

## Ranhill Bhd (Malaysia)

CREDIT SNAPSHOT

06/06/08

### Capital Bank Leveraged Finance Research

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## RANH MK Equity

equity ticker: RANH MK

bond ticker: RANHMK

sector: Industrial

subgroup: Engineering/R&D Services

### company description:

Ranhill Berhad is an investment holding company. The Company, through its subsidiaries, provides engineering, procurement, construction, and project management services. Ranhill also has operation in power generation, engineering and installation of power distribution and generation facilities, manufactures switchgears and switchboards, and provides facilities management service.

Ranhill Bhd has 4,125 employees.

### capitalisation (MYR in millions):

stock price	MYR 1.17
shares outstanding (million)	<u>597.27</u>
market capitalisation (MYR mm)	699
total debt	3,891
cash + marketable securities	960
other capital	<u>558</u>
enterprise value (excl. cash)	4,187
current EV / TTM EBITDA	N/A

The company's next report is expected for 8/29/2008 (type: Estimated).

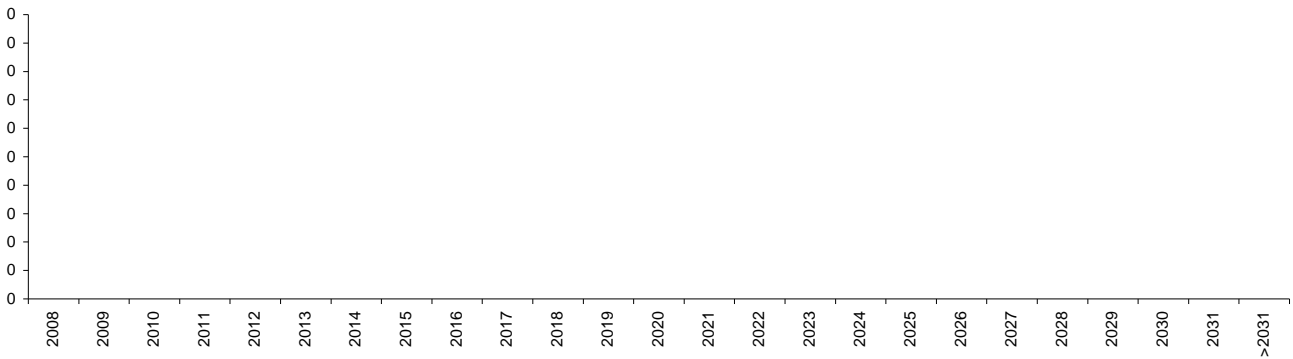
[www.ranhill.com.my](http://www.ranhill.com.my)

**DEBT DISTRIBUTION**

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	4.900%	6/27/2008	MYR	10	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	5.300%	6/26/2009	MYR	15	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	5.600%	6/25/2010	MYR	20	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	5.800%	6/27/2011	MYR	55	-	6/27/2005
RANHILL LABUAN LTD	B-	Bond, at maturity, company guarnt, fixed	12.500%	10/26/2011	USD	220	-	10/26/2006
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	6.200%	6/27/2012	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	6.600%	6/27/2013	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	6.900%	6/27/2014	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	7.100%	6/26/2015	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	7.300%	6/27/2016	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	7.500%	6/27/2017	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	7.600%	6/27/2018	MYR	55	-	6/27/2005
RANHILL POWERTRON SDN	NA	Bond, at maturity, secured, fixed	7.700%	6/27/2019	MYR	55	-	6/27/2005

Total amount out of instruments listed above (MYR in MM)	#NV	Cash (MM)	960
Total debt (MM)	3,891	Total Number of Debt Instruments (for the issuer and its subs)	13

■ Loans ■ Bonds



Moody's Ratings	
Outlook	N/A
Issuer	N/A
Senior Secured Debt	N/A
LT Corp Family	N/A
Bank Loan Debt	N/A
Senior Unsecured Debt	N/A
Subordinated Debt	N/A
Short Term	N/A

Standard & Poor's Ratings		
Outlook	<b>STABLE</b>	09/27/06
LT Foreign Currency Issuer	<b>B</b>	09/27/06
LT Local Currency Issuer	<b>B</b>	09/27/06
ST Foreign Currency Issuer	N/A	
ST Local Currency Issuer	N/A	

	id	issuer	coupon	mat	outstanding	S&P	MDY	bid px	ytw	stw	px date
<b>BONDS</b>	Total Debt for the company currently stands at MYR 3,890mm.										

