

IJM secures second Penang bridge job worth RM350m

► IJM CORPORATION BHD				
	2009	2010	2011F	2012F
NET PROFIT (RM mil)	290.2	275.6	348.8	361.1
EPS (sen)	23.5	20.6	26.5	27.4
P/E (x)	20.5	23.4	18.2	17.6
DIV YIELD (%)	4.1	1.7	1.7	1.7

► **Recommendation:**

Hold

Target Price: RM4.77

By ECMLibra Investment Research (June 16)

Secures 2nd Job For Financial Year

IJM Corp announced yesterday that it had secured its second job for FY11 after accepting the letter of acceptance from Jambatan Kedua Sdn Bhd, a wholly-owned subsidiary of the Minister of Finance, Incorporated, for award of "The Second Penang Bridge — Package 3B: Batu Kawan Expressway" at a contract sum of RM349.98 million.

The project involves,

among others, the construction of a new dual 2-lane carriageway of approximately 5.7km with a cloverleaf interchange and four (4) bridges.

The construction period is 31 months from the date of site possession of June 28, 2010.

We understand that this job was awarded on competitive bid basis and as such, expect margin to be moderate at around 8% pretax level which will contribute about RM21 million after tax over the construction period.

Outstanding Orderbook At RM4b

Together with the RM246.7 million Murum dam access

road secured in April, IJM Corp has replenished about RM596.7 million of its orderbook YTD.

Outstanding orderbook should be around RM4 billion now. We view latest contract wins positively not only for IJM Corp but also for the construction sector as a whole as it raises hope of further traction by the government in awarding of the remaining 9MP projects over the next few months.

Nevertheless, as we have already been factored into our earnings model a RM2 billion orderbook replenishment assumption in FY11, as such no changes will be necessary to our earnings esti-