	(1,891)	(227)	(1,891)
Other comprehensive income for the period, net of tax	(227)	(1,891)	(227)	(1,891)
Total comprehensive income for the period	493,529	280,310	493,529	280,310
Attributable to:				
Owners of the Parent	495,008	280,765	495,008	280,765
Non-controlling interests	(1,479)	(455)	(1,479)	(455)
Total comprehensive income for the period	493,529	280,310	493,529	280,310

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Remarks to Condensed Consolidated Income Statement :-

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 **31/3/2011**	Preceding year corresponding quarter **31/3/2010** Restated	Three months to **31/3/2011**	Three months to **31/3/2010** Restated
	RM'000	RM'000	RM'000	RM'000
Toll collection	681,167	607,169	681,167	607,169
Toll compensation revenue (Note a and b)	427,644	206,033	427,644	206,033
Less: Fair value adjustment on toll compensation revenue for the period	(63,411)	(30,122)	(63,411)	(30,122)
	364,233	175,911	364,233	175,911
Net toll revenue	1,045,400	783,080	1,045,400	783,080
Other revenues (Note c)	2,318	-	2,318	-
Total revenue	**1,047,718**	**783,080**	**1,047,718**	**783,080**

(a) Included in the toll compensation revenue is non-cash toll compensation for Projek Lebuhraya Utara-Selatan Berhad ("PLUS") pursuant to its Second Supplemental Concession Agreement ("SSCA"), amounting to RM300.2 million for the current quarter as compared to RM150.1 million for preceding year corresponding quarter. The increase of RM150.1 million is due to higher differential in toll rates as per the SSCA.

(b) Apart from (a) above, an amount of RM98.9 million of compensation has been included in the current quarter for the non-toll rate increase as per the subsisting terms of the relevant concession agreements of PLUS and Elite. Excluding such amount, the total revenue would be RM948.8 million for the current quarter.

(c) 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 **31/3/2011**	Preceding year corresponding quarter **31/3/2010** Restated	Three months to **31/3/2011**	Three months to **31/3/2010** Restated
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,847	1,595	1,847	1,595
Amortisation of concession assets	52,436	54,454	52,436	54,454
Amortisation of intangible assets	129	314	129	314
Total depreciation and amortisation	**54,412**	**56,363**	**54,412**	**56,363**

Pursuant to the offer to acquire all the business and undertaking including all assets and liabilities of PEB by UEM Group Berhad and Employees Provident Fund Board as detailed in Note 16(i), depreciation and amortisation with effect from 1 March 2011 have not been provided upon classification of assets as 'held for sale' under FRS 5. Should this depreciation and amortisation be included, the total depreciation and amortisation for the current quarter would be RM78.3 million.

Remarks to Condensed Consolidated Income Statement (cont'd):-

3. For illustrative purposes, excluding the toll compensation in Remark 1 above and should the depreciation and amortisation for March 2011 be included in the current quarter, the profit before income tax for the current quarter and preceding year corresponding quarter would be as follows:

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current year quarter **31/3/2011**	Preceding year corresponding quarter **31/3/2010** Restated	Three months to **31/3/2011**	Three months to **31/3/2010** Restated
	RM'000	RM'000	RM'000	RM'000
Profit before income tax per Condensed Consolidated Income Statement	677,877	390,957	677,877	390,957
Excluding toll compensation per Remark 1	(364,233)	(175,911)	(364,233)	(175,911)
Including depreciation and amortisation for March 2011	(23,882)	-	(23,882)	-
	289,762	**215,046**	**289,762**	**215,046**

From the above, profit before income tax would be RM289.8 million for the current quarter, an increase of RM74.7 million as compared to RM215.0 million for the preceding year corresponding quarter, mainly due to higher toll collection.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at end of current quarter 31/3/2011 RM'000	Audited As at preceding financial year end 31/12/2010 Restated RM'000
ASSETS			
Non-current assets			
Concession intangible assets		-	11,828,399
Property, plant and equipment		-	81,631
Intangible assets		-	4,212
Investment in associates		-	35,884
Investment securities		-	145,489
Deferred tax assets		-	3,023
Toll compensation recoverable from the Government		-	2,460,346
Long term deposits		-	20,946
		-	14,579,930
Current assets			
Toll compensation recoverable from the Government		-	181,872
Inventories		-	332
Trade receivables		-	27,953
Sundry receivables, deposits and prepayments		-	56,377
Amount owing by immediate holding company		-	500
Amount owing by related companies		-	45,969
Tax recoverable		-	11,023
Short term investments		-	49,933
Short term deposits with licensed banks		-	3,440,123
Cash and bank balances		-	38,412
		-	3,852,494
Assets of disposal group classified as held for sale	16(iii)	19,175,884	31,625
Total assets		**19,175,884**	**18,464,049**