**bond prices**



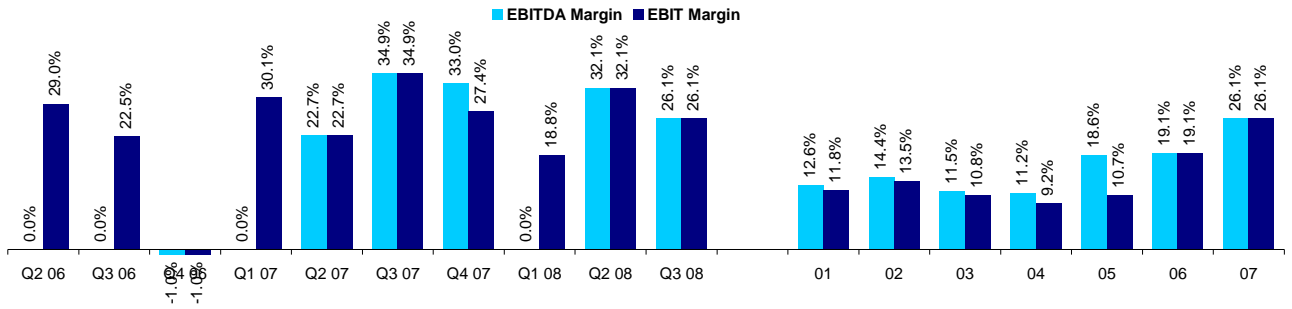
**yield to worst**



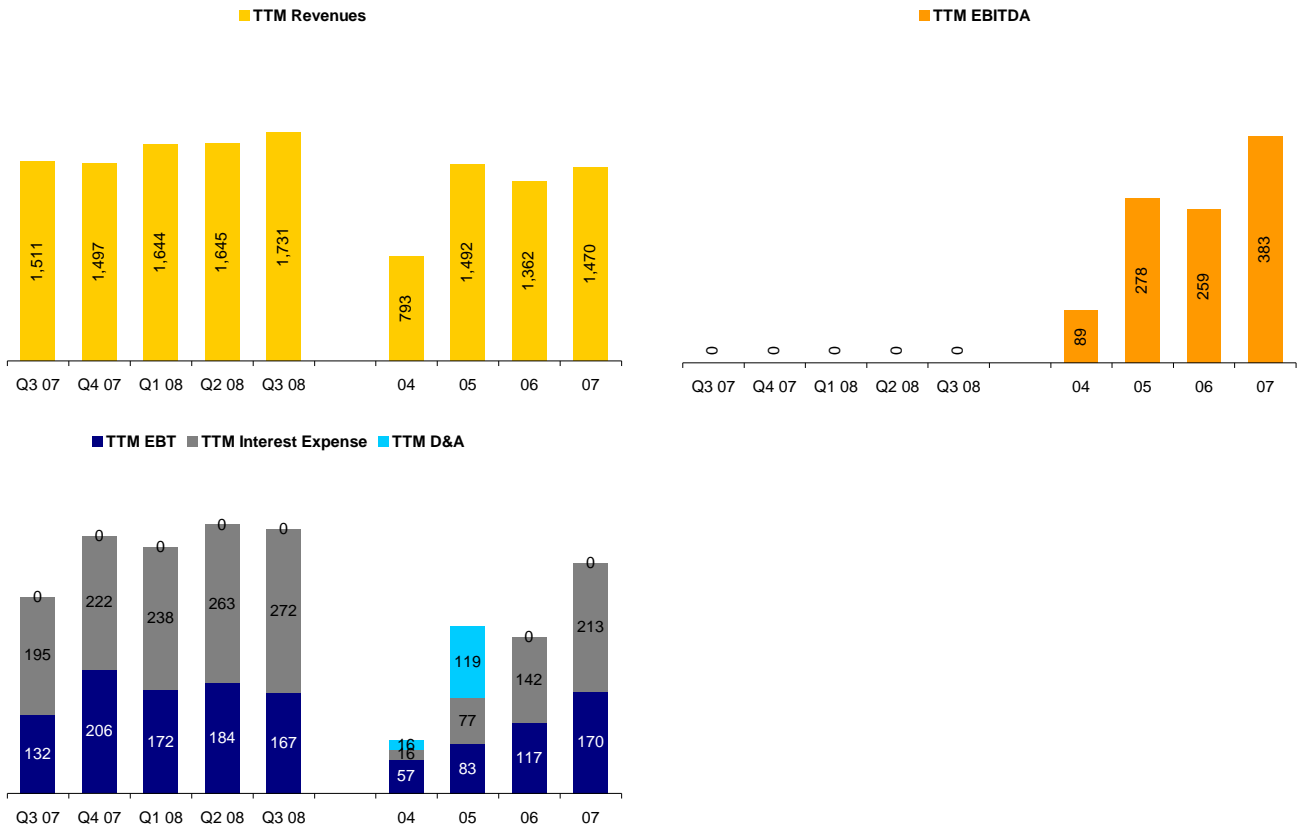
**spread to worst**



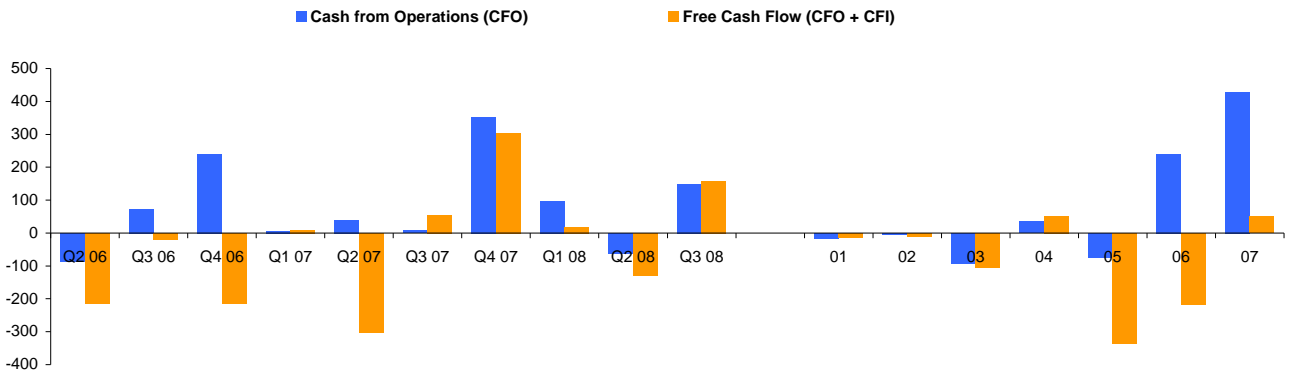
INCOME STATEMENT	MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
		03/31/08					06/30/07			
Revenues		343	357	552	392	429	793	1,492	1,362	1,470
COGS		218	245	415	255	330	657	1,242	1,002	979
COGS % of Revenues		63.5%	68.7%	75.1%	65.1%	76.8%	82.9%	83.3%	73.6%	66.6%
SG&A		22	61	50	36	24	80	112	125	173
SG&A % of Revenues		6.4%	17.2%	9.0%	9.3%	5.6%	10.0%	7.5%	9.2%	11.7%
EBITDA		120	118		126	112	89	278	259	383
Interest Expense		58	68	62	75	67	16	77	142	213
EBT		61	29	42	51	45	57	83	117	170
Net Income		24	25	21	39	-32	48	33	-13	117
EBITDA Margin		34.9%	33.0%	-	32.1%	26.1%	11.2%	18.6%	19.1%	26.1%
EBIT Margin		34.9%	27.4%	18.8%	32.1%	26.1%	9.2%	10.7%	19.1%	26.1%



