

**GAMUDA BERHAD (29579-T)**

**Condensed Consolidated Income Statement  
for the period ended 31 July 2011**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-Jul-11 RM'000	(Restated) Comparative Quarter 31-Jul-10 RM'000	Current Year To Date 31-Jul-11 RM'000	(Restated) Preceding Year Corresponding Period 31-Jul-10 RM'000
Revenue	810,610	714,779	2,673,208	2,455,143
Operating expenses	(727,841)	(657,508)	(2,335,421)	(2,237,484)
Other income	7,775	22,340	43,087	42,193
<b>Profit from operations</b>	<b>90,544</b>	<b>79,611</b>	<b>380,874</b>	<b>259,852</b>
Finance costs	(15,424)	(15,369)	(58,779)	(43,813)
Share of profits of associated companies	76,007	50,950 *	222,429	196,221 *
<b>Profit before taxation</b>	<b>151,127</b>	<b>115,192</b>	<b>544,524</b>	<b>412,260</b>
Taxation	(24,734)	(27,765)	(111,579)	(80,547)
<b>Profit for the period</b>	<b>126,393</b>	<b>87,427</b>	<b>432,945</b>	<b>331,713</b>
Profit attributable to :-				
Owners of the Company	126,221	86,728	425,411	322,918
Minority interests	172	699	7,534	8,795
	<b>126,393</b>	<b>87,427</b>	<b>432,945</b>	<b>331,713</b>
<b>Earnings per share attributable to Owners of the Company</b>				
Basic earnings per share (sen)	6.12	4.29 *	20.74	16.00 *
Fully diluted earnings per share (sen)	5.85	4.18 *	19.80	15.67 *

\* In accordance with the adoption of IC Interpretation 12, the above changes have been accounted for retrospectively and the comparative figures have been restated

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)**

**Condensed Consolidated Statement of Comprehensive Income  
for the period ended 31 July 2011**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-Jul-11 RM'000	(Restated) Comparative Quarter 31-Jul-10 RM'000	Current Year To Date 31-Jul-11 RM'000	(Restated) Preceding Year Corresponding Period 31-Jul-10 RM'000
<b>Profit for the period</b>	<b>126,393</b>	<b>87,427</b>	<b>432,945</b>	<b>331,713</b>
<b>Other comprehensive income/(loss)</b>				
Fair value loss on cash flow hedges	(3,381)	-	(2,277)	-
Exchange difference on translation	7,912	(60,446)	(52,016)	(84,517)
Net asset accretion in an associate arising from capital contribution	5,402	3,072	5,402	3,072
Other comprehensive income for the period, net of tax	<u>9,933</u>	<u>(57,374)</u>	<u>(48,891)</u>	<u>(81,445)</u>
<b>Total comprehensive income for the period</b>	<b><u>136,326</u></b>	<b><u>30,053</u></b>	<b><u>384,054</u></b>	<b><u>250,268</u></b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	142,579	29,686	383,499	244,234
Minority interests	(6,253)	367	555	6,034
	<u>136,326</u>	<u>30,053</u>	<u>384,054</u>	<u>250,268</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)**
**Condensed Consolidated Statement Of Financial Position  
As at 31 July 2011**

	As at 31-Jul-11 RM'000	(Restated) As at 31-Jul-10 RM'000	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	345,718	301,639	Restated - Note 1 (c)
Land held for property development	248,637	278,279	
Investment properties	11,157	2,604	
Prepaid land lease payments	4,872	5,297	Restated - Note 1 (c)
Motorway development expenditure	323,357	324,869	
Intangible assets	100,947	62,649	
Interests in associated companies	1,619,630	1,493,166	Restated - Note 1 (d)
Other investments	733	733	
Deferred tax assets	19,280	21,824	
Receivables	189,100	214,284	Restated - Note 1 (e)
	<u>2,863,431</u>	<u>2,705,344</u>	
<b>Current assets</b>			
Property development costs	1,317,253	551,357	
Inventories	34,105	79,738	
Receivables	1,114,615	1,021,661	Restated - Note 1 (e)
Amount due from customers for construction contracts	812,893	411,155	
Tax recoverable	23,410	14,652	
Short term investments	336,623	784,104	
Cash and bank balances	1,048,968	1,165,550	
	<u>4,687,867</u>	<u>4,028,217</u>	
<b>TOTAL ASSETS</b>	<u>7,551,298</u>	<u>6,733,561</u>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	2,064,824	2,025,888	
Reserves	1,621,741	1,414,288	
Owner's equity	3,686,565	3,440,176	
<b>Minority interests</b>	200,341	50,198	
<b>Total equity</b>	<u>3,886,906</u>	<u>3,490,374</u>	
<b>Non-current liabilities</b>			
Payables	77,488	71,203	Restated - Note 1 (e)
Provision for liabilities	3,465	5,581	
Deferred tax liabilities	86,307	17,026	
Long term borrowings	1,323,480	1,278,736	
Derivatives	3,894	-	
	<u>1,494,634</u>	<u>1,372,546</u>	
<b>Current liabilities</b>			
Short term borrowings	626,179	511,273	
Payables	909,275	740,344	Restated - Note 1 (e)
Amount due to customers for construction contracts	610,041	606,375	
Provision for liabilities	7,385	4,704	
Tax payable	15,395	7,945	
Derivatives	1,483	-	
	<u>2,169,758</u>	<u>1,870,641</u>	
<b>TOTAL LIABILITIES</b>	<u>3,664,392</u>	<u>3,243,187</u>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>7,551,298</u>	<u>6,733,561</u>	
<b>Net assets per share attributable to Owners of the Company (RM)</b>	1.79	1.70	

