



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

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

Interim Report For The Financial Period Ended 30 September 2008

(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
	30/09/2008 RM'000	30/09/2007 RM'000	30/09/2008 RM'000	30/09/2007 RM'000
Revenue	4,654,772	3,122,741	4,654,772	3,122,741
Operating profit *	488,546	651,372	488,546	651,372
Interest income	20,670	8,636	20,670	8,636
Finance cost	(60,114)	(44,703)	(60,114)	(44,703)
Share of results of associates	13,464	12,962	13,464	12,962
Share of results of jointly controlled entities	(24)	(16)	(24)	(16)
Profit before taxation	462,542	628,251	462,542	628,251
Taxation	(140,936)	(137,213)	(140,936)	(137,213)
Profit for the period	321,606	491,038	321,606	491,038
Attributable to:				
Equity holders of the parent	290,500	451,518	290,500	451,518
Minority interest	31,106	39,520	31,106	39,520
	321,606	491,038	321,606	491,038
Earnings per share (sen)				
Basic	4.88	7.37	4.88	7.37
Diluted	4.85	6.99	4.85	6.99

Included in operating profit for the current year quarter are:

- i. Realised foreign exchange loss of RM100.6 million**
- ii. Unrealised translation loss on USD denominated borrowings of RM212.2 million**

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheet

	AS AT END OF CURRENT QUARTER 30/09/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/2008 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,532,959	4,519,274
Prepaid lease payments	818,910	822,328
Land held for property development	932,850	927,263
Investment properties	841,302	838,639
Other long term investments	25,779	26,198
Goodwill on consolidation	550,006	514,136
Associates	555,535	542,071
Jointly controlled entities	1,550,676	1,515,878
Deferred tax assets	57,951	55,619
	9,865,968	9,761,406
Current assets		
Property development costs	424,593	412,178
Inventories	2,338,040	2,447,941
Receivables	1,748,598	1,743,765
Short term investments	7,129	7,129
Short term funds	434,176	1,592,545
Short term deposits	573,679	871,542
Cash and bank balances	409,305	424,718
	5,935,520	7,499,818
TOTAL ASSETS	15,801,488	17,261,224

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheet (Continued)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	30/09/2008 RM'000	30/06/2008 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	614,279	613,788
Share premium	1,943,049	1,923,327
Other reserves	300,876	330,864
Treasury shares	(1,522,880)	(1,079,914)
Retained profits	6,302,800	6,603,296
	<u>7,638,124</u>	<u>8,391,361</u>
Minority interests	1,080,054	965,117
Total equity	<u>8,718,178</u>	<u>9,356,478</u>
Non-current liabilities		
Long term borrowings	5,116,241	4,867,178
Other long term liabilities	76,026	76,196
Deferred tax liabilities	541,826	551,462
	<u>5,734,093</u>	<u>5,494,836</u>
Current liabilities		
Payables	905,697	1,152,022
Bank overdrafts	18,933	9,152
Short term borrowings	287,043	1,087,803
Provision for taxation	137,544	160,933
	<u>1,349,217</u>	<u>2,409,910</u>
Total liabilities	<u>7,083,310</u>	<u>7,904,746</u>
TOTAL EQUITY AND LIABILITIES	<u>15,801,488</u>	<u>17,261,224</u>
Net assets per share attributable to equity holders of the parent (RM)	1.29	1.40

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2008

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	3 Months Ended 30/09/2008 RM'000	3 Months Ended 30/09/2007 RM'000
Operating Activities		
Profit before taxation	462,542	628,251
Adjustments for:		
Depreciation	55,931	58,420
Other non-cash items	243,059	(9,648)
Operating profit before working capital changes	<u>761,532</u>	<u>677,023</u>
Net changes in working capital	<u>(14,222)</u>	<u>(350,045)</u>
Cash generated from operations	747,310	326,978
Other payments	(126)	(54)
Taxes paid	<u>(199,588)</u>	<u>(81,857)</u>
Net cash inflow from operating activities	<u>547,596</u>	<u>245,067</u>
Investing Activities		
Other investments	10,449	(16,083)
Property, plant and equipment	(91,091)	(43,697)
Investment in land held for development	(20,069)	-
Equity investments	(64,142)	(9,636)
Payment made to jointly controlled entities	<u>(18,748)</u>	<u>(385,261)</u>
Net cash outflow from investing activities	<u>(183,601)</u>	<u>(454,677)</u>
Financing Activities		
Right issue of a subsidiary	46,414	-
Issuance of shares (subsidiary)	175	2,174
(Repurchase)/Issuance of shares (net)	(426,307)	2,094
Dividends paid	(590,996)	-
Bank borrowings	(868,391)	296,294
Dividends paid to minority shareholders	-	(25,113)
Capital repayment	-	(1,314,392)
Net cash outflow from financing activities	<u>(1,839,105)</u>	<u>(1,038,943)</u>
Net decrease in cash and cash equivalents	(1,475,110)	(1,248,553)
Cash and cash equivalents at beginning of period	2,879,653	2,720,983
Effect of exchange rate changes	(6,316)	5,518
Cash and cash equivalents at end of period	<u>1,398,227</u>	<u>1,477,948</u>

