YTL CORPORATION BERHAD

Company No. 92647-H
Incorporated in Malaysia

Interim Financial Report
31 March 2011

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YTL CORPORATION BERHAD (Company No. 92647-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial quarter ended 31 March 2011.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	9 MONTHS ENDED	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
REVENUE	4,241,748	3,929,145	13,146,427	11,786,495
COST OF SALES	(3,069,364)	(2,849,179)	(10,035,732)	(9,010,821)
GROSS PROFIT	1,172,384	1,079,966	3,110,695	2,775,674
OTHER OPERATING EXPENSES	(399,436)	(273,852)	(1,076,621)	(725,980)
OTHER OPERATING INCOME	59,485	83,756	275,003	223,485
PROFIT FROM OPERATIONS	832,433	889,870	2,309,077	2,273,179
FINANCE COSTS	(275,570)	(256,597)	(768,512)	(760,298)
SHARE OF PROFITS OF ASSOCIATED COMPANIES	69,725	64,760	190,731	203,021
PROFIT BEFORE TAXATION	626,588	698,033	1,731,296	1,715,902
TAXATION	(144,295)	(176,561)	(447,754)	(440,417)
PROFIT FOR THE PERIOD	482,293	521,472	1,283,542	1,275,485
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	312,055	330,592	755,143	754,330
NON-CONTROLLING INTERESTS	170,238	190,880	528,399	521,155
PROFIT FOR THE PERIOD	482,293	521,472	1,283,542	1,275,485
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	17.40	18.41	42.10	41.99
Diluted (Sen)	17.25	18.25	41.74	41.65

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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(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	9 MONTHS ENDED	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	482,293	521,472	1,283,542	1,275,485
OTHER COMPREHENSIVE INCOME:				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	60,033	-	85,954	-
CASHFLOW HEDGES	124,723	-	195,868	-
CURRENCY TRANSLATION DIFFERENCES	122,006	(651,286)	322,007	(801,909)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	306,762	(651,286)	603,829	(801,909)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	789,055	(129,814)	1,887,371	473,576
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	499,002	(183,200)	1,075,379	155,344
NON-CONTROLLING INTERESTS	290,053	53,386	811,992	318,232
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	789,055	(129,814)	1,887,371	473,576

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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.03.2011	AUDITED AS AT 30.6.2010 (RESTATED)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant & equipment	19,643,820	19,162,783
Investment properties	1,389,591	1,333,720
Investment in associated companies & joint controlled entity	2,001,347	2,359,129
Available-for-Sale Financial Assets	890,754	-
Investments	-	666,670
Development expenditure	831,140	769,315
Intangible assets	4,537,169	4,347,670
Biological assets	1,057	1,024
Other receivables	44,365	64,481
	29,339,243	28,704,792
Current Assets		
Inventories	1,041,715	810,748
Property development costs	456,726	479,482
Trade & other receivables	3,404,474	4,002,023
Derivative financial instruments	170,601	1,949
Income tax assets	-	18,284
Amount due from related parties	69,400	51,924
Available-for-Sale Financial Assets	1,005,187	-
Short term investments	-	993,413
Fixed deposits	11,552,679	10,506,720
Cash & bank balances	568,365	584,520
	18,269,147	17,449,063
TOTAL ASSETS	47,608,390	46,153,855

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 FINANCIAL POSITION - continued

	UNAUDITED AS AT 31.03.2011 RM'000	AUDITED AS AT 30.6.2010 RM'000
EQUITY		
Share capital	951,026	950,109
Share premium	1,300,263	1,292,354
Other reserves	(382,840)	(646,255)
Retained profits	9,059,870	8,814,835
Less : Treasury shares, at cost	(710,091)	(687,121)
Total Equity Attributable to Owners of the Parent	10,218,228	9,723,922
Non-Controlling Interest	2,019,427	1,701,456
TOTAL EQUITY	12,237,655	11,425,378
LIABILITIES		
Non-current Liabilities		
Long term payables	101,278	94,432
Bonds & borrowings	19,637,130	22,791,826
Deferred income	231,267	218,140
Deferred tax liabilities	2,816,832	2,816,360
Post employment benefit obligations	161,952	185,866
	22,948,459	26,106,624
Current Liabilities		
Trade & other payables	3,427,318	3,060,253
Derivative financial instruments	114,427	23,749
Amount due to related parties	4,286	4,496
Bonds & borrowings	8,581,590	5,315,912
Income tax liabilities	270,554	184,686
Provision for liabilities & charges	24,101	32,757
	12,422,276	8,621,853
TOTAL LIABILITIES	35,370,735	34,728,477
TOTAL EQUITY & LIABILITIES	47,608,390	46,153,855
Net Assets per 50 sen share (RM)	5.70	5.42