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)**  
**Condensed Consolidated Statement of Changes in Equity**

	Attributable to owners of the Company						Total equity RM'000
	Share Capital RM'000	Non distributable Share premium RM'000	Option reserves RM'000	Other reserves RM'000	Distributable Retained profits RM'000	Total RM'000	
<b>FY 2011</b>							
<b>12 months ended 31 July 2011</b>							
<b>At 1 August 2010</b>	2,025,888	55,760	37,780	51,670	1,086,427	3,257,525	50,198
As previously reported	-	-	-	-	182,651	182,651	-
Effects of adopting IC Interpretation 12	-	-	-	(3,100)	(3,352)	(6,452)	-
Effects of adopting FRS 139	-	-	-	-	-	-	-
<b>At 1 August 2010, as restated</b>	2,025,888	55,760	37,780	48,570	1,265,726	3,433,724	50,198
Total Comprehensive Income	-	-	-	(41,912)	425,411	383,499	555
Exercise of Employees' Share Options ("ESOS")	37,553	55,827	-	-	-	93,380	-
Conversion of warrants	1,383	2,433	-	(138)	-	3,678	-
Share options granted under ESOS	-	-	6,217	-	-	6,217	-
Share options exercised under ESOS	-	12,207	(14,350)	-	-	(2,143)	-
Minority interest of a newly acquired subsidiary	-	-	-	-	-	-	151,234
Dividends	-	-	-	-	(231,790)	(231,790)	-
Dividend paid to minority shareholder	-	-	-	-	-	-	(1,646)
<b>At 31 July 2011</b>	2,064,824	126,227	29,647	6,520	1,459,347	3,686,565	200,341
<b>FY 2010</b>							
<b>12 months ended 31 July 2010</b>							
<b>At 1 August 2009</b>	2,009,257	31,989	26,679	105,290	987,796	3,161,011	46,763
As previously reported	-	-	-	-	140,426	140,426	-
Effects of adopting IC Interpretation 12	-	-	-	-	-	-	-
<b>At 1 August 2009, as restated</b>	2,009,257	31,989	26,679	105,290	1,128,222	3,301,437	46,763
Total Comprehensive Income	-	-	-	(78,684)	322,918	244,234	6,034
Issuance of warrants	-	-	-	25,231	-	25,231	-
Exercise of Employees' Share Options ("ESOS")	14,961	15,901	-	-	-	30,862	-
Conversion of warrants	1,670	2,939	-	(167)	-	4,442	-
Share options granted under ESOS	-	-	18,416	-	-	18,416	-
Share options exercised under ESOS	-	6,105	(7,315)	-	-	(1,210)	-
Expenses relating to rights issue of warrants	-	(1,174)	-	-	-	(1,174)	-
Acquisition of additional interest from minority shareholders	-	-	-	-	-	-	(2,599)
Dividends	-	-	-	-	(182,062)	(182,062)	-
<b>At 31 July 2010</b>	2,025,888	55,760	37,780	51,670	1,269,078	3,440,176	50,198

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)****Condensed Consolidated Statement Of Cash Flows  
For The Period Ended 31 July 2011**

