

YTL POWER INTERNATIONAL BERHAD

Company No. 406684-H
Incorporated in Malaysia

Interim Financial Report
30 June 2009

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Interim financial report on consolidated results for the quarter ended 30 June 2009.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	12 MONTHS ENDED	
	QUARTER	QUARTER	30.06.2009	30.06.2008
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
REVENUE	2,845,318	1,140,540	6,101,928	4,242,518
COST OF SALES	(2,111,025)	(502,954)	(3,914,105)	(2,171,057)
GROSS PROFIT	734,293	637,586	2,187,823	2,071,461
OTHER OPERATING EXPENSES	(79,512)	(122,545)	(277,613)	(274,086)
OTHER OPERATING INCOME	37,381	31,168	94,786	174,262
PROFIT FROM OPERATIONS	692,162	546,209	2,004,996	1,971,637
FINANCE COSTS	(240,227)	(230,735)	(878,076)	(795,825)
SHARE OF RESULTS OF ASSOCIATED COMPANIES	57,357	53,094	225,484	209,889
PROFIT BEFORE TAXATION	509,292	368,568	1,352,404	1,385,701
TAXATION	(500,298)	(87,920)	(726,600)	(346,855)
NET PROFIT FOR THE PERIOD	8,994	280,648	625,804	1,038,846
ATTRIBUTABLE TO:				
Shareholders	9,001	280,648	625,811	1,038,846
Minority interest	(7)	-	(7)	-
	8,994	280,648	625,804	1,038,846
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	0.15	5.29	10.99	20.00
Diluted (Sen)	0.13	4.29	9.62	15.67

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 POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED	AUDITED
	As at	As at
	30.06.2009	30.06.2008
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	17,283,344	15,089,793
Prepaid Lease Payments	124,954	3,171
Intangible Assets	6,331,841	441,333
Investment in Associated Companies	977,005	929,872
Investments	715,182	711,626
Prepayments and Others	58,303	-
	-----	-----
	25,490,629	17,175,795
	-----	-----
Current Assets		
Inventories	858,904	152,666
Receivables, Deposits and Prepayments	2,353,178	1,028,783
Short Term Investments	47,201	45,872
Deposits, Cash and Bank Balances	5,965,209	9,423,760
	-----	-----
	9,224,492	10,651,081
	-----	-----
TOTAL ASSETS	34,715,121	27,826,876
	=====	=====
EQUITY AND LIABILITIES		
Share Capital	2,955,140	2,721,320
Reserves	3,245,551	4,039,224
Treasury Shares, at cost	(119,810)	(360,149)
	-----	-----
Equity attributable to Shareholders of the Company	6,080,881	6,400,395
Minority Interest	131	-*
	-----	-----
TOTAL EQUITY	6,081,012	6,400,395
	-----	-----

* Minority Interest denotes RM1.

The Condensed Consolidated Balance Sheet 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 financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS – Continued

	UNAUDITED	AUDITED
	As at	As at
	30.06.2009	30.06.2008
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Deferred Tax Liabilities	2,783,377	2,199,393
Bonds	9,305,913	9,649,749
Borrowings	11,082,084	3,878,551
Deferred Income	198,257	133,917
Provision for Liabilities and Charges	253,144	315,352
Payables	9,320	10,614
	-----	-----
	23,632,095	16,187,576
	-----	-----
Current Liabilities		
Payables and Accrued Liabilities	2,300,460	1,063,969
Provision for Liabilities and Charges	39,119	20,546
Provision for Taxation	121,443	123,142
Bonds	720,665	2,014,182
Borrowings	1,806,143	2,017,066
Deferred Income	14,184	-
	-----	-----
	5,002,014	5,238,905
	-----	-----
TOTAL LIABILITIES	28,634,109	21,426,481
	-----	-----
TOTAL EQUITY AND LIABILITIES	34,715,121	27,826,876
	=====	=====
Net Assets Per 50 Sen Share (RM)	1.04	1.21
	===	===