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 PERIOD ENDED 31 MARCH 2011

	Attributable to Owners of the Parent							
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves	Total	Non-Controlling interests	Total equity
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1.07.2010								
As previously reported	950,109	1,292,354	8,814,835	(687,121)	(646,255)	9,723,922	1,701,456	11,425,378
Effects of adoption of FRS 139	-	-	(374,953)	-	(60,611)	(435,564)	-	(435,564)
At 1.07.2010, as restated	950,109	1,292,354	8,439,882	(687,121)	(706,866)	9,288,358	1,701,456	10,989,814
Profit for the period	-	-	755,143	-	-	755,143	528,399	1,283,542
Other Comprehensive Income	-	-	-	-	320,236	320,236	283,593	603,829
Total Comprehensive Income for the period	-	-	755,143	-	320,236	1,075,379	811,992	1,887,371
Equity component of Ex. Bonds	-	-	-	-	(48,044)	(48,044)	-	(48,044)
Gain recognised on deemed dilution of interest in subsidiaries	-	-	(630)	-	-	(630)	(21,904)	(22,534)
Share buyback	-	-	-	(22,970)	-	(22,970)	-	(22,970)
Dividend paid	-	-	(134,525)	-	-	(134,525)	-	(134,525)
Distribution of treasury shares	-	-	-	-	-	-	-	-
Issue of share capital	917	7,909	-	-	-	8,826	-	8,826
Warrant reserve	-	-	-	-	(1,408)	(1,408)	-	(1,408)
Share options granted	-	-	-	-	3,876	3,876	-	3,876
Dividend paid to minority interest	-	-	-	-	-	-	(297,523)	(297,523)
Changes in composition of the Group	-	-	-	-	49,366	49,366	(174,594)	(125,228)
Balance at 31.03.2011	951,026	1,300,263	9,059,870	(710,091)	(382,840)	10,218,228	2,019,427	12,237,655

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 CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010

	Attributable to Shareholders of the Company							
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves	Total	Minority interests	Total equity
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1.7.2009								
As previously reported	948,496	1,503,558	7,997,434	(892,549)	(109,774)	9,447,165	953,219	10,400,384
Profit for the period	-	-	754,330	-	-	754,330	521,155	1,275,485
Other Comprehensive Income	-	-	-	-	(436,098)	(436,098)	(365,811)	(801,909)
Total Comprehensive Income for the period	-	-	754,330	-	(436,098)	318,232	155,344	473,576
Equity component of Ex. Bonds	-	-	-	-	125,357	125,357	-	125,357
Gain recognised on deemed dilution of interest in subsidiaries	-	-	354,356	-	-	354,356	(307,301)	47,055
Share buyback	-	-	-	(18,760)	-	(18,760)	(88)	(18,848)
Dividend paid	-	-	(101,061)	-	-	(101,061)	-	(101,061)
Distribution of treasury shares	-	(228,749)	-	228,749	-	-	-	-
Issue of share capital	1,406	12,055	-	-	10,612	24,073	-	24,073
Share options granted	-	-	-	-	(8,931)	(8,931)	-	(8,931)
Changes in composition of the Group	-	-	-	-	-	-	264,106	264,106
Balance at 31.03.2010	949,902	1,286,864	9,005,059	(682,560)	(418,834)	10,140,431	1,065,280	11,205,711

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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	FOR THE 9 MONTHS ENDED	
	31.03.2011	**31.03.2010**
	RM'000	**RM'000**
Net cash from operating activities	2,750,550	1,170,961
Net cash used in investing activities	(1,803,473)	(1,246,180)
Net cash from financing activities	74,275	2,129,311
Net changes in cash and cash equivalents	1,021,352	2,054,092
Cash and cash equivalents brought forward	11,046,029	9,071,219
Cash and cash equivalents carried forward	12,067,381	11,125,311

Cash and cash equivalents comprise:

	RM'000	**RM'000**
Fixed deposits	11,552,679	10,534,853
Cash and bank balances	568,365	594,495
Bank overdraft	(53,663)	(4,037)
	12,067,381	11,125,311

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

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the 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 the 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:

<u>FRS 101(revised): Presentation of Financial Statements</u>

The revised FRS 101 requires all non-owner changes in equity to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements.

