

YTL CEMENT BERHAD

Company No. 31384-K
Incorporated in Malaysia

Interim Financial Report
30 June 2011

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the quarter ended 30 June 2011.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2011 RM'000	CORRESPONDING QUARTER 30.06.2010 RM'000	12 MONTHS ENDED 30.06.2011 30.06.2010 RM'000 RM'000	
REVENUE	635,043	494,104	2,201,000	1,854,319
COST OF SALES	(368,397)	(298,720)	(1,315,116)	(1,127,046)
	-----	-----	-----	-----
GROSS PROFIT	266,646	195,384	885,884	727,273
OTHER OPERATING EXPENSE	(143,374)	(98,269)	(400,062)	(330,744)
OTHER OPERATING INCOME	16,698	15,272	39,044	47,347
	-----	-----	-----	-----
PROFIT FROM OPERATION	139,970	112,387	524,866	443,876
FINANCE COSTS	(13,219)	(8,793)	(41,068)	(32,521)
SHARE OF PROFIT OF ASSOCIATED COMPANIES	(29)	649	93	(129)
	-----	-----	-----	-----
PROFIT BEFORE TAXATION	126,722	104,243	483,891	411,226
TAXATION	(31,104)	(5,229)	(71,222)	(30,212)
DEFERRED TAXATION	(15,296)	(18,739)	(63,668)	(69,871)
	-----	-----	-----	-----
PROFIT FOR THE PERIOD/YEAR	80,322	80,275	349,001	311,143
	=====	=====	=====	=====
PROFIT ATTRIBUTABLE TO :				
OWNERS OF THE PARENT	80,102	67,267	331,919	269,117
NON-CONTROLLING INTERESTS	220	13,008	17,082	42,026
	-----	-----	-----	-----
NET PROFIT FOR THE PERIOD/ YEAR	80,322	80,275	349,001	311,143
	=====	=====	=====	=====
EARNINGS PER SHARE				
Basic (Sen)				
• Before Mandatory Conversion of ICULS	17.00	14.29	70.47	57.25
	=====	=====	=====	=====
• After Mandatory Conversion of ICULS	11.35	9.53	47.03	39.21
	=====	=====	=====	=====
Diluted (Sen)	11.29	9.48	46.80	39.03
	=====	=====	=====	=====

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	12 MONTHS ENDED	
	QUARTER	QUARTER	30.06.2011	30.06.2010
	30.06.2011	30.06.2010	RM'000	RM'000
	RM'000	RM'000		
PROFIT FOR THE PERIOD/YEAR	80,322	80,275	349,001	311,143
OTHER COMPREHENSIVE INCOME/(LOSS):				
CURRENCY TRANSLATION DIFFERENCES	6,818	585	12,066	(11,111)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR, NET OF TAX	6,818	585	12,066	(11,111)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	87,140	80,860	361,067	300,032
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
OWNERS OF THE PARENT	86,920	67,852	343,985	258,006
NON-CONTROLLING INTERESTS	220	13,008	17,082	42,026
	87,140	80,860	361,067	300,032

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

YTL CEMENT BERHAD (Company No. 31384-K)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30.06.2011 RM'000	AUDITED AS AT 30.06.2010 RM'000 RESTATED
ASSETS		
Non-current Asset		
Property, plant & equipment	1,763,904	1,809,724
Investment properties	11,000	12,617
Investment in associated companies	5,284	5,191
Development expenditure	5,065	34,881
Goodwill on consolidation	142,995	142,995
	-----	-----
	1,928,248	2,005,408
	-----	-----
Current Assets		
Inventories	207,958	135,924
Trade receivables	309,432	269,752
Tax recoverable	6,967	7,003
Other receivables	44,836	55,786
Inter-company balances	12,215	10,267
Deposits, bank & cash balances	1,294,584	921,977
	-----	-----
	1,875,992	1,400,709
	-----	-----
TOTAL ASSETS	3,804,240	3,406,117
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

