LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED INCOME STATEMENT

	1st Quarter Ended		3 Months Ended	
	31 March 2009 RM'000	**31 March 2008 RM'000**	**31 March 2009 RM'000**	**31March 2008 RM'000**
Revenue	**609,411**	**559,607**	**609,411**	**559,607**
Operating expenses	(468,050)	(449,914)	(468,050)	(449,914)
Depreciation and amortisation	(37,645)	(42,204)	(37,645)	(42,204)
Other (expenses)/income	(379)	13	(379)	13
Investment income	2,083	1,679	2,083	1,679
Interest income	504	815	504	815
Profit from operations	**105,924**	**69,996**	**105,924**	**69,996**
Finance cost	(5,372)	(6,285)	(5,372)	(6,285)
Share of results of associates	544	2,582	544	2,582
Profit before tax	**101,096**	**66,293**	**101,096**	**66,293**
Taxation	(12,254)	(4,787)	(12,254)	(4,787)
Profit for the period	**88,842**	**61,506**	**88,842**	**61,506**
Profit/(Loss) attributable to:				
Equity holders of the Company	91,409	62,177	91,409	62,177
Minority interest	(2,567)	(671)	(2,567)	(671)
	88,842	**61,506**	**88,842**	**61,506**
Basic and diluted earnings per share (sen)	10.8	7.3	10.8	7.3

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 31 March 2009 RM'000	As at 31 December 2008 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,914,498	1,946,387
Investment property		3,856	3,867
Prepaid lease payments on leasehold land		134,342	135,996
Goodwill on consolidation		1,206,264	1,206,264
Other intangible assets		2,698	2,772
Investment in associates		18,989	18,445
Other investments		2,180	2,180
Deferred tax assets		3,261	5,392
		3,286,088	3,321,303
Current assets			
Inventories		418,172	434,893
Trade receivables		376,994	340,800
Other receivables and prepaid expenses		56,465	63,182
Term deposits		27,736	6,041
Cash and bank balances		126,336	136,817
		1,005,703	981,733
Total assets		**4,291,791**	**4,303,036**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		849,695	849,695
Reserves:			
Share premium		1,067,199	1,067,199
Capital reserve		33,968	33,968
Exchange equalisation reserve		40,919	40,923
Capital redemption reserve		33,798	33,798
Retained earnings		1,097,843	1,006,434
Equity attributable to equity holders of the Company		3,123,422	3,032,017
Minority interests		24,442	27,009
Total equity		3,147,864	3,059,026

Forward

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 31 March 2009 RM'000	As at 31 December 2008 RM'000
Non-current liabilities			
Borrowings	B9	218,973	358,983
Retirement benefits		38,256	37,046
Deferred tax liabilities		280,956	274,729
		538,185	670,758
Current liabilities			
Trade payables		262,736	323,504
Other payables and accrued expenses		105,257	124,738
Amounts owing to holding and other related companies		8,620	11,622
Borrowings	B9	217,929	103,922
Tax liabilities		11,200	9,466
		605,742	573,252
Total liabilities		1,143,927	1,244,010
Total equity and liabilities		**4,291,791**	**4,303,036**
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.68	3.57

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
		Non-distributable				Distributable			
	Share Capital	Share Premium	Capital Reserve	Exchange Equalisation Reserve	Capital Redemption Reserve	Retained Earnings	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As of 1 January 2009	849,695	1,067,199	33,968	40,923	33,798	1,006,434	3,032,017	27,009	3,059,026
Exchange differences on translation of foreign operations	-	-	-	(4)	-	-	(4)	-	(4)
Net income recognised directly in equity	-	-	-	(4)	-	-	(4)	-	(4)
Profit/(Loss) for the period	-	-	-	-	-	91,409	91,409	(2,567)	88,842
Total recognised income/(expense) for the period	-	-	-	(4)	-	91,409	91,405	(2,567)	88,838
As of 31 March 2009	849,695	1,067,199	33,968	40,919	33,798	1,097,843	3,123,422	24,442	3,147,864

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
		Non-distributable				Distributable			
	Share Capital	Share Premium	Capital Reserve	Exchange Equalisation Reserve	Capital Redemption Reserve	Retained Earnings	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As of 1 January 2008	849,695	1,067,199	33,968	34,762	33,798	889,570	2,908,992	26,401	2,935,393
Exchange differences on translation of foreign operations	-	-	-	1,019	-	-	1,019	-	1,019
Net income recognised directly in equity	-	-	-	1,019	-	-	1,019	-	1,019
Profit/(Loss) for the period	-	-	-	-	-	62,177	62,177	(671)	61,506
Total recognised income/(expense) for the period	-	-	-	1,019	-	62,177	63,196	(671)	62,525
As of 31 March 2008	849,695	1,067,199	33,968	35,781	33,798	951,747	2,972,188	25,730	2,997,918