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.

<u>FRS 7 Financial Instruments: Disclosures</u>

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 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 incident to ownership lie. 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. The reclassification has been accounted for retrospectively in accordance with the transitional provision and comparative balances have been restated.

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 the reporting date 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

a) 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.

b) Available-for-sale

Prior to 1 July 2010, available-for-sale financial assets such as other investments were accounted for at cost less impairment losses. Under FRS 139, available-for-sale financial asset is measured (a) at fair value initially and subsequently with unrealized gains or losses recognised directly in equity until the investment is derecognised or impaired or (b) at cost if the unquoted equity instrument is not carried at fair value because its fair value cannot be reliably measured.

c) Held-to-maturity

Prior to 1 July 2010, held-to-maturity financial assets such as negotiable instruments of deposits were accounted for at cost less impairment losses. Under FRS 139, held-to-maturity financial asset is 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 investments are derecognised, impaired or through the amortisation process.

Financial Liabilities

a) 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.

b) Derivative Financial Instruments

Prior to 1 July 2010, derivatives were not recognised in the financial statements. Under FRS 139, derivatives are required to be initially recognised at fair value on the date the derivative contract is entered into and subsequently at fair value at each balance sheet date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognised in the income statement.

However, where derivatives qualify for hedge accounting, recognition of any changes in fair value will depend on the nature of items being hedged as explained below:

<u>Cash flow hedge</u>

The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while an ineffective portion is recognised immediately in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction or firm commitment occurs.

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. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 July 2010.

The effects arising from the adoption of the new standard as described above, other than those disclosed in the statement of changes in equity are as follows:

	As perviously reported RM'000	Effect on adoption of amendment to FRS 117 RM'000	Effect on adoption of FRS 139 RM'000	As Restated RM'000
Non-current Assets				
Property, plant & equipment	19,027,087	135,696		19,162,783
Prepaid lease payment	135,696	(135,696)		-
Investment in associated companies & joint controlled entity	2,336,230		(378,994)	1,957,236
Available-for-sale investment	-		727,281	727,281
Investment	666,670		(666,670)	-
Derivative financial assets	-		1,684	1,684
Current Assets				
Derivative financial assets	1,949		35,117	37,066
Trade & other receivables	4,002,023		(11,952)	3,990,071
Available-for-sale investment			993,413	993,413
Short term Investments			(993,413)	(993,413)
Non-current liabilities				
Bonds & borrowings	22,791,826		(4,387)	22,787,439
Derivative financial liabilities	-		16,806	16,806
Current liabilities				
Trade & other payables	3,060,253		(875)	3,059,378
Derivative financial liabilities	23,749		77,934	101,683
Reserves				
Other reserves	(646,255)		(60,611)	(706,866)
Retained earnings	8,814,835		(374,953)	8,439,882

A2. Seasonality or Cyclicality of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

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 in estimates of amounts 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) For the current financial quarter, 391,000 ordinary shares of RM0.50 each were issued 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 RM4.88 per share. During the current financial year to date, a total of 1,835,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the ESOS at a weighted average exercise price of RM4.81 per share.

(ii) For the current financial quarter and financial year to date, the Company repurchased 236,000 and 2,926,700 ordinary shares of RM0.50 each of its issued share capital from the open market, at an average cost of RM7.38 and RM7.85 per share, respectively. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year to date amounted to RM1,742,834 and RM22,969,887, respectively and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 6A of the Companies Act, 1965. As at 31 March 2011, the total number of treasury shares held was 108,298,709 ordinary shares of RM0.50 each.

(iii) On 30 September 2010, a subsidiary of the Group had fully settled a SGD350 million 3.97% unsecured Bonds.

A6. Dividend paid

A first & final dividend of 20% or 10 sen per ordinary share of RM0.50 each gross less Malaysian Income Tax of 25% amounting to RM134,524,676 in respect of financial year ended 30 June 2010 was paid on 23 December 2010.