	12 months ended 31-Jul-11 RM'000	(Restated) 12 months ended 31-Jul-10 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	544,524	412,260
Adjustments for non-cash items/non-operating items	(99,418)	(72,434)
Operating profit before changes in working capital	<u>445,106</u>	<u>339,826</u>
<u>Changes in working capital</u>		
Net change in current assets	(718,081)	(24,957)
Net change in current liabilities	<u>235,119</u>	<u>266,010</u>
Cash (used in)/generated from operations	(37,856)	580,879
Tax paid	(109,609)	(76,725)
Others	<u>(73,296)</u>	<u>(88,103)</u>
Net cash (used in)/generated from operating activities	<u>(220,761)</u>	<u>416,051</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of land held for property development	-	(10,000)
Purchase of property, plant and equipment	(116,573)	(15,903)
Proceeds on disposal of plant and equipment	15,855	11,636
Proceeds on disposal of short term investments	447,481	-
Purchases of investment management funds	-	(683,436)
Capital repayment from an associated company	-	13,247
Acquisition of additional interest from minority interest	-	(1,000)
Acquisition of a subsidiary, net of cash acquired	(268,056)	-
Dividend received from associated companies	78,252	106,389
Distribution received from investment management funds	5,132	6,873
Interest received	<u>28,243</u>	<u>22,043</u>
Net cash generated from/(used in) investing activities	<u>190,334</u>	<u>(550,151)</u>
<b>Cash Flows From Financing Activities</b>		
Net proceeds from exercise of ESOS	93,380	30,862
Net proceeds from issuance of warrants	-	25,231
Net proceeds from conversion of warrants	3,678	4,442
Net drawdown of borrowings	159,650	251,344
Expenses relating to right issue of warrants	-	(1,174)
Dividend paid to shareholders	(323,065)	(151,192)
Dividend paid to a minority shareholder	<u>(1,646)</u>	<u>-</u>
Net cash (used in)/generated from financing activities	<u>(68,003)</u>	<u>159,513</u>
Net (decrease)/increase in cash and cash equivalents	(98,430)	25,413
Effects of exchange rate changes	(18,152)	(13,892)
Cash and cash equivalents at beginning of the period	<u>1,165,550</u>	<u>1,154,029</u>
Cash and cash equivalents at end of the period	<u>1,048,968</u>	<u>1,165,550</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

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#### 1. Basis of Preparation

- 1.1) The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.
- 1.2) The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2010.
- 1.3) The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the audited financial statements for the year ended 31 July 2010 except for the adoption of the following new/revised Financial Reporting Standards (FRSs), Amendments to FRSs, Interpretations and Amendments to Interpretations:

#### Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements, Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 117	Leases
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Amendments to FRSs	Improvements to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

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#### 1. Basis of Preparation (cont'd)

##### 1.3) Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132	Classification of Rights Issues
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##### Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
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 above new/revised FRSs, Amendments to FRSs, Interpretations and Amendments to Interpretations are expected to have no significant impact on the financial performance and position of the Group except for those discussed below:

##### (a) FRS 101: Presentation of Financial Statements (Revised)

The revised new FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. Pursuant to the revised standard, the Group has elected to adopt the two linked statements.

This is a disclosure standard with no impact on the financial performance and position of the Group.

##### (b) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognizing and measuring of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Group has adopted FRS139 prospectively on 1 August 2010 in accordance with the transitional provisions. The effects arising from the adoption of the standard has been accounted for by adjusting the opening balance of the retained earnings as at 1 August 2010.

The details of changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

##### i. Receivables

Prior to 1 August 2010, trade and other receivables were stated at gross receivables less provision for doubtful debts. Upon adoption of FRS 139, the Group's receivables are initially measured at fair value, plus transaction costs and subsequently at amortised cost using the effective interest rate ("EIR") method.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 1. Basis of Preparation (cont'd)

##### 1.3 (b) ii) Derivative financial instruments

Prior to 1 August 2010, all derivative financial instruments were recognized in the financial statements only upon settlement. Upon adoption of FRS 139, all derivatives are recognized at their fair value with any resultant gains or losses recognized through profit or loss except for derivatives that meet the hedge accounting criteria where, appropriate treatments are applied for effective hedge.

iii) The following are effects arising from the above changes in accounting policies:

<b>Consolidated Statement of Financial Position</b>	<b>Increase/(decrease) As at 1 August 2010 RM'000</b>
<u>Non Current Assets</u>	
Interests in associated companies	(4,195)
Deferred tax	446
Receivables	(7,077)
<u>Non Current Liabilities</u>	
Long term borrowings	(886)
Payables	(6,588)
<u>Current Liabilities</u>	
Derivatives financial liabilities	3,100
<u>Equity</u>	
Retained profits	(3,352)
Other reserves	(3,100)

In addition, the changes in accounting policies have the effect of decreasing the profit by RM5,390,000 for the current year.



# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 1. Basis of Preparation (cont'd)

##### 1.3 (c) Amendment to FRS 117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases and were classified and presented as prepaid lease payments in the statement of financial position. The Amendment to FRS 117, clarifies that lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets, hence the Group has reclassified certain leasehold lands to property, plant and equipment. Pursuant to the Amendment to FRS 117, the Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The reclassification has no effect to the financial performance of the Group.

