



**IOI GROUP**

**IOI CORPORATION BERHAD** (9027-W)  
(Incorporated in Malaysia)

**Interim Report  
For The Financial Period Ended  
30 September 2007**

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Income Statement**

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2007 RM'000	30/09/2006 RM'000	30/09/2007 RM'000	30/09/2006 RM'000
<b>Revenue</b>	<b>3,122,741</b>	1,903,386	<b>3,122,741</b>	1,903,386
<b>Operating profit</b>	<b>651,372</b>	341,253	<b>651,372</b>	341,253
Interest income	<b>8,636</b>	8,832	<b>8,636</b>	8,832
Finance cost	<b>(44,703)</b>	(26,942)	<b>(44,703)</b>	(26,942)
Share of results of associates	<b>12,962</b>	15,593	<b>12,962</b>	15,593
Share of results of jointly controlled entity	<b>(16)</b>	-	<b>(16)</b>	-
<b>Profit before taxation</b>	<b>628,251</b>	338,736	<b>628,251</b>	338,736
Taxation	<b>(137,213)</b>	(60,575)	<b>(137,213)</b>	(60,575)
<b>Profit for the period</b>	<b>491,038</b>	278,161	<b>491,038</b>	278,161
Attributable to:				
Equity holders of the parent	<b>451,518</b>	255,669	<b>451,518</b>	255,669
Minority interest	<b>39,520</b>	22,492	<b>39,520</b>	22,492
	<b>491,038</b>	278,161	<b>491,038</b>	278,161
Earnings per share (sen) *				
Basic	<b>7.37</b>	4.22	<b>7.37</b>	4.22
Diluted	<b>6.99</b>	4.13	<b>6.99</b>	4.13

\* Comparative earnings per share have been restated to take into account the effect of the subdivision of ordinary share of RM0.50 each into RM0.10 each on 6 June 2007.

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to this interim financial report.)

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Balance Sheet**

	AS AT END OF CURRENT QUARTER  30/09/2007 RM'000	AS AT PRECEDING FINANCIAL YEAR END  30/06/2007 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	4,476,624	4,467,810
Prepaid lease payments	823,555	826,258
Land held for property development	827,696	821,744
Investment properties	703,247	699,469
Other long term investments	27,372	27,699
Goodwill on consolidation	510,262	510,661
Associates	288,506	280,924
Jointly controlled entity	549,349	161,479
Deferred tax assets	76,169	78,993
	<b>8,282,780</b>	<b>7,875,037</b>
<b>Current assets</b>		
Property development costs	401,381	428,934
Inventories	1,731,149	1,332,819
Receivables	1,466,841	1,295,667
Short term investments	7,199	7,199
Short term funds	865,469	1,879,345
Short term deposits	309,522	507,070
Cash and bank balances	308,033	341,581
	<b>5,089,594</b>	<b>5,792,615</b>
Non-current assets held for sale	<b>13,190</b>	<b>13,190</b>
	<b>5,102,784</b>	<b>5,805,805</b>
<b>TOTAL ASSETS</b>	<b>13,385,564</b>	<b>13,680,842</b>

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to this interim financial report.)

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Balance Sheet (Continued)**

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	30/09/2007 RM'000	30/06/2007 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	595,312	625,881
Share premium	1,099,024	2,349,560
Other reserves	116,119	56,257
Retained profits	5,158,886	4,707,560
	<u>6,969,341</u>	<u>7,739,258</u>
<b>Minority interests</b>	874,553	856,954
<b>Total equity</b>	<u>7,843,894</u>	<u>8,596,212</u>
<b>Non-current liabilities</b>		
Long term borrowings	3,714,304	3,381,663
Other long term liabilities	55,429	53,722
Deferred tax liabilities	497,910	502,857
	<u>4,267,643</u>	<u>3,938,242</u>
<b>Current liabilities</b>		
Payables	918,136	818,010
Bank overdrafts	5,076	7,013
Short term borrowings	218,307	242,681
Provision for taxation	132,508	78,684
	<u>1,274,027</u>	<u>1,146,388</u>
<b>Total liabilities</b>	<u>5,541,670</u>	<u>5,084,630</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>13,385,564</u>	<u>13,680,842</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>1.17</b>	<b>1.24</b>

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to this interim financial report.)