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YTL CORPORATION BERHAD (Company No. 92647-H)
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Notes: - continued

A7. Segment Information

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the period ended 31 March 2011 is as follows:-

	Construction RM'000	technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	120,512	10,266	1,548,898	684,390	252,637	209,642	10,320,082	-	13,146,427
Inter-segment revenue	60,154	41,667	68,809	58,647	363,956	13,035	-	(606,268)	-
Total revenue	180,666	51,933	1,617,707	743,037	616,593	222,677	10,320,082	(606,268)	13,146,427
Segment results									
Profit from operations	39,664	786	377,826	168,121	87,543	13,511	1,621,626	-	2,309,077
Finance costs									(768,512)
									1,540,565
Share of profit of associated companies									190,731
Profit before taxation									1,731,296

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Notes: - continued

A7. Segment Reporting - continued

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the period ended 31 March 2010 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	110,066	12,624	1,413,698	356,876	174,701	110,547	9,607,983	-	11,786,495
Inter-segment revenue	160,391	20,353	138,300	63,524	276,108	3,011	-	(661,687)	-
Total revenue	270,457	32,977	1,551,998	420,400	450,809	113,558	9,607,983	(661,687)	11,786,495
Segment results									
Profit from operations	24,578	(755)	344,999	122,607	241,833	9,126	1,530,791	-	2,273,179
Finance costs									(760,298)
									1,512,881
Share of profit of associated companies									203,021
Profit before taxation									1,715,902

A8. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current quarter ended 31 March 2011, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

(i) On 30 July 2010, YTL Hotels & Properties Sdn Bhd ("YTLHP") incorporated a wholly-owned subsidiary in Singapore by the name YTL Hotels (Singapore) Pte Ltd ("YTLHS") with the issued and paid-up share capital of S$1.00 comprising 1 ordinary share at S$1.00. YTLHS was incorporated to undertake travel and hospitality-related business.

(ii) Dynamic Marketing (UK) Limited ("DMUK"), a wholly-owned subsidiary of YTL (Guernsey) Limited ("YTL (Guernsey)"), which in turn a wholly-owned subsidiary of the Company, had on 14 September 2010, been struck-off from the Companies House of UK. Accordingly, DMUK has ceased to be a subsidiary of YTL (Guernsey) and the Company.

(iii) On 24 September 2010, YTL Cement Berhad ("YTL Cement") announced that Gopeng Berhad ("Gopeng") had accepted its offer to purchase the 117,742,000 fully paid up ordinary shares of RM1.00 each ("Sale Shares") , representing 35.16% interest in Perak-Hanjoong Simen Sdn Bhd ("Perak-Hanjoong") for a total cash consideration of RM200,000,000 only ("Proposed Acquisition"). A sale and purchase agreement was entered into between YTL Cement and Gopeng on 20 October 2010. The Proposed Acquisition was completed on 10 December 2010. The Sale Shares were registered in the name of YTL Cement on 27 December 2010. Perak-Hanjoong is now a wholly-owned subsidiary of YTL Cement and an indirect subsidiary of the Company.

(iv) On 10 November 2010, YTL e-Solutions Berhad ("YTLE") entered into a conditional sale and purchase agreement with YTL Communications Sdn Bhd ("YTL Comm"), a subsidiary of YTL Power, for the disposal of 450,000 ordinary shares of RM1.00 each, representing 90% equity interest in Extiva Communications Sdn Bhd ("Extiva") ("Extiva Shares") to YTL Comm, for a total consideration of RM18 million ("Extiva Disposal"). Shareholders of YTLE approved the resolution on the Extiva Disposal at the Extraordinary General Meeting of YTLE held on 30 November 2010. The Extiva Disposal was completed on 14 January 2011. The Extiva Shares were registered in the name of YTL Comm on 16 February 2011. Extiva remains an indirect subsidiary of the Company.

(v) On 23 November 2010, YTL Utilities Limited ("YTL Utilities"), a wholly-owned subsidiary of YTL Power International Berhad ("YTL Power"), acquired 1 ordinary share of par value USD1.00 in YTL Jordan Energy Limited ("YTLJE") at par value. As a result, YTLJE became a wholly-owned subsidiary of YTL Utilities and an indirect subsidiary of the Company.

Notes: - continued

(vi) On 12 January 2011, Autodome Sdn Bhd ("Autodome"), a wholly-owned subsidiary of YTLHP acquired, from United Overseas Business Sdn Bhd for a consideration of RM1.00, 400,000 ordinary shares of RM1.00 each in Happy Steamboat Sdn Bhd ("HSSB"), representing the remaining 50% of the issued and paid-up share capital not owned by Autodome. As a result, HSSB became a wholly-owned subsidiary of Autodome and an indirect wholly-owned subsidiary of the Company.