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 30 September 2008

(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	Treasury shares	Retained earnings			
As at 1 July 2008	613,788	1,923,327	331,081	(217)	(1,079,914)	6,603,296	8,391,361	965,117	9,356,478
Net loss not recognised in income statement	-	-	-	(30,537)	-	-	(30,537)	1,279	(29,258)
Net profit for the period	-	-	-	-	-	290,500	290,500	31,106	321,606
Dividend paid in respect of previous financial year	-	-	-	-	-	(590,996)	(590,996)	-	(590,996)
Issue of shares arising from exercise of share options	491	19,722	(3,590)	-	-	-	16,623	-	16,623
Repurchase of shares	-	-	-	-	(442,966)	-	(442,966)	-	(442,966)
Recognition of share option expenses	-	-	4,139	-	-	-	4,139	45	4,184
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	82,507	82,507
As at 30 September 2008	614,279	1,943,049	331,630	(30,754)	(1,522,880)	6,302,800	7,638,124	1,080,054	8,718,178

(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 2008 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 30 September 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	Capital reserve	Foreign currency translation reserve	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	-	-	-	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)
As at 30 September 2007	595,312	1,099,024	163,918	(47,799)	5,158,886	6,969,341	874,553	7,843,894

(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 2008 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 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 2008.

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 2008.

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 2008.

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 share buy-back as explained in Note e).

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.

Interim Report For The Financial Period Ended 30 September 2008

(The figures have not been audited)

Explanatory Notes

e) Details of Changes in Debt and Equity Securities

i. During the current financial year-to-date, the Company issued:

- 2,474,800 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.
- 2,435,400 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.

iii. During the current financial year-to-date, the Company has repurchased 80,951,000 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM5.47 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.

f) Dividends Paid

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Second interim single tier dividend in respect of financial year ended 30 June 2008		
- 10.0 sen per ordinary share of RM0.10 each	590,996	-

Interim Report For The Financial Period Ended 30 September 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
3 Months Ended 30/09/08							
REVENUE							
External Sales	43,373	148,600	18,987	4,423,084	20,728	-	4,654,772
Inter-segment sales	781,944	-	-	-	-	(781,944)	-
Total Revenue	<u>825,317</u>	<u>148,600</u>	<u>18,987</u>	<u>4,423,084</u>	<u>20,728</u>	<u>(781,944)</u>	<u>4,654,772</u>
RESULT							
Segment results *	567,109	56,585	11,629	144,749	13,365	-	793,437
Translation loss on USD denominated borrowings (bonds)							(212,242)
Other unallocated corporate expenses #							<u>(92,649)</u>
Operating profit							488,546
Finance cost							(60,114)
Interest income							20,670
Share of results of associates	4,710	-	-	8,754	-	-	13,464
Share of results of jointly controlled entity	-	(24)	-	-	-	-	<u>(24)</u>
Profit before taxation							462,542
Taxation							<u>(140,936)</u>
Profit for the period							<u>321,606</u>
3 Months Ended 30/09/07							
REVENUE							
External sales	64,383	201,888	16,587	2,809,355	30,528	-	3,122,741
Inter-segment sales	548,070	-	-	-	-	(548,070)	-
Total Revenue	<u>612,453</u>	<u>201,888</u>	<u>16,587</u>	<u>2,809,355</u>	<u>30,528</u>	<u>(548,070)</u>	<u>3,122,741</u>
RESULT							
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							<u>(29,077)</u>
Operating profit							651,372
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)	-	-	-	-	<u>(16)</u>
Profit before taxation							628,251
Taxation							<u>(137,213)</u>
Profit for the period							<u>491,038</u>

* Result for the resource-based manufacturing for the current quarter is inclusive of realised foreign exchange loss of RM63.4 million

Other unallocated corporate expenses for the current quarter is inclusive of realised foreign exchange loss of RM37.2 million

Interim Report For The Financial Period Ended 30 September 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 September 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 September 2008 except for the following:

	EFFECTIVE EQUITY INTEREST	
	AS AT	
	30/09/2008	30/06/2008
Laksana Kemas Sdn Bhd	100%	-

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 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 Q1 FY2009, the Group's pre-tax profit was RM462.5 million as compared to RM628.3 million for Q1 FY2008. At net earnings level, the Group achieved RM290.5 million for Q1 FY2009, a 36% decrease over the RM451.5 million recorded for Q1 FY2008. After excluding the unrealised translation loss on USD denominated borrowings of RM212.2 million (Q1 FY2008 - gain of RM34.9 million), the net earnings for Q1 FY2009 is RM502.7 million or 21% higher than Q1 FY2008.

Plantation earnings of RM567.1 million for Q1 FY2009 is 43% higher than Q1 FY2008, boosted by significantly higher CPO prices. Average CPO prices realised for Q1 FY2009 is RM3,391 per MT as compared to RM2,473 per MT for Q1 FY2008.

The resource-based manufacturing segment reported an increase in profit by 18% or RM22.0 million despite the inclusion of the realised foreign exchange loss of RM63.4 million for Q1 FY2009. Overall, the Group recognised a total realised foreign exchange loss of RM100.6 million in Q1 FY2009 from the resource-based manufacturing business segment and also from the partial conversion of proceeds from the USD denominated borrowings.

The property segment's operating profit of RM68.2 million for Q1 FY2009 is 38% lower than Q1 FY2008. The decrease is due mainly to soft property market conditions experienced in the current quarter and also the lower margins as a result of higher construction costs.

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 September 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 decreased by 46% from RM856.1 million for Q4 FY2008 to RM462.5 million for Q1 FY2009.

Plantation segment reported an increase in profit of 9% or RM44.8 million, as the result of higher FFB production and higher CPO prices.

Property segment reported a decrease of 71% or RM167.6 million, due mainly to the inclusion of fair value gain on investment properties of RM130.0 million and gain on disposal of investment properties of RM7.4 million in the preceding quarter. Excluding these gains, property operating profit decrease by 31% from RM98.4 million for Q4 FY2008 to RM68.2 million for Q1 FY2009, the decrease is mainly attributable to change in sales mix i.e. higher proportion of residential units sold compared to shop offices.

The manufacturing segment also reported a drop in profit by 28% or RM56.0 million, the decrease is due mainly to the recognition of RM63.4 million realised foreign exchange losses in the current quarter.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	INCREASE/ (DECREASE) RM'000	
Plantation	567,109	522,278	44,831	9%
Property development	56,585	88,087	(31,502)	
Property investment	11,629	147,731	(136,102)	
Total Property	68,214	235,818	(167,604)	(71%)
Resource-based manufacturing	144,749	200,772	(56,023)	(28%)
Other operations	13,365	23,642	(10,277)	(43%)
	793,437	982,510	(189,073)	(19%)
Translation loss on USD denominated borrowings (bonds)	(212,242)	(91,863)	(120,379)	131%
Other unallocated corporate expenses #	(92,649)	1,299	(93,948)	(7232%)
Operating profit	488,546	891,946	(403,400)	(45%)
Interest expense	(60,114)	(60,322)	208	(0%)
Interest income	20,670	21,094	(424)	(2%)
Share of results of associates	13,464	3,409	10,055	295%
Share of results of jointly controlled entity	(24)	(27)	3	(11%)
Profit before taxation	462,542	856,100	(393,558)	(46%)

Other unallocated corporate expenses for the current quarter is inclusive of realised foreign exchange loss of RM37.2 million

Interim Report For The Financial Period Ended 30 September 2008

(The figures have not been audited)

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

3) Current Year Prospects

The global economic slow down which is now affecting Malaysia will no doubt make the current year a challenging period for business corporations in Malaysia generally. With regard to the Group's upstream plantations business, our much higher oil yield and strong financial position will put us in good stead in facing the softening CPO prices. Our strong downstream business, especially in the food sector, will benefit from the lower raw material prices. Our property development business will see more launches of medium-end houses and strata shop units which are still popular in our matured townships.

Overall, the Group's result for the current financial year is expected to be lower than the previous year's record results but still satisfactory in the light of the current business scenario.

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	152,866	141,673	152,866	141,673
- Prior years	-	426	-	426
Deferred taxation				
- Current year	(11,930)	(4,886)	(11,930)	(4,886)
- Prior years	-	-	-	-
	140,936	137,213	140,936	137,213

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate due principally to the non-allowable unrealised foreign exchange losses and other non-allowable expenses incurred by the Group.