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Cash Flow Statement**

	<b>3 Months Ended 30/09/2007 RM'000</b>	<b>3 Months Ended 30/09/2006 RM'000</b>
<b>Operating Activities</b>		
Profit before taxation	628,251	338,736
Adjustments for:		
Depreciation	58,420	45,474
Other non-cash items	(9,648)	3,915
Operating profit before working capital changes	<u>677,023</u>	388,125
Net changes in working capital	<u>(350,045)</u>	(56,398)
Cash generated from operations	326,978	331,727
Other payments	(54)	(791)
Taxes paid	<u>(81,857)</u>	(59,091)
<b>Net cash inflow from operating activities</b>	<b><u>245,067</u></b>	<b><u>271,845</u></b>
<b>Investing Activities</b>		
Payment made to jointly controlled entity	(385,261)	-
Equity investments	(9,636)	(36,613)
Property, plant and equipment	(43,697)	(35,207)
Other investments	<u>(16,083)</u>	(14,825)
<b>Net cash outflow from investing activities</b>	<b><u>(454,677)</u></b>	<b><u>(86,645)</u></b>
<b>Financing Activities</b>		
Capital repayment	(1,314,392)	-
Dividends paid (minority shareholders)	(25,113)	(20,683)
Issuance of shares (net)	2,094	-
Issuance of shares (subsidiary)(net)	2,174	-
Bank borrowings	296,294	(83,333)
Dividends paid	<u>-</u>	(164,779)
<b>Net cash outflow from financing activities</b>	<b><u>(1,038,943)</u></b>	<b><u>(268,795)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,248,553)</b>	<b>(83,595)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,720,983</b>	<b>1,220,441</b>
<b>Effect of exchange rate changes</b>	<b><u>5,518</u></b>	<b><u>(656)</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>1,477,948</u></b>	<b><u>1,136,190</u></b>

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to this interim financial report.)



**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Statement Of Changes In Equity**

(RM'000)	Attributable to equity holders of the Company					Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Retained earnings			
<b>As at 1 July 2007</b>	<b>625,881</b>	<b>2,349,560</b>	<b>158,234</b>	<b>(101,977)</b>	<b>4,707,560</b>	<b>7,739,258</b>	<b>856,954</b>	<b>8,596,212</b>
Net loss not recognised in income statement	-	-	-	54,178	-	54,178	1,095	55,273
Net profit for the period	-	-	-	-	451,518	451,518	39,520	491,038
Issue of shares arising from conversion of 2nd Exchangeable Bonds	642	29,554	(2,121)	-	(192)	27,883	-	27,883
Issue of shares arising from exercise of share options	84	3,007	(1,208)	-	-	1,883	-	1,883
Capital repayment	(31,295)	(1,283,097)	-	-	-	(1,314,392)	-	(1,314,392)
Recognition of share option expenses	-	-	9,013	-	-	9,013	25	9,038
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	2,072	2,072
Dividend paid to minority interest	-	-	-	-	-	-	(25,113)	(25,113)
<b>As at 30 September 2007</b>	<b>595,312</b>	<b>1,099,024</b>	<b>163,918</b>	<b>(47,799)</b>	<b>5,158,886</b>	<b>6,969,341</b>	<b>874,553</b>	<b>7,843,894</b>

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to this interim financial report.)



**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Statement Of Changes In Equity (Continued)**

(RM'000)	Attributable to equity holders of the Company								Minority interests	Total equity	
	Share capital	Share premium	Revaluation surplus	Capital reserve	Foreign currency translation reserve	Negative goodwill	Treasury shares	Retained earnings			Total
<b>As at 1 July 2006</b>											
As previously reported	605,267	1,855,765	82,290	86,688	(101,318)	6,512	(108,188)	3,606,907	6,033,923	746,984	6,780,907
Effect of adopting FRS 2 - Share-based Payment	-	-	-	14,786	-	-	-	(14,786)	-	-	-
As restated but before opening balance adjustments	605,267	1,855,765	82,290	101,474	(101,318)	6,512	(108,188)	3,592,121	6,033,923	746,984	6,780,907
Effect of adopting FRS 140 - Investment property	-	-	(82,290)	-	-	-	-	82,290	-	-	-
Effect of adopting FRS 3 - Business combination											
- Transfer of reserve on consolidation to retained earnings	-	-	-	-	-	(6,512)	-	6,512	-	-	-
- Transfer of discount on acquisition of associates to retained earnings	-	-	-	-	-	-	-	25,613	25,613	2,148	27,761
As restated	605,267	1,855,765	-	101,474	(101,318)	-	(108,188)	3,706,536	6,059,536	749,132	6,808,668
Net loss not recognised in income statement	-	-	-	-	2,553	-	-	-	2,553	133	2,686
Net profit for the period	-	-	-	-	-	-	-	255,669	255,669	22,492	278,161
Dividend paid in respect of previous financial year	-	-	-	-	-	-	-	(164,779)	(164,779)	-	(164,779)
Issue of shares arising from conversion of Exchangeable Bonds	10,929	230,826	-	(24,612)	-	-	-	3,823	220,966	-	220,966
Restatement of investment property reclassified from property, plant and equipment to fair value	-	-	3,340	-	-	-	-	-	3,340	-	3,340
Arising from disposal of subsidiary	-	-	-	(4,767)	-	-	-	4,767	-	-	-
Recognition of share option expenses	-	-	-	6,184	-	-	-	-	6,184	142	6,326
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	8,913	8,913
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	(14,816)	(14,816)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	-	(20,683)	(20,683)
As at 30 September 2006	616,196	2,086,591	3,340	78,279	(98,765)	-	(108,188)	3,806,016	6,383,469	745,313	7,128,782

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to this interim financial report.)