The Condensed Consolidated Balance Sheet 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 financial statements

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

|----- Attributable to Equity Holders of the Company -----|

	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 July 2008	2,721,320	1,699,219	(2,037,888)	(360,149)	4,377,893	6,400,395	-	6,400,395
Currency translation difference	-	-	(580,528)	-	-	(580,528)	-	(580,528)
Net profit for the year	-	-	-	-	625,811	625,811	(7)	625,804
Total recognised income and expenses for the period	-	-	(582,528)	-	625,811	45,283	(7)	45,276
Shares repurchased	-	-	-	(71,505)	-	(71,505)	-	(71,505)
Issue of share capital	233,820	387,439	-	-	-	621,259	-	621,259
Dividend paid – For the year ended 30 June 2008	-	-	-	-	(214,830)	(214,830)	-	(214,830)
– For the year ended 30 June 2009	-	-	-	-	(435,307)	(435,307)	-	(435,307)
Dividend payable – For the year ended 30 June 2009	-	-	-	-	(219,504)	(219,504)	-	(219,504)
Share dividend	-	(311,844)	-	311,844	-	-	-	-
Provision for share options	-	-	631	-	-	631	-	631
Warrant reserve	-	-	(45,541)	-	-	(45,541)	-	(45,541)
Changes in composition of the group	-	-	-	-	-	-	138	138
At 30 June 2009	2,955,140	1,774,814	(2,663,326)	(119,810)	4,134,063	6,080,881	131	6,081,012

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 accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY-continued
FOR THE YEAR ENDED 30 JUNE 2008

----- Attributable to Equity Holders of the Company -----

	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 July 2007								
- as previously reported	2,648,158	1,944,120	(2,089,013)	(402,763)	4,026,641	6,127,143	-	6,127,143
- prior year adjustment	-	-	(507)	-	(93,565)	(94,072)	-	(94,072)
At 1 July 2007 -Restated	2,648,158	1,944,120	(2,089,520)	(402,763)	3,933,076	6,033,071	-	6,033,071
Currency translation difference	-	-	(124,394)	-	-	(124,394)	-	(124,394)
Net profit for the year	-	-	-	-	1,038,846	1,038,846	-	1,038,846
Total recognised income and expenses for the period	-	-	(124,394)	-	1,038,846	914,452	-	914,452
Shares repurchased	-	-	-	(402,833)	-	(402,833)	-	(402,833)
Issue of share capital	73,162	200,546	-	-	-	273,708	-	273,708
Dividend paid – For the year ended 30 June 2007	-	-	-	-	(186,895)	(186,895)	-	(186,895)
– For the year ended 30 June 2008	-	-	-	-	(397,138)	(397,138)	-	(397,138)
Share dividend	-	(445,447)	-	445,447	-	-	-	-
Equity component of exchangeable bond	-	-	(11,963)	-	-	(11,963)	-	(11,963)
Share options granted	-	-	1,204	-	-	1,204	-	1,204
Statutory reserve transfer from retained earnings	-	-	9,996	-	(9,996)	-	-	-
Warrant reserve	-	-	176,789	-	-	176,789	-	176,789
At 30 June 2008	2,721,320	1,699,219	(2,037,888)	(360,149)	4,377,893	6,400,395	-	6,400,395

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 YEAR ENDED 30 JUNE 2009**

	CURRENT YEAR-TO-DATE 30.6.2009	PRECEDING YEAR CORRESPONDING PERIOD 30.6.2008
	RM'000	RM'000
Net cash generated from operating activities	1,165,940	1,052,065
Net cash used in investing activities	(8,565,784)	(1,107,187)
Net cash generated from financing activities	3,930,679	3,417,815
Net changes in cash and cash equivalents	(3,469,165)	3,362,693
Cash and cash equivalents at beginning of the period	9,375,917	6,013,224
Cash and cash equivalents at end of the period <i>[Note a]</i>	5,906,752	9,375,917

[Note a]

Cash and cash equivalents at the end of the period comprise:

	RM'000	RM'000
Fixed deposits	5,657,309	9,360,251
Cash and bank balances	307,900	63,509
Bank overdrafts (included within short term borrowings in [Note B10])	(58,457)	(47,843)
	5,906,752	9,375,917

The Condensed Consolidated Cash Flow Statement 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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PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

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 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 statements are consistent with those adopted in the latest audited annual financial statements.