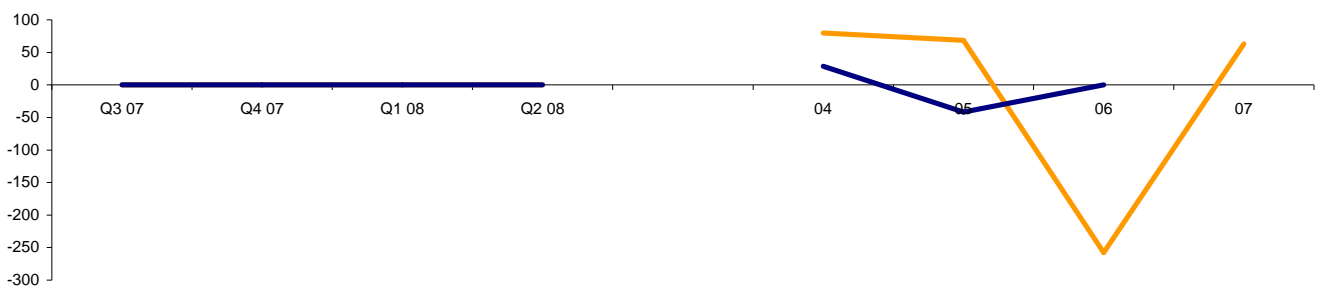
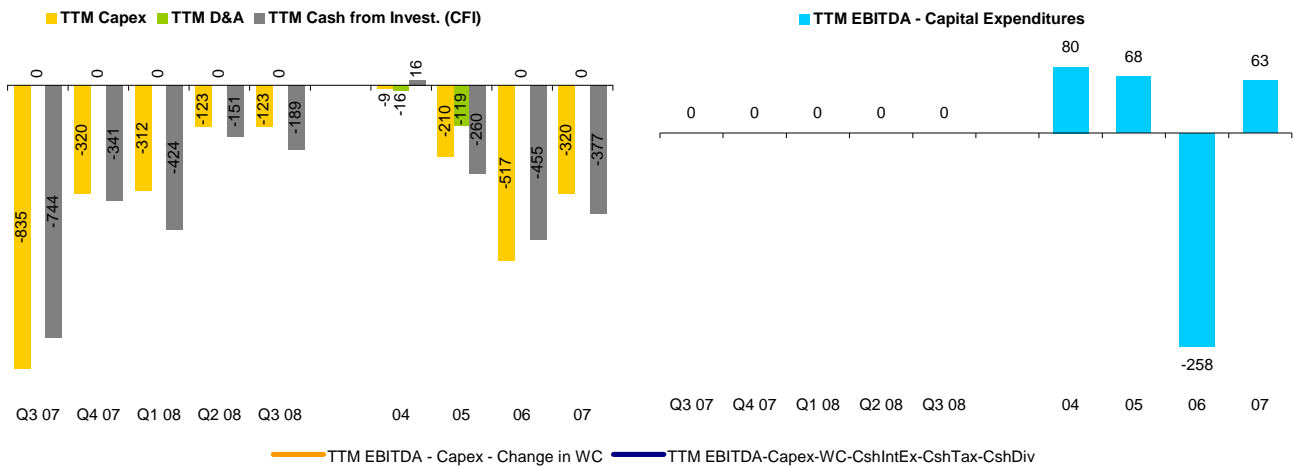
TTM INCOME STATEMENT	MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
		03/31/08					06/30/07			
TTM Revenues		1,511	1,497	1,644	1,645	1,731	793	1,492	1,362	1,470
TTM EBITDA							89	278	259	383
TTM D&A							16	119	0	0
TTM EBIT		327	429	410	447	439	73	159	259	383
TTM Interest Expense		195	222	238	263	272	16	77	142	213
TTM EBT		132	206	172	184	167	57	83	117	170
TTM Net Income		37	116	98	110	54	48	33	-13	117



MYR in millions		Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
<b>CASH FLOW</b>						03/31/08				06/30/07
	Cash from Operations (CFO)	8	353	98	-60	149	35	-73	240	428
	Cash from Investing (CFI)	47	-49	-80	-69	10	16	-260	-455	-377
	Free Cash Flow (CFO + CFI)	55	304	18	-130	159	51	-334	-216	51
	Cash from Financing Activities	33	-16	-88	48	0	104	875	184	151



MYR in millions		Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
<b>TTM CASH FLOW</b>						03/31/08				06/30/07
	TTM Cash from Operations (CFO)	295	408	500	398	539	35	-73	240	428
	TTM Cash from Invest. (CFI)	-744	-341	-424	-151	-189	16	-260	-455	-377
	TTM Capex	-835	-320	-312	-123	-123	-9	-210	-517	-320
	TTM D&A						-16	-119	0	0
	TTM Free Cash Flow (CFO + CFI)	-449	68	75	247	351	51	-334	-216	51
	TTM Cash from Financing Activities	546	347	281	-23	-56	104	875	184	151
	TTM CFO - Capital Expenditures	-540	88	188	275	417	25	-283	-277	108
	TTM EBITDA - Capital Expenditures						80	68	-258	63
	TTM EBITDA - Capex - Change in WC						80	68	-257	63
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv						29	-41		
	TTM CFO/Total Debt	7.5%	10.3%	13.0%	10.2%	13.9%	5.4%	-2.6%	6.7%	10.9%
TTM FCF/Total Debt	-11.4%	1.7%	2.0%	6.3%	9.0%	7.9%	-12.0%	-6.0%	1.3%	



MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
					03/31/08				06/30/07
<b>Cash</b>	997	1,140	1,074	969	960	202	782	1,003	1,141
<b>Marketable Securities / ST Investments</b>									
<b>Accounts &amp; Notes Receivable</b>	1,387	694	382	478	573	165	265	155	171
<b>Inventories &amp; Unbilled Receivables</b>	42	806	897	862	684	218	474	696	806
<b>Net Fixed Assets</b>	8,095	8,092	8,116	8,284	8,172	376	7,522	7,895	8,092
<b>75% of Accounts Receivable</b>	1,041	521	287	359	430	123	198	116	128
<b>30% of Inventories &amp; Unbill. Rec.</b>	13	242	269	259	205	65	142	209	242
<b>10% of Net Fixed Assets</b>	809	809	812	828	817	38	752	790	809
<b>Collateral (Liquidation) Asset Value</b>	2,860	2,712	2,442	2,414	2,412	428	1,875	2,118	2,320
<b>Working Capital</b>	1,109	925	891	788	778	153	966	752	932
<b>Net Other Long Term Assets &amp; Liabs.</b>	-3,980	-3,852	-3,745	-3,781	-3,657	65	-4,659	-4,205	-3,903
<b>Total Borrowings (includes ST Borrowings)</b>	3,928	3,952	3,857	3,900	3,891	643	2,790	3,599	3,908
<b>Net Debt</b>	2,931	2,812	2,782	2,931	2,931	441	2,009	2,596	2,767
<b>Collateral Asset Value / Total Borrowings</b>	72.8%	68.6%	63.3%	61.9%	62.0%	66.6%	67.2%	58.8%	59.4%

