

YTL CEMENT BERHAD
Company No. 31384-K
Incorporated in Malaysia

Interim Financial Report
30 June 2009

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Interim financial report on consolidated result for the quarter ended 30 June 2009.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2008 RM'000	12 MONTHS ENDED	
				30.06.2009 RM'000
REVENUE	536,086	454,460	1,972,836	1,466,908
COST OF SALES	(390,037)	(342,090)	(1,522,938)	(1,099,543)
GROSS PROFIT	146,049	112,370	449,898	367,365
OTHER OPERATING EXPENSE	(26,021)	(30,674)	(62,199)	(58,975)
OTHER OPERATING INCOME	6,526	9,485	19,895	27,374
PROFIT FROM OPERATION	126,554	91,181	407,594	335,764
FINANCE COSTS	(8,697)	(12,593)	(43,204)	(49,785)
SHARE OF PROFIT OF ASSOCIATED COMPANY	(820)	1,349	(1,661)	4,070
PROFIT BEFORE TAXATION	117,037	79,937	362,729	290,049
TAXATION	(9,348)	(7,105)	(42,492)	(27,975)
DEFERRED TAXATION	(24,632)	(18,645)	(53,976)	(50,025)
PROFIT FOR THE PERIOD	83,057	54,187	266,261	212,049
ATTRIBUTABLE TO :				
SHAREHOLDERS OF THE COMPANY	71,507	52,479	240,516	193,239
MINORITY INTEREST	11,550	1,708	25,745	18,810
NET PROFIT FOR THE PERIOD	83,057	54,187	266,261	212,049
EARNINGS PER SHARE				
Basic (Sen)				
• Before Mandatory Conversion of ICULS	15.24	11.18	51.25	40.35
• After Mandatory Conversion of ICULS	11.06	8.11	37.19	30.70
Diluted (Sen)	11.02	8.04	37.03	30.49

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

	UNAUDITED AS AT 30.6.2009 RM'000	AUDITED AS AT 30.6.2008 RM'000
ASSETS		
Non-current Asset		
Property, Plant & Equipment	1,747,096	1,786,104
Prepaid payment on leasehold land	58,784	59,382
Investment properties	12,617	12,617
Investment in associated companies	45,674	47,708
Quoted Investment	15	15
Deferred tax assets	-	11,011
Development Expenditure	35,182	34,833
Goodwill on Consolidation	70,859	60,476
	----- 1,970,227 -----	----- 2,012,146 -----
Current Assets		
Inventories	159,765	150,241
Trade receivables	258,569	220,747
Tax recoverable	3,641	959
Other receivables	82,356	48,004
Inter-company Balances	5,698	7,077
Deposits, Bank & Cash Balances	633,543	382,586
	----- 1,143,572 -----	----- 809,614 -----
TOTAL ASSETS	----- 3,113,799 =====	----- 2,821,760 =====

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CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED AS AT 30.6.2009	AUDITED AS AT 30.6.2008
	RM'000	RM'000
Shares Capital	245,277	245,170
Share premium	121,760	121,435
Other Reserves	7,531	11,144
Retained profits	970,100	777,684
ICULS - Equity Component	372,221	372,242
Treasury shares, at cost	(82,832)	(82,057)
	-----	-----
Total Equity Attributable to Shareholders	1,634,057	1,445,618
Minority Interests	195,945	170,200
	-----	-----
TOTAL EQUITY	1,830,002	1,615,818
	-----	-----
LIABILITIES		
Other payables	18,960	20,695
Bank Borrowings	360,148	400,684
Hire purchase creditors	10,635	9,830
Deferred Taxation	42,965	-
ICULS- Liability Component	124,132	133,004
	-----	-----
Total Non-current Liabilities	556,840	564,213
	-----	-----
Trade payables	150,680	122,864
Other payables	154,092	149,389
Hire purchase creditors	6,283	2,377
Inter-Company Balances	49,994	46,090
Short term Borrowings	346,974	315,635
Provision for Taxation	18,934	5,374
	-----	-----
Total current Liabilities	726,957	641,729
	-----	-----
TOTAL LIABILITIES	1,283,797	1,205,942
	-----	-----
TOTAL EQUITY & LIABILITIES	3,113,799	2,821,760
	=====	=====
Net assets per 50 sen share (Sen)	333.06	295.08
	=====	=====