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Explanatory Notes****a) Accounting Policies**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2007.

These explanatory notes attached to the Interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2007 except for the adoption of the following new/revised FRSs:

		<b>For financial period beginning on or after</b>
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosures of Government Assistance	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provision, Contingent Liabilities and Contingent Assets	1 July 2007

The adoption of FRS 107, 111, 112, 118 and 137 do not have any significant financial impact on the results and the financial position of the Group.

FRS 6 and 120 are not relevant to the Group's operations.

**b) Seasonal or Cyclical Factors**

Property contribution during the first quarter generally tends to be seasonally lower.

**c) Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the current financial year except for the capital repayment as explained in Note e).



**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Explanatory Notes**

**d) Material Changes in Estimates of Amounts Reported**

There were no changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current financial period.

**e) Details of Changes in Debt and Equity Securities**

i. During the first quarter of the current financial year, the Company issued:

- 837,500 new ordinary shares of RM0.10 each for cash at RM2.50 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.
- 6,424,717 new ordinary shares of RM0.10 each at RM4.70 per share arising from the exchange of USD8,530,000 Zero Coupon Guaranteed Exchangeable Bonds due 2011.

ii. During the first quarter of the current financial year, the Company completed a capital repayment of RM1.314 billion to the shareholders of the Company on the basis of a cash distribution of RM4.20 for each share cancelled. The capital repayment was implemented via a cancellation of 312,950,341 ordinary shares in the Company on the basis of one (1) share cancelled for every twenty (20) existing shares held on the entitlement date of 15 August 2007. A total of RM0.031 billion of the issued and paid-up share capital of the Company was cancelled and the remaining balance of RM1.283 billion was set-off against the share premium account of the Company pursuant to Sections 64 and 60(2) of the Companies Act, 1965.

**f) Dividends Paid**

	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>RM'000</b>	<b>RM'000</b>
Second interim dividend in respect of financial year ended 30 June 2006		
- 13.5 sen tax exempt per ordinary share of RM0.50 each	-	164,779

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Explanatory Notes**

**g) Segment Revenue & Results**

(RM'000)	Plantation	Property Development	Property Investment	Resource-based Manufacturing	Other Operations	Eliminations	Consolidated
<b>3 Months Ended 30/09/07</b>							
<b>REVENUE</b>							
External Sales	64,383	201,888	16,587	2,809,355	30,528	-	3,122,741
Inter-segment sales	548,070	-	-	-	-	(548,070)	-
<b>Total Revenue</b>	<b>612,453</b>	<b>201,888</b>	<b>16,587</b>	<b>2,809,355</b>	<b>30,528</b>	<b>(548,070)</b>	<b>3,122,741</b>
<b>RESULT</b>							
Segment results	397,537	98,929	10,801	122,761	15,516	-	645,544
Translation gain on USD denominated borrowings							34,905
Other unallocated corporate expenses							(29,077)
<b>Operating profit</b>							<b>651,372</b>
Finance cost							(44,703)
Interest income							8,636
Share of results of associates	4,096	-	-	8,866	-	-	12,962
Share of results of jointly controlled entity	-	(16)	-	-	-	-	(16)
<b>Profit before taxation</b>							<b>628,251</b>
Taxation							(137,213)
<b>Profit for the period</b>							<b>491,038</b>
<b>3 Months Ended 30/09/06</b>							
<b>REVENUE</b>							
External sales	113,364	138,183	16,161	1,614,233	21,445	-	1,903,386
Inter-segment sales	235,198	-	-	-	-	(235,198)	-
<b>Total Revenue</b>	<b>348,562</b>	<b>138,183</b>	<b>16,161</b>	<b>1,614,233</b>	<b>21,445</b>	<b>(235,198)</b>	<b>1,903,386</b>
<b>RESULT</b>							
Segment results	170,242	69,721	10,375	92,276	19,202	-	361,816
Translation loss on USD denominated borrowings							(4,911)
Other unallocated corporate expenses							(15,652)
<b>Operating profit</b>							<b>341,253</b>
Finance cost							(26,942)
Interest income							8,832
Share of results of associates	2,065	-	-	13,528	-	-	15,593
<b>Profit before taxation</b>							<b>338,736</b>
Taxation							(60,575)
<b>Profit for the period</b>							<b>278,161</b>

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Explanatory Notes**

**h) Material Events Subsequent to the End of Financial Period**

There were no material events subsequent to 30 September 2007 that has not been reflected in the financial statements.

