

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

**QUARTERLY REPORT ON CONSOLIDATION RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I(A). CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2011</b>	Preceding year corresponding quarter <b>30/09/2010</b> Restated	Nine months to <b>30/09/2011</b>	Nine months to <b>30/09/2010</b> Restated
	RM'000	RM'000	RM'000	RM'000
<b>Discontinued operations</b>				
<b>Revenue</b> (Remark 1)	969,918	841,855	2,876,548	2,454,222
Direct cost of operations	(217,395)	(277,334)	(719,749)	(794,626)
<b>Gross profit</b>	<b>752,523</b>	<b>564,521</b>	<b>2,156,799</b>	<b>1,659,596</b>
Other income	72,674	61,023	240,196	183,862
General and administration expenses	(29,014)	(23,460)	(62,071)	(62,919)
Finance costs	(184,772)	(185,890)	(555,547)	(551,344)
Share of result from associate	1,271	1,088	2,959	1,402
<b>Profit before income tax</b>	<b>612,682</b>	<b>417,282</b>	<b>1,782,336</b>	<b>1,230,597</b>
Income tax	(149,896)	(84,051)	(444,434)	(317,673)
<b>Profit for the period</b>	<b>462,786</b>	<b>333,231</b>	<b>1,337,902</b>	<b>912,924</b>
Attributable to:				
Owners of the Parent	465,988	334,499	1,344,595	914,811
Non-controlling interests	(3,202)	(1,268)	(6,693)	(1,887)
Profit for the period	<b>462,786</b>	<b>333,231</b>	<b>1,337,902</b>	<b>912,924</b>
Earnings per share (Note 26)				
Basic (based on 2011: 5,000,000,000 [2010: 5,000,000,000] ordinary shares)	<b>9.32 sen</b>	<b>6.69 sen</b>	<b>26.89 sen</b>	<b>18.30 sen</b>

The condensed Consolidated Income Statement 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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**I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2011</b> RM'000	Preceding year corresponding quarter <b>30/09/2010</b> Restated RM'000	Nine months to <b>30/09/2011</b> RM'000	Nine months to <b>30/09/2010</b> Restated RM'000
<b>Discontinued operations</b>				
Profit for the period	462,786	333,231	1,337,902	912,924
Foreign currency translation differences for foreign operations	(3,434)	(2,728)	(4,404)	(17,335)
Reclassification adjustment of foreign exchange reserves upon disposal	477	-	477	-
<b>Other comprehensive income for the period, net of tax</b>	<u>(2,957)</u>	<u>(2,728)</u>	<u>(3,927)</u>	<u>(17,335)</u>
<b>Total comprehensive income for the period</b>	<u>459,829</u>	<u>330,503</u>	<u>1,333,975</u>	<u>895,589</u>
<b>Attributable to:</b>				
Owners of the Parent	464,719	332,672	1,342,306	903,512
Non-controlling interests	(4,890)	(2,169)	(8,331)	(7,923)
<b>Total comprehensive income for the period</b>	<u>459,829</u>	<u>330,503</u>	<u>1,333,975</u>	<u>895,589</u>

The condensed Consolidated 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 <b>30/09/2011</b>  RM'000	Preceding year corresponding quarter <b>30/09/2010</b> Restated RM'000	Nine months to <b>30/09/2011</b>  RM'000	Nine months to <b>30/09/2010</b> Restated RM'000
Toll collection	699,271	644,166	2,067,320	1,897,075
Toll compensation revenue (Note a and b)	315,041	223,104	938,541	640,835
Less: Fair value adjustment on toll compensation revenue for the period	(50,486)	(30,790)	(143,772)	(91,368)
	<u>264,555</u>	<u>192,314</u>	<u>794,769</u>	<u>549,467</u>
Net toll revenue	963,826	836,480	2,862,089	2,446,542
Other revenues (Note c)	6,092	5,375	14,459	7,680
<b>Total revenue</b>	<b><u>969,918</u></b>	<b><u>841,855</u></b>	<b><u>2,876,548</u></b>	<b><u>2,454,222</u></b>

