

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the quarter ended 31 March 2008.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2008 RM'000	Preceding Year Corresponding Quarter 31.03.2007 RM'000	Nine Months Ended 31.03.2008 31.03.2007 RM'000 RM'000	
REVENUE	9,487	6,245	23,726	18,429
COST OF SALES	(4,384)	(3,411)	(12,074)	(10,700)
GROSS PROFIT	5,103	2,834	11,652	7,729
OTHER OPERATING INCOME	1,590	1,522	4,914	4,683
OTHER OPERATING EXPENSES	(4,635)	(3,133)	(10,867)	(7,407)
PROFIT FROM OPERATIONS	2,058	1,223	5,699	5,005
FINANCE COST	(17)	(10)	(61)	(31)
PROFIT BEFORE TAXATION	2,041	1,213	5,638	4,974
TAXATION	(1,280)	(465)	(2,570)	(1,732)
PROFIT FOR THE PERIOD	761	748	3,068	3,242
ATTRIBUTABLE TO:				
Equity holders of the Company	1,221	640	3,821	2,699
Minority interests	(460)	108	(753)	543
PROFIT FOR THE PERIOD	761	748	3,068	3,242
EARNINGS PER 10 SEN SHARE				
Basic (Sen)	0.09	0.05	0.28	0.20

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	Unaudited As at 31.03.2008 RM'000	Audited As at 30.06.2007 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	8,126	3,744
Goodwill on consolidation	3,311	1,029
Other intangible assets	2,946	953
Unquoted investment	-	-
Fixed deposits	429	424
	-----	-----
	14,812	6,150
	-----	-----
Current Assets		
Inventories	447	276
Trade receivables	6,071	3,603
Other receivables, deposits & prepayments	2,664	1,789
Tax recoverable	300	448
Amount due from ultimate holding company	13	1
Amount due from holding company	2,854	474
Amount due from related companies	2,478	2,705
Fixed deposits	169,499	176,865
Cash & bank balances	687	1,222
	-----	-----
	185,013	187,383
	-----	-----
TOTAL ASSETS	199,825	193,533
	=====	=====
EQUITY		
Share capital	135,000	135,000
Share premium	1,475	1,475
Other reserves	(1,413)	263
Unappropriated profits	31,457	30,592
Treasury shares, at cost	(95)	-
	-----	-----
Total Equity Attributable to Shareholders of the Company	166,424	167,330
Minority interests	20,754	18,678
	-----	-----
TOTAL EQUITY	187,178	186,008
	-----	-----

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	Unaudited As at 31.03.2008 RM'000	Audited As at 30.06.2007 RM'000
LIABILITIES		
Non-current Liabilities		
Hire purchase payables	-	218
Deferred taxation	300	303
	-----	-----
	300	521
	-----	-----
Current Liabilities		
Trade payables	3,060	2,004
Other payables & accruals	7,442	4,080
Post-employment defined contribution obligations	129	153
Amount due to related companies	186	73
Hire purchase payables	285	269
Bank overdraft	332	378
Provision for taxation	913	47
	-----	-----
	12,347	7,004
	-----	-----
TOTAL LIABILITIES	12,647	7,525
	-----	-----
TOTAL EQUITY AND LIABILITIES	199,825	193,533
	=====	=====
 Net assets per 10 sen share attributable to equity holders of the Company (RM)	 0.12	 0.12
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2007

← **Attributable to Shareholders of the Company** →
 ← *Non-distributable* → ← *Distributable* →

	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 July, 2006	135,000	1,475	(279)	27,512	163,708	8,534	172,242
Currency translation differences	-	-	154	-	154	1	155
Income recognised directly in equity	-	-	154	-	154	1	155
Net profit for the period	-	-	-	2,699	2,699	543	3,242
Total recognised income for the period	-	-	154	2,699	2,853	544	3,397
Increase arising from subsidiary company acquired	-	-	-	-	-	1,003	1,003
Dividend paid	-	-	-	(1,971)	(1,971)	-	(1,971)
Balance as at 31 March, 2007	135,000	1,475	(125)	28,240	164,590	10,081	174,671