YTL CEMENT BERHAD (Company No. 31384-K)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	UNAUDITED AS AT 30.06.2011 RM'000	AUDITED AS AT 30.06.2010 RM'000 RESTATED
EQUITY		
Shares capital	246,490	246,078
Share premium	125,804	124,304
Other reserves	9,495	(2,440)
Retained profits	1,478,028	1,158,763
ICULS - equity component	369,470	370,295
Treasury shares, at cost	(83,766)	(83,403)
	-----	-----
Total Equity Attributable to Owners of the Parent	2,145,521	1,813,597
Non-Controlling Interests	6,093	239,735
	-----	-----
TOTAL EQUITY	2,151,614	2,053,332
	-----	-----
LIABILITIES		
Other payables	21,305	20,580
Bank borrowings	443,360	392,554
Hire purchase creditors	3,274	5,799
Deferred taxation	181,638	117,970
ICULS - liability component	96,031	111,254
	-----	-----
Total Non-current Liabilities	745,608	648,157
	-----	-----
Trade payables	206,787	160,270
Other payables	235,019	183,479
Hire purchase creditors	5,331	5,453
Inter-company balances	7,277	12,428
Short term borrowings	408,564	315,534
Provision for taxation	26,357	9,809
Proposed dividend	17,683	17,655
	-----	-----
Total Current Liabilities	907,018	704,628
	-----	-----
TOTAL LIABILITIES	1,652,626	1,352,785
	-----	-----
TOTAL EQUITY & LIABILITIES	3,804,240	3,406,117
	=====	=====
Net assets per 50 sen share (RM)	4.55	3.85
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 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 YEAR ENDED 30 JUNE 2011

	-----Attributable to Owners of the Parent-----									
	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	Non-Controlling Interests RM'000	Total Equity RM'000
As at 1 July 2010										
-as previous reported	246,078	124,304	-	(2,440)	1,158,763	(83,403)	370,295	1,813,597	239,735	2,053,332
Profit for the year					331,919			331,919	17,082	349,001
Other comprehensive income				12,066				12,066		12,066
Total comprehensive income for the year	-	-	-	12,066	331,919	-	-	343,985	17,082	361,067
Irredeemable Convertible Unsecured Loan Stocks							(825)	(825)		(825)
Dividend paid/declared					(61,871)			(61,871)	(660)	(62,531)
Treasury shares						(363)		(363)		(363)
Issue of Share Capital	412	1,282		-	-	-		1,694		1,694
Acquisition of Subsidiary					49,366			49,366	(250,064)	(200,698)
Disposal of Subsidiary				149	(149)			-		-
Share-based payment under ESOS	-	218		(280)	-	-	-	(62)	-	(62)
As at 30 June 2011	246,490	125,804	-	9,495	1,478,028	(83,766)	369,470	2,145,521	6,093	2,151,614

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

YTL CEMENT BERHAD (Company No. 31384-K)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	-----Attributable to Owners of the Parent-----									
	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	Non-Controlling Interest RM'000	Total Equity RM'000
As at 1 July 2009										
-as previous reported	245,277	121,802	-	8,011	951,260	(82,832)	372,221	1,615,739	195,786	1,811,525
Profit for the year					269,117			269,117	42,026	311,143
Other comprehensive income				(11,111)				(11,111)		(11,111)
Total comprehensive income for the year	-	-	-	(11,111)	269,117	-	-	258,006	42,026	300,032
Irredeemable Convertible Unsecured Loan Stocks	598	1,841					(1,926)	513		513
Dividend paid					(61,773)			(61,773)	(240)	(62,013)
Treasury shares						(571)		(571)		(571)
Issue of Share Capital	203	661	-	(35)	-	-	-	829		829
Acquisition of Subsidiary								-	2,163	2,163
Disposal of associates Company				(159)	159			-		-
Share-based payment under ESOS				854				854		854
As at 30 June 2010	246,078	124,304	-	(2,440)	1,158,763	(83,403)	370,295	1,813,597	239,735	2,053,332