- (a) Included in the toll compensation revenue for current year quarter and nine months ended 30 September 2011 is non-cash toll compensation for Projek Lebuhraya Utara-Selatan Berhad ("PLUS") pursuant to its Second Supplemental Concession Agreement ("SSCA"), amounting to RM309.3 million and RM919.1 million respectively as compared to RM157.5 million and RM461.3 million for preceding year corresponding quarter and nine months ended 30 September 2010 respectively. The increase is due to higher differential in toll rates as per the SSCA.
- (b) No accrual of cash compensation for the non-toll rate increase in 2011 for PLUS and Elite, following a statement made by the Prime Minister in June 2011.
- (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.

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

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 <b>30/09/2011</b>	Preceding year corresponding quarter <b>30/09/2010</b> Restated	Nine months to <b>30/09/2011</b>	Nine months to <b>30/09/2010</b> Restated
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	-	2,106	1,847	7,948
Amortisation of concession assets	-	57,270	52,436	169,556
Amortisation of intangible assets	-	711	129	1,389
<b>Total depreciation and amortisation</b>	<b>-</b>	<b>60,087</b>	<b>54,412</b>	<b>178,893</b>

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 and nine months ended 30 September 2011 would be RM83.6 million and RM217.5 million, respectively.

3. For **illustrative purposes**, excluding the toll compensation in Remark 1 above and should the seven months (from March 2011 until September 2011) depreciation and amortisation be included in nine months ended 30 September 2011 (and accordingly for the current quarter), the profit before income tax for the current period and preceding year corresponding period would be as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2011</b>	Preceding year corresponding quarter <b>30/09/2010</b> Restated	Nine months to <b>30/09/2011</b>	Nine months to <b>30/09/2010</b> Restated
	RM'000	RM'000	RM'000	RM'000
Profit before income tax per Condensed Consolidated Income Statement	612,682	417,282	1,782,336	1,230,597
Excluding toll compensation per Remark 1	(264,555)	(192,314)	(794,769)	(549,467)
Including depreciation and amortisation for the period	(83,644)	-	(163,067)	-
	<b>264,483</b>	<b>224,968</b>	<b>824,500</b>	<b>681,130</b>

From the above, profit before income tax for the current period and nine months ended 30 September 2011 would be RM264.5 million and RM824.5 million respectively, an increase of RM39.5 million for the current quarter and RM143.4 million for nine months ended 30 September 2011 as compared with the preceding year corresponding period, 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 30/09/2011 RM'000	Audited As at preceding financial year end 31/12/2010 Restated RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Current assets</b>			
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(ii)	18,679,921	31,625
<b>Total assets</b>		<b>18,679,921</b>	<b>18,464,049</b>

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

	Note	Unaudited As at end of current quarter 30/09/2011 RM'000	Audited As at preceding financial year end 31/12/2010 Restated RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital		1,250,000	1,250,000
Other reserves		-	741,275
Retained earnings		3,733,967	3,139,372
Reserves of disposal group classified as held for sale	16(ii)	738,509	(477)
		<u>5,722,476</u>	<u>5,130,170</u>
Non-controlling interests		37,645	56,208
Total equity		<u>5,760,121</u>	<u>5,186,378</u>
<b>Non-current liabilities</b>			
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
		<u>-</u>	<u>11,684,758</u>
<b>Current liabilities</b>			
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
		<u>-</u>	<u>1,592,846</u>
Liabilities directly associated with disposal group classified as held for sale	16(ii)	12,919,800	67
<b>Total liabilities</b>		<u><b>12,919,800</b></u>	<u><b>13,277,671</b></u>
<b>Total equity and liabilities</b>		<u><b>18,679,921</b></u>	<u><b>18,464,049</b></u>
<b>Net assets per share attributable to Owners of the Parent</b>		<u><b>RM1.14</b></u>	<u><b>RM1.03</b></u>

