



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
30 June 2008**

Interim Report For The Financial Period Ended 30 June 2008

(The figures have not been audited)

Condensed Consolidated Income Statement

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000
Revenue	4,560,065	2,541,774	14,665,369	8,952,727
Operating profit	891,946	640,496	3,171,995	2,058,231
Interest income	21,094	7,024	68,035	39,680
Finance cost	(60,322)	(46,971)	(190,964)	(144,154)
Share of results of associates	3,409	1,957	46,204	37,323
Share of results of jointly controlled entities	(27)	(7)	(73)	(7)
Profit before taxation	856,100	602,499	3,095,197	1,991,073
Taxation	(200,135)	(68,735)	(683,010)	(340,109)
Profit for the period	655,965	533,764	2,412,187	1,650,964
Attributable to:				
Equity holders of the parent	597,284	451,661	2,231,632	1,482,104
Minority interest	58,681	82,103	180,555	168,860
	655,965	533,764	2,412,187	1,650,964
Earnings per share (sen)				
Basic	9.91	7.28	36.85	24.13
Diluted	9.80	7.04	35.17	22.84

(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 June 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheet

	AS AT END OF CURRENT QUARTER 30/06/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/2007 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,519,274	4,467,810
Prepaid lease payments	822,328	826,258
Land held for property development	927,263	821,744
Investment properties	838,639	699,469
Other long term investments	26,198	27,699
Goodwill on consolidation	514,136	510,661
Associates	542,071	280,924
Jointly controlled entities	1,515,878	161,479
Deferred tax assets	55,619	78,993
	9,761,406	7,875,037
Current assets		
Property development costs	412,178	428,934
Inventories	2,447,941	1,332,819
Receivables	1,743,765	1,295,667
Short term investments	7,129	7,199
Short term funds	1,592,545	1,879,345
Short term deposits	871,542	507,070
Cash and bank balances	424,718	341,581
	7,499,818	5,792,615
Non-current assets held for sale	-	13,190
	7,499,818	5,805,805
TOTAL ASSETS	17,261,224	13,680,842

(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 June 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheet (Continued)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	30/06/2008 RM'000	30/06/2007 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	613,788	625,881
Share premium	1,923,327	2,349,560
Other reserves	330,864	56,257
Treasury shares	(1,079,914)	-
Retained profits	6,603,296	4,707,560
	<u>8,391,361</u>	<u>7,739,258</u>
Minority interests	965,117	856,954
Total equity	<u>9,356,478</u>	<u>8,596,212</u>
Non-current liabilities		
Long term borrowings	4,867,178	3,381,663
Other long term liabilities	76,196	53,722
Deferred tax liabilities	551,462	502,857
	<u>5,494,836</u>	<u>3,938,242</u>
Current liabilities		
Payables	1,152,022	818,010
Bank overdrafts	9,152	7,013
Short term borrowings	1,087,803	242,681
Provision for taxation	160,933	78,684
	<u>2,409,910</u>	<u>1,146,388</u>
Total liabilities	<u>7,904,746</u>	<u>5,084,630</u>
TOTAL EQUITY AND LIABILITIES	<u>17,261,224</u>	<u>13,680,842</u>
Net assets per share attributable to equity holders of the parent (RM)	1.40	1.24

(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 June 2008

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	12 Months Ended 30/06/2008 RM'000	12 Months Ended 30/06/2007 RM'000
Operating Activities		
Profit before taxation	3,095,197	1,991,073
Adjustments for:		
Depreciation	222,548	199,830
Other non-cash items	<u>(245,317)</u>	<u>(208,047)</u>
Operating profit before working capital changes	3,072,428	1,982,856
Net changes in working capital	<u>(1,126,731)</u>	<u>(420,791)</u>
Cash generated from operations	1,945,697	1,562,065
Other payments	(7,681)	(24,907)
Taxes paid	<u>(538,535)</u>	<u>(219,676)</u>
Net cash inflow from operating activities	<u>1,399,481</u>	<u>1,317,482</u>
Investing Activities		
Other investments	95,401	22,121
Property, plant and equipment	(200,832)	(150,212)
Investment in land held for development	(162,755)	(268,954)
Equity investments	(233,794)	(434,103)
Payment made to jointly controlled entities	<u>(1,316,120)</u>	<u>(160,357)</u>
Net cash outflow from investing activities	<u>(1,818,100)</u>	<u>(991,505)</u>
Financing Activities		
Issuance of 3rd Exchangeable Bonds	1,953,900	-
Bank borrowings	1,338,353	408,613
Issuance/(Repurchase) of shares (subsidiary)(net)	(1,511)	1,721
Dividends paid to minority shareholders	(74,213)	(48,321)
Dividends paid	(314,738)	(481,130)
Issuance/(Repurchase) of shares (net)	(1,025,386)	(20,757)
Capital repayment	(1,314,391)	-
Issuance of 2nd Exchangeable Bonds	<u>-</u>	<u>1,314,980</u>
Net cash inflow from financing activities	<u>562,014</u>	<u>1,175,106</u>
Net increase in cash and cash equivalents	143,395	1,501,083
Cash and cash equivalents at beginning of period	2,720,983	1,220,441
Effect of exchange rate changes	<u>15,275</u>	<u>(541)</u>
Cash and cash equivalents at end of period	<u>2,879,653</u>	<u>2,720,983</u>

