THE WORLD, Expansion and Modernization of Road Infrastructure II
by
PLUS EXPRESSWAYS BERHAD

13 September 2011
COUNTRY OVERVIEW

COMPANY OVERVIEW

MAJOR PROGRAM/PROJECT IN THE COUNTRY

INDUSTRY CHALLENGES
Land area: 329,847 square kilometres (127,350 sq mi) separated by the South China Sea into two regions, Peninsular Malaysia and Malaysian Borneo (slightly smaller than the size of Germany and slightly bigger than Italy).

Land borders: Thailand, Indonesia, and Brunei

Population 2010: 27,565,821 (Department of Statistics Malaysia)

GDP (PPP) : USD442.01 billion - 2010 est (Source: IMF)

GDP per capita : USD8,620 - 2010 est (Source: IMF)

GDP Growth 2010: 7.2%
Country Overview

**MALAYSIA GDP GROWTH 2000-2011 (est)**

- GDP Growth
  - 2000: 8.3%
  - 2001: 4.2%
  - 2002: 5.2%
  - 2003: 7.1%
  - 2004: 5.3%
  - 2005: 6.3%
  - 2006: 4.6%
  - 2007: 5.0%
  - 2008: 5.9%
  - 2009: 0.4%
  - 2010 est: -1.7%
  - 2011 est: 7.2%

**POPULATION IN MALAYSIA**

- Million
  - 1968: 10.3
  - 1973: 11.7
  - 1978: 13.2
  - 1983: 15.0
  - 1988: 17.2
  - 1993: 19.6
  - 1998: 22.3
  - 2003: 25.0
  - 2008: 27.1
  - 2010: 27.6

**NEW VEHICLES REGISTERED IN MALAYSIA**

- Thousand Vehicles
  - 2000: 343
  - 2001: 396
  - 2002: 435
  - 2003: 406
  - 2004: 488
  - 2005: 552
  - 2006: 491
  - 2007: 487
  - 2008: 548
  - 2009: 503
  - 2010: 523

**NUMBER OF TOURIST ARRIVALS IN MALAYSIA**

- Million
  - 2000: 10.2
  - 2001: 12.7
  - 2002: 13.2
  - 2003: 15.7
  - 2004: 16.4
  - 2005: 17.4
  - 2006: 20.9
  - 2007: 22.0
  - 2008: 23.6
  - 2009: 24.6
Primary toll road operator in Malaysia

As at 12 May 2011

# Khazanah Nasional Berhad is the investment holding arm of the Government of Malaysia, with investments in over 50 major companies in Malaysia and abroad.
△ UEM Group Berhad is Malaysia’s leading diversified infrastructure conglomerate with core business in expressways, engineering & construction, township/property development, and asset & facilities management.
^ PLUS Expressways holds 94.12% direct and indirect interest in PLUS BKSP via PLUS Kalyan (Mauritius) Private Limited.
Largest expressway operator in Malaysia & Asia with more than 20 years of experience

- PLUS started operation in 1988
- Listed on Bursa Malaysia (Malaysian Stock Exchange) in 2002
- Backbone of Malaysian road transport system:
  - Connects major industrial, commercial & transportation centres
  - Links major seaports and airports
- States serviced by the NSE make up 81% of population and 89% of GDP in Peninsular Malaysia

<table>
<thead>
<tr>
<th>Length</th>
<th>DOMESTIC</th>
<th>INTERNATIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>846 km</td>
<td>PLUS North-South Expressway</td>
<td>Bhiwandi-Kalyan-Shil Phata Highway (22 km)</td>
</tr>
<tr>
<td>63 km</td>
<td>ELITE NSE Central Link</td>
<td>Padalur-Trichy Highway (39 km)</td>
</tr>
<tr>
<td>47 km</td>
<td>LINKEDUA Malaysia-Singapore Second Crossing</td>
<td>Jetpur-Somnath Highway (In progress) (127 km)</td>
</tr>
<tr>
<td>17 km</td>
<td>BKE Butterworth-Kulim Expressway</td>
<td>Cikampek-Palimanan Expressway (In progress) (116 km)</td>
</tr>
<tr>
<td>973 km</td>
<td>TOTAL 1,277 km</td>
<td></td>
</tr>
</tbody>
</table>

Open Toll System: Generic to city highways
Close Toll System: Generic to interurban highways
Ranks 6th among global toll road operators and controls 60% of the Malaysian toll roads market

Ranks no. 6 globally (largest in Asia)  
(by market capitalisation)

1. CCR, Brazil  
2. Abertis, Spain  
3. Atlantia Spa, Italy  
4. ARR, France  
5. Transurban, Australia  
6. PLUS  
7. Jiangsu E., China  
8. Jasa Marga, Indonesia  
9. Shandong E, China  
10. Zhejiang E., China

Source: Bloomberg as at 16/08/2011

 owns 60% of Malaysian toll roads in operation (by length - km)

