

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

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 2012.
- 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 2012 except for the adoption of the following to Revised Financial Reporting Standards (FRSs) and Amendments to FRSs:

Revised FRSs and Amendments to FRSs

Effective for annual periods beginning on or after 1 January 2012:

FRS 124	Related Party Disclosures (Revised)
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosures – Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets

Effective for annual periods beginning on or after 1 July 2012:

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
-----------------------	---

The above Revised FRSs and Amendments to FRSs are expected to have no significant impact on the financial performance and position of the Group.

Malaysian Financial Reporting Standards (“MFRS Framework”)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). This is in line with the need for convergence with International Financial Reporting Standards (IFRS) in 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for two years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Company falls within the scope definition of Transitioning Entities and accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 July 2012 was not subject to any qualification.

3. Seasonal or Cyclical Factors

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

4. Unusual Item

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review, except provision for expenses awarded by the Arbitral Tribunals of RM113,004,000 as disclosed in page 1.

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 for the current quarter, except for the issuance of 16,920,000 and 59,046,112 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 30 April 2013

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
9 months period ended 30 April 2013					
Revenue					
External	1,697,291	753,558	101,288	-	2,552,137
Inter segment	7,336	-	-	(7,336)	-
	1,704,627	753,558	101,288	(7,336)	2,552,137
Segment results					
Profit from operations	224,767	206,929	50,019	-	481,715
Provision for expenses awarded by the Arbitral Tribunals	(113,004)	-	-	-	(113,004)
Finance costs	(18,808)	(11,518)	(21,788)	-	(52,114)
Share of profits of associated companies	-	2,007	172,933	-	174,940
Profit before taxation	92,955	197,418	201,164	-	491,537
Percentage of segment results	19%	40%	41%		
Taxation					(110,681)
Profit for the period					380,856
Profit attributable to:-					
Owners of the Company					373,722
Non-controlling interests					7,134
					380,856
9 months period ended 30 April 2012					
Revenue					
External	1,222,400	799,054	95,731	-	2,117,185
Inter segment	7,837	-	-	(7,837)	-
	1,230,237	799,054	95,731	(7,837)	2,117,185
Segment results					
Profit from operations	172,586	212,434	47,468	-	432,488
Finance costs	(11,816)	(14,175)	(21,900)	-	(47,891)
Share of profits of associated companies	-	11,905	154,970	-	166,875
Profit before taxation	160,770	210,164	180,538	-	551,472
Percentage of segment results	29%	38%	33%		
Taxation					(126,176)
Profit for the period					425,296
Profit attributable to:-					
Owners of the Company					406,805
Non-controlling interests					18,491
					425,296

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

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

On 13 June 2013, the Company has resolved to accept an offer in relation to the proposed acquisition of leasehold lands in Mukim of Rawang, District of Gombak, Selangor Darul Ehsan of approximately 724 acres for a purchase consideration of RM620.0 million. The land is envisaged to be developed into a premier residential and commercial enclave. The land is situated immediately next to the Rawang South Interchange of the North-South Expressway whereby the Guthrie Corridor Expressway and LATAR Highway connected on.

Other than above, there was no material event subsequent to the end of the current quarter under review.

10. Changes in Composition of the Group

On 2 April 2013, Gamuda (Bahrain) WLL (GBWLL), a wholly-owned subsidiary of the Company had been struck off from the Commercial Register of the Ministry of Industry and Commerce, Kingdom of Bahrain and was dissolved as it had ceased operations.

11. Dividends

The Board of Directors declared a second interim dividend in respect of financial year ending 31 July 2013 as follows:

- i) A single tier second interim dividend of 6.00 sen per ordinary share;
- ii) A single tier second interim dividend of 6.00 sen per ordinary share was declared in previous corresponding period;
- iii) The payment date of the second interim dividend is 31 July 2013;
- iv) In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at 17 July 2013.

The total dividend declared for the current financial period is a single tier interim dividend of 12.00 sen per ordinary share.