(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 June 2008

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

(RM'000)	Attributable to equity holders of the Company						Minority interests	Total equity	
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			Total
As at 1 July 2007	625,881	2,349,560	158,234	(101,977)	-	4,707,560	7,739,258	856,954	8,596,212
Net gain not recognised in income statement	-	-	-	101,760	-	-	101,760	8,500	110,260
Net profit for the period	-	-	-	-	-	2,231,632	2,231,632	180,555	2,412,187
Dividend paid in respect of current financial year	-	-	-	-	-	(314,738)	(314,738)	-	(314,738)
Issue of shares arising from conversion of 2nd Exchangeable Bonds	17,220	792,140	(56,864)	-	-	(21,158)	731,338	-	731,338
Issue of shares arising from exercise of share options	1,982	64,723	(12,817)	-	-	-	53,888	-	53,888
Capital repayment	(31,295)	(1,283,096)	-	-	-	-	(1,314,391)	-	(1,314,391)
Repurchase of shares	-	-	-	-	(1,079,914)	-	(1,079,914)	-	(1,079,914)
Recognition of share option expenses	-	-	36,816	-	-	-	36,816	-	36,816
Equity component of 3rd Exchangeable Bonds	-	-	205,712	-	-	-	205,712	-	205,712
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	(6,679)	(6,679)
Dividend paid to minority interest	-	-	-	-	-	-	-	(74,213)	(74,213)
As at 30 June 2008	613,788	1,923,327	331,081	(217)	(1,079,914)	6,603,296	8,391,361	965,117	9,356,478

(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 June 2008

(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
As at 1 July 2006											
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	-	-	-	-	(659)	-	-	-	(659)	(1,405)	(2,064)
Net profit for the period	-	-	-	-	-	-	-	1,482,104	1,482,104	168,860	1,650,964
Dividend paid in respect of previous financial year	-	-	-	-	-	-	-	(164,779)	(164,779)	-	(164,779)
Dividend paid in respect of current financial year	-	-	-	-	-	-	-	(316,351)	(316,351)	-	(316,351)
Special issue of shares	900	43,884	-	-	-	-	-	-	44,784	-	44,784
Issue of shares arising from conversion of Exchangeable Bonds	22,295	470,740	-	(50,194)	-	-	-	1,803	444,644	-	444,644
Issue of shares arising from conversion of 2nd Exchangeable Bonds	3,192	146,839	-	(10,541)	-	-	-	(1,753)	137,737	-	137,737
Issue of shares arising from exercise of share options	1,583	45,649	-	(7,644)	-	-	-	-	39,588	-	39,588
Repurchase of shares	-	-	-	-	-	-	(105,129)	-	(105,129)	-	(105,129)
Cancellation of treasury shares	(7,356)	(213,317)	-	7,356	-	-	213,317	-	-	-	-
Recognition of share option expenses	-	-	-	25,969	-	-	-	-	25,969	679	26,648
Equity component of 2nd Exchangeable Bonds	-	-	-	92,023	-	-	-	-	92,023	-	92,023
Arising from exercise of share options in a subsidiary	-	-	-	(209)	-	-	-	-	(209)	-	(209)
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	8,986	8,986
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	(20,977)	(20,977)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	-	(48,321)	(48,321)
As at 30 June 2007	625,881	2,349,560	-	158,234	(101,977)	-	-	4,707,560	7,739,258	856,954	8,596,212

(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 June 2008

(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:

		For financial period beginning on or after
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	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

The adoption of FRS 107, 111, 112, 118, 134 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

There were no significant seasonal or cyclical factors that affect the business of the Group for the quarter under review.