BALANCE SHEET

explanations and definitions:

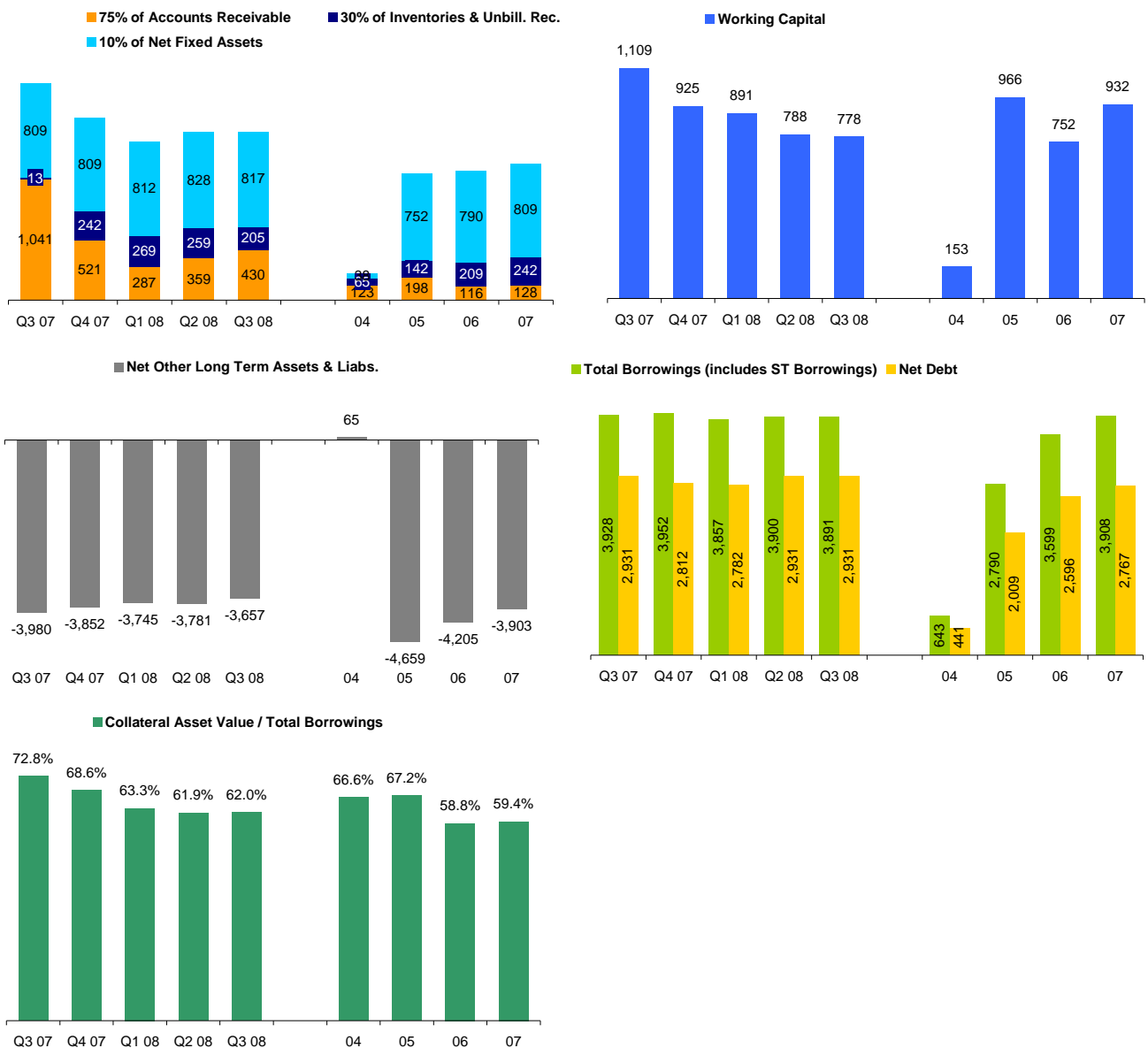
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

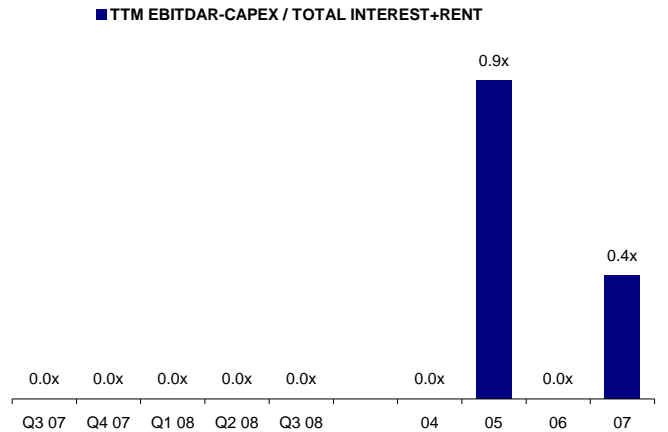
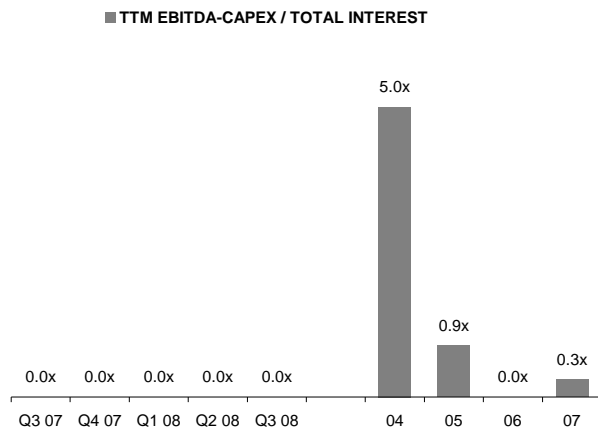
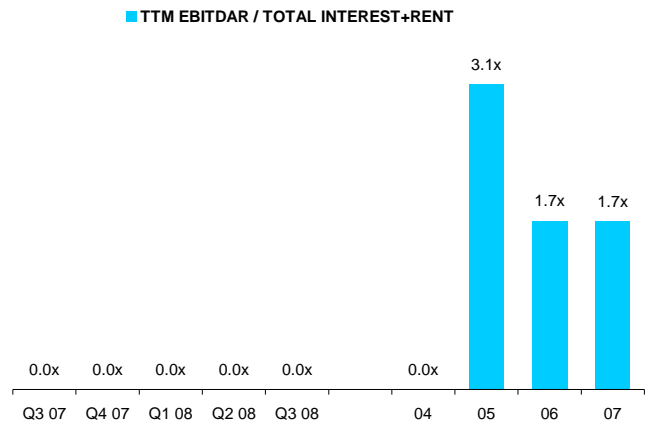
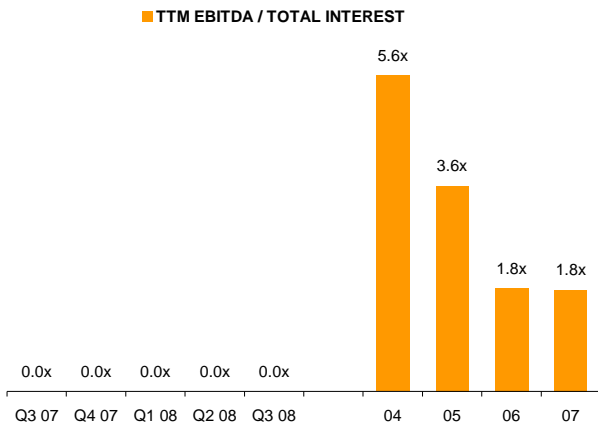
Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.