The effect of the reclassification to the comparatives of the prior year's statement of financial position is as follows:

<b>As at 31 July 2010</b>	<b>As previously reported RM'000</b>	<b>Effects of adopting Amendment to FRS 117 RM'000</b>	<b>As restated RM'000</b>
<b>Consolidated Statement of Financial Position</b>			
Property, plant and equipment	300,731	908	301,639
Prepaid land lease payments	6,205	(908)	5,297

##### (d) IC Interpretation 12: Service Concession Arrangements

The new IC Interpretation 12 applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. Consideration given by the grantor to the operator may be rights to a financial asset or an intangible asset. The operator shall recognize a financial asset model to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The operator shall recognize an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

For financial asset model, the amount due from grantor is accounted as receivable under FRS 139, and requires interest calculated using the effective interest method to be recognized in profit or loss. Intangible asset with a finite useful life shall be amortised on a systematic basis over its useful life.

Where the operator has contractual obligations to maintain and restore infrastructure that it must fulfill as a condition of its licence, these obligations are recognized and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 1. Basis of Preparation (cont'd)

- 1.3 (d) Pursuant to IC Interpretation 12, the Group has applied the Interpretation retrospectively, and the following are the effects arising from the above changes in accounting policies:

	As previously stated RM'000	Effects of adopting IC Interpretation 12 RM'000	As restated RM'000
<b>As at 31 July 2010</b>			
<b>Consolidated Statement of Financial Position</b>			
Interests in associated companies	1,310,515	182,651	1,493,166
Retained earnings as at 1 August 2009	987,796	140,426	1,128,222
<b>For 3 months ended 31 July 2010</b>			
<b>Consolidated Income Statement</b>			
Share of results of associated companies	40,833	10,117	50,950
<b>For 12 months ended 31 July 2010</b>			
<b>Consolidated Income Statement</b>			
Share of results of associated companies	153,996	42,225	196,221

In addition, the changes in accounting policies have the effect of increasing the profit by RM18,820,000 and RM42,609,000 for the current quarter and year ended 31 July 2011 respectively.

#### (e) Comparative figures

Certain comparative figures have been reclassified to be consistent with current period's presentation.

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Receivables	39,328	174,956	214,284
<b><u>Current assets</u></b>			
Receivables	1,196,617	(174,956)	1,021,661
<b>Liabilities</b>			
<b><u>Non-current liabilities</u></b>			
Payables	17,184	54,019	71,203
<b><u>Current liabilities</u></b>			
Payables	794,363	(54,019)	740,344

#### 2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 July 2010 was not subject to any qualification.

# **Gamuda Berhad (29579-T)**

## **Quarterly Report On Consolidated Results For The Period Ended 31 July 2011**

### **Notes To The Interim Financial Statements**

(The figures have not been audited)

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#### **3. Seasonal or Cyclical Factors**

The business operations of the Group are not affected by any significant seasonal or cyclical factors.

#### **4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

#### **5. Changes in Estimates**

There were no changes in estimates of amounts reported previously that have any material effect in the current quarter under review.

#### **6. Changes in Debt and Equity Securities**

There were no cancellations, repurchases, resale of equity securities during the financial year, except for the issuance of 37,553,000 and 1,383,000 new ordinary shares of RM1 each, pursuant to the exercise of the Employees' Share Option Scheme and the conversion of warrants respectively.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 7. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Inter- segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months period ended 31 July 2011</b>					
<b>Revenue</b>					
External	1,842,326	704,561	126,321	-	2,673,208
Inter segment	16,325	-	-	(16,325)	-
	<u>1,858,651</u>	<u>704,561</u>	<u>126,321</u>	<u>(16,325)</u>	<u>2,673,208</u>
<b>Segment results</b>					
Profit from operations	163,854	154,494	62,526	-	380,874
Finance costs	(20,530)	(13,800)	(24,449)	-	(58,779)
Share of results of associated companies	-	9,241	213,188	-	222,429
Profit before taxation	<u>143,324</u>	<u>149,935</u>	<u>251,265</u>	<u>-</u>	<u>544,524</u>
<b>Percentage of segment results</b>	<b>26%</b>	<b>28%</b>	<b>46%</b>		
Taxation					(111,579)
Profit for the period					<u>432,945</u>
Profit attributable to:-					
Owners of the Company					425,411
Minority Interests					<u>7,534</u>
					<u>432,945</u>

#### 12 months period ended 31 July 2010

<b>Revenue</b>					
External	1,793,877	526,356	134,910	-	2,455,143
Inter segment	24,210	-	-	(24,210)	-
	<u>1,818,087</u>	<u>526,356</u>	<u>134,910</u>	<u>(24,210)</u>	<u>2,455,143</u>
<b>Segment results</b>					
Profit from operations	99,903	90,258	69,691	-	259,852
Finance costs	(19,995)	(14,163)	(9,655)	-	(43,813)
Share of results of associated companies	-	12,059	184,162	-	196,221
Profit before taxation	<u>79,908</u>	<u>88,154</u>	<u>244,198</u>	<u>-</u>	<u>412,260</u>
<b>Percentage of segment results</b>	<b>20%</b>	<b>21%</b>	<b>59%</b>		
Taxation					(80,547)
Profit for the period					<u>331,713</u>
Profit attributable to:-					
Owners of the Company					322,918
Minority Interests					<u>8,795</u>
					<u>331,713</u>