(vii) On 8 February 2011, YTL Power Services Sdn Bhd, a wholly-owned subsidiary of YTL Cayman Limited, incorporated a wholly-owned subsidiary, YTL Power Services (Leb) SARL ("YTLPS Leb") in Lebanon with an issued and paid-up share capital of 5,000,000 Lebanese Pounds divided into 100 parts with a nominal value of 50,000 Lebanese Pounds each. As a result, YTLPS Leb became an indirect wholly-owned subsidiary of the Company.

(viii) In relation to the striking off application by Specialist Cement Sdn Bhd ("Specialist Cement"), an 85%-owned subsidiary of Buildcon Concrete Enterprise Sdn Bhd (a wholly-owned subsidiary of YTL Cement), pursuant to Section 308 of the Companies Act, 1965, as announced by YTL Cement on 12 October 2009, Specialist Cement had on 28 January 2011 received the final striking off notice from the Companies Commission of Malaysia that the name of Specialist Cement has been struck off its companies register. As a result, Specialist Cement ceased to be an indirect subsidiary of the Company.

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A9. Changes in Contingent Liabilities or Contingent Assets

Since the last financial year ended 30 June 2010, there were no changes in the contingent liabilities of the Group except for the following:-

As at 31 March 2011, the Company had given corporate guarantees to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	Total Amount Guaranteed RM'000	**Amount Utilised RM'000**
Bank overdrafts	18,200	989
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	150,560	18,072
Revolving credits/term loans	60,531	24,565
Bankers' guarantees	88,980	30,918
	318,271	74,544
	======	======
	S$'000	**S$'000**
Term loans	633,157	567,348
Bankers' guarantees	13,000	292
	646,157	567,640
	======	======
	US$'000	**US$'000**
Exchangeable Bonds due 2012	300,000	8,900
Exchangeable Bonds due 2015	400,000	400,000
	700,000	408,900
	======	======
	JPY'000	**JPY'000**
Revolving credits/term loan	8,000,000	7,600,000
	=======	========
	EUR'000	**EUR'000**
Letter of credit/bank guarantee/shipping guarantee	1,000	733
	=======	========

A10. Subsequent Events

Save for the following, there was no item, transaction or event of a material or unusual in nature during the period from the end of the quarter under review to the date of this report:-

- On 24 February 2011 the Company announced to undertake the subdivision of every 1 existing ordinary share of RM0.50 each held in the Company into 5 ordinary shares of RM0.10 each in the Company ("Subdivision") and the amendment to the Memorandum of Association of the Company to reflect the Subdivision ("Amendments"). Bursa Securities approved the Subdivision on 9 March 2011. Shareholders of the Company approved the resolutions on the Subdivision and Amendments at the Extraordinary General Meeting held on 14 April 2011.

  On 28 April 2011, a total of 1,902,112,238 ordinary shares of RM0.50 each were subdivided into 9,510,561,190 ordinary shares of RM0.10 each ("Subdivided Shares") to the entitled shareholders of the Company.

  The Subdivision was completed on 29 April 2011 with the listing of and the quotation for the Subdivided Shares on the Main Market of Bursa Securities.

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Notes: - continued

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

B1. Review of Performance

For the current quarter under review, the Group recorded a revenue of RM4,241.7 million representing an increase of 8.0% as compared to the preceding year corresponding quarter ended 31 March 2010 of RM3,929.1 million, whilst profit before taxation decreased to RM626.6 million when compared to the preceding year corresponding quarter ended 31 March 2010 of RM698.0 million, representing a decrease of 10.2%. The decrease in profit before taxation is mainly due to a one-off fee income received in the preceding year corresponding quarter.

For the nine months under review, Group revenue and profit before taxation increased to RM13,146.4 million and RM1,731.3 million respectively, representing an increase of 11.5% and 0.9%, respectively. The increase in revenue and profit before taxation was substantially due to the better performance of its utilities and cement businesses and higher profit recognition from its offshore property development activities.

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2011 RM'000	**Preceding Quarter 31.12.2010 RM'000**
Revenue	4,241,748	4,499,630
Profit before taxation	626,588	480,892
Profit attributable to owners of the parent	312,055	164,182

For the current financial quarter, Group revenue decreased by 5.7% whilst the profit before taxation increased by 30.3 % when compared to the preceding quarter ended 31 December 2010. The increase in profit before taxation was mainly attributable to better performance of its utilities, cement and construction businesses.

B3. 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.

B4. Prospects

The Group, after considering the Group’s current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2011.