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**

	Note	Unaudited Nine months to 30/09/2011 RM'000	Unaudited Nine months to 30/09/2010 RM'000
<b>Discontinued operations</b>			
<b>Cash flows from operating activities</b>			
Cash receipts from toll operations		2,100,389	2,032,454
Cash receipts from other services		67,481	60,823
Cash payments for expenses		(778,139)	(620,659)
Cash generated from operations		1,389,731	1,472,618
Income taxes paid		(4,679)	(8,049)
Future maintenance expenditure received		879	1,936
<b>Net cash generated from operating activities</b>		<b>1,385,931</b>	<b>1,466,505</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary, net of cash and cash equivalents acquired		-	(82,373)
Proceeds from disposal of a subsidiary, net of cash and cash equivalents acquired	10	15,452	-
Profit element and interest income received		102,010	61,173
Proceeds from maturity of short term investments		105,000	281,000
Proceeds from disposal of property, plant and equipment		883	92
Deposit received from Joint Offerors	16(i)	50,000	-
Long term deposit		-	(22,047)
Interest earned on amount received from the Government for Additional Works		467	320
Investment in associate		(11,678)	(33,407)
Dividends received		525	-
Purchase of property, plant and equipment and computer software		(12,042)	(9,726)
Purchase of investments		(85,509)	(165,601)
Payments for Additional Works		(22,609)	(29,367)
Payments for concession assets		(112,581)	(106,672)
<b>Net cash from/ (used in) investing activities</b>		<b>29,918</b>	<b>(106,608)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of Islamic Sukuk		-	443,060
Redemption of Islamic bonds	6	(678,527)	(558,000)
Profit element and interest paid		(223,824)	(154,338)
Settlement of borrowings		(3,873)	(14,642)
Proceeds from non-controlling shareholders in respect of additional capital injection during the period		2,320	-
Dividends paid		(750,000)	(875,000)
<b>Net cash used in financing activities</b>		<b>(1,653,904)</b>	<b>(1,158,920)</b>
<b>Net change in cash and cash equivalents</b>		<b>(238,055)</b>	<b>200,977</b>
Effects of foreign exchange rate changes		(811)	269
Cash and cash equivalents as at beginning of financial period		3,483,036	2,883,530
<b>Cash and cash equivalents as at end of financial period</b>	(a)	<b>3,244,170</b>	<b>3,084,776</b>

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

	Note	Unaudited As at 30/9/2011 RM'000	Unaudited As at 30/9/2010 RM'000
<b>(a) Cash and cash equivalents comprise the following amounts:</b>			
Short term deposits	16(ii)	3,208,621	3,067,754
Cash and bank balances	16(ii)	35,549	17,022
		<b><u>3,244,170</u></b>	<b><u>3,084,776</u></b>

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")	788.3	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")	4.9	FSRA and MRA
	<b><u>825.6</u></b>	

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 RM19.9 million which 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 →							Total Equity RM'000	
	Note	Share Capital RM'000	← Non-distributable →		Reserves of disposal group classified as held for sale RM'000	Distributable  Retained Earnings RM'000	Total RM'000		Non- controlling interests RM'000
			Other Reserves RM'000						
<b>Nine months to 30 September 2011 (Unaudited)</b>									
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		-	(2,766)	477	1,344,595	1,342,306	(8,331)	1,333,975	
Issuance of additional share capital to non-controlling interests		-	-	-	-	-	2,320	2,320	
Disposal of a foreign subsidiary	10	-	-	-	-	-	(12,552)	(12,552)	
Reserves of disposal group classified as held for sale	16(ii)	-	(738,509)	738,509	-	-	-	-	
Dividend		-	-	-	(750,000)	(750,000)	-	(750,000)	
Balance as at 30 September 2011		<u>1,250,000</u>	<u>-</u>	<u>738,509</u>	<u>3,733,967</u>	<u>5,722,476</u>	<u>37,645</u>	<u>5,760,121</u>	
<b>Nine months to 30 September 2010 (Unaudited)</b>									
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		-	(11,299)	-	914,811	903,512	(7,923)	895,589	
Acquisition of a subsidiary		-	-	-	-	-	43,047	43,047	
Reserve of disposal group classified as held for sale		-	1,178	(1,178)	-	-	-	-	
Dividend		-	-	-	(875,000)	(875,000)	-	(875,000)	
Balance as at 30 September 2010		<u>1,250,000</u>	<u>745,844</u>	<u>(1,178)</u>	<u>2,884,997</u>	<u>4,879,663</u>	<u>56,124</u>	<u>4,935,787</u>	