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 Months Ended	
	31 March 2009 RM'000	**31 March 2008 RM'000**
Cash Flows From Operating Activities		
Profit before tax	101,096	66,293
Adjustments for:-		
Non-cash items	42,218	41,528
Non-operating items	4,869	5,470
Operating profit before changes in working capital	148,183	113,291
Changes in working capital		
Net change in current assets	(15,937)	4,299
Net change in current liabilities	(72,561)	(30,574)
Retirement benefits paid	(453)	(1,126)
Tax paid	(3,558)	(2,277)
Net cash generated from operating activities	55,674	83,613
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(11,198)	(16,116)
Proceeds from disposal of property, plant and equipment	329	831
Proceeds from disposal of quoted shares	-	8
Payments for prepaid lease payments	-	(159)
Other investment activities	504	815
Net cash used in investing activities	(10,365)	(14,621)
Cash Flows From Financing Activities		
Net repayment of borrowings	(25,000)	(90,000)
Interest paid	(9,096)	(6,595)
Net cash used in financing activities	(34,096)	(96,595)
Net Change in Cash and Cash Equivalents	11,213	(27,603)
Effects of currency translations	1	190
Cash and Cash Equivalents at beginning of the year	142,858	162,220
Cash and Cash Equivalents at end of the period	154,072	134,807

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

LAFARGE MALAYAN CEMENT BERHAD
(1877-T)

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008 and are in compliance with the Malaysian Financial Reporting Standards (FRSs) and other interpretations that are effective, for financial statements commencing 1 January 2009.

The following new FRSs and Issue Committee Interpretations ("IC Interpretations") were issued but not yet effective until future periods:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The above FRSs and IC Interpretations shall apply to annual periods beginning on or after 1 January 2010 except for FRS 8 which will be effective from 1 July 2009.

Save for FRS 139 and FRS 7, the Directors anticipate that the adoption of these FRSs and IC Interpretations in future periods will have no material financial impact on the financial statements of the Group. By virtue of the exemption in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements upon first adoption of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

A2. Audit Report of Preceding Audited Financial Statements

The audit reports of the preceding annual financial statements of the Company and of the Group were not subject to any qualification.

A3. Seasonal or Cyclical Factors

The operations of the Group are closely linked to the construction sector which would normally experience a slow-down in construction activities during festive seasons in Malaysia and Singapore.

A4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting the Group's assets, liabilities, equity, net income or cash flows that are material and unusual because of their nature, size or incidence.

A5. Material Changes in Accounting Estimates

There were no material changes in estimates of amounts reported in prior interim periods or in previous financial years which have a material effect in the current quarter.

A6. Capital Issues, Dealings in Own Shares and Repayment of Debt

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares during the period under review.

A7. Dividend Paid

A second interim dividend of 15.0 sen single tier dividend per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2008, amounting to RM127.454 million was paid on 8 April 2009.

A8. Segmental Information

Analysis of the Group's segmental revenue and results is as follows:

	3 Months Ended 31 March			
	Revenue		Profit/(Loss)	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cement and clinker	510,475	421,981	106,774	61,182
Other building materials & operations	145,918	184,251	(1,354)	7,999
	656,393	606,232	105,420	69,181
Inter-segment elimination	(46,982)	(46,625)	-	-
Interest income	-	-	504	815
Total Revenue/Profit from operations	609,411	559,607	105,924	69,996
Finance cost			(5,372)	(6,285)
Share of results of associates			544	2,582
Profit before tax			101,096	66,293
Taxation			(12,254)	(4,787)
Profit for the period			88,842	61,506

A9 Valuation of Property, Plant and Equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

A10. Material Events Subsequent to Quarter End

There were no material events subsequent to the current financial quarter 31 March 2009 up to the date of this report which are likely to substantially affect the results of the operations of the Group.

A11. Changes in Group Composition

On 11 March 2009, Supermix-SMJ JV Sdn. Bhd., a subsidiary of the Company commenced its members' voluntary winding-up.

Apart from the above, there were no other changes in the composition for the Group in this quarter.

A12. Contingent Liabilities

The Group has no material contingent liabilities as at the date of this report.

