

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the quarter ended 30 September 2008.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2007 RM'000	3 MONTHS ENDED	
			30.9.2008 RM'000	30.9.2007 RM'000
REVENUE	1,049,300	1,038,323	1,049,300	1,038,323
COST OF SALES	(580,284)	(555,427)	(580,284)	(555,427)
GROSS PROFIT	469,016	482,896	469,016	482,896
OTHER OPERATING EXPENSES	(51,940)	(48,291)	(51,940)	(48,291)
OTHER OPERATING INCOME	24,141	26,736	24,141	26,736
PROFIT FROM OPERATIONS	441,217	461,341	441,217	461,341
FINANCE COSTS	(228,307)	(189,136)	(228,307)	(189,136)
SHARE OF RESULTS OF ASSOCIATED COMPANIES	32,888	45,565	32,888	45,565
PROFIT BEFORE TAXATION	245,798	317,770	245,798	317,770
TAXATION	(65,421)	(82,703)	(65,421)	(82,703)
NET PROFIT FOR THE PERIOD	180,377	235,067	180,377	235,067
ATTRIBUTABLE TO:				
Shareholders	180,377	235,067	180,377	235,067
Minority interest	-	-	-	-
	180,377	235,067	180,377	235,067
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	3.32	4.61	3.32	4.61
Diluted (Sen)	2.90	4.06	2.90	4.06

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED	AUDITED
	As at	As at
	30.9.2008	30.06.2008
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	14,679,246	15,089,793
Prepaid Lease Payments	3,095	3,171
Intangible Assets	441,333	441,333
Investment in Associated Companies	1,016,151	929,872
Investments	699,293	711,626
Development Expenditure	9,157	-
	-----	-----
	16,848,275	17,175,795
	-----	-----
Current Assets		
Inventories	150,200	152,666
Receivable, Deposits and Prepayment	1,018,219	1,028,783
Short Term Investments	46,227	45,872
Deposits, Cash and Bank Balances	9,973,605	9,423,760
	-----	-----
	11,188,251	10,651,081
	-----	-----
TOTAL ASSETS	28,036,526	27,826,876
	=====	=====
EQUITY AND LIABILITIES		
Share Capital	2,852,963	2,721,320
Reserves	3,778,422	4,039,223
Treasury Shares, at cost	(115,696)	(360,148)
	-----	-----
Equity attributable to Shareholders of the Company	6,515,689	6,400,395
Minority Interest *	-	-
	-----	-----
TOTAL EQUITY	6,515,689	6,400,395
	-----	-----

* Minority Interest denotes RM1.

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEET – Continued

	UNAUDITED	AUDITED
	As at	As at
	30.9.2008	30.06.2008
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Deferred Tax Liabilities	2,137,994	2,199,393
Bonds	9,429,948	9,649,749
Borrowings	4,437,445	3,878,551
Deferred Income	126,572	133,917
Provision for Liabilities and Charges	312,579	315,352
Payables	10,129	10,614
	-----	-----
	16,454,667	16,187,576
	-----	-----
Current Liabilities		
Payables and Accrued Liabilities	1,117,261	1,063,969
Provision for Liabilities and Charges	19,360	20,546
Provision for Taxation	92,148	123,142
Bonds	1,929,012	2,014,182
Borrowings	1,908,389	2,017,066
	-----	-----
	5,066,170	5,238,905
	-----	-----
TOTAL LIABILITIES	21,520,837	21,426,481
	-----	-----
TOTAL EQUITY AND LIABILITIES	28,036,526	27,826,876
	=====	=====
Net Assets Per 50 Sen Share (RM)	1.15	1.21
	===	===