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

	Note	**Unaudited As at end of current quarter 31/3/2011** RM'000	**Audited As at preceding financial year end 31/12/2010** Restated RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital		1,250,000	1,250,000
Other reserves		-	741,275
Retained earnings		3,634,490	3,139,372
Reserves of disposal group classified as held for sale	16(iii)	740,688	(477)
		5,625,178	5,130,170
Non-controlling interests		55,993	56,208
Total equity		5,681,171	5,186,378
Non-current liabilities			
Long term financial liabilities		-	8,629,565
Long term borrowings		-	1,824,805
Amount due to Government		-	38,096
Amount owing to immediate holding company		-	3,422
Retirement benefits		-	17,545
Provision for heavy repairs		-	427,200
Deferred liabilities		-	75,288
Deferred revenue		-	40,740
Deferred tax liabilities		-	628,097
		-	11,684,758
Current liabilities			
Trade payables		-	61,783
Sundry payables and accruals		-	145,291
Amount received from the Government for Additional Works		-	19,407
Provision for heavy repairs		-	178,373
Deferred liabilities		-	7,788
Deferred revenue		-	5,482
Short term financial liabilities		-	938,959
Short term borrowings		-	140,945
Amount owing to immediate holding company		-	4,492
Amount owing to related companies		-	88,700
Tax payable		-	1,626
		-	1,592,846
Liabilities directly associated with disposal group classified as held for sale	16(iii)	13,494,713	67
Total liabilities		**13,494,713**	**13,277,671**
Total equity and liabilities		**19,175,884**	**18,464,049**
Net assets per share attributable to Owners of the Parent		**RM1.13**	**RM1.03**

The condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Discontinued operations	**Note**	**Unaudited Three months to 31/3/2011** RM'000	**Unaudited Three months to 31/3/2010** RM'000
Cash flows from operating activities			
Cash receipts from toll operations		692,318	604,035
Cash receipts from other services		31,467	18,226
Cash payments for expenses		(249,914)	(198,677)
Cash generated from operations		473,871	423,584
Income taxes paid		(1,498)	(1,589)
Future maintenance expenditure received		1,056	507
Net cash generated from operating activities		**473,429**	**422,502**
Cash flows from investing activities			
Profit element and interest income received		28,683	11,228
Proceeds from maturity of short term investments		95,000	70,000
Proceeds from disposal of property, plant and equipment		363	55
Deposit received from Joint Offerors	16(i)	50,000	-
Interest earned on amount received from the Government for Additional Works		144	95
Investment in associates		(17)	-
Purchase of property, plant and equipment and computer software		(1,864)	(1,864)
Purchase of investments		(64,848)	(49,841)
Payments for Additional Works		(112)	(103)
Payments for concession assets		(24,380)	(28,233)
Net cash from investing activities		**82,969**	**1,337**
Cash flows from financing activities			
Profit element and interest paid		(17,246)	(12,028)
Settlement of borrowings		(2,651)	(5,402)
Proceeds from minority shareholders in respect of additional capital injection during the period		1,258	-
Net cash used in financing activities		**(18,639)**	**(17,430)**
Net change in cash and cash equivalents		**537,759**	**406,409**
Effects of foreign exchange rate changes		(73)	(483)
Cash and cash equivalents as at beginning of financial period		3,483,036	2,883,530
Cash and cash equivalents as at end of financial period	(a)	**4,020,722**	**3,289,456**

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

	Note	Unaudited As at 31/3/2011 RM'000	Unaudited As at 31/3/2010 RM'000
(a) Cash and cash equivalents classified as 'held for sale':			
Short term deposits	16(iii)	3,988,038	3,220,749
Cash and bank balances	16(iii)	32,684	68,707
		4,020,722	**3,289,456**