A13. Commitments

Outstanding commitments in respect of capital commitments at balance sheet date not provided for in the financial statements are as follows:

	As at 31 March 2009 RM'000
In respect of capital expenditure:	
Approved and contracted for	9,671
Approved but not contracted for	59,124
	68,795

A14. Related Party Transactions

The related parties and their relationship with the Company and its subsidiaries are as follows:

Name of Related Parties	Relationship
Lafarge S.A.	Ultimate holding company of the Company
Alliance Concrete Singapore Pte Ltd	Associate of the Company
Cementia Trading AG	Subsidiary of Lafarge S.A.
Cement Shipping Company Ltd	Subsidiary of Lafarge S.A.
Cementia Asia Sdn Bhd	Subsidiary of Lafarge S.A.
Lafarge Asia Sdn Bhd	Subsidiary of Lafarge S.A.
LGBA Trading (Singapore) Pte Ltd	Subsidiary of Lafarge S.A.
Marine Cement Ltd	Subsidiary of Lafarge S.A.
PT Semen Andalas Indonesia	Subsidiary of Lafarge S.A.
Monier Sdn Bhd	Associate of Lafarge S.A.
Lafarge Roofing Tiles Sdn Bhd	Associate of Lafarge S.A.
Lafarge Tiles (Pahang) Sdn Bhd	Associate of Lafarge S.A.
P&O Global Technologies Sdn Bhd	Subsidiary of Pacific & Orient Berhad, of which Mr Chan Hua Eng, a Director of the Company, is the Chairman

The related party transactions during the 3 months ended 31 March 2009 are as follows:

Description of Transactions	RM'000
Ultimate holding company of the Company:	
Provision of trademark licence and general assistance fee	8,760
Insurance brokerage fee	32
Specific technical assistance fee	25
Associate of the Group:	
Sales of cement and ready-mixed concrete	13,842
Subsidiaries of ultimate holding company of the Company:	
Sales of cement and clinker	115,410
Purchase of cement and clinker	2,050
Time charter hire/Sub-charter of vessels	598
Maintenance of hardware and software	598
Purchase of gypsum	142
Rental income of office premises	278
Commission paid for purchase of cement	17
Associate of ultimate holding company of the Company:	
Sales of cement	7,216
Purchase of building materials for resale	4,014

The Directors are of the opinion that all related party transactions are entered into in the normal course of business and have been established under terms that are no less favourable than those that could be arranged with independent parties where comparable services or purchases are obtainable from unrelated parties. With regard to the agreement for the provision of trademark licence and general assistance, Lafarge S.A has the specialised expertise, technical competencies and/or facilities and infrastructure required for the provision of such services.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Performance

Current Quarter

Despite lower domestic cement sales, the Group's revenue in the current quarter rose by 9% as compared to the corresponding quarter in year 2008 mainly due to the impact of higher cement export, better domestic and export selling prices. In addition to favourable contracted prices, the higher export selling prices were also boosted by the much stronger USD during the quarter. The Group achieved a pre-tax profit of RM101 million for the current quarter, 53% higher compared to RM66 million in the corresponding quarter last year despite lower domestic cement sales and higher cost of fuel and other materials. The better earnings is mainly attributable to higher revenue as explained above, lower maintenance costs due to timing of scheduled plant shutdown and improved plant performance. In addition, the operating margin in the corresponding quarter in 2008 was lower as the Group had to absorb the higher cost of fuel and other materials before the price control was lifted in June 2008.

B2. Comparison with Preceding Quarter

	1st Quarter Ended 31 March 2009 RM'000	4th Quarter Ended 31 December 2008 RM'000
Revenue	609,411	641,388
Profit before tax	101,096	129,426

Revenue in the current quarter decreased by 5% due to lower domestic cement demand as a result of a slow down in domestic construction activities and lower domestic selling prices compared to the preceding quarter. The Group pre-tax profit was lower compared to the preceding quarter due to the lower revenue, higher maintenance costs due to timing of scheduled plant maintenance and the non-recurring contribution from the sales of carbon credit (CERs) amounting to RM29.6 million in the preceding quarter.

B3. Prospects

The financial performance of the Group is very much dependent on the performance of the Malaysian economy and the domestic construction industry. Although the industry is expected to suffer from a contraction in domestic cement demand, the economic stimulus packages being rolled out by the Government will hopefully hasten the recovery of the economy and demand for building materials. The Group's financial results for the current quarter were boosted by better export prices and the stronger US Dollars but export earnings is likely to decline in subsequent quarters as export prices have started to ease. The Group will, however, continue to focus its efforts in improving plant performance, cost control and management of working capital to mitigate the negative impacts of the slowing economy. Taking into consideration current quarter's financial results and despite the challenging economic environment in both Malaysia and Singapore, the Group is expected to record satisfactory performance in 2009.