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial 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 factor.

A3. Exceptional or Unusual Items

During the current financial quarter, there was a one-off exceptional deferred tax charge (non cash items) of RM442.5 million arising as a consequence of the abolition of Industrial Building Allowances due to enactment of UK Finance Act 2008 and in compliance to the application of Accounting Standard FRS 112 Income Taxes.

A4. Changes in Estimates of Amounts Reported

There was no change to estimate of amount reported in prior interim periods and prior financial years.

A5. Changes in Debt and Equity Securities

During the current financial quarter and financial year to date, 3,705,739 ordinary shares and 11,625,012 ordinary shares were issued pursuant to the exercise of warrants 2000/2010 at a weighted average exercise price of RM1.19 and RM1.18 respectively.

The number of ordinary shares issued during the current financial quarter and financial year to date pursuant to the exercise of warrants 2008/2018 were 23,000,278 and 455,406,622 at a weighted average exercise price of RM1.21 per share and RM1.23 per share respectively.

During the current financial quarter and financial year to date, 120,000 ordinary shares and 608,500 ordinary shares were issued respectively pursuant to the exercise of employees’ share options granted under the Company’s Employees Share Option Scheme (ESOS) at a weighted average exercise price of RM1.38 per share and RM1.71 per share respectively.

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Notes – continued

A total of 40,065,300 ordinary shares were repurchased from the open market for a total consideration of RM71,505,166 for the current financial year to date. The share buy-back transactions were financed by internally generated funds. The shares purchased are being held as treasury shares.

During the financial year to date, a total of 137,819,391 treasury shares were distributed 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. As at 30 June 2009, the number of treasury shares held were 56,651,745 ordinary shares.

The outstanding debts are as disclosed in Note B9.

A6. Dividends Paid

The following dividends were paid during the financial year under review:-

- (i) A final tax exempt dividend of 7.5% amounting to RM214,829,988 in respect of the financial year ended 30 June 2008 was paid on 26 December 2008.
- (ii) A first interim dividend of 6% gross less tax of 25% and a 3% single tier amounting to RM217,073,627 for the financial year ended 30 June 2009 was paid on 20 January 2009.
- (iii) A second interim tax exempt dividend of 7.5% amounting to RM218,233,759 for the financial year ended 30 June 2009 was paid on 26 March 2009.

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Notes – continued

A7. Segment Reporting

The Group is organised on a world wide basis into three main business segments namely investment holding, power generation and water & sewerage.

Segment reporting for the year ended 30 June 2009:

	Investment Holding RM'000	Power Generation RM'000	Water & Sewerage RM'000	Group RM'000
Operating Revenue				
Total operating revenue	499,381	3,426,229	2,588,928	6,514,538
Inter-segment*	(319,784)	(14,585)	(78,241)	(412,610)
<hr/>				
External Operating Revenue	179,597	3,411,644	2,510,687	6,101,928
<hr/>				
Results				
Segment result (external)	157,659	617,251	1,230,086	2,004,996
Finance cost				(878,076)
Share of results of associated companies	397	225,087	-	225,484
Profit before tax				1,352,404
Taxation				(726,600)
Profit after tax				625,804
<hr/>				
Attributable to:				
Shareholders				625,811
Minority interest				(7)
				625,804
<hr/>				

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Notes – continued

Segment Reporting for the year ended 30 June 2008:

	Investment Holding RM'000	Power Generation RM'000	Water & Sewerage RM'000	Group RM'000
Operating Revenue				
Total operating revenue	891,125	1,164,918	2,867,574	4,923,617
Inter-segment*	(585,750)	(13,657)	(81,692)	(681,099)
<hr/>				
External Operating Revenue	305,375	1,151,261	2,785,882	4,242,518
<hr/>				
Results				
Segment result (external)	60,536	482,620	1,428,481	1,971,637
Finance cost				(795,825)
Share of results of associated companies	642	209,247	-	209,889
Profit before tax				1,385,701
Taxation				(346,855)
Profit after tax				1,038,846
				<hr/> <hr/>
Attributable to:				
Shareholders				1,038,846
Minority Interest				-
				<hr/> <hr/>
				1,038,846
				<hr/> <hr/>

* Inter-segment operating revenue has been eliminated at the respective segment. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

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

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 the date of this report.

INTERIM FINANCIAL REPORT

Notes – continued

A9. Changes in the Composition of the Group

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

- (i) The Company had on 25 August 2008 acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Holdings Pte Limited (“Sceptre Holdings”) for S\$1.00 in cash. As a result, Sceptre Holdings became a wholly-owned subsidiary of the Company.

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

Sceptre Holdings changed its name to Sabre Energy Resources Pte Limited on 24 November 2008. On 2 January 2009, its name was further changed to YTL Utilities Holdings (S) Pte Limited (“YTL Utilities Holdings”).

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

Concurrently, Sceptre Industries Pte Limited (“Sceptre Industries”) which is a wholly-owned subsidiary of Sceptre Resources, became an indirect subsidiary of 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 are principally involved in investment holding.

Sceptre Resources and Sceptre Industries changed their names to Sabre Energy Holdings Pte Limited (“Sabre Energy Holdings”) and Sabre Energy Industries Pte Limited (“Sabre Energy Industries”) respectively on 24 November 2008.

Sabre Energy Holdings subsequently changed its name to YTL Utilities (S) Pte Limited on 2 January 2009.

- (iii) On 8 October 2008, Wessex Water Enterprises Limited (“WWEL”), an indirect wholly-owned subsidiary of the Company, 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 became indirect subsidiaries of the Company.

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Notes – continued

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

- (iv) On 2 December 2008, the Company together with Sabre Energy Industries (which changed its name to YTL PowerSeraya Pte Limited on 7 April 2009), entered into a share purchase agreement with Temasek Holdings (Private) Limited to acquire 884,971,148 ordinary shares in PowerSeraya Limited (“PowerSeraya”), representing a 100% equity interest in PowerSeraya for a purchase consideration of S\$3,600 million (approximately RM8,568 million, based on the prevailing exchange rate of S\$1.00:RM2.38) (“PowerSeraya Acquisition”).

The PowerSeraya Acquisition was granted the necessary approvals by Bank Negara Malaysia via its letters dated 18 August 2008 and 15 September 2008. Shareholders of the Company approved the PowerSeraya Acquisition resolution at the Extraordinary General Meeting held on 26 February 2009.

The PowerSeraya Acquisition was completed on 6 March 2009. As a result, PowerSeraya has become a wholly-owned subsidiary of Sabre Energy Industries and an indirect subsidiary of the Company.

Concurrently with the completion of the PowerSeraya Acquisition, Seraya Energy Pte Limited, Seraya Energy & Investment Pte Limited and PetroSeraya Pte Limited which are wholly-owned subsidiaries of PowerSeraya became wholly-owned subsidiaries of Sabre Energy Industries and indirect subsidiaries of the Company.

- (v) On 16 January 2009, the Company acquired 1 ordinary share in YTL Seraya Limited (“YTL Seraya”) at the par value of S\$1.00. As a result, YTL Seraya became a wholly-owned subsidiary of the Company.

