

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the period ended 30 September 2005

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL CURRENT YEAR QUARTER 30.09.2005 RM'000	PERIOD PRECEDING YEAR CORRESPONDING QUARTER 30.09.2004 RM'000	CUMULATIVE CURRENT YEAR TO DATE 30.09.2005 RM'000	PERIOD PRECEDING YEAR CORRESPONDING PERIOD 30.09.2004 RM'000
REVENUE	926,723	888,577	926,723	888,577
OPERATING EXPENSES	(540,504)	(518,805)	(540,504)	(518,805)
OTHER OPERATING INCOME	3,165	891	3,165	891
PROFIT FROM OPERATION	----- 389,384	----- 370,663	----- 389,384	----- 370,663
FINANCE COSTS	(164,865)	(163,714)	(164,865)	(163,714)
SHARE OF RESULTS OF ASSOCIATED COMPANIES	36,619	133	36,619	133
PROFIT BEFORE TAXATION	----- 261,138	----- 207,802	----- 261,138	----- 207,802
TAXATION	(82,622)	(49,846)	(82,622)	(49,846)
NET PROFIT FOR THE PERIOD	----- 178,516 =====	----- 157,236 =====	----- 178,516 =====	----- 157,236 =====
EARNINGS PER SHARE				
Basic (Sen)	----- 3.70 =====	----- 3.49 =====	----- 3.70 =====	----- 3.49 =====
Diluted (Sen)	----- 3.42 =====	----- 3.33 =====	----- 3.42 =====	----- 3.33 =====

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June 2005

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30.09.2005	As at 30.06.2005
	RM'000	RM'000
Property, Plant & Equipment	13,918,020	14,295,774
Intangible Assets	441,333	441,333
Investment in Associated Companies	744,952	774,960
Investments	586,221	590,790
Development Expenditure	903	857
Current Assets		
Inventories	136,720	138,209
Receivable, Deposits and Prepayment	996,721	1,112,395
Short Term Investments	42,247	41,964
Deposits, Bank and Cash Balances	4,779,642	4,509,289
	-----	-----
	5,955,330	5,801,857
	-----	-----
Current Liabilities		
Payables and Accrued Liabilities	865,704	872,711
Provision for Liabilities and Charges	31,113	31,018
Provision for Taxation	66,953	53,424
Bonds	125,000	125,000
Borrowings	1,338,386	1,385,633
	-----	-----
	2,427,156	2,467,786
	-----	-----
Net Current Assets	3,528,174	3,334,071
	-----	-----
	<u>19,219,603</u>	<u>19,437,785</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30th June 2005

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEET – Continued

	As at 30.09.2005	As at 30.06.2005
	RM'000	RM'000
Share Capital	2,502,355	2,498,398
Reserves	3,161,061	3,032,334
Treasury Shares, at cost	(345,418)	(301,499)
	-----	-----
Shareholders' Funds	5,317,998	5,229,233
Minority Interests*	-	-
Deferred Taxation	2,316,886	2,362,357
Bonds	7,910,432	8,105,189
Borrowings	3,101,437	3,151,994
Provision for Liabilities & Charges	408,397	417,535
Deferred Income	142,917	149,213
Payables	21,536	22,264
	-----	-----
	19,219,603	19,437,785
	=====	=====
Net Tangible Assets Per Share (RM)	1.01	0.99
	====	====

* Minority Interest denotes RM1.

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30th June 2005

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2005**

	Current Year Quarter 30.09.2005 RM'000	Preceding Year Corresponding Quarter 30.09.2004 RM'000
Net cash from operating activities	433,204	323,653
Net cash used in investing activities	(61,361)	(233,151)
Net cash generated from financing activities	(94,152)	(251,106)
Net changes in cash and cash equivalents	277,691	(160,604)
Cash and cash equivalents brought forward	4,446,874	4,383,893
Cash and cash equivalents carried forward (note a)	4,724,565	4,223,289

Note a :

Cash and cash equivalents comprise :

	RM'000	RM'000
Fixed Deposit	4,765,908	4,264,402
Cash and bank balances	13,734	7,256
Bank overdraft	(55,077)	(48,369)
	4,724,565	4,223,289

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30th June 2005.

YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2005**

	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000
At 1 July 2005	2,498,398	2,072,127	(2,058,302)	(301,499)	3,018,509	5,229,233
Gain/(loss) not recognised in the income statement:						
Foreign currency Translation difference	-	-	(56,991)	-	-	(56,991)
Profit for the period	-	-	-	-	178,516	178,516
Shares repurchased	-	-	-	(43,919)	-	(43,919)
Issue of share capital	3,957	7,202	-	-	-	11,159
At 30 September 2005	<u>2,502,355</u>	<u>2,079,329</u>	<u>(2,115,293)</u>	<u>(345,418)</u>	<u>3,197,025</u>	<u>5,317,998</u>

	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000
At 1 July 2004	2,306,255	1,953,400	(2,057,953)	(265,127)	2,623,915	4,560,490
Gain/(loss) not recognised in the income statement:						
Foreign currency Translation difference	-	-	8,718	-	-	8,718
Profit for the period	-	-	-	-	157,236	157,236
Shares repurchased	-	-	-	(29,986)	-	(29,986)
Issue of share capital	39,493	76,762	-	-	-	116,255
At 30 September 2004	<u>2,345,748</u>	<u>2,030,162</u>	<u>(2,049,235)</u>	<u>(295,113)</u>	<u>2,781,151</u>	<u>4,812,713</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30th June 2005

INTERIM FINANCIAL REPORT

Notes :

Disclosure requirement per FRS 134 – paragraph 16

A1. Accounting Policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of the Kuala Lumpur Stock Exchange.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June, 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited annual financial statements.

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June, 2005.

A2. Audit Report of preceding financial year ended 30 June 2005.

The Auditors’ Report on the financial statements of the preceding financial year was not subject to any qualification.

A3. Seasonality or Cyclicity of Operations

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

A4. 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.

A5. Changes in estimates of amounts reported

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

A6. Changes in Debt and Equity Securities

During the current financial quarter, 7,914,000 ordinary shares were issued respectively pursuant to the exercise of warrants at an exercise price of RM 1.41 per share.

A total of 20,869,000 ordinary shares were repurchased from the open market for a total consideration of RM43,919,046 for the current financial quarter. The share buy-back transactions were financed by internally generated funds. The shares purchased are being held as treasury shares. As at 30 September 2005, the number of treasury shares held is 181,326,056 ordinary shares.

The outstanding debts are as disclosed in note B9.

INTERIM FINANCIAL REPORT

Notes :- continued

A7. Dividend paid

No dividend was paid during the current financial quarter.

A8. Segment Reporting

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

Segment Reporting

	Turnover Current Year 30.09.2005	Turnover Preceding Year Corresponding 30.09.2004	Profit Before Taxation Current Year 30.09.2005	Profit Before Taxation Preceding Year Corresponding 30.09.2004
Analysis by activities	RM'000	RM'000	RM'000	RM'000
Investment holding	42,529	40,565	17,924	23,119
Power generation	289,148	283,619	140,597	96,464
Water and sewage	595,046	564,393	102,617	87,499
	----- 926,723 =====	----- 888,577 =====	----- 261,138 =====	----- 207,082 =====
Analysis by geographical area	RM'000	RM'000	RM'000	RM'000
Operations in Malaysia	287,436	299,565	92,609	100,623
Operations in United Kingdom	595,046	564,393	102,617	87,499
Operations in Other Countries	44,241	24,619	65,912	18,960
	----- 926,723 =====	----- 888,577 =====	----- 261,138 =====	----- 207,082 =====

A9. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

A10. Material Events Subsequent to the end of the interim period

There were no material events subsequent to the end of the current financial quarter.

INTERIM FINANCIAL REPORT

Notes :- continued

A11. Changes in the Composition of the Group

On 14 October 2005, the Company announced that it has acquired YTL Jawa Power Finance Limited (formerly known as YTL Utilities Investments Limited) through its wholly-owned subsidiary, YTL Jawa Power Holdings Limited.

YTL Jawa Power Finance Limited, a company incorporated in the Cayman Islands on 27 June 2003, is an investment holding company with an authorised share capital of US\$50,000.00 comprising 50,000 ordinary shares of US\$1.00 each. The issued and paid-up share capital is US\$1.00 divided into 1 ordinary share of US\$1.00 each.

A12. Changes in Contingent Liabilities

There was no change in the contingent liabilities of the Group since the last annual balance sheet as at 30 June 2005 except for the performance guarantee by SC Technology GmbH for the amount of GBP 1.17 million.

INTERIM FINANCIAL REPORT

Disclosure requirement per KLSE listing requirements Part A of Appendix 9B

B1. Review of the Results

Group turnover increased to RM926.7 million for the current quarter ended 30 September 2005 from RM888.6 million in the preceding year corresponding quarter ended 30 September 2004. This represents an increase of RM38.1 million or 4.3 % over the preceding year corresponding quarter ended 30 September 2004. The Group profit before taxation increased by 25.7 % to RM261.1 million in the current quarter ended 30 September 2005 as compared to the preceding year corresponding quarter ended 30 September 2004. The increase was mainly attributable to equity accounting of a foreign associated company since December 2004.

B2. Comparison with Preceding Quarter

	Current Quarter 30.09.2005 RM'000	Preceding Quarter 30.06.2005 RM'000
Turnover	926,723	928,675
Consolidated Profit before taxation	261,138	284,113
Consolidated Profit after taxation	178,516	190,271

The decrease in consolidated profit after tax in the current quarter as compared to preceding quarter was mainly attributable to lower contribution from a foreign associated company.