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the financial statements

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

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

	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 July 2008	2,721,320	1,699,219	(2,037,888)	(360,149)	4,377,893	6,400,395	-	6,400,395
Currency translation difference	-	-	(326,164)	-	-	(326,164)	-	(326,164)
Net profit for the period	-	-	-	-	180,377	180,377	-	180,377
Total recognised income and expenses for the period	-	-	(326,164)	-	180,377	(145,787)	-	(145,787)
Shares repurchased	-	-	-	(67,391)	-	(67,391)	-	(67,391)
Issue of share capital	131,643	222,442	-	-	-	354,085	-	354,085
Share dividend	-	(311,844)	-	311,844	-	-	-	-
Provision for share options	-	-	65	-	-	65	-	65
Warrant reserve	-	-	(25,678)	-	-	(25,678)	-	(25,678)
At 30 September 2008	2,852,963	1,609,817	(2,389,665)	(115,696)	4,558,270	6,515,689	-	6,515,689

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY-continued
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

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

	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 July 2007	2,648,158	1,944,120	(2,089,520)	(402,763)	3,933,076	6,033,071	-	6,033,071
Currency translation difference	-	-	44,940	-	-	44,940	-	44,940
Net profit for the period	-	-	-	-	235,067	235,067	-	235,067
Total recognised income and expenses for the period	-	-	44,940	-	235,067	280,007	-	280,007
Shares repurchased	-	-	-	(87,335)	-	(87,335)	-	(87,335)
Issue of share capital	7,385	23,357	-	-	-	30,742	-	30,742
Equity component of exchangeable bond	-	-	(972)	-	-	(972)	-	(972)
Share options granted	-	-	303	-	-	303	-	303
At 30 September 2007	2,655,543	1,967,477	(2,045,249)	(490,098)	4,168,143	6,255,816	-	6,255,816

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	CURRENT YEAR-TO-DATE 30.9.2008	PRECEDING YEAR CORRESPONDING PERIOD 30.9.2007
	RM'000	RM'000
Net cash generated from operating activities	245,440	477,214
Net cash (used) in investing activities	(216,663)	(138,722)
Net cash generated from financing activities	456,791	1,377,576
Net increase in cash and cash equivalents	485,568	1,716,068
Cash and cash equivalents at beginning of the period	9,375,916	6,013,224
Cash and cash equivalents at end of the period <i>[Note a]</i>	9,861,484	7,729,292

[Note a]

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

	RM'000	RM'000
Fixed deposits	9,922,324	7,759,331
Cash and bank balances	51,281	13,380
Bank overdrafts (included within short term borrowings in [Note B9])	(112,121)	(43,419)
	9,861,484	7,729,292

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2008.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad.

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

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2008.

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A4. Changes in Estimates of Amounts Reported

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

A5. Changes in Debt and Equity Securities

During the current financial quarter and financial year to date, 2,030,289 ordinary shares were issued pursuant to the exercise of warrants 2000/2010 at a weighted average exercise price of RM1.19 per share.

The number of ordinary shares issued during the current financial quarter and financial year to date pursuant to the exercise of warrants 2008/2018 were 261,200,880 at a weighted average exercise price of RM1.25 per share.

During the current financial quarter and financial year to date, 54,500 ordinary shares 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 RM1.33 per share.

INTERIM FINANCIAL REPORT

Notes – continued

A total of 37,662,900 ordinary shares were repurchased from the open market for a total consideration of RM67,391,850 for the current financial quarter and financial year to date. The share buy-back transactions were financed by internally generated funds. The shares purchased are being held as treasury shares.

During the current financial quarter and financial year to date, a total of 137,819,391 treasury shares were distributed as share dividend on 22 September 2008 to the shareholders on the basis of one (1) treasury share for every forty (40) ordinary shares held on 11 September 2008. As at 30 September 2008, the number of treasury shares held were 54,249,345 ordinary shares.

The outstanding debts are as disclosed in Note B9.

A6. Dividend Paid

No dividend was paid during the current financial quarter.

