

YTL CORPORATION BERHAD (Company No. 92647-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial quarter ended 30 September 2008.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2008	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2007	3 MONTHS ENDED	
	RM'000	RM'000	RM'000	RM'000
REVENUE	1,739,212	1,582,869	1,739,212	1,582,869
COST OF SALES	(1,066,628)	(903,135)	(1,066,628)	(903,135)
GROSS PROFIT	672,584	679,734	672,584	679,734
OTHER OPERATING EXPENSES	(163,078)	(115,034)	(163,078)	(115,034)
OTHER OPERATING INCOME	305,595	89,127	305,595	89,127
PROFIT FROM OPERATIONS	815,101	653,827	815,101	653,827
FINANCE COSTS	(278,178)	(230,677)	(278,178)	(230,677)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	32,824	49,914	32,824	49,914
PROFIT BEFORE TAXATION	569,747	473,064	569,747	473,064
TAXATION	(101,380)	(113,167)	(101,380)	(113,167)
PROFIT FOR THE PERIOD	468,367	359,897	468,367	359,897
ATTRIBUTABLE TO:				
SHAREHOLDERS	252,367	224,608	252,367	224,608
MINORITY INTERESTS	216,000	135,289	216,000	135,289
PROFIT FOR THE PERIOD	468,367	359,897	468,367	359,897
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	16.88	14.93	16.88	14.93
Diluted (Sen)	15.84	13.69	15.84	13.69

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 92647-H)
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.9.2008	30.6.2008
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	16,890,245	17,294,939
Investment Properties	1,863,648	1,612,168
Prepaid Lease Payment	65,788	76,424
Investment In Subsidiaries	181,714	181,704
Investment In Associated Companies	1,465,230	1,378,352
Quoted Investments	22,759	22,994
Unquoted Investments	703,571	775,168
Development Expenditure	2,235,054	1,124,296
Fixed deposits	437	437
Intangible assets	456	789
Goodwill on Consolidation	1,145,594	1,130,024
	<u>24,574,496</u>	<u>23,597,295</u>
Current Assets		
Inventories	452,728	374,817
Property development costs	152,759	175,553
Trade & other receivables	2,157,201	2,208,060
Tax recoverable	78,282	64,399
Inter-company balances	76,601	29,280
Short term investments	46,227	281,800
Fixed deposits	12,486,437	11,416,085
Cash & bank balances	170,809	311,272
	<u>15,621,044</u>	<u>14,861,266</u>
TOTAL ASSETS	<u>40,195,540</u>	<u>38,458,561</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED AS AT 30.9.2008	AUDITED AS AT 30.6.2008
	RM'000	RM'000
EQUITY		
Share capital	816,505	816,101
Share premium	516,815	513,721
Capital reserve	105,161	102,345
Statutory reserve	48,945	48,945
Exchange differences reserve	(402,335)	(115,268)
Other reserves	175,113	166,093
Retained profits	7,346,583	7,072,154
Less : Treasury shares, at cost	(890,163)	(889,671)
Total Equity Attributable to Shareholders of the Company	7,716,624	7,714,420
Minority Interests	4,355,760	3,931,417
TOTAL EQUITY	12,072,384	11,645,837
LIABILITIES		
Non-current Liabilities		
Long Term Borrowings	17,142,800	15,638,687
Other Long Term Liabilities	410,419	424,350
Deferred Income	126,572	133,917
Deferred Tax	2,201,202	2,280,857
	19,880,993	18,477,811
Current Liabilities		
Trade & other payables	1,735,975	1,810,117
Inter-company balances	45,546	4,696
Short term borrowings	6,257,597	6,277,679
Provision for taxation	183,544	207,983
Provision for liabilities & charges	19,501	34,438
	8,242,163	8,334,913
TOTAL LIABILITIES	28,123,156	26,812,724
TOTAL EQUITY & LIABILITIES	40,195,540	38,458,561
Net Assets per 50 sen share (Sen)	515.84	515.95