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, share buy-back and issuance of 3rd Exchangeable Bonds as explained in Note e).

Interim Report For The Financial Period Ended 30 June 2008

(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 current financial year-to-date, the Company issued:

- 17,056,800 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.
- 2,764,200 shares of RM0.10 each for cash at RM4.30 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.
- 172,204,282 new ordinary shares of RM0.10 each at RM4.70 per share arising from the exchange of USD228,633,000 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.

iii. During the current financial year-to-date, the Company has repurchased 151,824,700 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM7.11 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

iv. During the third quarter of the current financial year, a subsidiary of the Company, IOI Resources (L) Berhad issued USD600 million nominal value of five (5)-year unsecured guaranteed zero coupon exchangeable Bonds ("3rd Exchangeable Bonds"). The 3rd Exchangeable Bonds are listed on the Singapore Exchange Securities Trading Limited and the Labuan International Financial Exchange.

The detailed terms and conditions of the Bonds are disclosed in our announcement to Bursa Malaysia on 9 January 2008.

Interim Report For The Financial Period Ended 30 June 2008

(The figures have not been audited)

Explanatory Notes

f) Dividends Paid

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000
Interim dividend in respect of financial year ending 30 June 2008 - 7.0 sen per ordinary share of RM0.10 each less 26% income tax	314,738	-
Interim dividend in respect of financial year ended 30 June 2007 - 35.0 sen per ordinary share of RM0.50 each less 27% income tax	-	316,351
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
	314,738	481,130

Interim Report For The Financial Period Ended 30 June 2008

(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
12 Months Ended 30/06/08							
REVENUE							
External Sales	231,606	755,066	74,302	13,479,145	125,250	-	14,665,369
Inter-segment sales	2,541,991	-	-	-	-	(2,541,991)	-
Total Revenue	<u>2,773,597</u>	<u>755,066</u>	<u>74,302</u>	<u>13,479,145</u>	<u>125,250</u>	<u>(2,541,991)</u>	<u>14,665,369</u>
RESULT							
Segment operating profit	1,824,630	366,369	42,665	658,173	60,046	-	2,951,883
Fair value gain on investment properties	-	-	129,967	-	-	-	129,967
Gain on disposal of non-current assets held for sale/investment properties	11,221	3,304	9,643	-	-	-	24,168
Segment results	<u>1,835,851</u>	<u>369,673</u>	<u>182,275</u>	<u>658,173</u>	<u>60,046</u>	<u>-</u>	<u>3,106,018</u>
Translation gain on USD denominated borrowings							134,933
Other unallocated corporate expenses							<u>(68,956)</u>
Operating profit							3,171,995
Finance cost							<u>(190,964)</u>
Interest income							68,035
Share of results of associates	14,548	-	-	31,656	-	-	46,204
Share of results of jointly controlled entity	-	(73)	-	-	-	-	<u>(73)</u>
Profit before taxation							3,095,197
Taxation							<u>(683,010)</u>
Profit for the period							<u>2,412,187</u>
12 Months Ended 30/06/07							
REVENUE							
External sales	394,276	706,858	67,090	7,688,727	95,776	-	8,952,727
Inter-segment sales	1,111,467	-	-	-	-	(1,111,467)	-
Total Revenue	<u>1,505,743</u>	<u>706,858</u>	<u>67,090</u>	<u>7,688,727</u>	<u>95,776</u>	<u>(1,111,467)</u>	<u>8,952,727</u>
RESULT							
Segment operating profit	926,859	397,171	40,532	405,427	54,679	-	1,824,668
Fair value gain on investment properties	-	-	160,650	-	-	-	160,650
Segment results	<u>926,859</u>	<u>397,171</u>	<u>201,182</u>	<u>405,427</u>	<u>54,679</u>	<u>-</u>	<u>1,985,318</u>
Translation gain on USD denominated borrowings							112,423
Other unallocated corporate expenses							<u>(39,510)</u>
Operating profit							2,058,231
Finance cost							<u>(144,154)</u>
Interest income							39,680
Share of results of associates	10,600	-	-	26,723	-	-	37,323
Share of results of jointly controlled entity	-	(7)	-	-	-	-	<u>(7)</u>
Profit before taxation							1,991,073
Taxation							<u>(340,109)</u>
Profit for the period							<u>1,650,964</u>

Interim Report For The Financial Period Ended 30 June 2008

(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 June 2008 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 June 2008 except for the following:

	EFFECTIVE EQUITY INTEREST	
	AS AT	
	30/06/2008	30/06/2007
IOI Consolidated (Singapore) Pte Ltd <i>(formerly known as I.O.I. (S) Pte Ltd)</i>	100%	-
IOI Lipid Enzymtec Sdn Bhd	100%	-
Lynwood Capital Resource Pte Ltd	100%	-
Oakridge Investments Pte Ltd	100%	-
Oleander Capital Resources Pte Ltd	100%	-
Pinnacle (Sentosa) Pte Ltd	46%	-
Mergui Development Pte Ltd	38%	-
Dreammont Development Sdn Bhd	100%	-
Projects IOI (Mauritius) Ltd	-	55%
A. P. Gems & Jewellery Park Pvt Ltd (India)	-	49%

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 June 2008

(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

For the Q4 FY2008, the Group's pre-tax profit was RM856.1 million as compared to RM602.5 million in Q4 FY2007. The significant increase of 42% is contributed mainly by record performance from both the plantation and resource-based manufacturing business segments, as a result of higher palm oil prices and increased sales volume.

For the whole of FY2008, the Group's pre-tax profit is RM3.10 billion, an increase of 55% as compared to the RM1.99 billion reported for FY2007, contributed mainly by better performance from plantation and resource-based manufacturing segments.

Plantation earnings of RM1,835.9 million for FY2008 is about twice the earnings generated for FY2007, boosted by significantly higher CPO prices. Average CPO prices realised for FY2008 is RM2,865 per MT as compared to RM1,759 per MT for FY2007.

The resource-based manufacturing segment continued to perform well for FY2008 with an increase in operating profit by 62% to RM658.2 million with the inclusion of full year profit from Pan Century Group as well as volume and margin growth from all three sub-segments i.e. refinery, oleochemicals and specialty fats.

The property segment's operating profit of RM551.9 million is 8% lower than previous year's profit. After exclusion of fair value gain on investment properties of RM130.0 million (FY2007: RM160.7 million), operating profit only reduced by 4%, which is considered satisfactory in this challenging market condition with escalating cost in building materials.

Overall, the Group achieved net earnings of RM2.23 billion for FY2008, a 51% increase over the RM1.48 billion recorded for FY2007. The percentage increase of the Group's net earnings level is slightly 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 FY2007.

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 June 2008 and the date of this announcement.

Interim Report For The Financial Period Ended 30 June 2008

(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 increased by 4% from RM820.4 million in Q3 FY2008 to RM856.1 million in Q4 FY2008. All major segments reported increase in operating profits. Plantation segment reported an increase in profit by 20% contributed mainly by higher FFB production and higher CPO prices. The increase in property segment's profit by 123% is due mainly to the inclusion of fair value gain on investment properties of RM130.0 million; excluding this gain, the profit is about the same as previous quarter's level. The manufacturing segments continued to perform well despite an extremely volatile market, largely due to successful hedges on raw material feedstock and increased sales volume.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	INCREASE/ (DECREASE) RM'000	
Plantation	522,278	434,779	87,499	20%
Property development	88,087	95,496	(7,409)	
Property investment *	147,731	10,429	137,302	
Total Property	235,818	105,925	129,893	123%
Resource-based manufacturing	200,772	175,561	25,211	14%
Other operations	23,642	11,023	12,619	114%
	982,510	727,288	255,222	35%
Translation gain on USD denominated borrowings	(91,863)	95,700	(187,563)	(196%)
Other unallocated corporate expenses	1,299	829	470	57%
Operating profit	891,946	823,817	68,129	8%
Interest expense	(60,322)	(46,952)	(13,370)	28%
Interest income	21,094	25,571	(4,477)	(18%)
Share of results of associates	3,409	17,949	(14,540)	(81%)
Share of results of jointly controlled entity	(27)	(26)	(1)	4%
Profit before taxation	856,100	820,359	35,741	4%

* Result for property investment for the current quarter is inclusive of fair value gain on investment properties of RM129,967k.

Interim Report For The Financial Period Ended 30 June 2008

(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, the Group expects to continue to perform well in the new financial year ending 30 June 2009.

4) Achievability of forecast results

Not applicable

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

Not applicable.

6) Taxation

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 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	176,657	59,817	661,815	317,084
- Prior years	17,383	2,184	19,425	7,619
Deferred taxation				
- Current year	10,206	6,149	(6,479)	10,107
- Prior years	(4,111)	585	8,249	5,299
	200,135	68,735	683,010	340,109

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 of FY2007.