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

YTL CEMENT BERHAD (Company No. 31384-K)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE TWELVE MONTHS ENDED	
	30.06.2011	30.06.2010
	RM'000	RM'000
Net cash generated from operating activities	557,391	514,226
	=====	=====
Net cash used in investing activities	(265,019)	(128,794)
	=====	=====
Net cash generated from/ (used in) financing activities	80,235	(96,998)
	=====	=====
Net changes in cash and cash equivalents	372,607	288,434
Cash and cash equivalents at beginning of the year	921,977	633,543
	-----	-----
Cash and cash equivalents at end of the year (note a)	1,294,584	921,977
	=====	=====

Note (a)

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

	RM'000	RM'000
Fixed deposits	1,232,693	875,895
Cash and bank balances	61,891	46,082
	-----	-----
	1,294,584	921,977
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

INTERIM FINANCIAL REPORT

Disclosure requirements pursuant to FRS 134 – paragraph 16

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2010.

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 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ('Bursa Securities').

The explanatory notes contained herein provide an explanation of 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 2010.

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 except for the adoption of new and revised FRSs, amendments to FRSs and Interpretation Committee ('IC') Interpretations which were effective for financial period beginning 1 July 2010.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations do not have significant financial impact on the Group other than the effects of the following FRSs:

FRS 101(revised) Presentation of Financial Statements

The revised FRS 101 requires all non-owner changes in equity to be presented either in a single statement of comprehensive income or in two statements which comprise a separate income statement and statement of comprehensive income. The Group has elected to present the statement of comprehensive income in two statements if there is any comprehensive income being recognised in the period.

There is no impact on the financial position of the Group since these changes affect only the presentation of items of income and expenses. The Group has adopted the standard retrospectively.

FRS 7 Financial Instruments: Disclosures

FRS 7 requires extensive disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments. Such information will be disclosed in the audited annual financial statements of the Group.

Amendment to FRS 117 Leases

With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incidental to ownership lies. Accordingly, the Group has reclassified its leasehold land to property, plant and equipment. This change in classification has no effect on the financial position of the Group.

INTERIM FINANCIAL REPORT

Notes: - continued

The reclassification has been accounted for retrospectively in accordance with the transitional provision and comparative balances have been restated as follows:.

	As previously reported RM'000	Effect of change RM'000	As restated RM'000
30 June 2010			
Prepaid payment on leasehold land	63,366	(63,366)	-
Property, plant & equipment	1,746,358	63,366	1,809,724

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. It also sets out the requirements for the application of hedge accounting.

Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the end of each reporting period reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit or loss.

Financial Assets

(i) Loans and Receivables

Prior to 1 July 2010, loans and receivables were stated at gross proceeds receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

Financial Liabilities

(i) Borrowings

Prior to 1 July 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS 139, borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised or through the amortisation process.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 30 June 2010 are not restated.

INTERIM FINANCIAL REPORT

Notes: - continued

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 significant change to estimate of amount reported in prior interim periods or 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 81,700 ordinary shares of its issued share capital from the open market for a total consideration of RM362,952 at an average cost of RM4.44 per share. The shares are being held as treasury shares. As at 30 June 2011, the total shares bought back, all of which are held as treasury shares, amounted to 21,425,664 ordinary shares.
- (ii) During the current financial quarter, a total of 169,000 ordinary shares of RM0.50 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 333,000 ordinary shares of RM0.50 each were issued at an exercise price of RM2.08 pursuant to the exercise of ESOS.
- (iii) During the financial year to date, a total of 491,034 ordinary shares of RM0.50 each were issued pursuant to the conversion of RM1,001,718 nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 at a conversion price of RM2.04 per share.

INTERIM FINANCIAL REPORT

Notes: - continued

A6. Dividend

A third interim single tier dividend of 7.5% or 3.75 sen per ordinary share of RM0.50 each amounting to RM17,655,440 in respect of the financial year ended 30 June 2010 was paid on 15 July 2010.

A final single tier dividend 3.75% or 1.875 sen per ordinary share of RM0.50 each amounting to RM8,837,006 in respect of the financial year ended 30 June 2010 was paid on 23 December 2010.

A first interim single tier dividend 7.5% or 3.75 sen per ordinary share of RM0.50 each amounting to RM17,674,006 in respect of the financial year ended 30 June 2011 was paid on 21 January 2011.