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER 30 SEPTEMBER 2008**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange differences reserve	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2008	816,101	513,721	102,345	48,945	(115,268)	7,072,154	(889,671)	166,093	7,714,420	3,931,417	11,645,837
Currency translation differences	-	-	-	-	(287,067)	-	-	-	(287,067)	(154,345)	(441,412)
Equity component of Ex. Bonds	-	-	-	-	-	-	-	9,020	9,020	-	9,020
Gain recognised on deemed dilution of interest in subsidiaries	-	-	-	-	-	22,062	-	-	22,062	(21,979)	83
Income and expenses recognised directly in equity	-	-	-	-	(287,067)	22,062	-	9,020	(255,985)	(176,324)	(432,305)
Net profit for the period	-	-	-	-	-	252,367	-	-	252,367	216,000	468,367
Total recognised income and expenses for the period	-	-	-	-	(287,067)	274,429	-	9,020	(3,618)	-	36,058
Reserve on consolidation	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	(492)	-	(492)	(52,258)	(52,750)
Share-based payment	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	404	3,094	2,816	-	-	-	-	-	6,314	-	6,314
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	436,925	436,925
Balance at 30.9.2008	816,505	516,815	105,161	48,945	(402,335)	7,346,583	(890,163)	175,113	7,716,624	4,355,760	12,072,384

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER 30 SEPTEMBER 2007**

Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange differences reserve	Retained profits	Treasury shares	Other reserves	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2007	825,611	652,522	102,439	41,331	(31,836)	6,542,668	(922,643)	84,387	7,294,479	3,591,979	10,886,458
Currency translation differences	-	-	(681)	-	63,565	-	-	-	62,884	622,280	685,164
Gain recognised on deemed dilution of interest in subsidiaries	-	-	-	-	-	11,113	-	-	11,113	-	11,113
Income and expenses recognised directly in equity	-	-	(681)	-	63,565	11,113	-	-	73,997	622,280	696,277
Net profit for the period	-	-	-	-	-	224,608	-	-	224,608	135,289	359,897
Total recognised income and expenses for the period	-	-	(681)	-	63,565	235,721	-	-	298,605	757,569	1,056,174
Reserve on consolidation	-	-	-	-	-	-	-	(3,105)	(3,105)	-	(3,105)
Treasury shares	-	-	-	-	-	-	(41,313)	-	(41,313)	-	(41,313)
Share-based payment	-	-	-	-	-	-	-	303	303	-	303
Issue of share capital	808	3,657	-	-	-	-	-	-	4,465	-	4,465
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(693,362)	(693,362)
Balance at 30.9.2007	826,419	656,179	101,758	41,331	31,729	6,778,389	(963,956)	81,585	7,553,434	3,656,186	11,209,620

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2008**

	FOR THE 3 MONTHS ENDED	
	30.9.2008	30.9.2007
	RM'000	RM'000
Net cash from operating activities	596,363	515,321
Net cash used in investing activities	(1,037,971)	(239,790)
Net cash from financing activities	1,386,661	1,522,427
Net changes in cash and cash equivalents	945,053	1,797,958
Cash and cash equivalents brought forward	11,672,974	8,790,597
Cash and cash equivalents carried forward	<u>12,618,027</u>	<u>10,588,555</u>

Cash and cash equivalents comprise:

	RM'000	RM'000
Fixed deposits	12,486,874	10,493,552
Cash and bank balances	170,809	98,822
Bank overdraft	(39,656)	(3,819)
	<u>12,618,027</u>	<u>10,588,555</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2008.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) 134, “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Group in the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 30 June 2008.

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A4. Changes in estimates of amounts reported

There was no change in estimates of amounts reported in prior interim periods and prior financial years.

A5. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

- (i) Repurchased a total of 76,200 ordinary shares of its issued share capital from the open market for a total consideration of RM493,392 at an average cost of RM6.46 per share during the current financial quarter. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.
- (ii) For the current financial quarter ended 30 September 2008, 680,300 and 129,000 ordinary shares of 50 sen each were issued pursuant to the exercise of 1999/2009 warrants and employees’ share option scheme (ESOS) at an exercise price of RM4.23 and RM4.81 per share respectively.

A6. Dividend paid

There was no dividend paid during the quarter ended 30 September 2008.

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Notes: - continued

A7. Segment Reporting - continued

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the financial quarter ended 30 September 2008 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	79,324	7,886	505,290	30,458	111,578	41,062	963,614	1,739,212
Results								
Operating profit	997	3,353	126,178	20,373	12,035	2,717	395,088	560,741
Finance costs								(278,178)
Fair value gain on investment properties								254,360
Share of profit of associated companies								32,824
Profit before taxation								569,747
Taxation								(101,380)
Profit for the period								468,367
Attributable to:								
Shareholders								252,367
Minority interests								216,000
Profit for the period								468,367