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")	1,046.7	Finance Service Reserve Account ("FSRA") and Maintenance Reserve Account ("MRA")
Expressway Lingkaran Tengah Sdn Bhd ("Elite")	31.1	FSRA
Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd ("KLBK")	10.0	FSRA and MRA
	1,087.8	

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 RM19.6 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 2010 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 Owners of the Parent						
			Non-distributable		Distributable			
	Note	Share Capital RM'000	Other Reserves RM'000	Reserves of disposal group classified as held for sale RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Three months to 31 March 2011 (Unaudited)								
Balance as at 1 January 2011 (as previously stated)		1,250,000	741,275	(477)	4,199,527	6,190,325	56,208	6,246,533
Effects of adopting IC Interpretation 12	1(a)(ii)				(1,060,155)	(1,060,155)	-	(1,060,155)
Balance as at 1 January 2011 (restated)		1,250,000	741,275	(477)	3,139,372	5,130,170	56,208	5,186,378
Total comprehensive income for the period		-	(110)	-	495,118	495,008	(1,479)	493,529
Issuance of additional share capital to minority interests		-	-	-	-	-	1,264	1,264
Reserves of disposal group classified as held for sale	16(iii)	-	(741,165)	741,165	-	-	-	-
Balance as at 31 March 2011		1,250,000	-	740,688	3,634,490	5,625,178	55,993	5,681,171
Three months to 31 March 2010 (Unaudited)								
Balance as at 1 January 2010 (as previously stated)		1,250,000	752,308	-	4,074,326	6,076,634	21,000	6,097,634
Effects of adopting FRS139		-	3,657	-	(305,969)	(302,312)	-	(302,312)
Effects of adopting IC Interpretation 12		-	-	-	(923,171)	(923,171)	-	(923,171)
Balance as at 1 January 2010 (restated)		1,250,000	755,965	-	2,845,186	4,851,151	21,000	4,872,151
Total comprehensive income for the period		-	(1,681)	-	282,446	280,765	(455)	280,310
Balance as at 31 March 2010		1,250,000	754,284	-	3,127,632	5,131,916	20,545	5,152,461

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 Audited Financial Statements for the year ended 31 December 2010.

In addition, pursuant to the offer to acquire all the business and undertaking including all assets and liabilities of PEB by UEM Group Berhad and Employees Provident Fund Board as detailed in Note 16(i), the criteria to be classified as held for sale under FRS 5 is regarded as met. Accordingly, all assets and liabilities and related reserves of the Group have been classified and presented on the condensed consolidated statement of financial position as at 31 March 2011 as 'Disposal group held for sale' effective 1 March 2011. Upon classification as 'held for sale', non-current assets are not depreciated and amortised in accordance with FRS 5. Furthermore, the entire results of the Group for the current year quarter, preceding year corresponding quarter and cumulative three months quarters ended 31 March 2011 and 31 March 2010 have also been presented on the condensed consolidated income statement and statement of comprehensive income as 'Discontinued Operations'.

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 March 2010 and 1 July 2010 as disclosed below:

Amendments to FRS 132: Financial Instruments: Presentation- Classification of Rights Issues
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (Revised)
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127: Consolidated and Separate Financial Statements
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners

The Group adoption of the above new and amended FRSs and IC Interpretations did not have significant impact to the Group, except as described below:

(a) IC Interpretation 12: Service Concession Arrangements

The IC interpretation 12: Service Concession Arrangements ("IC 12") provides guidance on the accounting by the operator of a service concession arrangement involving the provision of public sector services. Hence, IC 12 is applicable to all tolled expressways concession arrangements awarded by the Government of Malaysia to the subsidiaries of the Group.

Infrastructure within the scope of IC 12 shall not be recognised as tangible operating assets of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. Instead, the right to charge users of the public service infrastructure being the consideration received by the operator for the construction or upgrade services that the operator has performed on the infrastructure is to be recognised as intangible asset.

IC 12 requires that the contractual obligations to maintain the infrastructure to a specified standard or to restore the infrastructure when it has deteriorated below a specified condition, be recognised and measured in accordance with FRS 137: Provisions, Contingent Liabilities and Contingent Assets.