**i) Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the financial period ended 30 September 2007.

**j) Contingent Liabilities**

There were no significant changes in contingent liabilities since the last annual balance sheet date.

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**1) Review of the Performance of the Company and Its Principal Subsidiaries**

Group revenue for Q1 FY 2008 is 64% higher than last year's corresponding period. All major business segments reported increase in revenue as a result of higher palm oil prices, increased volume for resource-based manufacturing, as well as higher sales of properties.

The Group's pre-tax profit for Q1 FY2008 is RM628.3 million, an increase of 85% as compared to the RM338.7 million reported for Q1 FY2007, contributed by better performances from all major business segments.

Plantation earnings of RM397.5 million for Q1 FY2008 is 134% higher than Q1 FY2007, boosted by significantly higher CPO prices. Average CPO prices realised for Q1 FY2008 is RM2,473 per MT as compared to RM1,483 per MT for the same quarter last year.

The resource-based manufacturing segment reported an increase in operating profit by 33% to RM122.8 million with the inclusion of profit from Pan Century Group as well as volume growth.

The property segment continued to perform well in Q1 FY2008 with an increase in operating profit by 37% at RM109.7million as compared to RM80.1 million reported for Q1 FY2007, driven mainly by higher demand for commercial and high-end residential properties.

Overall, the Group achieved net earnings of RM451.5 million for Q1 FY2008, a 77% increase over the RM255.7 million recorded for Q1 FY2007. The percentage increase of the Group's net earnings level is lower than the percentage increase of the Group's pre-tax level due mainly to higher tax expense as a result of the expiry of certain tax incentives granted by the tax authority at the end of FY 2007.

In the opinion of the Directors, the results for the financial period under review have not been affected by any transaction or event of a material or unusual nature which may have arisen between 30 September 2007 and the date of this announcement.

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**2) Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter**

Group pre-tax profit for Q1 FY2008 increased by 4% over Q4 FY2007. Both plantation and resource-based manufacturing segments continued to improve, benefiting from higher CPO prices and volume growth. Excluding the valuation gain of RM160.7 million on fair value adjustments to investment properties in the preceding quarter, property segment reported a decrease of 17% because of seasonality factors.

The analysis of contribution by segment is as follows:

	<b>CURRENT QUARTER RM'000</b>	<b>PRECEDING QUARTER RM'000</b>	<b>INCREASE/ (DECREASE) RM'000</b>	
Plantation	397,537	258,113	139,424	54.0%
Property development	<b>98,929</b>	121,797	<b>(22,868)</b>	
Property investment	<b>10,801</b>	170,947	<b>(160,146)</b>	
Total Property	<b>109,730</b>	292,744	<b>(183,014)</b>	(62.5%)
Resource-based manufacturing	122,761	93,651	29,110	31.1%
Other operations	<b>15,516</b>	18,982	<b>(3,466)</b>	
	<b>645,544</b>	663,490	<b>(17,946)</b>	(2.7%)
Unallocated corporate income/(expenses) *	<b>5,828</b>	(22,994)	<b>28,822</b>	
Operating profit	<b>651,372</b>	640,496	10,876	1.7%
Interest expense	<b>(44,703)</b>	(46,971)	2,268	(4.8%)
Interest income	<b>8,636</b>	7,024	1,612	22.9%
Share of results of associates	<b>12,962</b>	1,957	11,005	562.3%
Share of results of jointly controlled entity	<b>(16)</b>	(7)	<b>(9)</b>	-
Profit before taxation	<b>628,251</b>	602,499	<b>25,752</b>	4.3%
* Translation gain/(loss) on USD denominated borrowings included in unallocated corporate income/(expenses)	34,905	(10,531)	45,436	

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**3) Current Year Prospects**

Barring unforeseen circumstances, all business segments are expected to further improve in performance for the financial year ending 30 June 2008. The plantation segment in particular, is expected to benefit from higher trending palm oil prices.

**4) Achievability of forecast results**

Not applicable

**5) Variance of Actual Profit from Forecast Results or Profit Guarantee**

Not applicable.

**6) Taxation**

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER RM'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
The tax expense comprises the following:				
Current taxation				
- Current year	141,673	65,173	141,673	65,173
- Prior years	426	1,509	426	1,509
Deferred taxation				
- Current year	(4,886)	(3,040)	(4,886)	(3,040)
- Prior years	-	(3,067)	-	(3,067)
	<b>137,213</b>	<b>60,575</b>	<b>137,213</b>	<b>60,575</b>

The effective tax rates of the Group for the current year and current quarter are lower than the statutory tax rate due principally to the utilisation of previously unrecognised tax losses, capital and agricultural allowances, non taxable income as well as tax incentives available to certain subsidiaries of the Group.