Interim Report For The Financial Period Ended 30 June 2008

(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 (Q4)		CUMULATIVE QUARTER (12 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	-	3,983	1,127	9,037
Total gain on disposal	-	1,271	564	3,402
Total purchases	-	2,612	-	4,078

b) Total investments in quoted securities (mainly classified under other long term investments) as at 30 June 2008 are as follows:

	RM'000
Quoted in Malaysia	
At cost	31,532
Allowance for diminution in value	(6,848)
Net book value	<u>24,684</u>
At market value	<u>95,791</u>
Quoted outside Malaysia	
At cost	16,194
Allowance for diminution in value	(9,077)
Net book value	<u>7,117</u>
At market value	<u>7,117</u>

Interim Report For The Financial Period Ended 30 June 2008

(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 11 August 2008 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

IOI Corporation Berhad ("IOI")

Proposal	IOI had on 8 August 2008 entered into a conditional joint venture agreement with Pelita Holdings Sdn Bhd to subscribe for the equity of a joint venture company to be incorporated and named IOI Pelita Kanowit Sdn Bhd for the purpose of acquiring and developing approximately 7,000 hectares of land situated at Block E (Lesih) Kanowit, Sibul, Sarawak into oil palm estates.
Adviser	None.
Approval pending	Foreign Investment Committee

- b) The status of utilisation of proceeds raised from the 3rd Exchangeable Bonds as at 11 August 2008 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed Utilisation (USD million)	Actual Utilisation (USD million)	Intended Timeframe for Utilisation	Deviation	
				Amount	%
Capital expenditure, investments/acquisitions and working capital	600	348	by January 2011	-	-
Total	600	348		-	-

Interim Report For The Financial Period Ended 30 June 2008

(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 June 2008 are as follows:

	RM'000
a) Bank overdrafts	
Unsecured	
Denominated in RM	7,126
Denominated in EGP* (EGP3,363,000)	2,026
Total Bank Overdrafts	9,152
b) Short term borrowings	
Unsecured	
Denominated in RM	456,795
Denominated in USD (USD972,000)	3,173
Denominated in SGD (SGD261,000,000)	627,835
Total Short Term Borrowings	1,087,803
c) Long term borrowings	
Unsecured	
Denominated in SGD (SGD256,000,000)	615,809
Denominated in JPY (JPY21,000,000,000)	596,875
Denominated in USD (USD1,119,121,000)	3,654,494
Total Long Term Borrowings	4,867,178

* EGP – Egyptian Pound

Interim Report For The Financial Period Ended 30 June 2008

(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 11 August 2008 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM5.03 billion and RM76.5 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 August 2008 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 the Group and outstanding as at 11 August 2008 are as follows:

Description	Notional Amount	Effective Period
EUR/USD Target Redemption Forward	EUR187.5 – 505.5 million	August 2008 to October 2010
EUR/USD Strike Lift	EUR100.0 million	August 2008 to July 2010
USD/MYR Target Redemption Forward	USD539.0 million	August 2008 to April 2009

The above contracts were entered into as hedges for USD deposits, 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.

Interim Report For The Financial Period Ended 30 June 2008

(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 11 August 2008 are as follows:

Description	Ringgit Equivalent (RM'mil)	Maturity Period
Sale contracts	104.6	September 2008 to March 2010
Purchase contracts	389.6	September 2008 to July 2010

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 11 August 2008, the Group has the following interest rate swap contracts:

Interest Rate Swap	Notional Amount	Effective Period
CMS Spread Daily Range Accrual Swap	USD100 million	12 October 2005 to 13 October 2010
USD Dual Index Hybrid Swap	USD40 million	22 July 2007 to 22 July 2014

Note:

CMS: Constant Maturity Swap

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 June 2008

(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 11 August 2008, 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 ¹	USD209.6 million into EUR161million	1 April 2005 to 28 February 2015
JPY liability to USD liability ²	JPY15.0 billion into USD128 million	23 January 2007 to 22 January 2037
JPY liability to USD liability ³	JPY6.0 billion into USD55 million	5 February 2008 to 5 February 2038

¹ The contracts effectively swapped part of the Group's USD500 million 5.25% Guaranteed Notes due 2015 into fixed rate EUR liability and serve as a hedge against the Group's Euro denominated assets.

² The contracts effectively swapped the Group's JPY15.0 billion 30-year Fixed Rate Term Loan due 2037 into USD128 million liability.

³ The contracts effectively swapped the Group's JPY6.0 billion 30-year Fixed Rate Term Loan due 2038 into USD55 million liability.