A second interim single tier dividend 7.5% or 3.75 sen per ordinary share of RM0.50 each amounting to RM17,676,940 in respect of the financial year ended 30 June 2011 was paid on 31 March 2011.

A7. Segment Information

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

Save and except for the following, 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:

- (i) On 3 July 2011, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of the Company, disposed of one (1) ordinary shares of USD1.00 representing 100% of the issued and paid-up capital of Industrial Resources Limited ("IRL") to Bernadine Investment Limited, for a total consideration of USD300,000 ('the Disposal'). As a result of the Disposal, IRL ceased to be subsidiary of YTL Cement (Hong Kong) Limited and an indirect subsidiary of the Company.
- (ii) On 18 July 2011, YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as YTL Cement Terminal Services Pte Ltd ("YTL Cement Terminal Services") in Singapore.

The issued and paid-up share capital of YTL Cement Terminal Services is S\$1.00 comprising 1 ordinary share. YTL Cement Terminal Services will be principally involved in the operation of port terminal and specialize in handling of cementitious products.

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 financial year ended 30 June 2011, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- (i) On 24 September 2010, Gopeng Berhad ('Gopeng') accepted the Company's offer to purchase 117,742,000 ordinary shares of RM1.00 each ('Sale Shares'), representing 35.16% of the issued and paid-up capital of Perak-Hanjoong Simen Sdn Bhd ('Perak-Hanjoong'), for a cash consideration of RM200,000,000.00 ('Acquisition'). A sale and purchase agreement was entered into between the Company and Gopeng on 20 October 2010. The Acquisition was completed on 10 December 2010. The Sale Shares were registered in the name of the Company on 27 December 2010. Subsequently, the Company had on 18 January 2011, acquired 1 ordinary share of RM1.00 each in Perak-Hanjoong held by YTL Cement Marketing Sdn Bhd (a wholly-owned subsidiary of the Company) at cost of RM1.00. Consequent thereto, Perak-Hanjoong became a wholly-owned subsidiary of the Company.
- (ii) In relation to the application by Specialist Cement Sdn Bhd ('Specialist Cement'), an 85%-owned subsidiary of Buildcon Concrete Enterprise Sdn Bhd (a wholly-owned subsidiary of the Company), for striking off its name from the register of companies of the Companies Commission of Malaysia ('CCM') ('Companies Register') pursuant to the provisions of Section 308 of the Companies Act, 1965 ('the Act'), Specialist Cement had on 28 January 2011 received the final striking off notice from the CCM dated 13 January 2011 pursuant to Section 308(4) of the Act that the name of Specialist Cement has been struck off from the list of the Companies Register. Specialist Cement ceased to be a subsidiary of the Company.

A10. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2010 except for the following:-

The Company had given corporate guarantees to financial institutions for facilities granted by the financial institutions to its subsidiaries, details set out as follows:-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Letters of credit/trust receipts/bankers acceptances/ overdrafts/bankers guarantees	376,025 =====	376,025 =====

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Disclosure requirements per Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities

B1. Review of Performance

During the current financial quarter ended 30 June 2011, the Group recorded revenue of RM635.0 million, representing an increase of 28.52% as compared to RM494.1 million recorded in the preceding year corresponding quarter ended 30 June 2010.

In tandem with the increase in revenue, the Group recorded profit before taxation of RM126.7 million representing an increase of 21.56% as compared to RM104.2 million recorded in the preceding year corresponding quarter ended 30 June 2010. The increase in revenue and profit before tax were substantially attributed to higher demand for cement in the construction industry, and improved performance of the Group's overseas operation in the financial quarter under review.

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2011 RM'000	Preceding Quarter 31.03.2011 RM'000
Revenue	635,043	542,261
Consolidated profit before taxation	126,722	127,258
Consolidated profit after taxation after non-controlling interests	80,102	97,402

During the current financial quarter ended 30 June 2011, the Group recorded revenue of RM635.0 million, representing an increase of 17.11% from RM542.3 million recorded in the preceding quarter.

Despite the increase in revenue, the Group profit before taxation for the current financial quarter decreased from RM127.3 million recorded in the preceding quarter to RM126.7 million.