# **Gamuda Berhad (29579-T)**

## **Quarterly Report On Consolidated Results For The Period Ended 31 July 2011**

### **Notes To The Interim Financial Statements**

(The figures have not been audited)

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#### **8. Valuation of Property, Plant and Equipment**

The valuation of land and buildings has been brought forward without amendment from the previous audited financial statements.

#### **9. Material Events Subsequent to Balance Sheet Date**

There are no material events subsequent to the end of the quarter under review.

#### **10. Changes in Composition of the Group**

There were no material changes in the composition of the Group during the financial period ended 31 July 2011 except for the following :

- a) On 9 September 2010, Gamuda Land (HCMC) Sdn Bhd, a wholly owned subsidiary of Gamuda Berhad completed the acquisition of Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("Tan Thang Company") and Tan Thang Company became a 60% owned subsidiary of Gamuda Land (HCMC) Sdn Bhd.
- b) On 25 March 2011, Gamuda (India) Private Limited, a wholly owned subsidiary of Gamuda Berhad was struck off from the Register of Companies and was dissolved pursuant to the Easy Exit Scheme, 2011 under section 560 of the Companies Act, 1956 of India.

#### **11. Dividends**

- a) The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 July 2011.
- b) The total dividend per share for the current financial year ended 31 July 2011 is 3.00 sen per ordinary share less 25% taxation and single tier (exempt from tax) dividend of 9.00 sen per ordinary share (Total cash payout is 11.25 sen per ordinary share).

For the previous financial year ended 31 July 2010, the total dividend of 12.00 sen per ordinary share less 25% taxation was declared. (Total cash payment was 9.00 sen per ordinary share).

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 12. Dividends Paid

	12 months ended 31 July	
	2011 RM'000	2010 RM'000
<b><u>Second Interim Dividends</u></b>		
Second interim dividend for the year ended 31 July 2011, paid on 28 July 2011 : Single tier dividend (exempt from tax) of 6% per ordinary share.	123,839	-
Second interim dividend for the year ended 31 July 2010, paid on 18 August 2010 : 6% less 25% taxation. (Second interim dividend for the year ended 31 July 2009, paid on 18 August 2009 : 4% less 25% taxation)	91,275	60,405
<b><u>First Interim Dividends</u></b>		
First Interim dividend for the year ended 31 July 2011, paid on 28 January 2011 : 3% less 25% taxation and single tier dividend (exempt from tax) of 3% per ordinary share. (First interim dividend for the year ended 31 July 2010, paid on 8 February 2010 : 6% less 25% taxation)	107,951	90,787
	<b>323,065</b>	<b>151,192</b>

#### 13. Review of Performance

For the current quarter, the Group recorded revenue and profit before taxation of RM810.6 million and RM151.1 million respectively as compared to RM714.8 million and RM115.2 million respectively in the preceding year comparative quarter. For the current year, the Group recorded revenue and profit before taxation of RM2,673.2 million and RM544.5 million respectively as compared to RM2,455.1 million and RM412.3 million respectively in the preceding corresponding year.

The increase in profit before taxation for the current quarter and current year resulted from higher contributions from all divisions.

#### 14. Comparison with Immediate Preceding Quarter's Results

For the current quarter, the Group's profit before taxation of RM151.1 million is slightly lower than the immediate preceding quarter's profit before taxation of RM158.4 million.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

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#### 15. Next Year Prospects

##### Overall Prospects

Supported by ongoing construction projects, strong demand and sales generated by the property division and recurring earnings from the water and expressway concessions division, the Group's results are expected to further improve in the next financial year.

The status and prospects of the respective divisions of the Group are as follows:

##### (a) CONSTRUCTION DIVISION

###### Klang Valley Mass Rapid Transit Project

The prequalification exercise for prospective tenderers for the elevated civil works, stations and depots works packages ("elevated works packages") has been completed. Tenders for these elevated works packages are expected to be called in stages from September 2011 until December 2012. The pre-qualification exercise for the underground works package is nearing completion. The tender for the underground works package is expected to be called thereafter. Meanwhile the Project Delivery Partner ("PDP") agreement is expected to be concluded by October this year.

MRT Co, a newly established company owned by the Government, will take over the role of project and asset owner from Syarikat Prasarana Negara Berhad. The MMC Corporation Berhad-Gamuda Berhad joint venture company's role as the PDP for the implementation of the project remains unchanged.