The changes to the Group's financial statements upon application of IC 12 are described as follows:

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

(a) IC Interpretation 12: Service Concession Arrangements (cont'd)

(i) Accounting policies

(aa) Change in classification and nature of Concession Assets

Prior to the adoption of IC 12, all the infrastructure costs incurred (which comprised expressway development expenditure, heavy repairs, other concession assets and capital work-in-progress) were classified as Concession Assets, treated as part of tangible operating assets, and were stated at cost less accumulated amortisation and impairment losses.

Upon adoption of IC 12, only those infrastructure costs incurred that establish or vary the right of the Group in providing the public services are classified as Concession Intangible Assets and treated as intangible assets. The Concession Intangible Assets are stated at cost less accumulated amortisation and impairment losses.

(bb) Write off of heavy repairs and provision for heavy repairs

Heavy repairs relate to costs incurred to repair bridges, slopes and embankments, rectification of settlements and pavement rehabilitation of medium and high traffic sections along the expressways.

Prior to the adoption of IC 12, the Group's heavy repairs were capitalised as part of Concession Assets, and amortised on a straight line basis over 7 years. These heavy repairs did not establish the right to provide the public services, hence the carrying value written off to retained earnings upon the adoption of IC 12.

In addition, provision for heavy repairs being the contractual obligations to maintain and restore the infrastructure to a specified standard of serviceability, is recognised and measured at the present value of estimated expenditures expected to be required to settle the present obligation at the reporting date.

The effects of the above change in treatment of the heavy repairs are detailed in Note 1(a)(ii) below.

(cc) Amortisation of Concession Asset

Prior to the adoption of IC 12, Concession Asset was amortised based on proportion of toll revenue for the period to the total projected toll revenue until end of concession period as follows:

$$\frac{\text{Toll revenue for the period}}{\text{(Toll revenue for the period + Projected total toll revenue for subsequent period to end of Concession Period)}} \times \text{(Net book value of Concession Asset brought forward + Additions for the period)}$$

The cost of Concession Asset is amortised over the concession period by applying the formula in which the denominator of the formula includes projected total toll revenue for subsequent years to the end of concession period and is based on the latest available traffic volume projections multiplied by the relevant toll rates.

Notwithstanding the adoption of IC 12 in the current quarter, the concensus in determining the appropriateness of certain methods in amortising the Concession Intangible Assets contained in expressway concession arrangements is still pending as the deliberation within the accounting profession in Malaysia over this matter is currently ongoing. Pending the finalisation of the consensus by the accounting profession over this matter, the Group continues to amortise its Concession Intangible Asset using the existing formula and will continue to monitor the progress and outcome of the ongoing deliberation, and will review the existing amortisation method should such need arise.

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

(a) IC Interpretation 12: Service Concession Arrangements (cont'd)

(ii) <u>Financial impact</u>

In accordance with the transitional provisions of IC 12, the changes in accounting policies have been applied retrospectively and comparative figures have been restated accordingly. The financial impact arising from the adoption of this Interpretation is tabulated below.

Statement of financial position:

	31 March 2011		
	Before IC 12 RM'000	IC 12 impact RM'000	After IC 12 RM'000
Assets and liabilities classified as held for sale (Note 16(iii)) and retained earnings			
Concession assets	12,614,054	(12,614,054)	-
Concession intangible assets	-	11,803,472	11,803,472
Deferred tax liabilities	970,281	(335,135)	635,146
Provision for heavy repairs	-	615,249	615,249
Retained earnings	4,725,186	(1,090,696)	3,634,490

	31 December 2010		
	As previously stated RM'000	IC 12 impact RM'000	As restated RM'000
Concession assets	12,612,505	(12,612,505)	-
Concession intangible assets	-	11,828,399	11,828,399
Deferred tax liabilities	957,621	(329,524)	628,097
Provision for heavy repairs	-	605,573	605,573
Retained earnings	4,199,527	(1,060,155)	3,139,372

Income statement:

	31 March 2011		
	Before IC 12 RM'000	IC 12 impact RM'000	After IC 12 RM'000
Discontinued operations:			
Direct cost of operations	(225,878)	(36,152)	(262,030)
Profit before income tax	714,029	(36,152)	677,877
Income tax	(189,732)	5,611	(184,121)
Profit after income tax	524,297	(30,541)	493,756

	31 March 2010		
	As previously stated RM'000	IC 12 impact RM'000	As restated RM'000
Direct cost of operations	(224,879)	(26,461)	(251,340)
Profit before income tax	417,488	(26,531)	390,957
Income tax	(118,603)	9,847	(108,756)
Profit after income tax	298,885	(16,684)	282,201

2. **Audit report in respect of the 2010 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2010 was not qualified.