COVERAGE RATIOS	MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
							03/31/08			
	<b>TTM EBITDA / TOTAL INTEREST</b>	-	-	-	-	-	5.6x	3.6x	1.8x	1.8x
	<b>TTM EBITDAR / TOTAL INTEREST+RENT</b>	-	-	-	-	-	-	3.1x	1.7x	1.7x
	<b>TTM EBITDA-CAPEX / TOTAL INTEREST</b>	-	-	-	-	-	5.0x	0.9x	NM	0.3x
	<b>TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT</b>	-	-	-	-	-	-	0.9x	NM	0.4x

explanations and definitions:

**TTM TOTAL INTEREST:** For all coverage ratio calculations we use the Total Interest figure which in addition to Interest Expense also includes Capitalized Interest Expenses. We think this gives a better view of the economic reality than the simple Interest Expense figure.

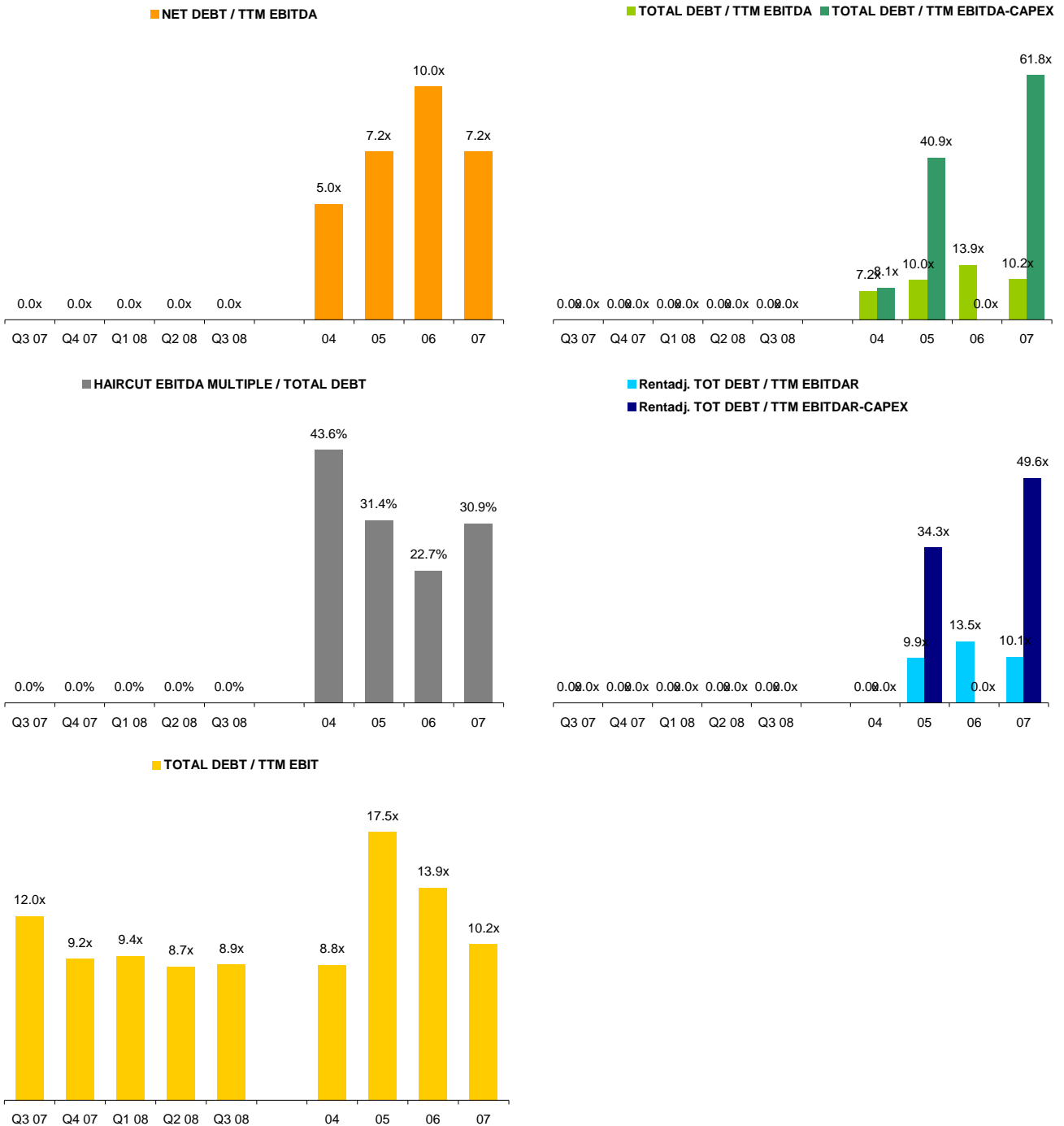


MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
					03/31/08				06/30/07
<b>NET DEBT / TTM EBITDA</b>						5.0x	7.2x	10.0x	7.2x
<b>TOTAL DEBT / TTM EBITDA</b>						7.2x	10.0x	13.9x	10.2x
<b>TOTAL DEBT / TTM EBITDA-CAPEX</b>						8.1x	40.9x	NM	61.8x
<b>Rentadj. TOT DEBT / TTM EBITDAR</b>							9.9x	13.5x	10.1x
<b>Rentadj. TOT DEBT / TTM EBITDAR-CAPEX</b>							34.3x	NM	49.6x
<b>HAIRCUT EBITDA MULTIPLE / TOTAL DEBT</b>						43.6%	31.4%	22.7%	30.9%
<b>TOTAL DEBT / TTM EBIT</b>	12.0x	9.2x	9.4x	8.7x	8.9x	8.8x	17.5x	13.9x	10.2x