###### Electrified Double Tracking Railway Project

The project is progressing on schedule and is expected to be completed by November 2014.

###### New Doha International Airport Project (Qatar)

The project is progressing on schedule and is expected to be completed by the end of this year. Progress claims submitted to the Qatari Government continue to be paid on time.

###### Yen So Sewage Treatment Plant Project (Vietnam)

The Sewage Treatment Plant Project is scheduled for completion in the first half of 2012.

##### (b) PROPERTY DIVISION

The division set a new sales record by achieving property sales totalling RM1.3 billion in the current financial year. This represents a growth of 60% year on year. Unbilled sales exceeded RM1 billion, also a record for the group.

The Group's property earnings are expected to be further boosted by additional property sales at Gamuda City in Hanoi and Celadon City in Ho Chi Minh City in the next financial year. Despite current soft market conditions in Vietnam, these projects are expected to do well as both projects have unique strengths that are well differentiated from the market. This is evidenced by the entry of a prominent regional mall operator in Celadon City.

Earthworks and infrastructure works in Gamuda City and Celadon City are now in full swing and building construction works will start soon.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 15. Next Year Prospects (cont'd)

##### (c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

###### (i) Expressway

Robust traffic volumes on the Group's expressway concessions continue to underpin stable and recurring earnings for the Group. In April 2009, the Government announced that it will provide a long term solution to the recurring issues relating to toll increases. A decision from the Government is still pending.

###### (ii) Water

The ongoing water restructuring exercise in Selangor remains unresolved as the Federal and the Selangor State Governments have yet to propose a workable and acceptable solution for all parties involved.

#### 16. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

#### 17. Taxation

The taxation is derived as below:

	3 months ended 31 July		12 months ended 31 July	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysian & foreign income tax	24,734	27,765	111,579	80,547

The Group's effective tax rate (excluding the results of associates which is equity accounted net of tax) for the current period is higher than the statutory tax rate primarily due to certain expenses not being deductible for tax purposes.

#### 18. Profits/(Losses) on Sale of Unquoted Investments/Properties

There is no sale of investments/properties for the current quarter under review.

#### 19. Quoted Investments

There was no transaction on quoted investment in the current quarter under review.



# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

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#### 20. Status of Corporate Proposals

On 24 March 2010, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("Splash"), an associated company of Gamuda Berhad made an offer of RM10,750 million to take over water assets and operations of the water services industry of the Selangor State/Federal Territory. The offer was submitted to the Federal Government ("FG") and the Selangor State Government ("SSG").

On 20 April 2010, Splash submitted a 're-aligned offer' to the FG and the SSG which is basically the same offer as the one dated 24 March 2010 except that the water assets purchased by Splash are now sold to Pengurusan Aset Air Bhd, and then leased back for operations. Splash will become 'asset light', and thus, "re-aligned" within the spirit of the Water Services Industry Act 2006.

On 17 May 2010, the FG wrote to inform Splash that they will be making new offers to all water players. As such the FG will not be considering Splash's offer as yet in order to allow new offers to be made to Splash and the other water players in Selangor.

On 2 July 2010, Splash wrote to the FG and the SSG to inform that they have yet to receive any new offer with respect to their letter dated 17 May 2010. In turn Splash stated that its current offer to the FG and the SSG will remain good until 31 December 2010.

On 6 January 2011, a conditional offer ("Offer") was made by the SSG to acquire all the voting shares in Splash at a cash offer price of RM5.95 per share.

On 28 January 2011, Splash replied that it was unable to accept the Offer as it undervalued the company and is also well below the previous offer made by the SSG to Splash dated 15 July 2009, which Splash had then accepted in good faith.

Acqua SPV Bhd, a wholly owned subsidiary of Pengurusan Aset Air Bhd (PAAB) has acquired all of Splash's bonds and is in the midst of restructuring them to ease Splash's immediate debt commitments.

As at today, there has been no new development on this matter.

Other than the above corporate proposal, there is no other corporate proposal announced but not completed.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 21. Group Borrowings and Debt Securities

The details of the Group's borrowings as at end of current quarter are as follows:-

	Notes	Foreign Currency '000	As at 31 July 2011 RM Equivalent '000
<u>Short Term Borrowings</u>			
Revolving Credits			
- denominated in US Dollar		167,000	495,421
Commercial Papers (Horizon Hills)			35,000
Medium Term Notes (Horizon Hills)			49,915
Term Loan (Jade Homes)			44,520
Term Loan (Smart project)			808
Bankers Acceptance			515
			<u>626,179</u>
<u>Long Term Borrowings</u>			
Medium Term Notes (Horizon Hills)			49,513
Term Loan (Smart project)	1		160,693
Term Loan (Jade Homes)			158,644
Term Loan (Tan Thang)			
- denominated in Vietnam Dong	2	1,062,750,000	154,630
Medium Term Notes (Gamuda)			800,000
			<u>1,323,480</u>
Total			<u>1,949,659</u>