3. **Seasonal or cyclical factors**

The Group's discontinued 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 other than as disclosed in Notes 1(a) and 16(i).

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 31 March 2011.

7. **Dividend**

The Directors do not recommend the payment of interim dividend for the current period ended 31 March 2011 (31 March 2010: Nil).

8. **Discontinued operating segments**

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'.

Discontinued operating segment information for the current financial period to 31 March 2011 is as follows:

	PLUS RM'000	**Others** RM'000	**Total** RM'000
Revenue	927,583	120,135	1,047,718
Profit for the period	500,759	(7,003)	493,756
Total Assets	14,088,266	5,087,618	19,175,884

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 31 March 2011 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2011 that have not been reflected in the condensed financial statements except as disclosed in Notes 1(a) and 16(i).

10. **Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations other than as disclosed in Note 16(i).

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 31/3/2011 RM'000
Amount authorised and contracted for (Note i)	933,166
Amount authorised but not contracted for	5,603

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 Indonesian Rupiah ("Rp") 524.8 billion (equivalent to RM180.0 million*) and amount committed by the Company for the proposed investment in PLUS Jetpur of RM57.0 million.

** based on exchange rate of Rp1=RM0.000343*

13. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter **31/3/2011**	Preceding year corresponding quarter **31/3/2010** Restated	Three months to **31/3/2011**	Three months to **31/3/2010** Restated
	RM'000	RM'000	RM'000	RM'000
Discontinued operations				
Income tax:				
Malaysian income tax	176,733	4,170	176,733	4,170
Foreign income tax	-	109	-	109
Subtotal	176,733	4,279	176,733	4,279
Deferred tax:				
Relating to origination and reversal of temporary differences	7,388	104,480	7,388	104,480
Over provision in respect of prior years	-	(3)	-	(3)
Subtotal	7,388	104,477	7,388	104,477
	184,121	108,756	184,121	108,756

Inclusive in the amount of current taxation of RM176.7 million for the current quarter is PLUS's income tax of RM175.1 million, which was arrived at, after fully utilising its capital allowances and prior years tax losses. Such amount is fully set-off against its non-cash toll compensation in accordance with 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.

The significant reduction in deferred taxation for the current quarter is attributable to the full utilisation of PLUS's capital allowance brought forward and prior years tax losses.

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 and structured products classified as 'held for sale' of RM95 million.

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

There were no acquisitions and disposals of quoted securities in the current period ended 31 March 2011.

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

Total short term investments in securities held to maturity classified as 'held for sale' as at 31 March 2011 are as follows:

	As at 31/3/2011 RM'000
Classified as held for sale	
Islamic / conventional investment	40,065

Included in the above are unquoted investments in the form of Islamic and conventional commercial papers/ medium term notes with a rating of not lower than P1 or AA3.

15(c) **Investment securities**

	As at 31/3/2011 RM'000
Classified as held for sale	
Unquoted Islamic private debt securities, at cost	100,000
Add: Premium	1,187
Less: Discount	(5,379)
	95,808
Islamic structured products	50,000
Total other investment	145,808

The Group’s investment in securities are held to maturity 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.

(i) Offer to acquire all the business and undertaking including all assets and liabilities of PEB by UEM Group Berhad and Employees Provident Fund Board

On 15 October 2010, the Board of Directors of PEB ("Board") received a letter from UEM Group Berhad ("UEM") and Employees Provident Fund Board ("EPF"), as the Joint Offerors, which sets out an offer to acquire the business and undertaking, including all assets and liabilities of PEB at an aggregate purchase consideration of RM23 billion ("Purchase Consideration") ("Offer"). Based on the issued and paid-up share capital of PEB as of 14 October 2010, the Purchase Consideration represents a consideration of RM4.60 per ordinary share of RM0.25 each in PEB. The Joint Offerors shall incorporate a private limited company to undertake this Offer ("SPV"), with UEM and EPF each holding 51% and 49% equity interest respectively in the SPV.