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

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**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 30 September 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 nine months ended 30 September 2011 and 30 September 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, 1 July 2010 and 1 January 2011 as disclosed below:

FRS 1: First-time Adoption of Financial Reporting Standards  
FRS 3: Business Combinations (revised)  
FRS 127: Consolidated and Separate Financial Statements  
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters  
Amendments to FRS 1: Additional Exemptions for First-time Adopters  
Amendments to FRS 2: Share-based Payment  
Amendments to FRS 2: Share-based Payment - Group Cash-settled Share-based Payment Transactions  
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations  
Amendments to FRS 7: Improving Disclosures about Financial Instruments  
Amendments to FRS 132: Financial Instruments : Presentation - Classification of Rights Issues  
Amendments to FRS 138: Intangible Assets  
Amendments to FRSs 'Improvements to FRSs (2010)'  
IC Interpretation 4: Determining Whether An Arrangement contains a Lease  
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  
IC Interpretation 18: Transfers of Assets from Customers

The 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:

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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 are 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 Assets

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

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

The cost of Concession Assets are 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 period, the consensus and the issuance of an implementation guidance from the accounting profession in determining the appropriateness of certain methods in amortising the Concession Intangible Assets contained in expressway concession arrangements is still pending. In view of the above, the Group continues to amortise its Concession Intangible Assets 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 arises.

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

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

**(ii) Financial impact**

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:**

	← 30 September 2011 →		
	Before IC 12 RM'000	IC 12 impact RM'000	After IC 12 RM'000
<b>Assets and liabilities classified as held for sale (Note 16(ii)) and retained earnings</b>			
Concession assets	12,796,226	(12,796,226)	-
Concession intangible assets	-	11,920,318	11,920,318
Deferred tax liabilities	954,712	(347,967)	606,745
Provision for heavy repairs	-	601,231	601,231
Retained earnings	4,863,140	(1,129,173)	3,733,967

	← 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:**

	← 30 September 2011 →		
	Before IC 12 RM'000	IC 12 impact RM'000	After IC 12 RM'000
<b>Discontinued operations:</b>			
Direct cost of operations	(632,289)	(87,460)	(719,749)
Profit before income tax	1,869,796	(87,460)	1,782,336
Income tax	(462,877)	18,443	(444,434)
Profit after income tax	1,406,919	(69,017)	1,337,902

	← 30 September 2010 →		
	As previously stated RM'000	IC 12 impact RM'000	As restated RM'000
Direct cost of operations	(728,271)	(66,355)	(794,626)
Profit before income tax	1,296,952	(66,355)	1,230,597
Income tax	(330,663)	12,990	(317,673)
Profit after income tax	966,289	(53,365)	912,924

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**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 30 September 2011 except for the following:

- (i) Redemption of Primary Bonds of Senior Sukuk amounting RM550 million by PLUS in May 2011.
- (ii) Redemption of tranche one of Sukuk Series 1 amounting RM124 million by PLUS in June 2011.
- (iii) Redemption of KLBK BAIDS of RM5 million by KLBK in July 2011.

**7. Dividend**

On 29 June 2011, the Board of Directors approved the declaration of an interim single tier dividend of 15.0 sen per share of RM0.25 each amounting to RM750.0 million for the financial year ending 31 December 2011. The payment was made on 29 July 2011.

Pursuant to the Offer Letter dated 15 October 2010 (as revised on 9 November 2010) from UEM Group Berhad and Employees Provident Fund Board (being the Joint Offerors), the above dividend paid on 29 July 2011 shall reduce the offer price from RM4.60 per share to RM4.45 per share accordingly.