B5. Profit Forecast

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

B6. Taxation

Taxation comprises the following:-

	Current Quarter 31.3.2011 RM'000	Year To Date 31.3.2011 RM'000
Taxation based on profit for the period	190,380	478,669
Deferred taxation	(46,085)	(30,915)
	144,295	447,754

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate higher than the Statutory Income Tax Rate due primarily to the losses incurred by some group companies which are not available for group relief and expenses that were not tax deductible.

B7. Sales of Unquoted Investment and /or Properties

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

B8. Quoted Securities

(a) Particulars of investment in quoted securities as at 31 March 2011:

	RM'000
- At cost	18,712
- At carrying value	35,609
- At market value	35,609
	=======

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B9. Corporate Developments

(a) **Corporate Proposals Announced and Pending Completion**

As at 25 May 2011, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:-

(i) On 23 November 2010, the following proposals were announced by the Company:-

(a) proposed disposal of the entire equity interests of the Company in the following subsidiaries to YTL Land & Development Berhad ("YTL Land") and the settlement of outstanding inter-company balances as at the latest practicable date preceding the relevant completion date ("Agreed Cut-Off Date"):-

(i) 100% equity interest in Arah Asas Sdn Bhd ("AASB") ("Proposed AASB Disposal")
(ii) 100% equity interest in Satria Sewira Sdn Bhd ("SSSB") ("Proposed SSSB Disposal")
(iii) 70% equity interest in Emerald Hectares Sdn Bhd ("EHSB") ("Proposed EHSB Disposal")
(iv) 100% equity interest in Pinnacle Trend Sdn Bhd ("PTSB") ("Proposed PTSB Disposal")
(v) 100% equity interest in Trend Acres Sdn Bhd ("TASB") ("Proposed TASB Disposal")
(vi) 100% equity interest in YTL Westwood Properties Pte Ltd ("YTLW") ("Proposed YTLW Disposal")

(b) proposed disposal of 70% equity interest in the following companies by YTL Singapore Pte Ltd ("YTLS"), a wholly-owned subsidiary of the Company and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date

(i) Lakefront Pte Ltd ("LFPL") ("Proposed LFPL Disposal"); and
(ii) Sandy Island Pte Ltd ("SIPL") ("Proposed SIPL Disposal")

(c) proposed disposal of 100% equity interest in Budaya Bersatu Sdn Bhd ("BBSB") by Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), a wholly-owned subsidiary of the Company and the settlement of the outstanding inter-company balances as at the Agreed Cut-Off Date ("Proposed BBSB Disposal"); and

(d) proposed disposal of six (6) parcels of agricultural land ("Bidor Land") by YTL Land Sdn Bhd ("YLSB"), a wholly-owned subsidiary of the Company ("Proposed Bidor Land Disposal").

(AASB, SSSB, EHSB, PTSB, TASB, YTLW, LFPL, SIPL and BBSB are collectively referred to as "Subject Companies")

(YTL Corp, SPYTL, YTLS and YLSB are collectively referred to as "Vendors")

(The proposed disposals of the Subject Companies and the Proposed Bidor Land Disposal are collectively referred to as "Proposed Disposals")

The total disposal consideration of RM476,053,870 for the Proposed Disposals and the settlement of the outstanding inter-company balances ("Total Consideration") is to be satisfied by the issuance by YTL Land of RM253,030,390 nominal value of ten (10)-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks ("ICULS") at 100% of nominal value of RM0.50 per ICULS ("Proposed ICULS Consideration Issue") and the remaining RM223,023,480 in cash.

Save for the Proposed AASB Disposal, any adjustment to the disposal consideration (where applicable) shall be satisfied in a manner to be mutually agreed upon by the respective vendors and YTL Land.

Where applicable, the outstanding inter-company balances are subject to adjustment based on the difference between the following:

(i) the outstanding inter-company balances as at 30 June 2010 or 31 August 2010 (where applicable); and

(ii) the outstanding inter-company balances as at the Agreed Cut-Off Date to be mutually agreed upon by YTL Land and the respective Vendors,

to be mutually agreed upon by the Company and YTL Land and verified by Messrs HLB Ler Lum or such other firm of external accountants to be appointed and mutually agreed upon by YTL Land and the respective Vendors and shall be adjusted accordingly in cash.

YTL Land will undertake a renounceable rights issue of ICULS ("Proposed Rights Issue of ICULS") to raise funds to partly satisfy the cash portion of the Total Consideration, whereby the Company shall undertake to subscribe in full for its entitlement under the Proposed Rights Issue of ICULS ("Proposed Subscription").