In respect of the preceding year's corresponding period, a total single tier interim dividend of 12.00 sen per ordinary share was declared.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

12. Dividend Paid

		9 months ended 30 April	
		2013	2012
		RM'000	RM'000
<u>First Interim Dividends</u>			
First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ending 31 July 2013 was paid on 23 January 2013.			
(First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2012 was paid on 18 January 2012)			
		125,337	124,102
		<u>125,337</u>	<u>124,102</u>

13. Review of Performance

Overall Group Performance

The Group's revenue and profit before taxation for the current quarter and current year to date can be analysed as follows:

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Year Quarter 30-Apr-13 RM'000	Comparative Quarter 30-Apr-12 RM'000	Current Year to Date 30-Apr-13 RM'000	Preceding Year Corresponding Period 30-Apr-12 RM'000
Revenue	(i)	<u>905,573</u>	<u>705,863</u>	<u>2,552,137</u>	<u>2,117,185</u>
Profit before taxation (excluding the provision for expenses awarded by the Arbitral Tribunals)	(ii)	220,027	196,028	604,541	551,472
Less: Provision for expenses awarded by the Arbitral Tribunals		(113,004)	-	(113,004)	-
Profit before taxation as reported	(i)	<u>107,023</u>	<u>196,028</u>	<u>491,537</u>	<u>551,472</u>

For the current quarter, the Group recorded revenue and profit before taxation of RM905.6 million and RM107.0 million respectively as compared to RM705.9 million and RM196.0 million respectively in the preceding corresponding quarter. For the current year to date, the Group recorded revenue and profit before taxation of RM2,552.1 million and RM491.5 million respectively as compared to RM2,117.2 million and RM551.5 million respectively in the preceding corresponding period. The decrease in profit before taxation for the current quarter and current year to date resulted from the one-off provision for expenses in respect of the awards rendered by the Arbitral Tribunals in favour of the Group's subcontractors.

- (i) The increase in profit before taxation (excluding provision for expenses awarded by the Arbitral Tribunals) for the current quarter and current year to date resulted from higher contributions from Construction Division and Water and Expressway Concessions Division.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

13. Review of Performance (cont'd)

The performances of the respective divisions of the Group are as follows:

(a) CONSTRUCTION DIVISION

The decrease in profit before taxation for the current quarter and year to date resulted from the one-off provision for expenses in respect of the awards rendered by the Arbitral Tribunals in favour of the Group's subcontractors.

(b) PROPERTY DIVISION

The decrease in profit before taxation for the current quarter and year to date resulted from lower profit contribution from the Celadon City in Ho Chi Minh City in Vietnam. Last year's profit from Celadon City resulted from the land sale to Aeon Co. of Japan.

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

The increase in profit before taxation for the current quarter and year to date resulted from higher contributions from the Group's various expressways.

14. Comparison with immediate Preceding Quarter's Results

For the current quarter under review, the Group's profit before taxation of RM107.0 million is lower than the immediate preceding quarter's profit before taxation of RM202.4 million. The lower profit before taxation resulted from the one-off provision for expenses in respect of the awards rendered by the Arbitral Tribunals in favour of the Group's subcontractors.

**Quarterly Report On Consolidated Results
For The Period Ended 30 April 2013**

Notes To The Interim Financial Statements

(The figures have not been audited)

15. Current Year Prospects

Overall Prospects

The Group's results (excluding the one-off provision for expenses awarded by the Arbitral Tribunals) are expected to further improve in the remaining quarter of this financial year supported by on-going construction projects, strong unbilled sales of the property division and steady earnings from the water and expressway concessions division.

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

(a) CONSTRUCTION DIVISION

Klang Valley Mass Rapid Transit Project : Sungai Buloh – Kajang Line

Project Delivery Partner :

To-date, RM21 billion worth of works packages have been successfully tendered and awarded ahead of schedule to various contractors. With 96% of the total contract value awarded, the project is on track to be completed by July 2017.

Construction of the main civil works including the elevated viaducts, stations and underground works are in full swing and the design for the systems works are now in progress.

Underground Works Package :

Construction works are progressing well at all key locations. Six of the ten tunnel boring machines ("TBM") procured have been delivered and the rest will be delivered by mid 2014. The first TBM was successfully launched from the Cochrane launch shaft and commenced boring activity. The project company is preparing to launch another two TBMs in June 2013.

Works at all seven underground stations are also progressing rapidly.

Electrified Double Tracking Railway Project

The completed civil works and track works were handed over progressively to the systems contractor for installation of the remaining works. Progress is on schedule with 95% of the overall works completed. The scheduled completion date from Padang Besar to Ipoh (Spine line) is June 2014, whereas the section from Bukit Mertajam to Butterworth (Spur line) will be completed in November 2014.