B3. Prospects

The results of the Group for the year ending 30 June 2006 are expected to be satisfactory.

B4. Profit Forecast/Profit Guarantee

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

B5. Taxation

	Current Year Quarter 30.09.2005 RM'000	Current Year to Date 30.09.2005 RM'000
In respect of current period		
- Income Tax	67,917	67,917
- Deferred Tax	14,845	14,845
In respect of prior years		
- Income Tax	(140)	(140)
	-----	-----
	82,622	82,622
	=====	=====

INTERIM FINANCIAL REPORT

Notes :- continued

The provision for taxation for the current quarter and current year to date reflect an effective rate higher than the Statutory Income Tax Rate due to certain expenses not deductible for tax purposes.

B6. Sale of unquoted investments and/or properties

There is no sale of unquoted investment during the current financial quarter.

B7. Quoted Investments

- a) There were no purchases or disposals of quoted securities during the current reporting quarter.
- b) The cost, carrying value and the market value of the quoted investments of the Group as at end of the current reporting quarter are:

	RM'000
Cost	26,984
Carrying value	26,984
Market value	33,573

B8. Corporate Developments

a) **Corporate proposal announced and pending completion**

As at the date of this announcement, there is no corporate proposal announced and pending completion.

b) **Status of utilisation of proceeds**

7% Redeemable Non-Guaranteed Unsecured Bonds

The proceeds received by the Company from the issue of the RM750 million 7% Redeemable Non-Guaranteed Unsecured Bonds on 11 January 2000 is currently placed under Fixed Deposits with licensed financial institutions pending investments in power generation assets.

USD250 million Guaranteed Exchangeable Bonds due 2010

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

INTERIM FINANCIAL REPORT

Notes : - continued

B9. Group Borrowings and Debt Securities

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

	Short term RM'000	Long term RM'000	Total RM'000
Secured	765,588	313,023	1,078,611
Unsecured	697,798	10,698,846	11,396,644
	-----	-----	-----
	<u>1,463,386</u>	<u>11,011,869</u>	<u>12,475,255</u>

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

In US Dollar ('000)	491,006
	=====
In Sterling Pound ('000)	1,269,997
	=====

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

- a) Term loan facility of USD250 million and
- b) USD250 million Guaranteed Exchangeable Bonds due 2010.

B10. Off Balance Sheet Financial instruments

The Group finances its activities through a combination of short-term borrowings, long-term loans and bonds. The Group uses financial instruments to limit the Group's exposure to interest rate movements and also to generate a desire interest rate profile. These instruments are not recognised in the financial statements on inception. The accounting policy with regards to these financial instruments, which remain the same to that disclosed in the latest audited financial statements is as follows:

“Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the income statement.”

There has been no material change to the terms and conditions of financial instruments disclosed in the latest audited financial statements and the date of this announcement. In addition to the above, Wessex Water Services Limited has several interest rate swap agreements which limit the Group's exposure to floating interest rate, details of which are as follows:

INTERIM FINANCIAL REPORT

Notes :- continued

	Total
	£'000
Notional Principal Amount (denotes in Sterling Pound)	70,800
	=====
	RM'000
RM equivalent (exchange rate £1=RM6.6438)	470,381
Average fixed interest rate	5.76 %
Average period to maturity of the fixed rate borrowing (years)	0.8

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

B11. Pending material litigation

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

B12. Dividend

The Board of Directors has not recommended any interim dividends for the current financial year.

B13. Earnings Per Share

i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter.

	Current Quarter 30.09.2005	Preceding Year Corresponding Quarter 30.09.2004
Net Profit for the period (RM'000)	178,516	157,236
	=====	=====
Weighted average number of ordinary shares ('000)	4,830,311	4,509,673
	=====	=====
Basic earnings per share (sen)	3.70	3.49
	=====	=====

INTERIM FINANCIAL REPORT

Notes :- continued

ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter.

	Current Quarter 30.09.2005	Preceding Year Corresponding Quarter 30.09.2004
Net profit for the period (RM'000)	178,516 =====	157,236 =====
<i>Weighted average number of ordinary shares ('000) - diluted</i>		
Weighted average number of ordinary shares ('000) - basic	4,830,311	4,509,673
Effect of unexercised warrants ('000)	351,264	185,200
Effect of unexercised ESOS ('000)	45,059	26,881
	----- 5,226,634 =====	----- 4,721,754 =====
Diluted earnings per share (sen)	3.42 =====	3.33 =====

* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,775.015 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM1,775.015 million resulting in an increase in NTA per share of RM0.29. In arriving at the Diluted earnings per share, NTA and NTA per share, no income has been accrued for the cash proceeds.*

By Order of the Board

HO SAY KENG
Secretary

Kuala Lumpur

Dated: 24 November 2005