YTL Seraya was incorporated in the Cayman Islands on 16 January 2009 with an authorised share capital of S\$100,000.00 comprising 100,000 shares of S\$1.00 each. YTL Seraya is principally involved in investing holding.

- (vi) On 17 February 2009, the Company disposed 1 ordinary share of S\$1.00 in YTL Utilities Holdings, representing the entire issued and paid-up share capital of YTL Utilities Holdings, to YTL Seraya for a cash consideration of S\$1.00. As a result, YTL Utilities Holdings became a direct subsidiary of YTL Seraya and an indirect subsidiary of the Company.

- (vii) On 10 March 2009, WWEL subscribed for 100 shares of £1.00 each representing the entire issued and paid-up share capital of Geneco Limited (“Geneco”) for £100 in cash. As a result, Geneco became an indirect subsidiary of the Company.

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Notes – continued

Geneco is a private limited company incorporated in England and Wales with an authorised share capital of £1,000 comprising 1,000 shares of £1.00 each. Geneco will be principally involved in the business of converting waste to energy and production of renewable energy.

- (viii) On 18 June 2009, the Company announced that it has resolved to acquire 300,000 ordinary shares of RM1.00 each representing 60% of the issued and paid-up share capital of YTL Communications Sdn Bhd (formerly known as Y-Max Infra Sdn Bhd) (“YTL Communications”) from YTL e-Solutions Berhad (“YTL e”), for a total consideration of RM300,000.00. As a result, YTL Communications became a subsidiary of the Company.

YTL Communications was incorporated on 30 October 2007 and presently has an authorised share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each of which 500,000 ordinary shares have been issued and fully paid-up.

- (ix) On 23 June 2009, YTL Utilities Limited (“YTL Utilities”), a wholly-owned subsidiary of the Company acquired 1 ordinary share of par value of US\$1.00 in YTL Utilities Finance 4 Limited (“YTL Utilities Finance 4”) at par value. As a result, YTL Utilities Finance 4 became a wholly-owned subsidiary of YTL Utilities and an indirect subsidiary of the Company.

YTL Utilities Finance 4 was incorporated in the Cayman Islands on 23 June 2009 with an authorised share capital of US\$50,000.00 comprising of 50,000 shares of US\$1.00 each. YTL Utilities Finance 4 will be principally involved in financial services.

A10. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities of the Group since last annual balance sheet as at 30 June 2008 save and except for a corporate guarantee amounting to RM152,876,500 given by the Company to a financial institution for letter of credit facility utilised by its subsidiary.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the Results

Group revenue was RM2,845.3 million for the current quarter ended 30 June 2009 as compared to RM1,140.5 million in the preceding year corresponding quarter ended 30 June 2008. This represents an increase of RM1,704.8 million or 149.5% over the preceding year corresponding quarter ended 30 June 2008. The Group profit before taxation for the current quarter ended 30 June 2009 was RM509.3 million, an increase of RM140.7 million or 38.2% as compared to the preceding year corresponding quarter ended 30 June 2008.

However, Group profit after taxation for the current quarter was RM9.0 million, a decline of RM271.6 million or 96.8% in the current quarter ended 30 June 2009 as compared to the preceding year corresponding quarter ended 30 June 2008. This was due to a one-off deferred tax charge of RM442.5 million in the current quarter affecting the Group's UK subsidiary, Wessex Water, following the abolition of industrial building allowances by the UK Finance Act 2008 (see Note B6 for further details). The said one-off deferred tax charge does not have an immediate cashflow impact on the Group.

For the 12 months ended 30 June 2009, the group revenue and profit before taxation was RM6,101.9 million and RM1,352.4 million respectively with PowerSeraya's maiden contribution of RM197.4 million to the profit before taxation.