#### Note:

1. The term loan for Smart Project was obtained by a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn Bhd in relation to the motorway development of the Stormwater Channel and Motorway Works. The term loan is secured on the Smart Project and is on a non-recourse basis to Gamuda Group.
2. The term loan was obtained by Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company (Tan Thang Company), a 60% owned subsidiary of Gamuda Group. The term loan is on a recourse basis to Gamuda Group in proportion to the Group's shareholding in the Tan Thang Company.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 22. Derivative Financial Instruments and Fair Value Changes in Financial Liabilities

The Group has entered into the following Interest Rate Swap ("IRS" ) contracts to hedge the payment of interest on bank borrowings from a floating rate to a fixed rate.

Interest Rate Swap	Interest		Contract amount in foreign currency USD'000	Maturities more than 3 years RM'000	Fair value of Derivative Liabilities RM'000	Contract date	Maturity dates
	From floating rate	To fixed rate					
USD	3-month LIBOR	1.845% to 2.495%	45,000	133,497	5,377	Nov 2009 to July 2010	Nov 2014 to July 2015

The basis of fair value measurement is the difference between the contracted IRS rates and the market IRS rates. The losses are due to the unfavourable fluctuation in market interest rates.

There is minimal credit risk as the IRS were entered into with reputable banks.

#### 23. Changes in Contingent Liabilities or Contingent Assets

There is no significant contingent liabilities or contingent assets.

#### 24. Capital Commitments

The amount of commitments for capital expenditure not provided for in the interim financial statements as at 31 July 2011 are as follows:

	RM'000
Approved and contracted for :	
- Property	42,090
- Land	219,489
- Others	4,752
	<u>266,331</u>

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 25. Realised and Unrealised Profit or Losses

The breakdown of retained profit of the Group as at 31 July 2011 into realised and unrealised profits or losses are as follows:

	<u>Notes</u>	<u>As at 31 Jul 11 RM'000</u>	<u>As at 30 Apr 11 RM'000</u>
Total share of retained profits of the Company and its subsidiary			
- Realised		986,449	1,021,599
- Unrealised	1	<u>(30,390)</u>	<u>(12,885)</u>
		<u>956,059</u>	<u>1,008,714</u>
Total share of retained profits from jointly controlled entities			
- Realised		152,886	250,258
- Unrealised	1	<u>1,880</u>	<u>3,362</u>
		<u>154,766</u>	<u>253,620</u>
Total share of retained profits from associated companies			
- Realised		745,036	536,213
- Unrealised	1	<u>(248,214)</u>	<u>(127,430)</u>
		<u>496,822</u>	<u>408,783</u>
Less : Consolidated adjustments	2	(148,300)	(219,339)
Total Group retained profits		<u>1,459,347</u>	<u>1,451,778</u>

Note 1 Unrealised profits/losses are mainly deferred tax provision and translation gains or losses of monetary items denominated in a currency other than the functional currency.

Note 2 Consolidation adjustments are mainly elimination of pre-acquisition profits or losses, minorities share of retained profits or accumulated losses and other adjustments arising from the business combination.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

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#### 26. Material Litigations

- a) On 31 October 2008 Wayss & Freytag (Malaysia) Sdn Bhd ("W&F") filed a Writ of Summons and a Statement of Claim ("the Court Action") against the MMC-Gamuda Joint Venture ("JV") for inter-alia, a court declaration that the JV is in breach of the sub-contract dated 16 April 2003 ("the Sub-Contract") by failing to make payment for the sum of RM102,366,880.42 awarded by the Dispute Adjudication Board ("DAB") to W&F in respect of various claims arising out of the Sub-Contract and for damages of the same amount.

On 15 May 2009, the Court allowed the JV's application for stay of proceedings of the Court Action and unconditionally stayed the Court Action initiated by W&F.

On 1 June 2009, W&F filed an appeal against the Court's decision to stay the proceedings.

On 30 October 2009, the Court dismissed W&F's appeal against the Court's earlier decision to stay the Court Action.

In the meantime, while the Court Action has been stayed, W&F's application for summary judgment filed on 25 November 2008 has been fixed for mention on 12 December 2011 pending the arbitration between the JV and W&F.