Further to the discussions held between PEB and the Joint Offerors, the Board had on 9 November 2010 received a revised letter of offer which shall supersede the earlier letter of offer dated 15 October 2010 ("Offer Letter"). The Board, save for the Interested Directors, after taking into consideration the advice of the Principal Adviser, the Independent Adviser, the legal counsel as well as the valuation analysis of PEB and all other relevant aspects of the Offer, has resolved to accept the Offer.

After the disposal of the PEB Business pursuant to the Offer ("Proposed Disposal"), the Joint Offerors proposed that PEB, subject to obtaining all requisite approvals, return all proceeds from the disposal that are attributable to the entitled shareholders, being the remaining shareholders of PEB (other than EPF, UEM and Khazanah Nasional Berhad ("Khazanah")) including PEB's shares held by Khazanah which form part of the exchange property, via a special dividend and selective capital repayment exercise (collectively referred to as the "Proposed Distribution").

The Proposed Disposal is subject to the following conditions precedent being satisfied within eight months (or such longer period as may be agreed between the parties) from the acceptance of Offer:
(a) the approval of the shareholders of PEB;
(b) the approval or consent of the creditors of PEB and/or its subsidiaries, where required;
(c) where required, the approval or consent of any relevant regulatory authority, the Malaysian Government, any relevant ministry or foreign authority; and
(d) the grant by the relevant regulatory authorities of waivers, exemptions and/or reliefs for all stamp duty, real property gains tax, and any other tax or levy that may arise or be incurred in respect of the acquisition by SPV of the PEB Business, on terms acceptable to SPV, and of a waiver for all taxes to be incurred by the SPV for the tenure of the concession period in respect of the highway concession assets of the Malaysian Business.

On 23 December 2010, the Board, save for the Interested Directors, announced that it will not consider any offer for PEB Business received after 5.00 p.m on 10 January 2011 ("Final Deadline"). All offers submitted by the Final Deadline are also subject to the conditions as announced to Bursa Malaysia on 21 December 2010 which include: (i) remit a cash deposit of RM50 million into an account to be designated by PEB; and (ii) submit unconditional written confirmation(s) addressed to PEB, from institution(s) and in the form, which are acceptable to PEB, that the offeror has the financial ability to undertake and complete its proposed acquisition of the PEB Business in accordance with the terms of its offer ("Financiers' Letter").

On 10 January 2011, being the Final Deadline, there were no new offers received by PEB and the Joint Offerors had remitted the cash deposit of RM50 million and submitted the Financiers' Letter.

An adjourned Extraordinary General Meeting was held on 23 February 2011, whereby the shareholders of PEB had approved the Proposed Disposal and Proposed Distribution. On 5 May 2011, the bondholders of PLUS SPV Sukuk and KLBK BAIDS had also given the relevant approvals to this exercise.

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

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

On 28 July 2010, PEB 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 Indonesian Rupiah (Rp) 57,823,830,725 (equivalent to approximately RM20.1 million), which had been received in October 2010.

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 Proposed Disposal is expected to be completed in third quarter 2011, which currently pending approval from relevant authorities.

(iii) Furtherance to Notes 16(i) and (ii) above, as at 31 March 2011, the assets and liabilities of the Group have been presented in the Statement of Financial Position as 'Assets of disposal group classified as held for sale' and 'Liabilities directly associated with disposal group classified as held for sale' as follows:

	Note	As at 31/03/2011 RM'000		
		Note 16(i)	Note 16(ii)	Total
ASSETS				
Non-current assets				
Concession intangible assets		11,802,789	683	11,803,472
Property, plant and equipment		81,627	-	81,627
Intangible assets		4,201	-	4,201
Investment in associates		36,969	-	36,969
Investment securities	15(c)	145,808	-	145,808
Deferred tax assets		2,684	15	2,699
Toll compensation recoverable from the Government		2,671,892	-	2,671,892
Long term deposits		20,560	-	20,560
		14,766,530	698	14,767,228
Current assets				
Toll compensation recoverable from the Government		189,756	-	189,756
Inventories		355	-	355
Trade receivables		47,672	-	47,672
Sundry receivables, deposits and prepayments		62,001	6,940	68,941
Amount owing by immediate holding company		506	-	506
Amount owing by related companies		29,541	-	29,541
Tax recoverable		11,098	-	11,098
Short term investments	15(b)	20,000	20,065	40,065
Short term deposits with licensed banks		3,984,221	3,817	3,988,038
Cash and bank balances		31,891	793	32,684
		4,377,041	31,615	4,408,656
Assets of disposal group classified as held for sale		**19,143,571**	**32,313**	**19,175,884**