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

Interim Report For The Financial Period Ended 30 June 2008

(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 12(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 6 October 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.

Interim Report For The Financial Period Ended 30 June 2008

(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;

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 has filed a Proof of Debt against Unitangkob.

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

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 full trial from 19 to 21 November 2008.

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

Interim Report For The Financial Period Ended 30 June 2008

(The figures have not been audited)

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

13) Dividend

The Board has on 14 February 2008 declared an interim dividend of 70% or 7.0 sen per ordinary share of RM0.10 each less 26% income tax in respect of six months financial period ended 31 December 2007 (31 December 2006: 70% or 35.0 sen per ordinary share of RM0.50 each less 27% income tax). The dividend was paid on 28 March 2008.

The Board declares a single tier interim dividend of 100% or 10.0 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2008 (30 June 2007: nil) which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967.

The dividend will be payable on 26 September 2008 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 17 September 2008.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 17 September 2008 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 15 September 2008 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividend declared to date for the current financial year is 7.0 sen per ordinary share of RM0.10 each less 26% income tax and single tier dividend of 10.0 sen per ordinary share of RM0.10 each (30 June 2007: 70% or 35.0 sen per ordinary share of RM0.50 each less 27% income tax).

14) Earnings per Share

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 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
a) Basic earnings per share				
Net profit for the period attributable to equity holders of the parent	597,284	451,661	2,231,632	1,482,104
Weighted average number of ordinary shares in issue ('000)	6,025,926	6,204,679	6,055,596	6,143,103
Basic earnings per share (sen)	9.91	7.28	36.85	24.13

Interim Report For The Financial Period Ended 30 June 2008

(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 (Q4)		CUMULATIVE QUARTER (12 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) Diluted earnings per share				
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	597,284	451,661	2,231,632	1,482,104
Assumed exchange of USD310 million Zero Coupon Guaranteed Exchangeable Bonds at beginning of period:				
Net interest savings	-	170	-	4,666
Net foreign exchange differences taken up	-	(138)	-	(9,728)
	-	32	-	(5,062)
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	-	10,474	24,437	22,832
Net foreign exchange differences taken up	-	(1,282)	(48,122)	(35,168)
	-	9,192	(23,685)	(12,336)
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	-	-	24,648	-
Net foreign exchange differences taken up	-	-	5,276	-
	-	-	29,924	-
	597,284	460,885	2,237,871	1,464,706
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	6,025,926	6,204,679	6,055,596	6,143,103
Assumed exchange of USD310 million Zero Coupon Guaranteed Exchangeable Bonds at beginning of period	-	12,634	-	82,737
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	273,313	156,699	146,782
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	-	81,633	-
Assumed exercise of Executive Share Options at beginning of period	66,613	54,039	69,212	41,617
	6,092,539	6,544,665	6,363,140	6,414,239
Diluted earnings per share (sen)	9.80	7.04	35.17	22.84



Interim Report For The Financial Period Ended 30 June 2008
(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
18 August 2008

**IOI GROUP****IOI CORPORATION BERHAD** (9027-W)
(Incorporated in Malaysia)**Interim Report For The Financial Period Ended 30 June 2008**

(The figures have not been audited)

Group Plantation Statistics

		As At 30/06/2008	As At 30/06/2007
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	139,097	139,798
Total planted	<i>(hectares)</i>	149,445	148,871
Rubber			
Mature	<i>(hectares)</i>	274	568
Total planted	<i>(hectares)</i>	552	568

		30/06/2008 (12 months)	30/06/2007 (12 months)
Average Mature Area			
Oil Palm			
	<i>(hectares)</i>	138,647	138,282
Rubber			
	<i>(hectares)</i>	430	568
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	3,957,281	3,694,535
Yield per mature hectare	<i>(tonnes)</i>	28.54	26.72
FFB processed	<i>(tonnes)</i>	3,967,606	3,720,233
Crude palm oil production	<i>(tonnes)</i>	848,119	793,452
Palm kernel production	<i>(tonnes)</i>	199,347	185,418
Crude palm oil extraction rate	<i>(%)</i>	21.38%	21.33%
Palm kernel extraction rate	<i>(%)</i>	5.02%	4.98%
Rubber			
Rubber production	<i>('000kgs)</i>	1,243	1,723
Yield per mature hectare	<i>(kgs)</i>	2,890	3,034
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,865	1,759
Palm kernel	<i>(RM/tonne)</i>	1,706	958