Effective tax rate for the current year is higher because of the expiry of certain tax incentive granted by the tax authority at the end for FY2007.

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**7) Profit on Sale of Unquoted Investments and/or Properties**

There were no material disposals of unquoted investments and/or properties outside the ordinary course of business of the Group for the current quarter and financial year to-date.

**8) Quoted Securities  
(Other than Securities in Existing Subsidiaries)**

a) Purchases and disposals of quoted securities

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000	RM'000	RM'000
Total sale proceeds	603	-	603	-
Total gain on disposal	276	-	276	-

b) Total investments in quoted securities (mainly classified under other long term investments) as at 30 September 2007 are as follows:

	RM'000
<b>Quoted in Malaysia</b>	
At cost	31,768
Allowance for diminution in value	(5,905)
Net book value	<u>25,863</u>
At market value	<u>58,728</u>
<b>Quoted outside Malaysia *</b>	
At cost	16,194
Allowance for diminution in value	(9,017)
Net book value	<u>7,177</u>
At market value	<u>8,786</u>

\* Held by IOI Oleochemical Industries Berhad

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**9) Status of Corporate Proposal**

- a) The status of corporate proposals announced by the Group but not completed as at 9 November 2007 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

**IOI Corporation Berhad**

Proposal	<p>Proposed Joint-Venture for Oil Palm Cultivation in Indonesia (“Proposed Joint Venture”), pursuant to which the Company has entered into the following agreements on 18 September 2007:</p> <ul style="list-style-type: none"> <li>i. sale and purchase agreement with Ivygate International Ltd and Red Canyon Enterprise Ltd (“1<sup>st</sup> SPA Vendors”) to acquire the entire issued and paid-up share capitals of Lynwood Capital Resources Pte Ltd and Oakridge Investments Pte Ltd (“1<sup>st</sup> JV Shareholder Companies”) which collectively will own 33% of the issued and paid-up share capital of PT Bumitama Gunajaya Agro. In addition, the Company will at completion repay on behalf of the 1<sup>st</sup> JV Shareholder Companies amounts owed to the 1<sup>st</sup> SPA Vendors. The aggregate consideration payable by the Company for the acquisition of the said shares and repayment to the 1<sup>st</sup> SPA Vendors will amount to USD72,233,224. The subsidiaries of PT Bumitama Gunajaya Agro are the registered and/or beneficial owners of approximately 100,000 hectares of land in Kalimantan and Riau, Indonesia, of which approximately 35,300 hectares is planted with oil palm trees; and</li> <li>ii. sale and purchase agreement with Goldharvest Group Holdings Ltd to acquire the entire issued and paid-up share capital of Oleander Capital Resources Pte Ltd, which effectively (via two investment holding companies) will own 67% of the issued and paid-up share capitals of PT Ketapang Sawit Lestari, PT Bumi Sawit Sejahtera, PT Kalimantan Prima Agro Mandiri, PT Berkat Nabati Sejahtera and PT Sukses Karya Sawit (collectively “the Companies”) for a tentative purchase consideration of USD20,304,216. The Companies are in the process of applying for land certificates for several parcels of land, of which the land area eventually available for planting with oil palm trees (excluding areas set aside for plasma schemes) is estimated to be around 52,700 hectares.</li> </ul>
Adviser	None
Approval(s) pending	Approval has been obtained from the required local regulatory authority, namely Bank Negara Malaysia. However, the Proposal has yet to be completed as it is still pending fulfillment of certain outstanding Conditions Precedent.



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(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**10) Group Borrowings and Debts Securities**

Group borrowings and debt securities as at 30 September 2007 are as follows:

	<b>RM'000</b>
<b>a) Bank overdrafts</b>	
Unsecured	
Denominated in RM	3,052
Denominated in EGP (EGP3,363,000)	2,024
Total Bank Overdrafts	<u>5,076</u>
<b>b) Short term borrowings</b>	
Secured	
Denominated in RM	156,892
Denominated in SGD (SGD23,900,000)	54,770
	<u>211,662</u>
Unsecured	
Denominated in USD (USD1,945,000)	6,645
Total Short Term Borrowings	<u>218,307</u>
<b>c) Long term borrowings</b>	
Unsecured	
Denominated in SGD (SGD241,000,000)	552,276
Denominated in JPY (JPY15,000,000,000)	435,990
Denominated in USD (USD797,787,000)	2,726,038
Total Long Term Borrowings	<u>3,714,304</u>
Total Borrowings	<u>3,937,687</u>

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**11) Off Balance Sheet Financial Instruments**

- a) Forward foreign exchange sale and purchase contracts that were entered into as at 9 November 2007 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM4.12 billion and RM85.0 million respectively. These contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to subsidiary companies' foreign currencies denominated estimated receipts and payments. The maturity period of these contracts range from November 2007 to January 2011.