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	← Attributable to Shareholders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profits RM'000	Treasury Shares RM'000			
Balance as at 1 July, 2007	135,000	1,475	263	30,592	-	167,330	18,678	186,008
Currency translation differences	-	-	(1,676)	-	-	(1,676)	(3)	(1,679)
Expense recognised directly in equity	-	-	(1,676)	-	-	(1,676)	(3)	(1,679)
Net profit for the period	-	-	-	3,821	-	3,821	(753)	3,068
Total recognised (expense)/ income for the period	-	-	(1,676)	3,821	-	2,145	(756)	1,389
Increase arising from subsidiaries acquired	-	-	-	-	-	-	2,868	2,868
Reduction arising from additional shares acquired in subsidiary	-	-	-	-	-	-	(36)	(36)
Treasury shares, at cost	-	-	-	-	(95)	(95)	-	(95)
Dividend paid	-	-	-	(2,956)	-	(2,956)	-	(2,956)
Balance as at 31 March, 2008	135,000	1,475	(1,413)	31,457	(95)	166,424	20,754	187,178

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	9 MONTHS ENDED	
	31.03.2008	31.03.2007
	RM'000	RM'000
Net cash from operating activities	384	4,321
	-----	-----
Net cash used in investing activities	(3,270)	(1,283)
	-----	-----
Net cash used in financing activities	(3,253)	(2,298)
	-----	-----
Net changes in cash and cash equivalents	(6,139)	740
Effects of exchange rate changes	(1,711)	155
Cash and cash equivalents brought forward	178,133	165,517
	-----	-----
	<u>170,283</u>	<u>166,412</u>
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits*	169,928	166,072
Cash & bank balances	687	340
Bank overdrafts	(332)	-
(Included within short term borrowings in [Note B9])		
	-----	-----
	<u>170,283</u>	<u>166,412</u>
	=====	=====
*Fixed deposits pledged as security for borrowings	429	421
	-----	-----
	<u>429</u>	<u>421</u>
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to FRS134

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007. For the current financial period, the Group has adopted the following new/amended Financial Reporting Standards (“FRS”) which are relevant to its operations:

FRS 107 Cash Flow Statements

FRS 112 Income Taxes

FRS 117 Leases

FRS 118 Revenue

FRS 121 The effects of Changes in Foreign Exchange Rates

FRS 124 Related Party Disclosures

FRS 134 Interim Financial Reporting

FRS 137 Provisions, Contingent Liabilities and Contingent Assets

There have been no changes to the accounting policies of the Group as a result of the adoption of the above FRSs.

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

There were no other items of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

INTERIM FINANCIAL REPORT

Notes:- continued

A4. Changes in Estimates of Amounts Reported

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

A5. Changes in Debt and Equity Securities

The Company repurchased a total of 121,000 and 171,100 ordinary shares of its issued share capital from the open market during the current financial quarter and financial year to date respectively at an average cost of RM0.55 per share. The total consideration paid for the share buy-back during the current financial quarter and financial year to date, including transaction costs, was RM63,282 and RM94,655 respectively. The repurchase 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.

Save for the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter or financial year-to-date.

A6. Dividend paid

There was no dividend paid during the financial quarter ended 31 March 2008.

A7. Segment Reporting

No segment information is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A8. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current financial quarter.

A9. Changes in the Composition of the Group

During the current financial quarter, the Company's subsidiary, Y-Max Networks Sdn Bhd (formerly known as Bizsurf (M) Sdn Bhd) ("Y-Max Networks"), completed its acquisition of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Bizsurf MSC Sdn Bhd ("Bizsurf MSC") for a cash consideration of RM2.00. As a result, Bizsurf MSC became a subsidiary of Y-Max Networks and an indirect subsidiary of the Company.

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes:- continued

During the current financial quarter, the Company acquired an additional 2,699,999 ordinary shares of RM1.00 each representing 10% of the issued and paid-up share capital of Y-Max Networks for a cash consideration of RM1,500,000. As a result, Y-Max Networks became a 60% owned subsidiary of the Company.

Save for the above, 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.

A10. Changes in Contingent Liabilities or Contingent Assets

There were no changes in the contingent liabilities or the contingent assets of the Group since the last annual balance sheet as at 30 June 2007.

As at 31 March 2008, the Company had given corporate guarantees amounting to RM20.0 million to a financial institution for facilities granted by the financial institution to its subsidiaries as follows:

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Bank guarantee	20,000	8,653
	-----	-----

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Disclosure requirements per Appendix 9B, Part K of Chapter 9 of the Listing Requirements of Bursa Securities for the MESDAQ Market

B1. Review of Performance

Year-to-date review

For the nine months under review, Group revenue reached RM23.726 million representing a 28.7% improvement over the RM18.429 million generated in the corresponding period ended 31 March 2007. The higher revenue is mainly attributable to higher demand for the Company's information, communication and technology ("ICT") products and services, revenue growth recorded by YTL Info Screen Sdn Bhd ("YTLIS"), a subsidiary involved in narrowcasting and digital media, and the consolidation of results from Y-Max Networks Sdn Bhd (formerly known as Bizsurf (M) Sdn Bhd) and Airzed Broadband Sdn Bhd which became subsidiaries of the Group on 26 March 2007 and 2 November 2007 respectively.