B4. Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or profit guarantee during the current quarter ended 31 March 2009.

B5. Taxation

Taxation comprises the following:

	1st Quarter Ended 31 March 2009 RM'000	3 Months Ended 31 March 2009 RM'000
In respect of current year:		
- income tax charge	(4,231)	(4,231)
- deferred tax charge	(4,281)	(4,281)
In respect of prior years:		
- income tax credit	337	337
- deferred tax charge	(4,079)	(4,079)
	(12,254)	(12,254)

The Group's effective tax rate for the current quarter and current year to date is lower than the statutory tax rate of 25% in Malaysia mainly due to higher utilisation of reinvestment allowances.

B6. Unquoted Investments and/or Properties

There was no disposal of unquoted investments and properties during the quarter under review.

B7. Quoted Securities

a) There was no purchase or disposal of quoted securities during the quarter under review.

b) Investment in quoted securities as at 31 March 2009 is as follows:

	RM'000
At cost	619
Less: Allowance for diminution in value	(536)
At book value	83
At market value	90

B8. Status of Corporate Proposals

The Company had on 7 September 2007 and 8 October 2007 announced that it had been given an extension of time until 31 December 2008 by the Foreign Investment Committee ("FIC") and the Securities Commission respectively to implement the remainder Proposed Special Issue of up to 161,880,497 ordinary shares of RM1.00 each to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI") (hereinafter referred to as Bumiputera Equity Condition). Pursuant to the Company's application, the FIC had in its letter dated 18 December 2008 (which was received on 23 December 2008) informed the Company that it had no objection and agreed to exempt the Company from having to comply with the Bumiputera Equity Condition but the Company is required to first submit an application to the MITI for the allocation of Special Issue shares to Bumiputera investors. On 18 February 2009, MITI had granted the exemption to the Company in implementing the Proposed Special Issue.

B9. Group Borrowings

The Group borrowings as at 31 March 2009 are as follows:

	RM'000
Long-term borrowings	
Floating rate notes (unsecured)	210,000
Finance lease (secured)	8,973
	218,973
Short-term borrowings	
Revolving Credit (unsecured)	215,000
Finance lease (secured)	2,929
	217,929
Total Group borrowings	436,902

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

As of 20 May 2009, the forward exchange contracts which have been entered into by the Group are as follows:-

Forward Contracts Sold

Currency	Contract Amount ('000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
USD	USD 7,500	26 May 2008 to 18 May 2009	26 May 2009 to 15 December 2009	26,459

Forward Contracts Purchased

Currency	Contract Amount ('000)	Date of Contract	Value Date of Contract	Equivalent Amount (RM'000)
EURO	EURO 4,940	2 October 2008 to 7 May 2009	27 May 2009 to 30 December 2009	23,253

Interest rate swap contract

Interest rate swap contract was entered into which entitled the Company to receive interest at floating rates on the notional principal amount and obliged the company to pay interest at fixed rates on the same notional amount. The difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts will be exchanged at periodic intervals.

Any differential to be paid or received on an interest rate contract is recognised as a component of interest income or expense over the period of the contract.

As of 20 May 2009, the interest rates swap contract which has been entered into by the Company to convert floating rate liabilities to fixed rate liabilities in reducing the Company's exposure from adverse fluctuations in interest rates on underlying debt instruments is as follows:

Notional Amount	Effective Period
RM 80 million	6 November 2008 to 26 December 2011

The Group does not foresee any significant credit and market risks associated with the above forward exchange and interest rate swap contracts as they are entered into with approved financial institutions in line with the Group's policy.

Coal/Fuel Hedging

As of 20 May 2009, the coal/fuel hedging transactions which have been entered into by the company to partially cover its budgeted consumption up to 31 December 2009 in lots are totalling approximately USD8 million in nominal value of the hedge. The coal/fuel hedging was entered into with the objective of hedging the exposure to adverse coal/fuel price movement.

B11. Material Litigation

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

B12. Dividend

No dividend has been declared for the current quarter 31 March 2009.

B13. Earnings per share

Earnings per share are calculated as follows:

	1st Quarter Ended		3 Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Profit attributable to equity holders of the Company (RM'000)	91,409	62,177	91,409	62,177
Weighted average number of ordinary shares in issue ('000)	849,695	849,695	849,695	849,695
Basic and diluted earnings per shares (sen)	**10.8**	**7.3**	**10.8**	**7.3**

The basic and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares.

Dated: 27 May 2009
Petaling Jaya, Selangor Darul Ehsan.