A7. Segment Reporting

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

Segment reporting for period ended 30 September 2008:

	Investment Holding RM'000	Power Generation RM'000	Water & Sewerage RM'000	Group RM'000
Operating Revenue				
Total operating revenue	102,407	286,897	704,701	1,094,005
Inter-segment*	(16,721)	(3,317)	(24,667)	(44,705)
	<hr/>			
External Operating Revenue	85,686	283,580	680,034	1,049,300
	<hr/>			
Results				
Segment result (external)	46,128	36,281	358,808	441,217
Finance cost				(228,307)
Share of results of associated companies	-	32,888	-	32,888
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Profit from ordinary activities before tax				245,798
Taxation				(65,421)
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Profit from ordinary activities after tax				<u>180,377</u>

INTERIM FINANCIAL REPORT

Notes – continued

Segment Reporting for period ended 30 September 2007:

	Investment Holding RM'000	Power Generation RM'000	Water & Sewerage RM'000	Group RM'000
Operating Revenue				
Total operating revenue	69,391	292,546	701,986	1,063,923
Inter-segment*	(6,877)	(3,364)	(15,359)	(25,600)
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External Operating Revenue	62,514	289,182	686,627	1,038,323
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Results				
Segment result (external)	27,444	127,993	305,904	461,341
Finance cost				(189,136)
Share of results of associated companies	-	45,565	-	45,565
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Profit from ordinary activities before tax				317,770
Taxation				(82,703)
<hr/>				
Profit from ordinary activities after tax				235,067
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* Inter-segment operating revenue has been eliminated at the respective segment. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

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

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report, except as disclosed below.

On 13 October 2008, the Company announced that its indirect wholly-owned subsidiary, Wessex Water Enterprises Limited (“WWEL”), has subscribed for the following:-

- (a) 100 shares of £1.00 each representing the entire issued and paid-up share capital of Wessex Electricity Utilities Limited (“WEUL”) for £100 in cash; and
- (b) 100 shares of £1.00 each representing the entire issued and paid-up share capital of Wessex Gas Utilities Limited (“WGUL”) for £100 in cash.

(collectively, “the Subscriptions”)

INTERIM FINANCIAL REPORT

Notes – continued

As a result of the Subscriptions, WEUL and WGUL have become indirect subsidiaries of the Company. WEUL and WGUL are private limited companies incorporated in the England and Wales, each with authorised share capital of £1,000 comprising 1,000 shares of £1.00 each. WEUL and WGUL will be principally involved in the ownership and operation of electricity and gas infrastructure.

A9. Changes in the Composition of the Group

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

- (i) On 26 August 2008, the Company announced that it has acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Holdings Pte Limited (“Sceptre Holdings”) for S\$1.00 in cash (“the Acquisition”). As a result of the Acquisition, Sceptre Holdings has become a wholly-owned subsidiary of the Company. Sceptre Holdings is a company incorporated in Republic of Singapore on 15 August 2008 and is principally involved in investment holding.
- (ii) On 2 September 2008, the Company announced that Sceptre Holdings has acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Resources Pte Limited (“Sceptre Resources”) for S\$1.00 in cash (“the Acquisition”). As a result of the Acquisition, Sceptre Resources has become a wholly-owned subsidiary of Sceptre Holdings and an indirect subsidiary of the Company. Concurrent with the Acquisition, Sceptre Industries Pte Limited (“Sceptre Industries”) which is a wholly-owned subsidiary of Sceptre Resources, became an indirect subsidiary of the Company. Sceptre Resources and Sceptre Industries are private limited companies incorporated in the Republic of Singapore on 19 August 2008 and 15 August 2008 respectively and will be principally involved in investment holding.

A10. Changes in Contingent Liabilities

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

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

B1. Review of the Results

Group revenue was RM1,049.3 million for the current quarter ended 30 September 2008 as compared to RM1,038.3 million in the preceding year corresponding quarter ended 30 September 2007. This represents an increase of RM11 million or 1.1% over the preceding year corresponding quarter ended 30 September 2007. The Group profit after taxation for the current quarter was lower by RM54.7 million or 23.3% to RM180.4 million in the current quarter ended 30 September 2008 as compared to the preceding year corresponding quarter ended 30 September 2007. The decrease was principally due to the provision of a one off tax payment to the Government of Malaysia by its power generation subsidiary.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2008 RM'000	Preceding Quarter 30.6.2008 RM'000
Revenue	1,049,300	1,140,540
Consolidated Profit before taxation	245,798	368,568
Consolidated Profit after taxation	180,377	280,647

The decrease in Group profit before tax and Group profit after tax for the current quarter ended 30 September 2008 as compared to the preceding quarter was principally due to the provision of the one off payment mentioned in Note B1 above and the lower exchange rates applied in translating the earnings of its foreign subsidiaries.