The Group's profit before taxation for the nine months ended 31 March 2008 increased by 13.3% to RM5.638 million from RM4.974 million recorded for the corresponding period in the previous year. The higher profit is mainly due to the higher revenue stated above, partially offset by higher operating expenses incurred by the Group.

Quarter review

Group revenue for the current quarter under review increased by 51.9% to RM9.487 million compared to RM6.245 million for the corresponding quarter in the preceding year. The improved revenue is mainly due to the higher demand for the Company's ICT products and services, revenue growth recorded by YTLIS, and the consolidation of the results of Y-Max Networks Sdn Bhd and Airzed Broadband Sdn Bhd as stated above. Profit before taxation rose 68.3% to RM2.041 million.

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2008 RM'000	Preceding Quarter 31.12.2007 RM'000
Revenue	9,487	7,245
Profit before taxation	2,041	1,760
	-----	-----

The Group's revenue for the current financial quarter increased by 30.9% compared to the preceding quarter ended 31 December 2007. The higher revenue was mainly due to increase in revenue recorded by Extiva Communications Sdn Bhd, a subsidiary involved in the alternative voice service provider industry, higher revenue recorded by YTLIS, and the consolidation of Airzed Broadband Sdn Bhd's results. Profit before taxation increased by 16.0% to RM2.041 million.

INTERIM FINANCIAL REPORT

Notes:- continued

B3. Prospects

The Group's existing businesses in the ICT, alternative voice service provider and digital media industries, continue to perform with strong operational efficiencies and collectively continue to record growing profits. The newly awarded WiMAX spectrum is expected to propel revenues higher in the coming years, providing important new avenues for growth. In the meantime, overall the Group is expected to record a satisfactory performance for the financial year ending 30 June 2008.

B4. Profit Forecast

The Group has not issued any profit forecast in a public document.

B5. Taxation

Taxation comprises the following:-

	INDIVIDUAL QUARTER	Preceding	CUMULATIVE QUARTER	
	Current Year	Year		
	Quarter	Corresponding	Nine Months Ended	
	31.03.2008	Quarter	31.03.2008	31.03.2007
	RM'000	31.03.2007	RM'000	RM'000
		RM'000	RM'000	RM'000
Taxation based on the profit for the period	1,095	480	2,385	1,848
Under/(over) provision of taxation in prior year	185	(15)	185	(116)
	-----	-----	-----	-----
	1,280	465	2,570	1,732
	=====	=====	=====	=====

The Group's provision for taxation for the quarter ended 31 March 2008 reflected a higher effective tax rate compared to the statutory tax rate. This was largely due to certain expenses that are not deductible for tax purposes, losses incurred by certain subsidiaries that cannot be utilised for group relief, and higher tax rate in other jurisdiction.

INTERIM FINANCIAL REPORT

Notes:- continued

B6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments or properties by the Group during the current financial quarter and the financial year-to-date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities during the current financial quarter and the financial year-to-date.

The Group did not have any quoted securities other than the quoted securities held in an existing subsidiary at the end of the current financial quarter.

B8. Status of Corporate Proposals

There are no corporate proposals announced by the Company which are not completed as at the date of this report.

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings as at 31 March 2008 are as follows:-

	RM'000
(i) Short term	
- Secured	617
- Unsecured	-

	617

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debt securities. None of the Group's borrowings are denominated in foreign currency.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes:- continued

B10. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised as at the date of this report.

B11. Material Litigation

There was no material litigation since 30 June 2007, being the last annual balance sheet date, until the date of this report.

B12. Dividend

The Board does not recommend any interim dividend for the current financial quarter.

B13. 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 by the weighted average number of ordinary shares in issue during the financial quarter.

	Current Quarter 31.03.2008	Preceding Year Corresponding Quarter 31.03.2007
Profit attributable to shareholders (RM'000)	1,221	640
Weighted average number of ordinary shares in issue ('000)	1,349,931	1,350,000
Basic earnings per share (sen)	0.09	0.05

ii) Diluted earnings per share

The Group does not have any convertible securities and accordingly, the disclosure of diluted earnings per share is not applicable.

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes:- continued

B14. Audit Report of the Last Financial Year Ended 30 June 2007

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

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 22 May 2008