(b) PROPERTY DIVISION

For the first nine months of this financial year, the division achieved sales of RM1.03 billion compared with RM1.26 billion for the same period last year. Unbilled sales at the end of this quarter were RM1.15 billion.

Malaysia

The property market in Malaysia remained soft as a consequence of several measures introduced by Bank Negara Malaysia to cool down the market. These measures include a 70% cap on the Loan-to-Value ratio for a buyer's third property mortgage onwards and the evaluation of loan eligibility is computed based on a buyer's net income instead of gross income previously. Notwithstanding this, Horizon Hills, located within the Iskandar Johor region, continued to receive good response especially from Singaporean buyers. For the first nine months of this financial year, Horizon Hills achieved sales of RM660 million, double that of the RM330 million sales for same period last year.

The property division has recently increased its landbank with the acquisition of 724 acres of leasehold land in Kampung Sungai Serai, Kuang, about 11 kilometres south of Rawang Town. The land is situated immediately next to the Rawang South Interchange of the North-South Expressway whereby the Guthrie Corridor Expressway and LATAR Highway connected on. The land is envisaged to be developed into a comprehensive and integrated township development comprising residential and

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

15. Current Year Prospects (cont'd)

(b) PROPERTY DIVISION (cont'd)

Malaysia (cont'd)

commercial properties with an estimated Gross Development Value of RM5 billion. The maiden products of this development are expected to be launched in early 2016.

Vietnam

At Gamuda City, Hanoi, works are now concentrated on infrastructure development and building construction works. The first batch of residential landed properties is expected to be completed by end 2013. The initial investment of a well-known international school operator to set up its campus in Gamuda City is a strong sign of confidence in the project.

At Celadon City in Ho Chi Minh City, sales take-up rates for its apartments remained sluggish. Nevertheless, the plan is to build then sell completed apartments. The first block of apartments was completed and handed over to buyers in April 2013. The second block is expected to be completed by August 2013 and the construction of the AEON Mall is expected to be completed by end 2013.

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

(i) Expressway

On 15 January 2013, the toll charges for Shah Alam Expressway were reduced by between ten sen to forty sen for the various classes of vehicles. The reduced toll charges will be in force until December 2015. The project company and the Government have substantially agreed on the terms of the compensation due to the project company as a result of the reduced toll charges and the Supplemental Concession Agreement on this matter is expected to be formalised soon.

Traffic volumes of the division's various expressways have been stable and resilient.

(ii) Water

On 20 February 2013, the Company received an offer from Kumpulan Darul Ehsan Berhad ("KDEB"), an entity wholly-owned by the Selangor State Government, to purchase 100% equity in Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash Holdings"). The Company has a 40% equity interest in Splash Holdings which is the holding company of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("Splash"). Splash is the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3. The offer was part of the Selangor State Government's effort to consolidate the various entities involved in treatment, supply and distribution of water in the state of Selangor.

On 6 March 2013, the Company had written to KDEB to seek further discussions and negotiations in order to obtain clarification on the indicative terms and conditions set out in KDEB's offer and for all parties involved to reach mutually agreed terms and conditions. Subject to all matters being satisfactorily concluded and agreed upon, the Company has informed KDEB that it is willing to pursue an agreement with KDEB.

The Company is waiting for KDEB's clarification on the indicative terms and conditions.

16. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

17. Taxation

The taxation is derived as below:	3 months ended 30 April		9 months ended 30 April	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Malaysian & foreign income tax	35,301	52,114	110,681	126,176

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. Status of Corporate Proposals

On 20 February 2013, the Company received an offer from Kumpulan Darul Ehsan Berhad ("KDEB"), an entity wholly-owned by the Selangor State Government, to purchase 100% equity in Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash Holdings"). The Company has a 40% equity interest in Splash Holdings which is the holding company of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("Splash"). Splash is the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3. The offer was part of the Selangor State Government's effort to consolidate the various entities involved in treatment, supply and distribution of water in the state of Selangor.

On 6 March 2013, the Company had written to KDEB to seek further discussions and negotiations in order to obtain clarification on the indicative terms and conditions set out in KDEB's offer and for all parties involved to reach mutually agreed terms and conditions. Subject to all matters being satisfactorily concluded and agreed upon, the Company has informed KDEB that it is willing to pursue an agreement with KDEB.