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Notes: - continued

A7. Segment Reporting

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the financial quarter ended 30 September 2007 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	44,898	6,297	337,561	76,487	100,435	41,381	975,809	1,582,868
Results								
Operating profit	10,335	1,487	94,064	23,806	84,057	6,181	433,897	653,827
Finance costs								(230,677)
Share of profit of associated companies								49,914
Profit before taxation								473,064
Taxation								(113,167)
Profit for the period								359,897
Attributable to:								
Shareholders								224,608
Minority interests								135,289
Profit for the period								359,897

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following :-

- (i) For the current financial quarter, YTL Power International Berhad (“YTL Power”) repurchased a total of 37,662,900 ordinary shares of its issued share capital from the open market value for a total consideration of RM67,391,850 at an average cost of RM1.79. The repurchase of shares was financed by internally generated funds. As at 30 September 2008, the number of treasury shares held was 54,249,345 ordinary shares.

During the current financial quarter, YTL Power distributed a total of 137,819,391 treasury shares as share dividend on 22 September 2008 to the shareholders on the basis of one (1) treasury share for every forty (40) ordinary shares held on 11 September 2008.

- (ii) During the current financial quarter, 2,030,289 and 261,200,880 ordinary shares were issued by YTL Power pursuant to the exercise of 2000/2010 and 2008/2018 warrants at a weighted average exercise price of RM1.19 and RM1.25 per share respectively.
- (iii) For the current financial quarter, 54,500 ordinary shares were issued by YTL Power pursuant to the exercise of ESOS at a weighted average exercise price of RM1.33 per share.
- (iv) For the current financial quarter, a total of 137,000 ordinary shares of RM0.50 each respectively were issued by YTL Cement Berhad (“YTL Cement:”) pursuant to the exercise of ESOS at an average exercise price of RM1.94.
- (v) During the current financial quarter ended 30 September 2008, YTL Cement repurchased a total of 10,000 ordinary shares from the open market at an average price of RM3.38 per share for a total consideration of RM33,846. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2008, the number of treasury shares held was 20,944,164 ordinary shares.
- (vi) During the current financial quarter, the share capital of YTL Land & Development Berhad (“YTL L&D”) increased from RM398,279,587 to RM398,568,243 as a result of the conversion of 2,251,520 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM0.50 each into 577,312 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 3.90 of ICPS-A of RM0.50 each held. The total number of ICPS-A outstanding as at 30 September 2008 was 183,240,590 of RM0.50 each.

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Notes: - continued

- (vii) For the current financial quarter, YTL e-Solutions Berhad (“YTLE”) repurchased a total of 937,500 ordinary shares of its share capital from the open market at an average price of RM0.43 for a total consideration of RM406,562.
- (viii) On 4 July 2008, YTL Cement (Hong Kong) Limited (“YTLC HK), a wholly-owned subsidiary of YTL Cement, acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up share capital of Industrial Resources Limited (“Industrial Resources”) for US\$1.00 in cash. As a result, Industrial Resources became a wholly-owned subsidiary of YTLC HK and an indirect subsidiary of YTL Cement and of the Company.

Industrial Resources was incorporated in the Cayman Islands on 4 July 2008 and has an authorised share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. Industrial Resources will be principally involved in investment holding and procurement.

- (ix) On 10 June 2008, Buildcon Concrete Enterprise Sdn Bhd (“BCE”), a wholly-owned subsidiary of YTL Cement, entered into a Share Sale Agreement with Ensidesa Mix Sdn Bhd for the acquisition of 303,800 ordinary shares of RM1.00 each representing 49% of the issued & paid-up share capital of Buildcon-Ensidesa Sdn Bhd (“Buildcon-Ensidesa”) for a purchase consideration of RM411,420.28. The acquisition was completed on 10 July 2008 and Buildcon-Ensidesa became a wholly-owned subsidiary of BCE and an indirect subsidiary of the Company.

Buildcon-Ensidesa subsequently changed its name to Buildcon Desa Sdn Bhd on 25 September 2008.

- (x) On 23 July 2008, YTL Construction (S) Pte Ltd (“YTL Construction Spore”), a 99.9994% subsidiary of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) which is in turn a wholly-owned subsidiary of the Company, acquired 510,001 ordinary shares of S\$1.00 each representing 51% of the issued and paid-up share capital of Ideal Worlds Pte Ltd (“Ideal Worlds”) for a consideration of S\$510,001. As a result, Ideal Worlds became an indirect subsidiary of the Company.

Concurrently with the acquisition of Ideal Worlds, Genesis-Alliance Retail Pte Ltd and Prestige Lifestyles & Living Sdn Bhd which are wholly-owned by Ideal Worlds, became indirect subsidiaries of the Company.