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**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 30 September 2011 is as follows:

	<b>PLUS</b> RM'000	<b>Others</b> RM'000	<b>Total</b> RM'000
<b>Revenue</b>	2,513,207	363,341	2,876,548
<b>Profit for the period</b>	1,267,402	70,500	1,337,902
<b>Total Assets</b>	13,670,721	5,009,200	18,679,921

**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 September 2011 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2011 that have not been reflected in the condensed financial statements.

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

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

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

On 16 August 2011, PEB announced that all conditions set out in the Conditional Sale and Purchase Agreement dated 28 July 2010 have been fulfilled. PEB and PT Bakrie & Brothers TBK ("BAKRIE") have, on 15 August 2011, entered into the Deed of Transfer of Shares for the transfer of PEB's entire equity representing 60% shareholding interest in CCTW to BAKRIE for a total cash consideration of Indonesian Rupiah (Rp) 57,823,830,725 (equivalent to approximately RM20.1 million). With the execution of the Deed of Transfer of Shares, the Disposal was duly completed and effective from 15 August 2011, CCTW shall cease to be a subsidiary of PEB.

The gain/ loss and net cash inflow to the Group on disposal of CCTW are as follows:

	RM'000
<u>Assets</u>	
Concession intangible assets	688
Deferred tax assets	16
Sundry receivables, deposits and prepayments	6,960
Short term investments	20,123
Short term deposits with licensed banks	3,828
Cash and bank balances	843
<b>Total assets</b>	<u>32,458</u>
<u>Liabilities</u>	
Sundry payables and accruals	(157)
Amount owing to immediate holding company	(270)
<b>Total liabilities</b>	<u>(427)</u>

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

	RM'000
Net assets disposed	32,031
Less: Non-controlling interests	<u>(12,552)</u>
Group's share of net assets disposed	19,479
Disposal proceeds settled by cash	(20,123)
Transfer from foreign exchange reserve	<u>477</u>
<b>Gain on disposal of foreign subsidiary</b>	<b><u><u>(167)</u></u></b>
Cash inflow arising on disposal:	
Cash consideration	20,123
Cash and cash equivalents of subsidiary disposed	<u>(4,671)</u>
<b>Net cash inflow on disposal</b>	<b><u><u>15,452</u></u></b>

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 30/09/2011 RM'000
Amount authorised and contracted for (Note i)	891,066
Amount authorised but not contracted for	5,513

Note i: Included in the amount is an amount committed by PT Lintas Marga Sedaya ("LMS") for land acquisition costs for the Cikampek-Palimanan Highway project totaling Indonesian Rupiah ("Rp") 524.8 billion (equivalent to RM182.6 million\*) and amount committed by the Company for the proposed investment in Jetpur-Somnath Tollways Limited of RM45.3 million.

\* based on exchange rate of Rp1=RM0.000348

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13. **Income tax**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter <b>30/09/2011</b>	Preceding year corresponding quarter <b>30/09/2010</b> Restated	Nine months to <b>30/09/2011</b>	Nine months to <b>30/09/2010</b> Restated
	RM'000	RM'000	RM'000	RM'000
<b>Discontinued operations</b>				
Income tax:				
Malaysian income tax	163,666	111,311	466,159	226,880
Foreign income tax	8	-	8	90
Subtotal	<u>163,674</u>	<u>111,311</u>	<u>466,167</u>	<u>226,970</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(13,778)</u>	<u>(27,260)</u>	<u>(21,733)</u>	<u>90,703</u>
	<u>149,896</u>	<u>84,051</u>	<u>444,434</u>	<u>317,673</u>

Income tax amount of RM466.2 million for the nine months ended 30 September 2011 include PLUS's income tax of RM460.2 million. 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.

The deferred tax credit for the nine months ended 30 September 2011 was the result of fair value adjustment on the non-cash toll compensation recoverable from the Government.



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**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 RM105 million.