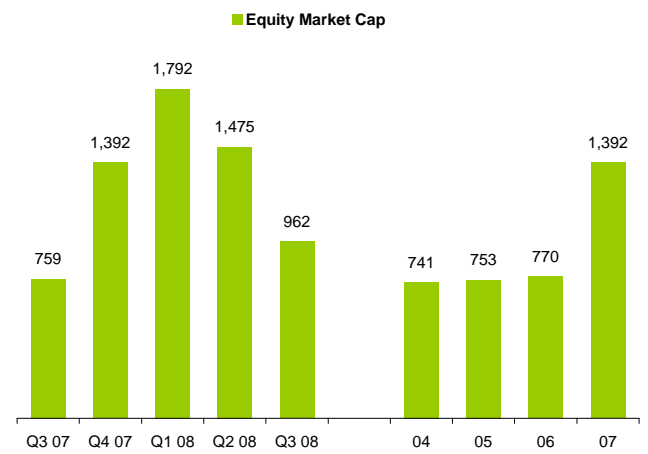
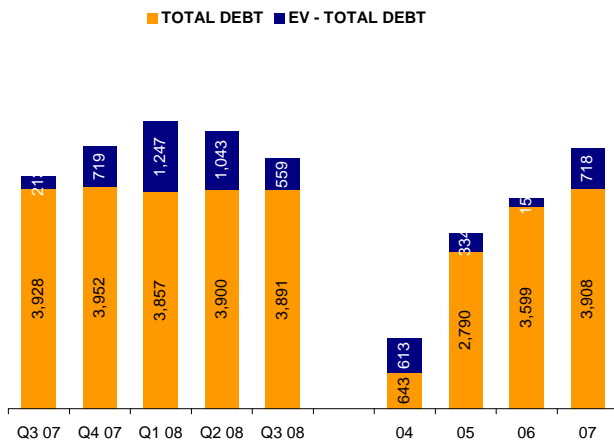
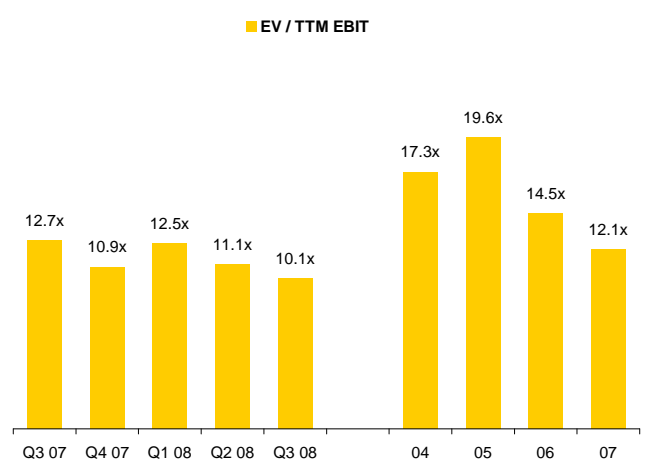
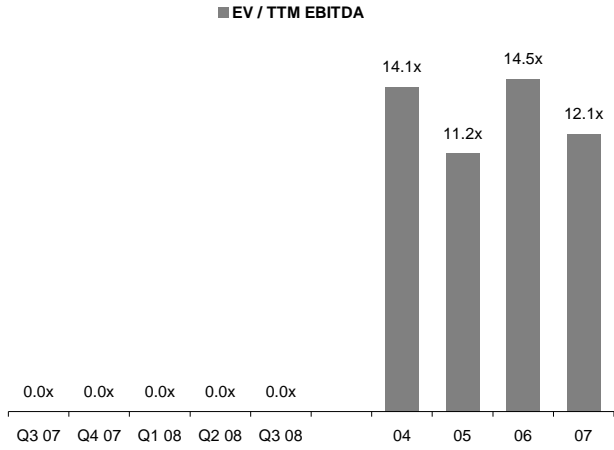
explanations and definitions:

**Rent adj. Total Debt/TTM EBITDAR:** This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).

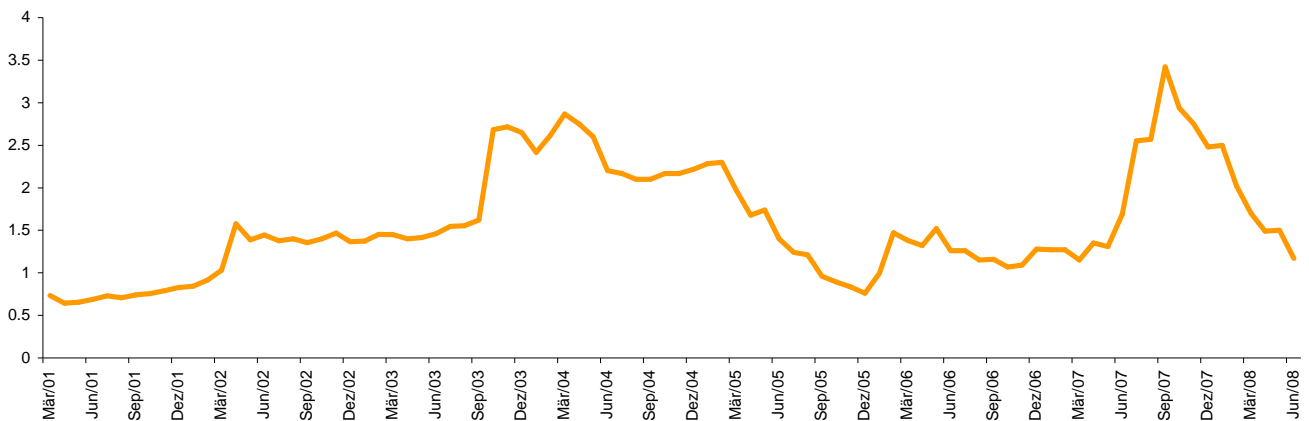
**HAIRCUT EBITDA MULTIPLE / TOTAL DEBT:** We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.