B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2009 RM'000	Preceding Quarter 31.3.2009 RM'000
Revenue	2,845,318	1,350,609
Consolidated Profit before taxation	509,292	312,928
Consolidated Profit after taxation	8,994	221,376

The Group's current quarter revenue was RM2,845.3 million which is an increase of RM1,494.7 million or 110.7% compared to RM1,350.6 million recorded in the preceding quarter ended 31 March 2009. However, the Group profit after taxation declined by RM212.4 million or 95.9% over the preceding quarter as explained in note B1 above.

B3. Prospects

The Group is expected to perform satisfactorily for the financial year ending 30 June 2010.

B4. Profit Forecast

The Group did not issue any profit forecast during the financial period.

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Notes – continued

B5. 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.

B6. Taxation

	Current Year Quarter 30.6.2009 RM'000	Current Year To Date 30.6.2009 RM'000
In respect of current period		
- Income Tax	89,308	282,977
- Deferred Tax	8,505	41,138
- One-off Deferred Tax	442,468	442,468
In respect of prior years		
- Income Tax	(58,702)	(58,702)
- Deferred Tax	18,719	18,719
	----- 500,298 =====	----- 726,600 =====

The UK Finance Act 2008 includes provisions which abolish industrial building allowances with effect from 1 April 2011. This means that Wessex Water, a UK subsidiary of the Group, will not be able to claim industrial building allowances on affected assets after 2011. This change is being introduced by reducing the rate of allowance that may be claimed from 1 April 2008 to 31 March 2011 at which point the allowances will be removed. Applying Accounting Standard FRS 112 Income Taxes, the removal of these allowances has resulted in a one-off deferred tax charge of RM442.5 million.

Save and except for the one-off deferred tax charge mentioned above and prior year's tax adjustment, the provision for taxation for the current quarter and current year to date reflects an effective rate approximates to the Statutory Income Tax Rates of the countries where the Group operates.

B7. Sale of Unquoted Investments and/or Properties

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

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Notes – continued

B8. Quoted Investments

- a) There was no disposal of quoted investment during the current financial quarter. Disposal of quoted investments during financial year to date amounted to RM35,582. Profit on sale of quoted investments amounted to RM30,192 for the financial year to date.
- b) There was no purchase of quoted investments during the current financial quarter and financial year to date.
- c) The cost, carrying value and the market value of the quoted investments of the Group as at end of the current reporting quarter are:

	RM'000
Cost	103,034
Carrying value	103,034
Market value	143,825
	=====

B9. Corporate Proposals

a) **Corporate Proposal Announced and Pending Completion**

There were no corporate proposals announced and pending as at the date of this report.

b) **Status of Utilisation of Proceeds**

USD250 million Guaranteed Exchangeable Bonds Due 2010

The net proceeds received from the issue of the USD250 million Guaranteed Exchangeable Bonds due 2010 is currently placed under fixed deposits pending investment in utilities assets.

B10. Group Borrowings and Debt Securities

The Group's borrowings from financial institutions as at end of the current financial quarter are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Secured		-	-
Unsecured	2,526,808	20,387,997	22,914,805
	-----	-----	-----
	2,526,808	20,387,997	22,914,805
	=====	=====	=====

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The borrowings which are denominated in foreign currency are as follows:

In US Dollar ('000)	564,156
In Sterling Pound ('000)	1,560,784
In Singapore Dollar ('000)	2,835,486

All borrowings of subsidiary companies are on a non-recourse basis to the Company save and except for the following which is guaranteed by the Company:

- a) USD250 million Guaranteed Exchangeable Bonds Due 2010, of which USD184.4 million remain outstanding as at 30 June 2009.
- b) USD190 million term loan due on 29 January 2011.

B11. Off Balance Sheet Financial Instruments

(a) Fuel oil swaps

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses arising from these contracts are deferred and included in the measurement of inventory of fuels upon acquisition. These are subsequently recognised in the income statement upon consumption of the underlying fuels.