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

There were no acquisitions and disposals of quoted securities in the current period ended 30 September 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 30 September 2011 are as follows:

	<b>As at 30/09/2011 RM'000</b>
<b>Classified as held for sale</b>	
Islamic / conventional investment	28,968

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 AA2.

**15(c) Investment securities**

	<b>As at 30/09/2011 RM'000</b>
<b>Classified as held for sale</b>	
Unquoted Islamic private debt securities, at cost	100,000
Add: Premium	1,006
Less: Discount	(4,548)
	96,458
Islamic structured products	50,000
Total other investment	146,458

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.

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

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

(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 ("PEB Share"). 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.

On 29 June 2011, PEB declared an interim single tier dividend of RM750,000,000 or RM0.15 per PEB Share for the financial year ending 31 December 2011. The Joint Offerors had in accordance with the provisions of the Offer Letter confirmed that the Purchase Consideration shall consequently be reduced by RM750,000,000 to RM22,250,000,000 (which is equivalent to RM4.45 per PEB Share). Such dividend was paid on 29 July 2011.

On 8 July 2011, the Joint Offerors and PEB have mutually agreed to extend the period for the fulfillment of the conditions precedent in relation to the Offer to 30 September 2011, as certain approvals or consents required to be procured by PEB and the Joint Offerors are still pending.

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

On 30 September 2011, PEB agreed to the request by the Joint Offerors for a further extension to the period for fulfillment of the Conditions Precedent in relation to the Offer, from 30 September 2011 to 30 November 2011.

In consideration of the extension granted, PEB has requested for the Joint Offerors to consider paying a dividend to all shareholders of PEB, in addition to the Offer Price (less interim single tier dividend of RM0.15 per PEB Share or RM750,000,000 paid by PEB on 29 July 2011). The Joint Offerors had vide their letter dated 4 November 2011, agreed to allow PEB to pay a dividend of approximately RM106.6 million to PEB's shareholders as of an entitlement date to be determined by the Board ("Dividend"). For the avoidance of doubt, there will be no adjustment to the Offer Price in consequence of the Dividend. Accordingly, the Board shall deliberate and thereafter, declare the final amount of the Dividend to be paid to all shareholders of PEB at a date to be determined later.

On 8 November 2011, PEB received a letter from the Joint Offerors confirming that all Conditions Precedent pursuant to the Proposed Disposal as referred to in paragraph 7.1(a) through (d) of the Offer Letter (also referred to in paragraph 8.1(a) of the Offer Letter) have been fulfilled on 4 November 2011.

PEB had on 16 November 2011, received a letter from the Joint Offerors notifying that the requirement specified in paragraph 8.1(b) of the Offer Letter have been fulfilled ("Confirmation Letter"). Paragraph 8.1(b) of the Offer Letter refers to the confirmation by the Joint Offerors that they are satisfied with the revised terms and conditions of the existing concession agreements held by the Malaysian concession companies under PEB. In accordance with paragraph 8.1 of the Offer Letter, Completion shall take place on the fourteenth (14th) business day after the date of the Confirmation Letter.

The hearing to obtain the order of the High Court of Malaya to confirm the capital reduction and repayment for the Selective Capital Reduction ("SCR") has been fixed to be held on 22 November 2011.

- (ii) Furtherance to Notes 16(i) above, as at 30 September 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 30/09/2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Concession intangible assets		11,920,318
Property, plant and equipment		88,543
Intangible assets		6,083
Investment in associates		49,989
Investment securities	15(c)	146,458
Deferred tax assets		3,406
Toll compensation recoverable from the Government		2,879,796
Other long term receivables		782
Long term deposits		23,313
		15,118,688
<b>Current assets</b>		
Toll compensation recoverable from the Government		173,516
Inventories		377
Trade receivables		40,282
Sundry receivables, deposits and prepayments		43,659
Amount owing by immediate holding company		497
Amount owing by related companies		18,400
Tax recoverable		11,364
Short term investments	15(b)	28,968
Short term deposits with licensed banks		3,208,621
Cash and bank balances		35,549
		3,561,233
Assets of disposal group classified as held for sale		<b>18,679,921</b>