The Proposed Disposals and the settlement of outstanding inter-company balances are subject to, inter alia, the following approvals and consents being obtained:

(i) approval from the shareholders of the Company and YTL Land at the respective extraordinary general meetings to be convened; and

(ii) any other relevant authorities/parties (if required).

The Proposed ICULS Consideration Issue and Proposed Rights Issue of ICULS were approved by the Securities Commission ("SC") vide its letter dated 8 February 2011 subject to the terms and conditions stated therein.

On 6 May 2011, the Company announced that there have been some material developments ("Material Developments") to the Proposed Disposals arising from the reappraisal of the market value of each of the lands held by the Subject Companies and Bidor Land by Raine & Horne International Zaki + Partners Sdn Bhd and Robert Khan & Co Pte Ltd, with reference to a new material date of valuation of which forms the basis of the valuation certificate to be included in the circular to the shareholders of the Company and also the verbal clearance from the Asset Valuation Audit Department of SC.

Arising from the Material Developments, the following supplemental agreements were entered into with YTL Land to address the Material Developments:-

(i) by the Company, a supplemental agreement to the SSSB Agreement in relation to the Proposed SSSB Disposal for the revision to the disposal consideration for the Proposed SSSB Disposal;

(ii) by the Company, a supplemental agreement to the EHSB Agreement in relation to the Proposed EHSB Disposal for the revision to the disposal consideration for the Proposed EHSB Disposal;

(iii) by YTLS, a supplemental agreement to the LFPL Agreement in relation to the Proposed LFPL Disposal for the revision to the disposal consideration for the Proposed LFPL Disposal and the incorporation of an adjustment revision;

(iv) by YTLS, a supplemental agreement to the SIPL Agreement in relation to the Proposed SIPL Disposal for the incorporation of an adjustment revision; and

(v) by YLSB, a supplemental agreement to the Bidor Land Agreement in relation to the Proposed Bidor Land Disposal for the revision to the disposal consideration for the Proposed Bidor Land Disposal.

Consequent to the Material Developments, the Total Consideration has been revised downwards from RM476,053,870 to RM474,289,212.

(i) On 14 December 2010, the following proposals were announced by the Company:-

(a) YTL Land Sdn Bhd, Niseko Village K.K., Business & Budget Hotels (Penang) Sdn Bhd and Prisma Tulin Sdn Bhd (which are either direct or indirect subsidiaries of the Company) ("Vendors"), have entered into four (4) separate conditional sale and purchase agreements with Mayban Trustees Berhad (as the trustee of Starhill Real Estate Investment Trust ("Starhill REIT")) ("Trustee") for the disposal of the following properties (together with appurtenant assets) ("Properties") for a total indicative disposal consideration of RM472.0 million ("Disposal Consideration"):-

(i) Cameron Highlands Resort;
(ii) Hilton Niseko;
(iii) Vistana Penang; and
(iv) Vistana Kuala Lumpur.

The proposed disposals of the abovementioned properties are collectively referred to as "Proposed Disposals".

(b) The Vendors (save for YTL Land Sdn Bhd) and Cameron Highlands Resort Sdn Bhd which is the current hotel operator for Cameron Highlands Resort have also on even date entered into four (4) separate lease agreements with the Trustee for the lease of the Properties which shall be effective upon the completion of the Proposed Disposals on the terms and conditions set out therein.

The Disposal Consideration is to be satisfied by:-

(i) cash consideration of RM100.0 million; and

(ii) convertible preference units issued by Starhill Global Real Estate Investment Trust of a value equivalent to RM372.0 million.

The Disposal Consideration may vary due to the following:-

(i) final exchange rate used for Hilton Niseko
(ii) if the area of the land title for Hilton Niseko differs from the agreed area; and
(iii) any variation to the valuation of the Properties which the Securities Commission may impose to be agreed by the parties.

The Disposal Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the Properties ascribed by the Independent Valuers, Messrs Raine & Horne International Zaki + Partners Sdn Bhd and Savills Japan Co., Ltd.

The Proposed Disposals is subject to, inter alia, the following approvals and consents being obtained:

(i) approval from the shareholders of the Vendors at the respective extraordinary general meetings to be convened;

(ii) approval from the unitholders of Starhill REIT at the unitholders' meeting to be convened; and

(iii) any other relevant authorities/parties (if required).

SC approved Starhill REIT's application for an extension of time until 28 June 2011 to comply with clauses 8.08, 8.22(b), (c) and (d) to the Guidelines on REITs via their letter dated 20 December 2010.