Ideal Worlds was incorporated on 18 May 2006 and presently has an issued and paid-up share capital of S\$1,000,001 divided into 1,000,001 ordinary shares of S\$1.00 each. Ideal Worlds is principally involved in general wholesale trade which includes general import and export.

- (xi) YTL Cement subscribed for 4,990 ordinary shares of par value USD100 each representing 99.8% of the issued and paid-up share capital of P.T. YTL Simen Indonesia (“YTL Simen Indo”) for a cash consideration of USD499,000 whilst YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of YTL Cement, subscribed for the remaining 0.2% of the issued and paid-up share capital or 10 ordinary shares for a cash consideration of US1,000. As a result, YTL Simen Indo has on 29 July 2008 become a subsidiary of YTL Cement.

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Notes: - continued

YTL Simen Indo is a limited liability company and has an authorised share capital of US\$500,000 comprising 5,000 shares of US\$100 each, all of which have been issued and paid-up. YTL Simen Indo will be principally involved in the distribution and sale of cement and clinker.

- (xii) YTL Power had on 25 August 2008 acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Holdings Pte Ltd (“Sceptre Holdings”) for S\$1.00 in cash. As a result, Sceptre Holdings has become a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company

Sceptre Holdings is a company incorporated in Republic of Singapore on 15 August 2008 and will be principally involved in investment holding.

- (xiii) On 1 September 2008, Sceptre Holdings acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Resources Pte Ltd (“Sceptre Resources”) for S\$1.00 in cash. As a result, Sceptre Resources has become a wholly-owned subsidiary of Sceptre Holdings and an indirect subsidiary of the Company.

Concurrently, Sceptre Industries Pte Ltd (“Sceptre Industries”) which is a wholly-owned subsidiary of Sceptre Resources, became an indirect subsidiary of YTL Power and the Company.

Sceptre Resources and Sceptre Industries are private limited companies incorporated in the Republic of Singapore on 19 August 2008 and 15 August 2008 respectively and will be principally involved in investment holding.

- (xiv) On 12 September 2008, YTL HK incorporated a wholly-owned subsidiary in the People’s Republic of China known as Zhejiang YTL Cement Marketing Co Ltd (“ZYTLCM”). Zhejiang Cement Marketing was incorporated in the People’s Republic of China on 12 September 2008 with a registered capital of Renminbi 5.0 million. ZYTLCM was set up for the purpose of undertaking the business of sales and marketing of cement and cementitious products.

- (viii) On 15 September 2008, BCE entered into a Share Sale Agreement with Seri Meraga Consolidated Sdn Bhd for the acquisition of 100,000 ordinary shares of RM1.00 each representing 50% of the issued & paid-up share capital of SMC Mix Sdn Bhd (“SMC Mix”), for a total cash consideration of RM332,199.28.

SMC Mix was incorporated on 10 September 1998 and presently has an authorised and issued paid-up share capital of RM500,000 and RM200,000 respectively. The principal activities of SMC Mix are manufacturing and sale of ready-mixed concrete.

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Notes: - continued

A9. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 June 2008, there were no changes in the contingent liabilities of the Group.

As at 30 September 2008, the Company had given corporate guarantees to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Bank overdrafts	20,200	3,461
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	143,300	53,645
Revolving credits/term loans	100,531	69,668
Bankers' guarantees	86,000	42,133
	<u>350,031</u>	<u>168,907</u>
	S\$'000	S\$'000
Revolving credits/term loans	603,157	602,879
Bankers' guarantees	13,000	200
	<u>616,157</u>	<u>603,079</u>
	US\$'000	US\$'000
Exchangeable Bonds due 2013	<u>300,000</u>	<u>300,000</u>

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Notes: - continued

A10. Subsequent Events

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to 18 November 2008, except as disclosed below.

- (i) The acquisition by BCE of 100,000 ordinary shares of RM1.00 each representing 50% of the issued & paid-up share capital of SMC Mix was completed on 7 October 2008. As a result, SMC Mix became a wholly-owned subsidiary of BCE and an indirect subsidiary of YTL Cement and the Company.
- (ii) On 13 October 2008, YTL Power announced that its indirect wholly-owned subsidiary, Wessex Water Enterprises Limited (“WWEL”), has subscribed for the following:-
 - a) 100 shares of £1.00 each representing the entire issued and paid-up share capital of Wessex Electricity Utilities Limited (“WEUL”) for £100 in cash; and
 - b) 100 shares of £1.00 each representing the entire issued and paid-up share capital of Wessex Gas Utilities Limited (“WGUL”) for £100 in cash.