B3. Prospects

The Group, after considering its current level of operations and market conditions, is expected to perform satisfactorily for the financial year ending 30 June 2009 save and except for the one off payment referred to in Note B1 and the lower GBP exchange rate in translating the earnings of Wessex Water.

B4. Profit Forecast

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

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INTERIM FINANCIAL REPORT

Notes – continued

B5. Taxation

	Current Year Quarter 30.9.2008 RM'000	Current Year To Date 30.9.2008 RM'000
In respect of current period		
- Income Tax	49,155	49,155
- Deferred Tax	16,266	16,266
	-----	-----
	<u>65,421</u>	<u>65,421</u>

The provision for taxation for the current quarter reflects an effective rate approximates to the Statutory Income Tax Rates of the Countries where the Group operates.

B6. Sale of Unquoted Investments and/or Properties

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

B7. Quoted Investments

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

	RM'000
Cost	103,034
Carrying value	103,034
Market value	117,929
	=====

B8. Corporate Proposals

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

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

INTERIM FINANCIAL REPORT

Notes – continued

b) **Status of Utilisation of Proceeds**

USD250 million Guaranteed Exchangeable Bonds Due 2010

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

RM2.2 billion Redeemable Bonds Due 2013 with warrants issue

The net proceeds received from the issue of the RM2.2 billion Redeemable Bonds due 2013 is currently placed under fixed deposits pending investment in utilities assets.

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	62,568	-	62,568
Unsecured	3,774,833	13,867,393	17,642,226
	-----	-----	-----
	3,837,401	13,867,393	17,704,794
	=====	=====	=====

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

In US Dollar ('000)	558,158
	=====
In Sterling Pound ('000)	1,681,133
	=====

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

- a) USD250 million Guaranteed Exchangeable Bonds Due 2010, of which USD184.4 million remain outstanding as at 30 September 2008.
- b) USD190 million loan due on 29 January 2011.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet instruments as at 30 September 2008.

B11. Pending Material Litigation

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

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Notes: - continued

B12. Dividend

The Board of Directors declared an interim dividend of 6% gross less Malaysian Income Tax and 3% single tier for the current financial year ending 30 June 2009 and that the Book Closure and Payment Dates in respect of the aforesaid dividend are 5 January 2009 and 20 January 2009 respectively.

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 Year Quarter 30.9.2008	Preceding Year Corresponding Quarter 30.9.2007
Net Profit for the period (RM'000)	180,377 =====	235,067 =====
Weighted average number of ordinary shares ('000)	5,433,099 =====	5,100,285 =====
Basic earnings per share (Sen)	3.32 =====	4.61 =====

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

	Current Year Quarter 30.9.2008	Preceding Year Corresponding Quarter 30.9.2007
Net Profit/Adjusted Net Profit for the period (RM'000)	180,377	238,549
	=====	=====
<i>Weighted average number of ordinary shares ('000) – diluted</i>		
Weighted average number of ordinary shares ('000) – basic	5,433,099	5,100,285
Effect of unexercised warrants 2000/2010	295,258	359,868
Effect of unexercised warrants 2008/2018	488,201	-
Effect of unexercised ESOS	481	22,531
Assumed exchange of Zero Coupon Bonds	-	394,686
	-----	-----
	6,217,039	5,877,370
	=====	=====
Diluted earnings per share (Sen)	2.90	4.06
	=====	=====

* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM2,974.09 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM2,974.09 million resulting in an increase in NA per share of RM0.02. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.*

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 20 November 2008