On 17 December 2008, in accordance with the terms of the Sub-Contract, the JV commenced arbitration proceedings by serving on W&F a notice of arbitration. W&F also commenced arbitration proceedings by filing its Notice of Arbitration on 15 January 2009. A preliminary meeting between the Arbitral Tribunal members and the parties' respective solicitors was held on 17 September 2009. At the preliminary meeting, the Arbitral Tribunal had set down various directions for the conduct of the arbitration. Among other things, it was directed that the arbitration proceedings commenced by both parties be heard together over the period 4 July 2011 till 15 July 2011. Subsequently, by mutual agreement of the parties and with the concurrence of the Arbitral Tribunal, the first tranche of the hearing was held from 18 July 2011 till 29 July 2011 and the second tranche of the arbitration hearing is fixed to be held on 7 December 2011 to 9 December 2011. The earlier reserved dates for the hearing from 1 August 2011 to 5 August 2011 were not required. The parties will be exchanging their closing submissions by 15 October 2011. Upon conclusion of the second tranche, the parties will be exchanging their reply closing submissions by 31 January 2012.

Separately, on 14 October 2010, W&F applied to the Arbitral Tribunal for its decision on 3 preliminary issues. The main issue raised by W&F is whether the JV is obliged to comply with the DAB's decisions by forthwith paying to W&F the amount of RM100,540,372.28 (as awarded by the DAB) and interest. The Arbitral Tribunal heard the parties on the preliminary issues on 16 February 2011. The Arbitral Tribunal has in its letter dated 7 March 2011 concluded that it does not have jurisdiction to entertain the preliminary issues raised by W&F. Consequently, the JV does not need to pay W&F the amount of RM100,540,372.28.

The Company is of the opinion that the JV has a good chance of succeeding in both W&F's application on the preliminary issues and in its claims against W&F in the arbitral proceedings.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

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#### 26. Material Litigations (cont'd)

- b) Bahrain Asphalt Establishment B.S.C (Closed) ("BAE") had on 4 March 2010 served a Request For Arbitration against Gamuda Berhad ("Company") (as the 1st Respondent), WCT Berhad (as the 2nd Respondent) and Gamuda-WCT Joint Venture, Qatar ("the JV") (as the 3rd Respondent), to refer certain alleged disputes to arbitration in Qatar. The Company's and WCT Berhad's interests in the JV are in the proportions of 51% and 49% respectively.

BAE was appointed as the sub-contractor for the works known as the granular sub-base and flexible pavement works ("Sub-contract Works") for the JV's project known as "Dukhan Highway From Shahaniya to Zekreet" which involves the construction of a 43 km new highway from Shahaniya to Zekreet in Qatar.

The Arbitral Tribunal has been constituted on 19 July 2010.

BAE's statement of claim was submitted on 10 February 2011, BAE claims from the Respondents, jointly and severally, a total quantified sum of QAR144,718,369.60 (RM117,771,809) comprising:-

- (a) QAR110,178,160 for alleged prolongation, escalation, collateral and associated costs for 728 days delay in completion of the Sub-contract works;
- (b) QAR13,400,205 for alleged Gabbro Aggregate overcharge/wrongful deductions;
- (c) QAR964,970 for alleged wrongful deduction for supply of bitumen;
- (d) QAR9,187,662.52 for alleged wrongful deductions from payments due to the Claimant for the supply of dune sand;
- (e) QAR5,923,081 for alleged incorrect measurement of the subcontract works for the purpose of payment;
- (f) QAR5,064,291.08 for retention money allegedly owed to BAE;

and further unquantified sums for legal costs, arbitration costs and interest (collectively referred to as "the Claims").

On 5 May 2011, the Respondents have submitted a counter claim of a total quantified sum of QAR34,940,773.34 (RM28,434,801) for breach of contract by BAE.

The Company is of the opinion that there are significant technical difficulties for BAE to overcome in pursuing its claims against the Respondents in the Request for Arbitration.

Other than the above litigation, there is no other material litigation since the last annual balance sheet date to a date not earlier than (7) days from the date of the issue of this report.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 July 2011

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 27. Earnings Per Share

	<u>Current Quarter 31 July 2011</u>	<u>Current Year to date 31 July 2011</u>
<b>Basic</b>		
Profit attributable to owners of the company (RM'000)	<u>126,221</u>	<u>425,411</u>
Number of ordinary shares in issue as at 1 August 2010 ('000)	2,025,888	2,025,888
Effect of shares issued during the period ('000)	<u>36,116</u>	<u>25,230</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,062,004</u>	<u>2,051,118</u>
Basic earnings per ordinary share (sen)	<u>6.12</u>	<u>20.74</u>
<b>Diluted</b>		
Profit attributable to owners of the company (RM'000)	<u>126,221</u>	<u>425,411</u>
Weighted average number of ordinary shares in issue ('000)	2,062,004	2,051,118
Assumed shares issued from exercise of ESOS ('000)	24,796	24,958
Assumed shares issued from conversion of Warrant ('000)	<u>71,502</u>	<u>71,977</u>
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>2,158,302</u>	<u>2,148,053</u>
Fully diluted earnings per ordinary share (sen)	<u>5.85</u>	<u>19.80</u>