The Company is waiting for KDEB's clarification on the indicative terms and conditions.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

19. Group Borrowings and Debt Securities

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

	Foreign Currency '000	As at 30 April 2013 RM Equivalent '000
<u>Short Term Borrowings</u>		
<u>Revolving Credits</u>		
- denominated in US Dollar (Gamuda)	115,000	349,043
- denominated in RM (KVMRT UGW)		152,500
Medium Term Notes (Horizon Hills)		24,949
Medium Term Notes (Gamuda)		300,000
<u>Term Loan</u>		
- denominated in US Dollar (Gamuda)	6,666	20,203
- denominated in Vietnam Dong (Tan Thang)	640,996,000	93,137
Term Loan (Smart Project)		3,230
Term Loan (Jade Homes)		44,520
		<u>987,582</u>
<u>Long Term Borrowings</u>		
Medium Term Notes (Gamuda)		720,000
Medium Term Notes (Horizon Hills)		74,875
<u>Term Loan</u>		
- denominated in US Dollar (Gamuda)	138,334	419,828
- denominated in Vietnam Dong (Tan Thang)	1,214,431,000	176,457
Term Loan (Smart Project)		155,040
Term Loan (Jade Homes)		81,524
		<u>1,627,724</u>
Total		<u>2,615,306</u>

20. 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	Maturity		Fair value of Derivative Liabilities RM'000	Contract date	Maturity dates
	From floating rate	To fixed rate		1 to 3 years RM'000	More than 3 years RM'000			
USD	3 month LIBOR	1.845% to 2.495%	45,000	136,571	-	4,993	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.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

21. Changes in Contingent Liabilities or Contingent Assets

There is no significant contingent liabilities or contingent assets.

22. Provision of Financial Assistance

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad's Listing Requirements, the financial assistance provided by Gamuda Berhad ("Gamuda") is as follows:

MMC Corporation Berhad ("MMC") and Gamuda Berhad Joint Venture was awarded the RM8.28 billion underground works package of the Klang Valley Mass Rapid Transit Project. MMC and Gamuda established a special purpose vehicle ("SPV") known as MMC Gamuda KVMRT (T) Sdn Bhd to undertake the works package. The SPV is equally owned by MMC and Gamuda. As the works package is undertaken by a SPV, MMC and Gamuda issued Parent Company Guarantees to guarantee the due performance and obligations of the SPV.

Work on this package has commenced. The Parent Company Guarantees have not been called because the SPV has performed and met its obligations in compliance with the terms of the contract.

23. Capital Commitments

The amount for commitments for capital expenditure not provided for in the interim financial statements as at 30 April 2013 are as follows:

	RM'000
Approved and contracted for	
Land for property development	126,291
Plant & equipments	126,260
	<u>252,551</u>

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

24. Realised and Unrealised Profit or Losses

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

	<u>Notes</u>	<u>As at 30 Apr 13 RM'000</u>	<u>As at 31 Jan 13 RM'000</u>
Total retained profits of the Company and its subsidiaries			
- Realised		1,541,689	1,515,851
- Unrealised	1	<u>(100,127)</u>	<u>(82,123)</u>
		<u>1,441,562</u>	<u>1,433,728</u>
Total share of retained profits from jointly controlled entities			
- Realised		134,894	187,015
- Unrealised	1	<u>(13,207)</u>	<u>(11,715)</u>
		<u>121,687</u>	<u>175,300</u>
Total share of retained profits from associated companies			
- Realised		1,294,308	1,257,273
- Unrealised	1	<u>(379,657)</u>	<u>(367,694)</u>
		<u>914,651</u>	<u>889,579</u>
Less : Consolidated adjustments	2	(471,685)	(563,786)
Total Group retained profits		<u>2,006,215</u>	<u>1,934,821</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.

**Quarterly Report On Consolidated Results
For The Period Ended 30 April 2013**

Notes To The Interim Financial Statements

(The figures have not been audited)

25. 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 heard the JV’s application for stay of proceedings of the Court Action pending arbitration between the parties and on 1 June 2009, unconditionally stayed the Court Action initiated by W&F. On the same day, 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.