Bursa Securities had via their letter dated 12 January 2011 approved Starhill REIT's application for an extension of time until 28 June 2011 to complete the Proposed Disposals.

(b) **Status of Utilisation of Proceeds**

The net proceeds received from the issue of the US$400 million Guaranteed Exchangeable Bonds due 2015 ("2015 Bonds") were partially utilised to repay a principal amount of US$291.1 million of the USD$300 million Guaranteed Exchangeable Bonds due 2012 ("2012 Bonds") pursuant to the exercise by bondholders of their right under the trust deed dated 15 May 2007 constituting the 2012 Bonds to require the Company to redeem all or some of the 2012 Bonds on 15 May 2010 at 108.70% of their principal amount, amounting to US$316.4 million.

The balance of the proceeds of the 2015 Bonds is currently placed under fixed deposits pending investment.

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B10. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 31 March 2011 are as follows:-

		RM'000
(i)	Short term	
	- Secured	2,083,505
	- Unsecured	6,498,085
		8,581,590

		RM'000
(ii)	Long term	
	- Secured	6,232,881
	- Unsecured	13,404,249
		19,637,130

The above include borrowings denominated in foreign currencies as follows:-

In Singapore Dollar ('000)	3,213,795
In US Dollar ('000)	855,861
In Sterling Pound ('000)	1,612,228
In Japanese Yen ('000)	7,600,000
In Euro ('000)	733

Save for the borrowings of RM43.626 million, S$576.348 million, EUR 0.73 million and Yen 7.6 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

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B11. Derivatives Financial Instruments

(a) Derivatives Financial Instrument

As at 31 March 2011, the Group's outstanding derivatives are as follows:

Type of Derivatives	**Contract/Notional Value RM'000**	**Fair Value RM'000**
Fuel oil swaps		
- Less than 1 year	1,348,798	1,540,175
- 1 year to 3 years	10,075	12,201
Currency forwards		
- Less than 1 year	1,419,538	1,381,042
- 1 year to 3 years	19,112	18,161
Interest rate swaps		
- More than 3 years	599,850	573,291

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.

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.

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance acquisition of subsidiaries and for the construction of property, plant and equipment.

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

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(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 March 2011 are as follows:

Type of financial liabilities	**Basis of fair value measurement**	**Reason for the gain/(loss)**	**Fair value gain/(loss)**	
			Current year quarter 3 months to 31.03.2011	**Current year to date 9 months to 31.03.2011**
			RM'000	**RM'000**
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of /(unfavourably against) the Group	1,158	(165)
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of /(unfavourably against) the Group	1,205	2,284
		Total	2,363	2,119

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Notes: - continued

(c) Retained Earnings

	As at 31.03.2011 RM'000
Retained earnings/ (accumulated losses) of the Company and its subsidiaries	
- Realised	12,742,644
- Unrealised	(699,115)
	12,043,529
Total share of accumulated losses from jointly controlled entity	
- Realised	(2)
	(2)
Total share of profit/(loss) from associated companies	
- Realised	90,430
- Unrealised	360,916
	451,346
Less: consolidated adjustments	(3,435,003)
Total Group retained earnings as per consolidated accounts	9,059,870

B12. Material litigation

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

B13. Dividend

The Board of Directors has not recommended any interim dividend for the current financial period to 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 as set out below:-

	Current Year Quarter 31.03.2011	**Preceding Year Corresponding Quarter 31.03.2010**
Profit attributable to owners of the parent (RM'000)	312,055	330,592
Weighted average number of ordinary shares ('000)		
Issued at the beginning of the period	1,901,889	1,895,765
Shares repurchased	(108,160)	(99,632)
	1,793,729	1,796,133
Basic earnings per share (sen)	17.40	18.41

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B14. Earnings Per Share - continued

ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit for the current financial quarter as set out below:-

	Current Year Quarter 31.03.2011	Preceding Year Corresponding Quarter 31.03.2010
Profit attributable to owners of the parent (RM'000)	312,055	330,592
Weighted average number of ordinary shares-diluted ('000)		
Weighted average number of ordinary shares-basic	1,793,729	1,796,133
Effect of unexercised employees share option scheme	15,332	15,304
	1,809,061	1,811,437
* Diluted earnings per share (sen)	17.25	18.25

* *Total cash expected to be received in the event of an exercise of all ESOS options is RM197.140 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM197.140 million resulting in an increase in NA per share of RM0.11. 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: 26 May 2011