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 CASH FLOW STATEMENTS

	FOR THE TWELVE MONTHS ENDED	
	30.6.2009	30.6.2008
	RM'000	RM'000
Net cash (used in) operating activities	403,977	240,838
	=====	=====
Net cash (used in) investing activities	(80,771)	(118,925)
	=====	=====
Net cash generated from financing activities	(72,249)	(164,340)
	=====	=====
Net (decrease) / increase in cash and cash equivalents	250,957	(42,427)
Cash and cash equivalents at beginning of the year	382,586	425,013
	-----	-----
Cash and cash equivalent at end of the period (note a)	633,543	382,586
	=====	=====
Note (a)		
Cash and cash equivalent		
	30.6.2009	30.6.2008
	RM'000	RM'000
Cash and bank balances	75,757	37,997
Fixed Deposit	557,786	344,589
	-----	-----
Cash and cash equivalent at end of the period	633,543	382,586
	=====	=====

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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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Other Reserves RM'000	Retained Profit RM'000	Treasury Shares RM'000	ICULS Equity RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 July 2008										
-as previous reported	245,170	121,435	-	11,144	777,684	(82,057)	372,242	1,445,618	170,200	1,615,818
Currency translation				(4,483)				(4,483)		(4,483)
Diff, representing net expenditure recognised directly in Equity										
Net profit for the period					240,516			240,516	25,745	266,261
Total recognised income and exp dt. for the period	-	-	-	(4,483)	240,516	-	-	236,033	25,745	261,778
Irredeemable Convertible Unsecured Loan Stocks							(21)	(21)		(21)
Dividend paid					(48,100)			(48,100)		(48,100)
Treasury shares						(775)		(775)		(775)
Issue of Share Capital	107	325	-	-	-	-	-	432		432
Acquisition of Subsidiary									-	-
Share-based payment under ESOS	-	-	-	870	-	-	-	870	-	870
As at 30 June 2009	<u>245,277</u>	<u>121,760</u>	<u>-</u>	<u>7,531</u>	<u>970,100</u>	<u>(82,832)</u>	<u>372,221</u>	<u>1,634,057</u>	<u>195,945</u>	<u>1,830,002</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Other Reserves RM'000	Retained Profit RM'000	Treasury Shares RM'000	ICULS Equity RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 July 2007										
-as previous reported	245,160	121,420	-	227	546,714	(74,395)	372,245	1,211,371	152,052	1,363,423
Prior year adjustment					124,118			124,118		124,118
	245,160	121,420		227	670,832	(74,395)	372,245	1,335,489	152,052	1,487,541
Currency translation Diff, representing net expenditure Recognised directly in Equity				9,783				9,783		9,783
Net profit for the period					193,239			193,239	18,810	212,049
Total recognised income and expdt. for the period	-	-	-	9,783	193,239	-	-	203,022	18,810	221,832
Irredeemable Convertible Unsecured Loan Stock							(3)	(3)		(3)
Dividend paid					(86,387)			(86,387)		(86,387)
Treasury shares						(7,662)		(7,662)		(7,662)
Issue of Share Capital	10	15	-	-	-	-	-	25	-	25
Acquisition of Subsidiary									(662)	(662)
Share-based payment Under ESOS	-	-	-	1,134	-	-	-	1,134	-	1,134
As at 30 June 2008	245,170	121,435	-	11,144	777,684	(82,057)	372,242	1,445,618	170,200	1,615,818

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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Disclosure requirements pursuant to FRS 134

The notes to 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 FRS134₂₀₀₄ "Interim Financial Reporting" (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation are consistent with those adopted in the audited financial statements for 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 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 to estimate of amount 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) During the current financial year to date, the Company repurchased a total of 274,800 ordinary shares of its issued share capital from the open market for a total consideration of RM774,960 at an average cost of RM2.82 per share. The shares are being held as treasury shares. As at 30 June 2009, the total shares bought back, all of which are held as treasury shares, amounted to 21,208,964 ordinary shares.