The arbitral award in respect of the arbitration between the parties was issued on 16 April 2013. As a result, during the Case Management of the Court Action on 2 May 2013, W&F withdrew the Court Action. On 10 May 2013 the parties further recorded (by consent), the terms on costs of the withdrawal of the Court Action by 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.

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 prior to the merits hearing.

The first tranche of the merits hearing was held from 18 July 2011 till 29 July 2011 and the second tranche was held from 7 December 2011 to 8 December 2011. The parties have exchanged their closing submissions on 31 October 2011 and their reply closing submissions on 8 February 2012.

On 16 April 2013, the second interim award (the “**Award**”) in the arbitration proceedings was issued. In the Award, the Tribunal determined that the W&F’s claims against the JV succeeded in substantial part and dismissed the JV’s claims against W&F. The Tribunal thus awarded the following reliefs to W&F:

1. That the JV pays to W&F the sum of RM 96,297,229.03;
2. That the JV pays to W&F interest at a simple rate of 4% per annum on the sum of RM96,297,229.03 from date of termination (23 January 2006) to date of the Award (amounting to RM28,247,187.18);
3. That JV pays to W&F interest at the simple rate of 5% per annum on the sum of RM96,297,229.03 from the date of the Award until payment in full; and
4. That the JV pays to W&F costs of RM9,000,000.

**Quarterly Report On Consolidated Results
For The Period Ended 30 April 2013**

Notes To The Interim Financial Statements

(The figures have not been audited)

25. Material Litigations (cont'd)

On 26 April 2013, W&F wrote to the Tribunal requesting some clerical corrections be made to the Award. Subsequently, on 15 May 2013, the JV also wrote to the Tribunal requesting additional clerical corrections be made to the Award. Pursuant to the afore-said requests, the Tribunal issued a corrective award on 30 May 2013 (the "**Corrective Award**"). As a result of the Corrective Award, the following changes were made to the reliefs awarded to W&F:

1. The amount awarded to W&F has increased to RM97,574,035.39;
2. The amount of interest payable from the date of termination to date of Award now amounts to RM28,229,638.73; and
3. The post award interest at the simple rate of 5% per annum from the date of the Award until payment in full is to be imposed on the sum of RM97,574,035.39.

For the avoidance of doubt, the award to W&F for costs amounting to RM9,000,000 was not changed by the Corrective Award.

Arising from the award rendered by the Arbitral Tribunal in favour of W&F, costs incurred by the JV to complete the works that is not recovered amounting to RM50,319,000 has also been fully expensed off.

Separately, on 23 May 2013, the JV filed an application for a reference to the High Court on questions of law arising out of the Award and on determination of the said questions, for the Award to be set aside ("**JV's Setting Aside Application**").

During the case management of the JV's Setting Aside Application on 4 June 2013, the Learned Deputy Registrar was informed that the JV intended to amend the originating summons and the affidavit filed in respect of the JV's Setting Aside Application. After hearing the parties, the Learned Registrar issued the following directions:

- a) JV to file the amended originating summons and affidavit on or before 4 June 2013;
- b) W&F to file its reply affidavit by 2 July 2013;
- c) JV to file its reply affidavit by 16 July 2013;
- d) The next case management is fixed on 17 July 2013; and
- e) Hearing of the JV's Setting Aside Application is fixed on 6 and 13 September 2013.

After filing the amended originating summons and affidavit on 4 June 2013, the JV filed a supplemental affidavit to exhibit the Corrective Award (which was issued by the arbitral tribunal 30 May 2013) on 14 June 2013.

On 14 June 2013, the JV was served with the sealed originating summons and affidavit in support of W&F's application for inter alia, recognition and enforcement of the Award under Section 38 of the Arbitration Act 2005 ("**W&F's Enforcement Application**"). W&F's Enforcement Application is fixed for the first case management on 25 June 2013 before the Deputy Registrar. Subsequently, W&F's Enforcement Application is fixed for mention on 19 September 2013.

- b) Bahrain Asphalt Establishment B.S.C (Closed) ("**BAE**") on 4 March 2010 served a Request For Arbitration dated 23 February 2010 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 ICC 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 the "**Dukhan Highway Project**" from Shahaniya to Zekreet," which involved the construction of a 43 km new highway from Shahaniya to Zekreet in Qatar.