As a result, WEUL and WGUL have become indirect subsidiaries of YTL Power and the Company.

WEUL and WGUL are private limited companies incorporated in the England and Wales, each with an authorised share capital of £1,000 comprising 1,000 shares of £1.00 each. WEUL and WGUL will be principally involved in the ownership and operation of gas and electricity infrastructure.

- (iii) On 13 November 2008, YTL Cayman Limited (“YTL Cayman”), a wholly-owned subsidiary, acquired 1 ordinary share of par value S\$1.00 in each of Starhill Global REIT Investments Limited (“Starhill Global Investment”) and Starhill Global REIT Management Limited (“Starhill Global Management”) at par value each. As a result, Starhill Global Investments and Starhill Global Management have become wholly-owned subsidiaries of YTL Cayman and indirect subsidiary of the Company.

Starhill Global Investments and Starhill Global Management were both incorporated in the Cayman Islands and each has an authorised share capital of SGD100,000.00 comprising of 100,000 shares of S\$1.00 each. Both companies will be principally involved in investment holding.

- (iv) On 19 November 2008, YTL Cement announced the incorporation of Concrete Industries Pte Ltd (“Concrete Industries”) as a wholly-owned subsidiary of YTL Concrete (S) Pte Ltd. YTL Concrete (S) Pte Ltd is a wholly-owned subsidiary of YTL Cement Singapore Pte Ltd which in turn is a wholly-owned subsidiary of YTL Cement.

Concrete Industries which was incorporated with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share of S\$1.00 will be principally involved in the manufacture and supply of ready-mixed concrete and related products.

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Notes: - continued

Disclosure requirements per Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

The Group recorded a revenue and profit before taxation for the current financial quarter of RM1,739.2 million and RM569.7 million respectively, representing an increase of 9.9% and 20.4% respectively when compared to the previous corresponding quarter ended 30 September 2007.

The Group's profit from operations improved from RM653.8 million in the corresponding financial quarter ended 30 September 2007 to RM815.1 million in the current financial quarter ended 30 September 2008 representing an increase of 24.7%. The profit after taxation increased by 30.1% from RM359.9 million recorded in the previous corresponding quarter ended 30 September 2007 to RM468.4 million recorded in the current quarter ended 30 September 2008. The increase in profit was substantially due to a fair value gain on investment properties.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2008 RM'000	Preceding Quarter 30.6.2008 RM'000
Revenue	1,739,212	1,888,381
Consolidated profit before taxation	569,747	523,141
Consolidated profit after taxation attributable to shareholders	252,367	231,516

For the current financial quarter, the Group's revenue decreased by 7.9% while the profit before taxation increased by 8.9% compared to the preceding quarter ended 30 June 2008 substantially due to a fair value gain on investment properties.

B3. Audit Report of the preceding financial year ended 30 June 2008

The Auditors' Report on the financial statements of the preceding financial year was not subject to any qualification.

B4. Prospects

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2009

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

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Notes: - continued

B6. Taxation

Taxation comprises the following:-

	Current Year Quarter 30.9.2008 RM'000	Preceding Year Corresponding Quarter 30.9.2007 RM'000	Current Year To Date 30.9.2008 RM'000	Preceding Year Corresponding Period 30.9.2007 RM'000
Taxation based on profit for the period	71,125	105,647	71,125	105,647
In respect of prior years				
- Income tax	7	1,544	7	1,544
Deferred taxation	30,248	5,976	30,248	5,976
	<u>101,380</u>	<u>113,167</u>	<u>101,380</u>	<u>113,167</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate lower than the Statutory Income Tax Rate due primarily to the effective rate approximates to the statutory income tax of the countries where the Group operate and also due to the availability of reinvestment allowances and tax losses brought forward for some of its subsidiaries.

B7. Sales of Unquoted Investment and /or Properties

There was no sale of unquoted investments or properties during current financial quarter.