There is minimal credit risk as the contracts were entered into with reputable banks.

- b) Structured foreign exchange contracts entered into by certain subsidiary companies and outstanding as at 9 November 2007 are as follows:

<b>Description</b>	<b>Notional Amount</b>	<b>Effective Period</b>
EUR/USD Target Redemption Forward	EUR192.0 million	June 2007 to October 2009
EUR/USD Strike Lift	EUR54.0 million	May 2007 to April 2010
USD/RM Strike Lift	USD180.0 million	May 2007 to August 2009

The above contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to subsidiary companies' foreign currencies denominated estimated receipts and payments.

There is minimal credit risk as the contracts were entered into with reputable banks.

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(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**11) Off Balance Sheet Financial Instruments (Continued)**

- c) Commodity future contracts entered into by certain subsidiary companies and outstanding as at 9 November 2007 are as follows:

<b>Description</b>	<b>Ringgit Equivalent (RM'mil)</b>	<b>Maturity Period</b>
Sale contracts	163.5	November 2007 to March 2008
Purchase contracts	377.5	December 2007 2007 to January 2009

The above exchange traded commodity contracts were entered into with the objective of managing and hedging the respective exposure of the Group's plantation segment and resource-based manufacturing segment to adverse price movements in vegetable oil commodities.

The associated credit risk is minimal as these contracts were entered into with brokers of commodity exchanges. Gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions. Gains and losses on contracts which are no longer designated as hedges are included in the income statement.

- d) As at 9 November 2007, the Group has the following interest rate swap contracts:

<b>Interest Rate Swap</b>	<b>Notional Amount</b>	<b>Effective Period</b>
Fixed rate to USD LIBOR (Settlement in Ringgit)	RM350 million, to be fully amortised over a period of four years, commencing 15 April 2004.	15 January 2004 to 15 January 2008
CMS Spread Daily Range Accrual Swap	USD 150 million	12 October 2005 to 13 October 2010
CMS Spread Daily Range Accrual Swap	RM100 million	11 May 2006 to 11 May 2011
CMS Spread Daily Range Accrual Swap	EUR100 million	28 August 2007 to 28 August 2012
USD Dual Index Hybrid Swap	USD40 million	22 July 2007 to 22 July 2014

*Note:*

*USD LIBOR: USD London Interbank Offered Rate*

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

There is minimal credit risk as the interest rate swap contracts were entered into with reputable banks.

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**11) Off Balance Sheet Financial Instruments (Continued)**

e) As at 9 November 2007, the Group has the following cross currency swap contracts:

Cross Currency Swap	Notional Amount	Effective Period
Fixed rate USD liability to fixed rate EUR liability *	USD 209.6 million into EUR 161million	1 April 2005 to 28 February 2015
JPY liability to USD liability #	JPY 15.0 billion into USD 128 million	23 January 2007 to 22 January 2037

\* The contracts effectively swapped part of the Group's USD 500 million 5.25% Guaranteed Notes due 2015 into fixed rate EUR liability and serve as a hedge against the Group's EUR assets.

# The contracts effectively swapped the Group's JPY 15.0 billion 30-year Fixed Rate Term Loan due 2037 into USD 128 million liability.

There is minimal credit risk as the swaps were entered into with reputable banks.

f) As at 9 November 2007, the Company has the following currency option contracts:

Currency Option	Contract Amount	Expiry Date
EUR/USD CMS FX Forward	EUR3.6 million	20 February 2008

The above contract was entered into as hedges for committed coupon interest payments denominated in EUR for the Company's EUR/USD Cross Currency Swap. This contract is zero cost in nature and the Company was not required to pay any upfront premium for the contract.

There is minimal credit risk as the contracts were entered into with reputable banks.

g) As at 9 November 2007, the Group has the following commodity swap contract:

Commodity Swap	Contract Amount	Effective Period
The Group pays fixed CPO price and receives floating CPO price	1,000 MT per month	April 2007 to March 2008

The above commodity swap contract was entered into to partially hedge the prices of our CPO requirement for the Group's resource-based manufacturing activities. There is minimal credit risk as the contract was entered into with a reputable bank.