As at 14 August 2009, the Group's outstanding fuel oil swaps are as follows:

Type of contract	Outstanding Quantity In Metric Ton	Notional Amount In RM'000	Maturity date
"Buy" fuel oil swaps	497,400	611,263	31 Aug 2009 – 30 Nov 2011
"Sell" fuel oil swaps	84,038	113,871	31 Aug 2009 – 31 Sept 2009

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(b) Currency forwards

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions. Gains and losses arising from the contracts to hedge the purchase of fuels are deferred and included in the measurement of inventory of fuels upon acquisition. These are subsequently transferred to the income statement upon consumption of the underlying fuels. For those currency forwards used to hedge highly probable forecast foreign purchases of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in the income statement over their estimated useful lives as part of depreciation expense.

As at 14 August 2009, the Group's outstanding currency forwards are as follows:

Nature of Forecast transactions	Foreign Currency	Foreign Currency Amount '000	Notional Amount In RM'000	Maturity date
Fuel oil and natural gas	Buy USD	172,075	614,703	14 Aug 2009 - 14 Nov 2011
Fuel oil and natural gas	Sell USD	3,640	12,859	02 Sept 2009 - 14 Dec 2009
Capital Projects	Buy USD	27,273	95,409	01 Sept 2009 - 01 Jul 2010
Capital Projects	Buy EURO	53,099	256,047	01 Sept 2009 - 01 Jul 2010
Capital Projects	Buy JPY	80,192	2,980	01 Sept 2009 - 02 Aug 2010

(c) Interest rate swaps

Interest rate swaps are entered to hedge floating semi-annual interest payments on borrowings with final repayment date 27 August 2014. Since the borrowings are obtained specifically for the construction of property, plant and equipment, the interest on these borrowings are capitalised. The gains and losses on the interest rate swaps are recognized to the cost of the plant, property and equipment and subsequently recognised in the income statement over their estimated useful lives as part of depreciation expense.

The interest rate swaps as at 14 August 2009 are as follows:

Interest Rate Swap	Notional Amount	Weighted Average Rate per annum	Effective Period
Plain Vanilla	SGD 250 million	2.89%	28 Feb 2008 - 28 Aug 2014

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B12. Pending Material Litigation

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

B13. Dividend

The Board of Directors has recommended for the approval of shareholders a final dividend of 3.75% single-tier for the financial year ended 30 June 2009.

The Book Closure and Payment date in respect of the aforesaid dividend will be determined by the Board at a later date.

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 by the weighted average number of ordinary shares in issue during the financial quarter as set out below :-

	Current Year Quarter 30.6.2009	Preceding Year Corresponding Quarter 30.6.2008
Profit attributable to shareholders (RM'000)	9,001 =====	280,648 =====
Weighted average number of ordinary shares ('000)	5,837,240 =====	5,301,058 =====
Basic earnings per share (Sen)	0.15 =====	5.29 =====

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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 by the weighted average number of ordinary shares in issue during the financial quarter as set out below. For the preceding year corresponding quarter, the diluted earnings per share of the Group has been computed by dividing the adjusted net profit for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter after assuming exchange of USD236.5 million Zero Coupon Guaranteed Exchangeable Bonds.

	Current Year Quarter 30.6.2009	Preceding Year Corresponding Quarter 30.6.2008
Profit/Adjusted Profit attributable to shareholders (RM'000)	9,001	293,005
	=====	=====
<i>Weighted average number of ordinary shares ('000) – diluted</i>		
Weighted average number of ordinary shares ('000) – basic	5,837,240	5,301,058
Effect of unexercised warrants 2000/2010	358,310	361,361
Effect of unexercised warrants 2008/2018	545,283	794,382
Effect of unexercised ESOS	22,213	18,740
Assumed exchange of Zero Coupon Bonds	-	348,617
	-----	-----
	6,763,046	6,824,158
	=====	=====
Diluted earnings per share (Sen)	0.13	4.29
	=====	=====

* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM2,841.8 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM2,841.8 million resulting in an increase in NA per share of RM0.05. 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 August 2009