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- (ii) During the current financial quarter, a total of 65,000 ordinary shares of 50 sen each were issued at exercise price of RM2.08 pursuant to the exercise of employees' share option scheme ("ESOS"). For the current financial year to date, a total of 22,000 and 185,000 ordinary shares of 50 sen each were issued at an exercise price of RM1.21 and RM2.08 respectively pursuant to the exercise of ESOS.
- (iii) During the current financial year to date, a total of 7,757 ordinary shares of RM0.50 each were issued pursuant to the conversion of RM21,100 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.

A6. Dividend

Dividend amounting to RM8,798,854 was paid on 26 December 2008 in respect of the final dividend of 5% less 25% tax declared for year ended 30 June 2008.

Dividend amounting to RM21,703,845 was paid on 20 January 2009 in respect of the first interim dividend of 3% gross less 25% tax and 7% single tier dividend declared for year ended 30 June 2009.

Dividend amounting to RM17,597,711 was paid on 26 March 2009 in respect of the second interim dividend of 7.5% single tier dividend declared for year ended 30 June 2009.

A7. Segment Reporting

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

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.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 June 2009, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations except for the following:-

- (i) On 4 July 2008, YTL Cement (Hong Kong) Limited ("YTLC HK"), a wholly-owned subsidiary of the Company, 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 USD1.00 in cash. As a result, Industrial Resources became a wholly-owned subsidiary of YTLC HK and an indirect subsidiary of the Company.

Industrial Resources was incorporated in the Cayman Islands on 4 July 2008 and has an authorised share capital of USD50,000 comprising 50,000 shares of USD1.00 each. Industrial Resources will be principally involved in investment holding and procurement.

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Notes: - continued

- (ii) On 10 June 2008, Buildcon Concrete Enterprise Sdn Bhd (“BCE”), a wholly-owned subsidiary of the Company, 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.

- (iii) The Company 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 the Company, subscribed for the remaining 0.2% of the issued and paid-up share capital or 10 ordinary shares for a cash consideration of USD1,000. As a result, YTL Simen Indo has on 29 July 2008 become a subsidiary of YTL Cement.

YTL Simen Indo is a limited liability company and has an authorised share capital of USD500,000 comprising 5,000 shares of USD100 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.

- (iv) 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”) with a registered capital of RMB 5 million. ZYTLCM was set up for the purpose of undertaking the business of sales and marketing of cement and cementitious products.
- (v) 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 became a wholly-owned subsidiary of BCE and an indirect subsidiary of the Company on 7 October 2008.

SMC Mix was incorporated on 10 September 1998 and 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.

- (vi) On 19 November 2008, Concrete Industries Pte Ltd (“Concrete Industries”) was incorporated 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 the Company.

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

A10. Changes in Contingent Liabilities

There has been no material change in the contingent liabilities of the Group since the last annual balance sheet as at 30 June 2008.

The Company has given corporate guarantees amounting to RM572 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Letters of credit/trust receipts/bankers acceptances/ overdrafts/bankers guarantees	572,296	431,322
	=====	=====

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

B1. Review of Performance

The Group recorded revenue and profit before taxation for the current financial quarter of RM536.1 million and RM 117.0 million respectively, representing an increase of 18.0% and 46.4% respectively as compared to the preceding year corresponding quarter ended 30 June 2008. The increase in revenue and profit before tax were substantially attributed to overseas operations and better selling prices.

B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2009 RM'000	Preceding Quarter 31.03.2009 RM'000
Revenue	536,086	485,824
Consolidated profit before taxation	117,037	73,970
Consolidated profit after taxation after minority interests	71,507	51,370

During the current financial quarter ended 30 June 2009, the Group recorded revenue of RM536.1 million, representing an increase of 10.3% from RM485.8 million recorded in the preceding quarter.