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

	Note	As at 31/03/2011 RM'000		
		Note 16(i)	Note 16(ii)	Total
LIABILITIES				
Non-current liabilities				
Long term financial liabilities	17	8,720,317	-	8,720,317
Long term borrowings	17	1,846,461	-	1,846,461
Amount due to Government		38,096	-	38,096
Amount owing to immediate holding company		3,472	-	3,472
Retirement benefits		18,132	-	18,132
Provision for heavy repairs		437,126	-	437,126
Deferred liabilities		78,921	-	78,921
Deferred revenue		40,023	-	40,023
Deferred tax liabilities		635,146	-	635,146
		11,817,694	-	11,817,694
Current liabilities				
Trade payables		61,484	-	61,484
Sundry payables and accruals		237,113	161	237,274
Amount received from the Government for Additional Works		19,551	-	19,551
Provision for heavy repairs		178,123	-	178,123
Deferred liabilities		8,089	-	8,089
Deferred revenue		5,961	-	5,961
Short term financial liabilities	17	944,429	-	944,429
Short term borrowings	17	137,368	-	137,368
Amount owing to immediate holding company		5,204	-	5,204
Amount owing to related companies		77,185	-	77,185
Tax payable		2,351	-	2,351
		1,676,858	161	1,677,019
Liabilities directly associated with disposal group classified as held for sale		**13,494,552**	**161**	**13,494,713**
Net assets of disposal group classified as held for sale		**5,649,019**	**32,152**	**5,681,171**
RESERVES				
Other non-distributable reserves		741,561	(873)	740,688
Reserves of disposal group classified as held for sale		**741,561**	**(873)**	**740,688**

17. **Borrowings and debt securities**

Details of Group borrowings and financial liabilities (classified as 'held for sale' per Note 16(iii) above) as at 31 March 2011 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	1,514,631	-	1,514,631	389,460	-	389,460
- Sukuk Series 2	1,532,202	-	1,532,202	-	-	-
- Sukuk Series 3	1,849,241	-	1,849,241	-	-	-
- Seafield Sukuk	862,962	-	862,962	-	-	-
- KLBK BAIDS	168,687	-	168,687	4,969	-	4,969
- PLUS SPV Sukuk	1,442,594	-	1,442,594	-	-	-
	8,720,317	-	8,720,317	944,429	-	944,429
Other borrowings						
- Elite GSL	389,916	-	389,916	-	-	-
- Linkedua GSL	1,281,595	-	1,281,595	-	-	-
- BKSP Commercial Paper ("CP") (denominated in Indian Rupees)	-	-	-	130,186	-	130,186
- INIPPL Term Loan (denominated in Indian Rupees)	174,950	-	174,950	7,182	-	7,182
	1,846,461	-	1,846,461	137,368	-	137,368
TOTAL	10,566,778	-	10,566,778	1,081,797	-	1,081,797

All the above borrowings are without recourse to PEB, except for the BKSP CP.

Included in sundry payables and accruals classified as 'held for sale' presented in Note 16(iii) as at 31 March 2011 is the profit accrued up to 31 March 2011 on Islamic financial liabilities amounting to approximately RM69.8 million.

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. **Breakdown of realised and unrealised profits or losses**

	As at current financial period **31/3/2011** RM'000	As at immediate preceeding financial year **31/12/2010** RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	3,987,078	3,527,599
- Unrealised	(635,182)	(645,813)
	3,351,896	2,881,786
Total share of retained earnings from associate:		
- Realised	3,526	2,459
- Unrealised	-	-
	3,355,422	2,884,245
Add: Consolidation adjustments	279,068	255,127
Total Group retained earnings	3,634,490	3,139,372

20. **Material litigation**

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

21. **Comparison between the current quarter and the immediate preceding quarter (discontinued operations)**

Toll collection for the current quarter of RM681.2 million was higher by RM4.9 million as compared to the immediate preceding quarter of RM676.3 million. This was mainly due to higher toll collection contribution by PLUS of RM10.1 million in the current quarter.