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**12) Material Litigations**

There are no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2007. For ease of reference, the material litigations brought forward are detailed below:

**a) IOI Corporation Berhad**

- i) A minority shareholder of IOI Oleochemical Industries Berhad ("IOI Oleo"), Tuan Haji Zulkifli bin Haji Hussain ("the Applicant") has on 26 July 2000 obtained an Ex-parte Order For Leave to apply for an Order of Mandamus against the Securities Commission to compel the Securities Commission to direct the Company to make a mandatory general offer on the remaining shares of IOI Oleo not owned by the Company.

Notwithstanding that the Company was not a party to the above proceedings, in order to protect the interests of the Company, the Company has applied and has been allowed to be joined as a party to the aforesaid court action on 1 November 2000. Subsequent thereto, the Company has instructed its solicitors to make the necessary application to set aside the Order For Leave and to strike out the Applicant's Notice of Motion for an Order of Mandamus. The Company had successfully completed a mandatory general offer on IOI Oleo in October 2001. The High Court had on 20 December 2004 struck out with costs the Applicant's Notice of Motion for an Order of Mandamus and the Applicant has since filed an appeal against the said decision.

On 15 March 2006, the Company had completed the privatisation of IOI Oleo by way of a members' scheme of arrangement under Section 176 of the Companies Act, 1965 and IOI Oleo is now a wholly-owned subsidiary of the Company.

The Board, based on legal advice, is of the opinion that the Company has valid grounds to succeed in this litigation.

- ii) A civil suit has been instituted by Tuan Haji Zulkifli Bin Hussain and 6 others, the shareholders/former shareholders of IOI Oleochemical Industries Berhad ("IOI Oleo") against the Company, its Executive Chairman Tan Sri Dato' Lee Shin Cheng and its Executive Director, Dato' Lee Yeow Chor. The Writ of Summons and the Statement of Claim, inter alia, alleged that the defendants are under an obligation pursuant to Rule 34.1 of the Malaysian Code on Take-Overs and Mergers, 1987 to extend a mandatory general offer to the plaintiffs to acquire their shares in IOI Oleo and have sought for damages by reason of alleged failure by the defendants to extend the said general offer.

The plaintiffs' claim in this suit is based on similar facts that gave rise to the mandamus proceeding initiated by the first plaintiff in the High Court of Kuala Lumpur against the Securities Commission, as disclosed under item 11(a)(i), in which the Company and Tan Sri Dato' Lee Shin Cheng were subsequently allowed to be joined as parties to the said mandamus proceeding.

This case has been fixed for further direction on 5 February 2008.

The Company had been advised by its solicitors that it has genuine and valid defences to advance against the plaintiffs' cause of actions and the claims made therein.

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(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**12) Material Litigations (Continued)**

**b) Unipamol Malaysia Sdn Bhd (subsidiary of IOI Oleochemical Industries Berhad)**

Unipamol Malaysia Sdn Bhd ("Unipamol") has obtained summary judgement against Unitangkob (Malaysia) Berhad ("Unitangkob") on 27 July 2001 in the High Court of Sabah and Sarawak at Kota Kinabalu for, inter alia, recovery of the principal sum of approximately RM5 million together with interest and costs. Unitangkob's appeal against the summary judgement was dismissed with costs and it has filed further appeal to the Court of Appeal. Unipamol has commenced winding-up proceedings against Unitangkob to recover the amount due under the summary judgement and Unitangkob has filed Notice of Motion for stay of the said winding-up proceedings. The following applications are still pending disposal in court:

- i) an application to stay the execution of the summary judgement; and
- ii) an application to amend their Defence and include a Counter-claim against Unipamol for a sum of RM208 million for special and general damages;

Unipamol has obtained favourable legal opinion on the merits of the case.

Meanwhile, Unipamol has been advised that Unitangkob has been wound up by its other creditors on 21 September 2007 and the Director General of Insolvency has been appointed as the Official Receiver of Unitangkob. Unipamol will be filing a Proof of Debt against Unitangkob.

**c) Unipamol Malaysia Sdn Bhd and Pamol Plantations Sdn Bhd (subsidiaries of IOI Oleochemical Industries Berhad)**

A legal suit has been instituted by Joseph bin Paulus Lantip, Mairin @ Martin bin Idang, Jaskri Doyou, Saffar bin Jumat @ Beklin bin Jumat, Datuk Miller Munang and George Windom Munang against Unipamol Malaysia Sdn Bhd ("Unipamol"), Pamol Plantations Sdn Bhd ("PPSB"), Unilever plc and its subsidiary Pamol (Sabah) Ltd. The Writ of Summons and Statement of Claim are dated 4 December 2002 and inter-alia, alleged that the Defendants have wrongfully refused or failed to continue with the Share Sale Agreement (to which PPSB is a party but not Unipamol) and Shareholders' Agreement (to which both PPSB and Unipamol are parties). The Plaintiffs are claiming for, inter-alia, special damages of RM43.47 million, general damages of RM136.85 million or such amount as may be assessed, exemplary damages, interest and costs. Unipamol and PPSB have entered an appearance and filed a Defence to the claim as well as a Counter-claim against the Plaintiffs.