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

	Note	As at 30/09/2011 RM'000
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long term financial liabilities	17	8,360,276
Long term borrowings	17	1,888,744
Amount due to Government		38,096
Amount owing to immediate holding company		3,575
Retirement benefits		19,036
Provision for heavy repairs		435,342
Deferred liabilities		75,358
Deferred revenue		38,564
Deferred tax liabilities		606,745
		<b>11,465,736</b>
<b>Current liabilities</b>		
Trade payables		51,417
Sundry payables and accruals		217,234
Amount received from the Government for Additional Works		19,874
Provision for heavy repairs		165,889
Deferred liabilities		8,095
Deferred revenue		5,379
Short term financial liabilities	17	745,214
Short term borrowings	17	135,604
Amount owing to immediate holding company		2,751
Amount owing to related companies		99,961
Tax payable		2,646
		<b>1,454,064</b>
Liabilities directly associated with disposal group classified as held for sale		<b>12,919,800</b>
<b>Net assets of disposal group classified as held for sale</b>		<b>5,760,121</b>
<b>RESERVES</b>		
Other non-distributable reserves		738,509
<b>Reserves of disposal group classified as held for sale</b>		<b>738,509</b>

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17. **Borrowings and debt securities**

Details of Group borrowings and financial liabilities (classified as 'held for sale' per Note 16(ii) above) as at 30 September 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
<b><u>Islamic Financial Liabilities</u></b>						
- Senior Sukuk	1,000,000	-	1,000,000	350,000	-	350,000
- Sukuk Series 1	1,370,713	-	1,370,713	389,332	-	389,332
- Sukuk Series 2	1,583,344	-	1,583,344	-	-	-
- Sukuk Series 3	1,906,029	-	1,906,029	-	-	-
- Seafield Sukuk	864,635	-	864,635	-	-	-
- KLBK BAIDS	165,201	-	165,201	5,882	-	5,882
- PLUS SPV Sukuk	1,470,354	-	1,470,354	-	-	-
	8,360,276	-	8,360,276	745,214	-	745,214
<b><u>Other borrowings</u></b>						
- Elite GSL	389,916	-	389,916	-	-	-
- Linkedua GSL	1,333,009	-	1,333,009	-	-	-
- BKSP Commercial Paper ("CP") (denominated in Indian Rupees)	-	-	-	125,021	-	125,021
- INIPPL Term Loan (denominated in Indian Rupees)	165,819	-	165,819	10,583	-	10,583
	1,888,744	-	1,888,744	135,604	-	135,604
<b>TOTAL</b>	10,249,020	-	10,249,020	880,818	-	880,818

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(ii) as at 30 September 2011 is the profit accrued up to 30 September 2011 on Islamic financial liabilities amounting to approximately RM58.2 million.

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**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 <b>30/09/2011</b>  RM'000	As at preceding financial year end <b>31/12/2010</b> Restated RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	3,922,936	3,527,599
- Unrealised	(607,235)	(645,813)
	3,315,701	2,881,786
Total share of retained earnings from associate:		
- Realised	5,418	2,459
- Unrealised	-	-
	3,321,119	2,884,245
Add: Consolidation adjustments	412,848	255,127
Total Group retained earnings	3,733,967	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 RM699.3 million was higher by RM12.4 million as compared to the immediate preceding quarter of RM686.9 million, in line with higher traffic volume for the current quarter.

**Total revenue** for the current quarter of RM969.9 million was RM111.0 million higher than the immediate preceding quarter of RM858.9 million. The increase in total revenue was mainly due to higher toll compensation in the current quarter. Lower toll compensation in immediate preceding quarter was due to reversal made on accrual for cash compensation for first quarter 2011 amounting to RM120.9 million following the announcement made by the Prime Minister that there will be no toll compensation for non-toll rate increase from 2011 to 2015 for PEB Group.

**Profit before income tax** for the current quarter of RM612.7 million was RM120.9 million higher than immediate preceding quarter of RM491.8 million mainly due to higher toll compensation, as explained above.