In tandem with the increased of sales, the Group's profit before taxation increased from RM74.0 million in the preceding quarter to RM117.0 million. The increased in profit before tax was substantially attributed to lower production cost.

B3. Prospects

Generally, the economies in which the Group operates are beginning to register improvements compared to the preceding quarter. However, the operating environment is expected to be challenging in the respective markets. The Group is continuing to address these challenges to maintain a satisfactory level of operating performance for the financial year ending 30 June 2010.

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B4. Profit Forecast

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

B5. Taxation

Tax comprises the following: -

	Current Year Quarter 30.6.2009 RM'000	Current Year To Date 30.6.2009 RM'000
Tax charged for the period	9,348	42,492
Transferred to deferred taxation	24,632	53,976
	-----	-----
	<u>33,980</u>	<u>96,468</u>

B6. Sales of Unquoted Investment and /or Properties

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

B7. Quoted Investment

There was no purchase or sale of quoted investment during the current financial quarter and financial year to date.

The cost, carrying value and the market value of the quoted investment of the Group as at end of the current reporting quarter are:-

	RM'000
Cost	15
Carrying Value	15
Market Value	1

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Notes: - continued

B8. Corporate Proposals

Save for the following, there were no corporate proposals announced and pending as at the date of this report:-

In relation to the proposed issue by the Company 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 the Company (“the Proposed Exchangeable Bonds Issue”), the Company has until 4 October 2009, being the extended date approved by the Securities Commission, to complete the Proposed Exchangeable Bonds Issue.

B9. Group Borrowings and Debt Securities

The Group’s borrowings from financial institutions as at end of the current financial period to date are as follows :

	Short term RM’000	Long term RM’000	Total RM’000
Secured	95,738	184,023	279,761
Unsecured	251,236	176,125	427,361
	-----	-----	-----
	346,974	360,148	707,122
	=====	=====	=====

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

In Singapore Dollar (‘000)	2,000
	=====
In US Dollar (‘000)	50,000
	=====

B10. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised for the current financial quarter.

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Notes: - continued

B11. Material litigation

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

B12. 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 and the book closure and payment dates in respect of the aforesaid dividend will be determined at a later date.

B13. Earnings Per Share

i) Basic earnings /(loss) per share

The basic earnings /(loss) per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary share in issue during the financial quarter, assuming full conversion of 482,460,658 nominal value 100% of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 (“ICULS”).

	Current Quarter 30.6.2009	Preceding Year Corresponding Quarter 30.6.2008
Net profit /(loss) for the period (RM'000)	71,507 =====	52,479 =====
Weighted average number of ordinary shares ('000)	469,280	469,422
Assumed full conversion of ICULS	177,375 ----- 646,655 =====	177,383 ----- 646,805 =====
Basic earnings per 50 sen share (sen)		
o Before Mandatory conversion of ICULS	15.24 =====	11.18 =====
o After Mandatory conversion of ICULS	11.06 =====	8.11 =====

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ii) Diluted earnings /(loss) per share

The diluted earnings /(loss) per share of the Group has been computed by dividing the net profit for the financial quarter by the adjusted weighted average number of ordinary share, assuming fully exercise of ESOS during the financial quarter.

	Current Quarter 30.6.2009	Preceding Year Corresponding Quarter 30.6.2008
Net profit /(loss) for the period (RM'000)	71,507 =====	52,479 =====
Weighted average number of ordinary shares('000)	646,655	646,805
-ordinary shares deemed issued for no consideration on assumed exercise of ESOS('000)	2,099 ----- 648,754 =====	5,558 ----- 652,363 =====
Diluted earnings per 50 sen share (sen)	11.02 =====	8.04 =====

B14. Audit Report of preceding financial year ended 30 June 2008

The audit report on the financial statements of the preceding financial year ended 30 June 2008 was not subject to any qualification.

By Order of the Board

HO SAY KENG
Secretary

Kuala Lumpur
Dated : 20 August 2009