B8. Quoted Securities

(a)	Quarter Ended 30.9.2008 RM'000	
Purchases	-	
Sales	36	
Gain on disposal	30	
	=====	
(b)	Particulars of investment in quoted securities as at 30 September 2008:	RM'000
- At cost		22,759
- At carrying value		22,759
- At market value		<u>17,607</u>

INTERIM FINANCIAL REPORT

Notes: - continued

B9. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

As at the date of this announcement, there are no corporate proposals announced and pending completion save for the following:-

- (i) In relation to the proposed issue by YTL Cement via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, of up to USD200 million nominal value five (5) year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“the Proposed Exchangeable Bonds Issue”), YTL Cement had on 19 September 2008 made an application to the Securities Commission (“SC”) for an extension of time up to 4 April 2009 to complete the Proposed Exchangeable Bonds Issue (“Extension of Time”). The SC had vide its letter dated 26 September 2008 approved the Extension of Time.

As all relevant approvals have been obtained, the Proposed Exchangeable Bonds Issue is now pending implementation subject to prevailing market conditions.

- (ii) On 28 October 2008, the Company entered into the following sale and purchase agreements (“SPA”):-
- (a) SPA with Macquarie Real Estate Singapore Pte Ltd (“MRES”) and Macquarie Bank Limited (“MBL”) (“MP REIT SPA”) for the acquisition of 247,101,000 Units in Macquarie Prime Real Estate Investment Trust (formerly known as Macquarie MEAG Prime Real Estate Investment Trust) representing approximately 26% of the total issued Units from MRES for a cash consideration of S\$202,622,820 or S\$0.82 per Unit (“Proposed MP REIT Acquisition”); and
- (b) SPA with MBL for the acquisition from MBL (“PRMH SPA”) of the following for a cash consideration of S\$62,000,000:-
- (i) 1,500,000 ordinary shares in Prime REIT Management Holdings Pte Ltd (“PRMH”) representing 50% of the total PRMH shares in issue;
- (ii) 1 class A redeemable preference share in PRMH (“RPS A”) representing the entire RPS A in issue; and
- (iii) 1 class B redeemable preference share in PRMH (“RPS B”) representing the entire RPS B in issue
- (“Proposed PRMH Acquisition”)

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Notes: - continued

The Proposed MP REIT Acquisition and Proposed PRMH Acquisition are subject to *inter alia*, approval (if required) of the shareholders of the Company, all waivers, consents and approvals required under applicable laws, the Monetary Authority of Singapore, Singapore Exchange Securities Trading Limited and other terms and conditions set out in the MP REIT SPA and PRMH SPA.

b) Status of Utilization of Proceeds

USD300 million Guaranteed Exchangeable Bonds Due 2012

The net proceeds received from the issue of the USD300 million Guaranteed Exchangeable Bond due 2012 is currently placed under fixed deposits pending investments.

B10. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 30 September 2008 are as follows:-

	RM'000
(i) Short term	
- Secured	721,587
- Unsecured	5,536,010
	<u>6,257,597</u>
	RM'000
(ii) Long term	
- Secured	2,746,610
- Unsecured	14,396,190
	<u>17,142,800</u>

The above include borrowings denominated in foreign currencies as follows:-

In Singapore Dollar ('000)	607,901
	<u>985,221</u>
In US Dollar ('000)	985,221
	<u>1,681,133</u>
In Sterling Pound ('000)	1,681,133
	<u>1,681,133</u>

Save for the borrowings of RM126.774 million and S\$602.879 million by the subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

INTERIM FINANCIAL REPORT

Notes: - continued

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet instruments as at 30 September 2008.

B12. Material litigation

There was no material litigation pending as at the date of this report.

B13. Dividend

The Board of Directors has not recommended any interim dividend for the current financial year.

B14. Earnings Per Share

i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below:-

	Current Quarter 30.9.2008	Preceding Year Corresponding Quarter 30.9.2007
Profit attributable to shareholders (RM'000)	252,367	224,608
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,632,372	1,651,223
Shares repurchased	(137,025)	(146,947)
	<u>1,495,347</u>	<u>1,504,276</u>
Basic earnings per share (sen)	<u>16.88</u>	<u>14.93</u>

INTERIM FINANCIAL REPORT

Notes: - continued

B14. Earnings Per Share - continued

ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below:-

	Current Quarter 30.9.2008	Preceding Year Corresponding Quarter 30.9.2007
Profit attributable to shareholders (RM'000)	252,367	224,608
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,495,347	1,504,276
Effect of unexercised warrants	86,631	119,179
Effect of unexercised employees share option scheme	11,364	17,374
	<u>1,593,342</u>	<u>1,640,829</u>
* Diluted earnings per share (sen)	<u>15.84</u>	<u>13.69</u>

* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,345.307 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM1,345.307 million resulting in an increase in NA per share of RM0.74. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 20 November 2008