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**22. Review of performance for the current quarter and year-to-date (discontinued operations)**

The Group's **toll collection** for the third quarter 2011 (as set out in Remark 1 to the Condensed Consolidated Income Statement) was higher by RM55.1 million or 8.6% as compared to the third quarter 2010. The increase was mainly due to increase in PLUS's toll collection of RM45.1 million. For the nine months ended 30 September 2011, the Group's toll collection of RM2,067.3 million was 9.0% or RM170.2 million higher than the preceding year corresponding period of RM1,897.1 million. The increase was mainly attributed by higher toll collection by PLUS of RM138.4 million driven by traffic growth of 6.2%.

**Total revenue** for the current quarter of RM969.9 million was 15.2% or RM128.0 million higher than the preceding year corresponding quarter of RM841.9 million. The favourable variance was mainly due to higher toll collection, as explained above and higher toll compensation of RM72.2 million (net of fair value adjustment). For the nine months ended 30 September 2011, total revenue of RM2,876.5 million was RM422.3 million or 17.2% higher than the nine months ended 30 September 2010 of RM2,454.2 million. The increase was mainly due to higher toll collection as explained above as well as higher toll compensation of RM245.3 million (net of fair value adjustment), as a result of higher differential in toll rates as per the compensation arrangement in PLUS's SSCA.

**Profit before income tax** for the current quarter of RM612.7 million was RM195.4 million higher than the preceding year corresponding quarter of RM417.3 million. For the nine months ended 30 September 2011, profit before income tax was higher by RM551.7 million or 44.8% as compared to the nine months ended 30 September 2010 of RM1,230.6 million. The higher profit before income tax was primarily due to higher revenue as explained above and lower operating expenditure due to non-provision of depreciation and amortisation upon classification of 'assets held for sale'.

For the period ended 30 September 2011, the Group generated cash from operating activities of RM1,385.9 million, with cash and cash equivalents balance of RM3,244.2 million.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2011</b> RM'000	Preceding year corresponding quarter <b>30/09/2010</b> RM'000	Nine months to <b>30/09/2011</b> RM'000	Nine months to <b>30/09/2010</b> RM'000
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	889,299	584,815	2,387,591	1,735,046
Adjusted tax	(222,325)	(146,204)	(596,898)	(433,762)
<b>NOPAT (Note 1)</b>	<b>666,974</b>	<b>438,611</b>	<b>1,790,693</b>	<b>1,301,284</b>
<u>Economic charge computation:</u>				
Average invested capital (Note 2)	13,849,055	14,184,119	13,849,055	14,184,119
Weighted average cost of capital ("WACC") (%) (Note 3)	6.65%	6.62%	6.65%	6.62%
<b>Economic charge</b>	<b>230,241</b>	<b>234,747</b>	<b>690,722</b>	<b>704,242</b>
<b>Economic profit</b>	<b>436,733</b>	<b>203,864</b>	<b>1,099,971</b>	<b>597,042</b>

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 RM436.7 million is RM232.9 million higher as compared to the third quarter 2010. EP for the nine months ended 30 September 2011 is higher by RM502.9 million than the preceding year corresponding period. The higher EP was attributed to higher revenue and lower operating expenses.

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.

**PLUS EXPRESSWAYS BERHAD**  
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**Incorporated In Malaysia**

**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 before end of 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 <b>30/09/2011</b>  RM'000	Preceding year corresponding quarter <b>30/09/2010</b> Restated RM'000	Nine months to <b>30/09/2011</b>  RM'000	Nine months to <b>30/09/2010</b> Restated RM'000
Profit for the period attributable to owners of the Parent from discontinued operations	465,988	334,499	1,344,595	914,811
Number of ordinary shares in issue ('000)	5,000,000	5,000,000	5,000,000	5,000,000
Basic earnings per share	<u>9.32 sen</u>	<u>6.69 sen</u>	<u>26.89 sen</u>	<u>18.30 sen</u>

**By Order of the Board**

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

**Joint Company Secretaries**

**Selangor**  
**21 November 2011**