The Arbitral Tribunal was constituted on 19 July 2010.

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

25. Material Litigations (cont'd)

A hearing was held from 24 January 2012 to 7 February 2012 in Doha.

BAE's statement of claim was submitted on 10 February 2011. On 22 December 2011 and 5 February 2012, the respective parties' claims were amended.

BAE claims from the Respondents, jointly and severally, a total quantified sum of QAR148,025,108 (RM125,466,000) comprising:-

- (a) QAR113,484,899 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 sums unqualified as at 21 March 2012 for legal costs, arbitration costs and interest (collectively referred to as "the Claims").

The Respondents have submitted a counter claim of a total quantified sum of QAR63,176,493 (RM53,548,000) for breach of contract by BAE together with the sums of approximately QAR 21 million for legal and arbitration costs.

Evidence in respect of the claims has been submitted.

A Final Award, in the sum of QAR45,720,802 (RM38,129,000) for which the 1st and 2nd Respondents are liable, plus costs of QAR 17,104,710 (RM14,264,000) and USD412,000 (RM1,250,000), for which the 1st and 2nd Respondents are liable, was issued by the Tribunal on 15 April 2013.

On 30 April 2013, the Respondents made an application to the ICC pursuant to Article 29 or 35 of the ICC Rules 1998 or 2012 respectively, on the grounds of computational errors ("Application"). On 28 May 2013, the Claimants provided comments agreeing with the Respondents that some aspects of the Final Award contained computational errors.

The Respondents issued comments in reply on 11 June 2013. The JV acknowledges BAE's admission that it is only entitled to QAR29,459,422.80 (RM24,568,000) under the Award and accordingly admits an error in the award of at least QAR16,261,379.20 (RM13,561,000). The JV maintains the position set out in the Application and will be requesting the Tribunal to correct the Award by at least the sum admitted by BAE.

On 14 June 2013 the Tribunal asked that the parties, by 21 June 2013, provide agreed proposed corrections to the Award (save for costs) together with advice on relevant provisions of Qatar law. The Respondents are currently undertaking this process. The Tribunal has extended the time for submitting the agreed proposed corrections to the Award to 28 June 2013.

Other than the above litigation, there is no other material litigation since the last annual statement of financial position 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 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

26. Earnings Per Share

	Current Quarter 30-Apr-13	Current Year To Date 30-Apr-13
Basic		
Profit attributable to owner of the Company (RM'000)	71,394	373,722
Number of ordinary shares in issue as at 1 Aug 2012 ('000)	2,079,413	2,079,413
Effect of shares issued during the period ('000)	36,340	15,226
Weighted average number of ordinary shares in issue ('000)	2,115,753	2,094,639
Basic earnings per ordinary share (sen)	3.37	17.84
Diluted		
Profit attributable to owner of the Company (RM'000)	71,394	373,722
Weighted average number of ordinary shares in issue ('000)	2,115,753	2,094,639
Assumed shares issued from the exercise of ESOS ('000)	19,703	15,912
Assumed shares issued from conversion of Warrants 2010/2015 ('000)	60,917	52,249
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	2,196,373	2,162,800
Diluted earnings per ordinary share (sen)	3.25	17.28

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2013

Notes To The Interim Financial Statements

(The figures have not been audited)

27. Notes to the Consolidated Statement of Comprehensive Income

Total comprehensive income for the period is arrived at after charging/ (crediting) the following items:

	Current Quarter 30 Apr 2013	Current Year To Date 30 Apr 2013
	RM'000	RM'000
Interest income	(9,773)	(28,942)
Other income	(2,157)	(5,805)
Interest expense	15,285	52,114
Depreciation and amortisation	5,333	16,562
Provision for and write-off of receivables	-	-
Provision for and write-off of inventories	-	-
(Gain)/ loss on disposal of quoted or unquoted investment	-	-
Gain on disposal of property, plant and equipment	(58)	(2,301)
Impairment of assets	-	-
Loss on foreign exchange	1,073	763
Gain on derivatives	(407)	(1,855)
Unusual item - Provision for expenses awarded by the Arbitral Tribunals	113,004	113,004

The above disclosure is prepared in accordance with paragraph 16 of Appendix 9B of the Main Listing Requirements ("MLR") issued by Bursa Malaysia Securities Berhad.