ENTERPRISE VALUE	MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
						03/31/08				06/30/07
EV / TTM EBITDA							14.1x	11.2x	14.5x	12.1x
EV / TTM EBIT		12.7x	10.9x	12.5x	11.1x	10.1x	17.3x	19.6x	14.5x	12.1x
Enterprise Value		4,141	4,670	5,104	4,942	4,450	1,257	3,124	3,755	4,626
TOTAL DEBT		3,928	3,952	3,857	3,900	3,891	643	2,790	3,599	3,908
Equity Market Cap		759	1,392	1,792	1,475	962	741	753	770	1,392



— RANH MK stock closing price



MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
					03/31/08				06/30/07
<b>Adjusted Cap Rate</b>	5.19%	6.01%	0	5.93%	6.47%	4.25%	3.51%	4.65%	5.52%
<b>Tangible Capital</b>	4,360	4,266	4,392	4,596	4,558	817	3,290	3,881	4,221
<b>Total Intangibles</b>	38	55	55	55	72	0	35	36	55
<b>Pre-tax ROIC</b>	7.5%	10.0%	9.3%	9.7%	9.6%	8.9%	4.8%	6.7%	9.1%
<b>After-tax ROIC (effective tax rate)</b>	6.0%		6.1%	8.0%	-7.9%	6.7%	3.5%	3.6%	7.5%
<b>After-tax ROIC (assumed tax rate)</b>	4.9%	6.5%	6.1%	6.3%	6.3%	5.8%	3.2%	4.3%	5.9%
<b>WACD (Pre-tax)</b>	5.0%	5.6%	6.2%	6.8%	7.0%	2.5%	2.8%	4.0%	5.5%

explanations and definitions:

**Adjusted Cap Rate:** This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

**Tangible Capital:** Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

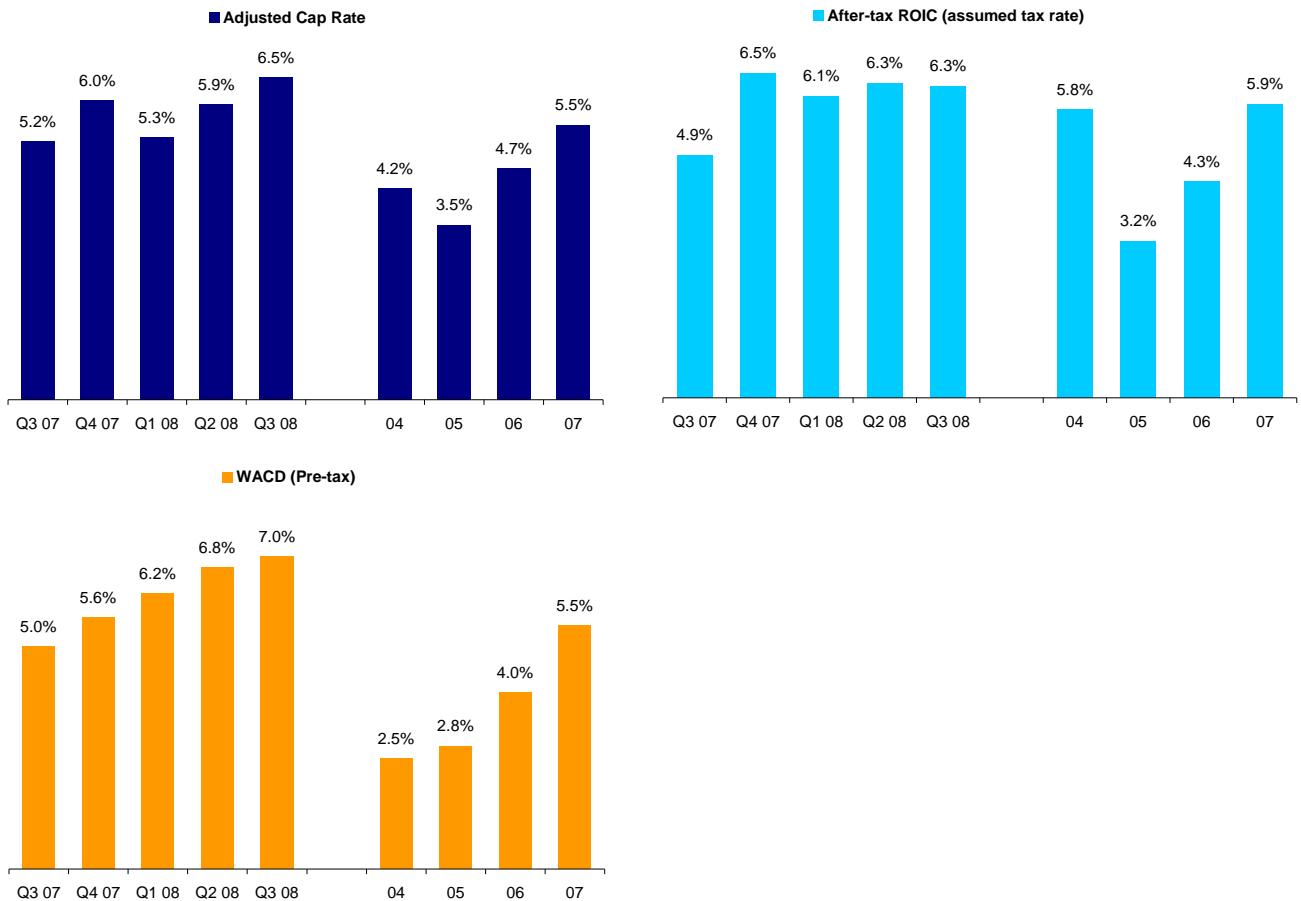
We calculate three different ROIC (Return on Invested Capital) figures:

**Pre-Tax ROIC:** this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

**After-tax ROIC (effective tax rate):** here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

**After-tax ROIC (assumed tax rate):** here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

**WACD (Pre-Tax):** This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.



## DEFAULT ESTIMATE

Average Bond Spread (in BPoints (1))	N/A
Estimated Bond Recovery Rate (2)	
Resulting Tolerable Default Rate (3)	

## explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Market Spread of all bonds listed on page 1 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

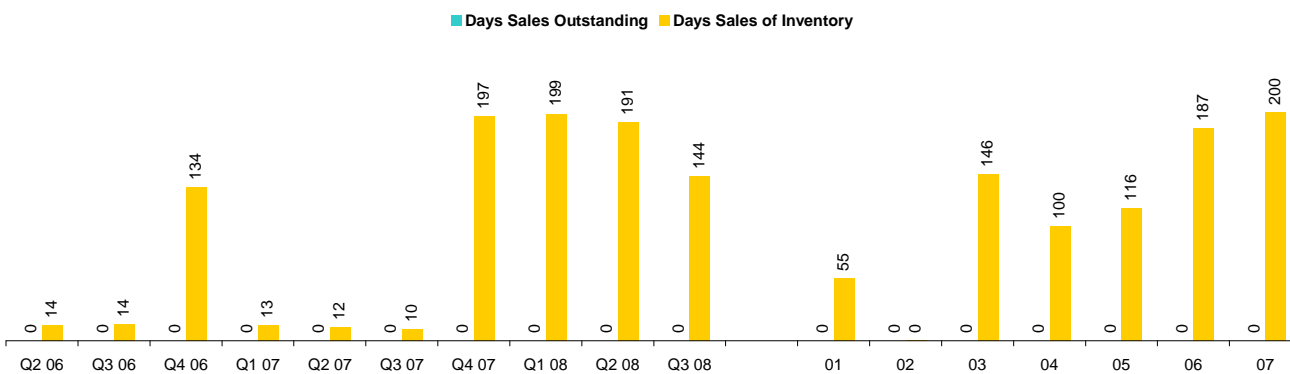
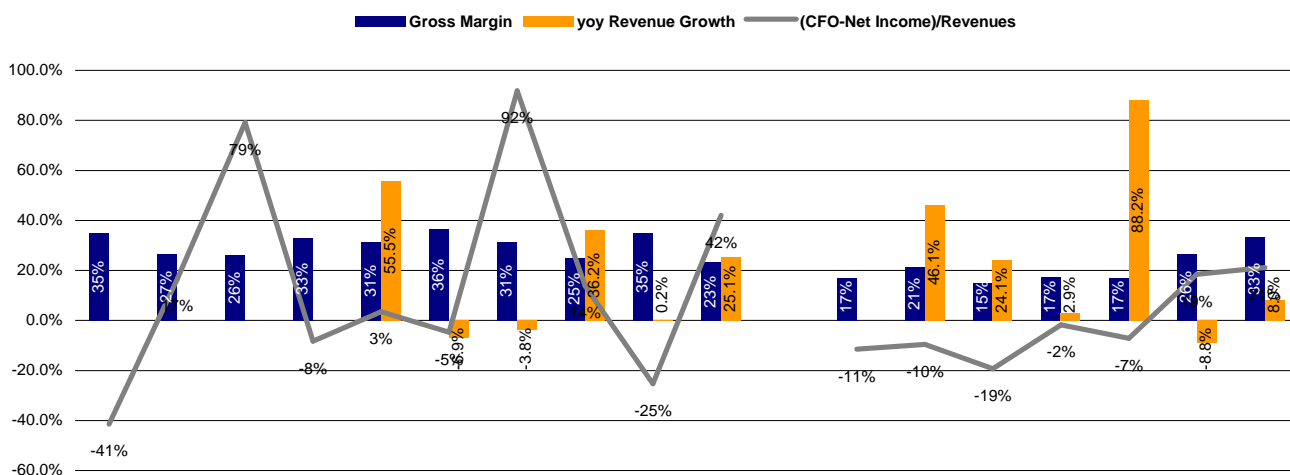
Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

## TANGIBLE NET WORTH ESTIMATE

MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
					03/31/08				06/30/07
<b>Total Assets</b>	11,686	12,036	11,976	12,011	11,941	1,343	10,524	11,076	11,918
<b>Total Liabilities</b>	10,218	10,527	10,312	10,291	10,241	967	9,208	9,755	10,408
<b>Total Intangibles</b>	38	55	55	55	72	0	35	36	55
<b>Tangible Net Worth</b>	1,429	1,454	1,609	1,665	1,627	375	1,281	1,285	1,454
<b>Rent Debt (8x Annual Rental Expense)</b>	147	147	147	147	147		136	124	147
<b>Underfunded Pension &amp; Post Ret. Liab.</b>									
<b>Discount on Hard Assets</b>	7,662	8,021	8,027	8,178	7,977	532	7,168	7,632	7,890
<b>Adjusted Tangible Net Worth</b>	-6,380	-6,714	-6,566	-6,661	-6,497	-157	-6,023	-6,471	-6,583

MYR in millions	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	04	05	06	07
					03/31/08				06/30/07
(CFO-Net Income)/Revenues	-4.7%	91.8%	13.9%	-25.4%	42.0%	-1.7%	-7.1%	18.5%	21.1%
yoy Revenue Growth	-6.9%	-3.8%	36.2%	0.2%	25.1%	2.9%	88.2%	-8.8%	8.0%
Gross Margin	36.5%	31.3%	24.9%	34.9%	23.2%	17.1%	16.7%	26.4%	33.4%
Days Sales Outstanding	335	169	85	106	121	76	65	42	42
Days Sales of Inventory	10	197	199	191	144	100	116	187	200
Soft Assets	173	1,032	1,304	1,215	544	306	1,329	1,223	1,537
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	-	-	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	-	-	-	-	-	24	64	47	43
TTM Dividends Paid	7	0	0	0	5	11	18	6	6
TTM Preferred Dividends	0	0	0	0	0	0	0	0	0
Net Change in Capital Stock	0	0	0	0	0	0	0	0	0
Non-Capex CFI (CFI less Capex)	47	-44	-16	-16	10	26	-50	62	-57

ACCOUNTING RED FLAGS



Auditor Information:	
<b>Current auditor</b>	PRICEWATERHOUSECOOPERS (as of 31.10.2007)
<b>Auditor's opinion</b>	Unqualified
<b>Auditor's opinion - Definitions</b>	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

LATEST SEC FILINGS

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date

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