This case is fixed for case management on 28 November 2007.

Unipamol and PPSB have obtained favourable legal opinion on the merits of the case.

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**12) Dividend**

No dividend has been proposed for this quarter (30 September 2006: nil)

**13) Earnings per Share**

Comparative earnings per share have been restated to take into account the effect of the subdivision of ordinary share of RM0.50 each into ordinary share of RM0.10 each on 6 June 2007.

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER (Restated)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD (Restated)
	RM'000	RM'000	RM'000	RM'000
<b>a) Basic earnings per share</b>				
Net profit for the period attributable to equity holders of the parent	451,518	255,669	451,518	255,669
Weighted average number of ordinary shares in issue ('000)	6,126,374	6,052,915	6,126,374	6,052,915
Basic earnings per share (sen)	7.37	4.22	7.37	4.22

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(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**14) Earnings per Share (Continued)**

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER (Restated)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD (Restated)
	RM'000	RM'000	RM'000	RM'000
<b>b) Diluted earnings per share</b>				
Adjusted net profit for the period attributable to equity holders of the parent :				
Net profit for the period attributable to equity holders of the parent	451,518	255,669	451,518	255,669
Assumed exchange of USD310 million Zero Coupon Guaranteed Exchangeable Bonds at beginning of period:				
Net interest savings	-	2,438	-	2,438
Net foreign exchange differences taken up	-	191	-	191
	-	2,629	-	2,629
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	9,801	-	9,801	-
Net foreign exchange differences taken up	(11,782)	-	(11,782)	-
	(1,981)	-	(1,981)	-
	449,537	258,298	449,537	258,298
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	6,126,374	6,052,915	6,126,374	6,052,915
Assumed exchange of USD310 million Zero Coupon Guaranteed Exchangeable Bonds at beginning of period	-	176,145	-	176,145
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	246,759	-	246,759	-
Assumed exercise of Executive Share Options at beginning of period / at inception	59,988	25,690	59,988	25,690
	6,433,121	6,254,750	6,433,121	6,254,750
Diluted earnings per share (sen)	6.99	4.13	6.99	4.13





**Interim Report For The Financial Period Ended 30 September 2007**  
(The figures have not been audited)

**Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**

**15) Audit Qualification**

The audit report of the Group's preceding year financial statements was not qualified.

By Order of the Board

**Lee Ai Leng**  
**Yap Chon Yoke**  
Company Secretaries

Putrajaya  
15 November 2007

**IOI GROUP**

**Interim Report For The Financial Period Ended 30 September 2007**

(The figures have not been audited)

**Group Plantation Statistics**

		As At 30/09/2007	As At 30/09/2006
<b>Planted Area</b>			
Oil palm			
Mature	<i>(hectares)</i>	<b>138,487</b>	137,913
Total planted	<i>(hectares)</i>	<b>150,323</b>	147,968
<b>Rubber</b>			
Mature	<i>(hectares)</i>	<b>568</b>	568
Total planted	<i>(hectares)</i>	<b>568</b>	568

		30/09/2007 (3 months)	30/09/2006 (3 months)
<b>Average Mature Area</b>			
Oil Palm	<i>(hectares)</i>	<b>139,118</b>	136,351
Rubber	<i>(hectares)</i>	<b>568</b>	568
<b>Production</b>			
<b>Oil Palm</b>			
FFB production	<i>(tonnes)</i>	<b>1,070,775</b>	1,070,488
Yield per mature hectare	<i>(tonnes)</i>	<b>7.70</b>	7.85
FFB processed	<i>(tonnes)</i>	<b>1,071,379</b>	1,084,524
Crude palm oil production	<i>(tonnes)</i>	<b>229,122</b>	231,198
Palm kernel production	<i>(tonnes)</i>	<b>53,574</b>	52,478
Crude palm oil extraction rate	<i>(%)</i>	<b>21.39%</b>	21.32%
Palm kernel extraction rate	<i>(%)</i>	<b>5.00%</b>	4.84%
<b>Rubber</b>			
Rubber production	<i>('000kgs)</i>	<b>437</b>	485
Yield per mature hectare	<i>(kgs)</i>	<b>769</b>	854
<b>Average Selling Price Realised</b>			
<b>Oil palm</b>			
Crude palm oil	<i>(RM/tonne)</i>	<b>2,473</b>	1,483
Palm kernel	<i>(RM/tonne)</i>	<b>1,431</b>	788