<table>
<thead>
<tr>
<th>Country</th>
<th>Length (km)</th>
<th>Market Capitalisation (USD'bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLUS</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>Linkedua</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Elite</td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>BKE</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>40%</td>
</tr>
</tbody>
</table>
Business Results

**PLUS TRAFFIC VOLUME GROWTH**

4.7% CAGR

Traffic Growth % | GDP Growth %
--- | ---
12.8% | 6.0%
6.0% | 4.9%
4.9% | 3.9%
3.9% | 0.8%
0.8% | 1.6%
1.6% | 7.7%
7.7% | 5.2%
5.2% | 7.1%
7.1% | 7.7%
7.7%

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

**REVENUE**

MYR ‘mn

11.3% CAGR

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

DIRECT OPERATING COST

CAGR PLUS (2000-2010): 9.7%

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010
Socio Economic Contribution to GDP Growth, Development of Tourism, New Township and Industry

<table>
<thead>
<tr>
<th>States</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kedah</td>
<td>4.8%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Penang</td>
<td>5.4%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Perak</td>
<td>3.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Selangor</td>
<td>5.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>4.5%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Melaka</td>
<td>3.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Johor</td>
<td>5.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.7%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Source: Department Of Statistics Malaysia
Socio Economic Contribution to Employment Opportunities

- **COMPANY EMPLOYEES**
  - 925 employees, 4,483 opportunities

- **STALL OPERATORS**
  - 97 operators, 572 opportunities

- **MAINTENANCE CONTRACTORS**
  - 15 contractors, 350 opportunities

- **Continuous Training & Development Opportunities**
  - >5,500 jobs created

- **>1,000 Job Opportunities**
Evolution of Electronic Toll Collection (ETC) for operational efficiency

- Toll started at North-South Expressway – all cash payment
- Introduction of electronic toll collection system “PLUS Tag”
- Introduction of smart card electronic toll collection system “Touch ‘n Go”
- Implementation of smart card electronic toll collection system “Smart Tag”
- Implementation of Touch ‘n Go as the only electronic toll collection system in Malaysia
- Trial Smart Card system (Vehicle Registration Number)
- Implementation of Smart Card system (Vehicle Registration Number)
- Proposed implementation of Multi Lane Free Flow (MLFF)
- ETC penetration increased from 15% in 1999 to 60% in 2010
Issues in Implementing the Multi Lane Free Flow ("MLFF")

**LEGAL & ENFORCEMENT**
- Inherent risks of leakage
- Enforcement issues
- Multiple agreements involving various stakeholders

**TECHNOLOGY & OPERATION**
- Smart Tag system not MLFF ready
- Improvement of back end system

**BUSINESS MODEL**
- Funding of new system

**CUSTOMER ACCEPTANCE**
- Migration from cash payment
Evolution of Road Safety Measures

- **1990**: Normal Containment Bridge Railing
  - 4m spacing guardrail
  - Median concrete NJB

- **1997**: Flexible post
  - Flashing Road Stud

- **1999**: Escape Ramp
  - 2m spacing guardrail

- **2001**: Wire Rope Barrier

- **2005**: Crash Cushion

- **2007**: High Containment (TL 5) Bridge Railing

- **2008**: High Skid Resistance Rumble Strip

- **2009**: Rolling Barrier

- **2010**: LED signs

- **2011**: Innovative road safety measures

- **2015 & beyond**
Various measures and investments on road safety have reduced the accident rate over the years.
COUNTRY OVERVIEW

COMPANY OVERVIEW

MAJOR PROGRAM/PROJECT IN THE COUNTRY

INDUSTRY CHALLENGES
In one of the main thrust of the 10th Malaysian Economic Plan (2011-2015), the Government of Malaysia has recognized the formation of smart and effective partnerships between the public and private sectors (PPP) as a mean to facilitate the new economic transformation agenda.

52 high-impact projects worth MYR63 billion have been identified for implementation in the 10th Malaysian Plan

Several highway projects in the pipeline at an estimated cost of MYR19 billion (USD6.4 billion)

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Under Construction</th>
<th>Under Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Network</td>
<td>135,569km</td>
<td>51 projects</td>
<td></td>
</tr>
<tr>
<td>Highway Network</td>
<td>1,722km</td>
<td>248km (6 projects)</td>
<td>12 projects</td>
</tr>
</tbody>
</table>
COUNTRY OVERVIEW

COMPANY OVERVIEW

MAJOR PROGRAM/PROJECT IN THE COUNTRY

INDUSTRY CHALLENGES
Industry Challenges

- Public expectations on quality of highway services vs. willingness to pay
- Stringent maintenance and safety requirements by authorities
- Negative perception of toll increases amongst the public
- Nationalization of expressways
- Public / users attitude towards road safety
- Competitive public tenders of toll roads – contractors’ aggressive bids (especially in India)
THANK YOU