The reduction in profit before tax was substantially attributed to higher production cost and competitive pricing in the cement industry for the financial quarter under review.

B3. Prospects

The Group, after considering the Group's current level of operations and current market conditions, is expected to achieve satisfactory performance for the financial year ending 30 June 2012.

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Notes: - continued

B4. Profit Forecast

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

B5. Taxation

Tax comprises the following: -

	Current Year Quarter 30.06.2011 RM'000	Current Year To Date 30.06.2011 RM'000
Tax charged for the period/year	31,104	71,222
Transferred to deferred taxation	15,296	63,668
	-----	-----
	46,400	134,890
	=====	=====

The provision for taxation for the current quarter and current year to date reflects an effective rate which approximates to the Statutory Income Tax Rates of the countries where the Group operates.

B6. Sales of Unquoted Investments and /or Properties

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

B7. Quoted Investments

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

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Notes: - continued

B8. Corporate Proposals

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

B9. Group Borrowings and Debt Securities

The Group's borrowings from financial institutions as at 30 June 2011 are as follows :

	Short term RM'000	Long term RM'000	Total RM'000
Secured	133,344	277,335	410,679
Unsecured	275,220	166,025	441,245
	-----	-----	-----
	408,564	443,360	851,924
	=====	=====	=====

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

In US Dollar ('000)	50,000
	=====

B10. Derivatives Financial Instruments

No derivatives financial instruments were utilised for the current financial quarter.

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INTERIM FINANCIAL REPORT

Notes: - continued

B11. Material litigation

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

B12. Dividend

The Board of Directors is pleased to declare a fourth interim single tier dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each for the financial year ended 30 June 2011.

The book closure and payment dates in respect of the aforesaid dividend are 9 November 2011 and 24 November 2011, respectively.

The Board does not recommend a final dividend for the year ended 30 June 2011 (2010: a final dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each amounting to RM8,837,006).

B13. Retained Earnings

	As at 30.06.2011 RM'000
Retained earnings/ (accumulated losses) of YTL Cement and its subsidiaries	
- Realised	1,789,919
- Unrealised	(181,646)

	1,608,273
Retained earnings/ (accumulated losses) from associated companies:	
- Realised	1,484
- Unrealised	-

	1,609,757
Less: Consolidated adjustments	(131,729)

Total Group retained earnings as per consolidated accounts	1,478,028
	=====

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INTERIM FINANCIAL REPORT

Notes: - continued

B14. Earnings Per Share

i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent for the financial quarter by the weighted average number of ordinary share in issue during the financial quarter, assuming full conversion of 479,019,780 nominal value 100% of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 ('ICULS').

	Current Quarter 30.06.2011	Preceding Year Corresponding Quarter 30.06.2010
Profit attributable to Owners of the Parent (RM'000)	80,102 =====	67,267 =====
Weighted average number of ordinary shares ('000)	471,123	470,663
Assumed full conversion of ICULS	234,824 ----- 705,947 =====	235,305 ----- 705,968 =====
Basic earnings per 50 sen share (sen)		
o Before Mandatory conversion of ICULS	17.00 =====	14.29 =====
o After Mandatory conversion of ICULS	11.35 =====	9.53 =====

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INTERIM FINANCIAL REPORT

Notes: - continued

ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent for the financial quarter by the adjusted weighted average number of ordinary share, assuming fully exercise of ESOS during the financial quarter.

	Current Quarter 30.06.2011	Preceding Year Corresponding Quarter 30.06.2010
Profit attributable to Owners of the Parent (RM'000)	80,102 =====	67,267 =====
Weighted average number of ordinary shares('000)	705,947	705,968
-ordinary shares deemed issued for no consideration on assumed exercise of ESOS('000)	3,735 ----- 709,682 =====	3,341 ----- 709,309 =====
Diluted earnings per 50 sen share (sen)	11.29 =====	9.48 =====

B15. Audit Report of the preceding financial year ended 30 June 2010

The Auditors' Report on the financial statements of the financial year ended 30 June 2010 did not contain any qualification.

By Order of the Board

HO SAY KENG
Secretary

Kuala Lumpur
Dated : 25 August 2011