Total revenue for the current quarter of RM1,047.7 million was RM241.8 million or 30.0% higher than the immediate preceding quarter of RM805.9 million, mainly due to higher toll compensation of RM183.1 million and the higher impact of fair value adjustment (FRS139) of RM49.8 million. The increase in toll compensation is as a result of higher non-cash toll compensation for PLUS of RM132.3 million due to higher differential in toll rates pursuant to PLUS's Second Supplemental Concession Agreement.

Profit before income tax for the first quarter 2011 of RM677.9 million was RM261.9 million higher than fourth quarter 2010 of RM416.0 million (restated), mainly due to higher revenue of RM241.8 million as a result of higher toll compensation, as explained above.

22. **Review of performance for the current quarter (discontinued operations)**

The Group's **toll collection** for the first quarter 2011 (as set out in Remark 1 to the Condensed Consolidated Income Statement) was higher by RM74.0 million or 12.2% as compared to the first quarter 2010. The increase was mainly due to increase in PLUS's toll collection by RM62.2 million, as driven by its traffic growth of 6.0% for the current quarter.

Total revenue for the current quarter of RM1,047.7 million was RM264.6 million or 33.8% higher than the preceding year corresponding quarter of RM783.1 million. Besides higher toll collection, the increase was also attributed to higher toll compensation of RM188.3 million (net of fair value adjustment as per Remark 1 to the Condensed Consolidated Income Statement).

Profit before income tax for the current quarter of RM677.9 million was RM286.9 million higher than the preceding year corresponding quarter of RM391.0 million, primarily attributable to higher revenue as a result of higher toll compensation as explained above and the non provision of depreciation and amortisation for March 2011 of RM23.9 million upon the classification of 'assets held for sale'.

For the period ended 31 March 2011, the Group generated cash from operating activities of RM473.4 million, with cash and cash equivalents balance of RM4,020.7 million.

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

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current year quarter **31/3/2011** RM'000	Preceding year corresponding quarter **31/3/2010** RM'000	Three months to **31/3/2011** RM'000	Three months to **31/3/2010** RM'000
Net operating profit after tax ("NOPAT") computation:				
Earnings before interest and tax ("EBIT")	858,340	560,700	858,340	560,700
Adjusted tax	(214,585)	(140,175)	(214,585)	(140,175)
NOPAT (Note 1)	643,755	420,525	643,755	420,525
Economic charge computation:				
Average invested capital (Note 2)	13,610,287	14,053,308	13,610,287	14,053,308
Weighted average cost of capital ("WACC") (%) (Note 3)	6.95%	6.77%	6.95%	6.77%
Economic charge	236,479	237,852	236,479	237,852
Economic profit	407,276	182,673	407,276	182,673

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 RM407.3 million is RM224.6 million higher as compared to RM182.7 million for first quarter 2010. The higher EP was primarily due to higher revenue as a result of higher toll compensation as explained in Note 22 above.

Note 1:
NOPAT is after a notional tax computed based on the statutory 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 (net of tax) and equity taking into account the market capitalisation as at end of the period.

24. **Prospects for year 2011**

Notwithstanding the Proposed Disposal of PEB's business and undertaking as detailed in Note 16(i), it will be business as usual at the operational level. The Proposed Disposal is expected to be completed by end of third quarter 2011.

25. **Profit forecast**

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

26. **Basic earnings per share**

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current year quarter **31/3/2011** RM'000	Preceding year corresponding quarter **31/3/2010** RM'000	Three months to **31/3/2011** RM'000	Three months to **31/3/2010** RM'000
Profit for the period attributable to owners of the Parent from discontinued operations'	495,118	282,446	495,118	282,446
Number of ordinary shares in issue ('000)	5,000,000	5,000,000	5,000,000	5,000,000
Basic earnings per share	9.90 sen	5.65 sen	9.90 sen	5.65 sen

By Order of the Board

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

Joint Company Secretaries

Selangor
30 May 2011