Interim Report For The Financial Period Ended 30 September 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 (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 2008 are as follows:

	RM'000
Quoted in Malaysia	
At cost	31,113
Allowance for diminution in value	(6,848)
Net book value	<u>24,265</u>
At market value	<u>45,016</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>5,972</u>

Interim Report For The Financial Period Ended 30 September 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 31 October 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(s) pending	Foreign Investment Committee ("FIC").

Proposal	IOI had on 29 August 2008 entered into a conditional sale and purchase agreement ("SPA") with Menara Citi Holding Company Sdn Bhd, CapitaLand Limited and Amsteel Corporation Berhad to acquire the entire equity interest in Inverfin Sdn Bhd ("ISB") comprising 10,000,003 ordinary shares of RM1.00 each in ISB for a total cash consideration of RM586,731,176 subject to the terms and conditions of the SPA.
Adviser	None.
Approval(s) pending	The approval of FIC was obtained on 31 October 2008.

- b) The status of utilisation of proceeds raised from the 3rd Exchangeable Bonds as at 31 October 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	368	by January 2011	-	-
Total	600	368		-	-

Interim Report For The Financial Period Ended 30 September 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 September 2008 are as follows:

	RM'000
a) Bank overdrafts	
Unsecured	
Denominated in RM	16,843
Denominated in EGP* (EGP3,363,000)	2,090
Total Bank Overdrafts	18,933
b) Short term borrowings	
Unsecured	
Denominated in RM	261,761
Denominated in USD (USD486,000)	1,669
Denominated in SGD (SGD9,800,000)	23,613
Total Short Term Borrowings	287,043
c) Long term borrowings	
Unsecured	
Denominated in SGD (SGD256,000,000)	616,832
Denominated in JPY (JPY21,000,000,000)	628,313
Denominated in USD (USD1,126,137,000)	3,871,096
Total Long Term Borrowings	5,116,241

* EGP – Egyptian Pound

Interim Report For The Financial Period Ended 30 September 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 31 October 2008 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM3.76 billion and RM64.9 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 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 31 October 2008 are as follows:

Description	Notional Amount	Effective Period
EUR/USD Target Redemption Forward	EUR66 million	October 2007 to August 2010
EUR/USD Strike Lift	EUR90.0 million	January 2008 to July 2010
USD/MYR Target Redemption Forward	USD100.0 million	November 2008 to April 2009
Reverse EUR/USD Target Redemption Forward	EUR106.5 million	July 2008 to August 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 September 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 31 October 2008 are as follows:

Description	Ringgit Equivalent (RM'mil)	Maturity Period
Sale contracts	200.0	December 2008 to March 2010
Purchase contracts	384.0	December 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 31 October 2008, the Group has the following interest rate swap contract:

Interest Rate Swap	Notional Amount	Effective Period
USD Dual Index Hybrid Swap	USD40 million	22 July 2007 to 22 July 2014

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 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 31 October 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 September 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 2008. 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 mention/further direction on 11 December 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 September 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 September 2008

(The figures have not been audited)

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

13) Dividend

No dividend has been proposed for this quarter (30 September 2007: nil)

14) Earnings per Share

	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
a) Basic earnings per share				
Net profit for the period attributable to equity holders of the parent	290,500	451,518	290,500	451,518
Weighted average number of ordinary shares in issue ('000)	5,953,332	6,126,374	5,953,332	6,126,374
Basic earnings per share (sen)	4.88	7.37	4.88	7.37

Interim Report For The Financial Period Ended 30 September 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 (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
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	290,500	451,518	290,500	451,518
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)
	290,500	449,537	290,500	449,537
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	5,953,332	6,126,374	5,953,332	6,126,374
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	41,551	59,988	41,551	59,988
	5,994,883	6,433,121	5,994,883	6,433,121
Diluted earnings per share (sen)	4.85	6.99	4.85	6.99

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
7 November 2008

Interim Report For The Financial Period Ended 30 September 2008

(The figures have not been audited)

Group Plantation Statistics

		As At 30/09/2008	As At 30/09/2007
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	140,018	138,487
Total planted	<i>(hectares)</i>	148,840	150,323
Rubber			
Mature	<i>(hectares)</i>	274	568
Total planted	<i>(hectares)</i>	712	568

		30/09/2008 (3 months)	30/09/2007 (3 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	140,154	139,118
Rubber	<i>(hectares)</i>	274	568
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,041,256	1,070,775
Yield per mature hectare	<i>(tonnes)</i>	7.43	7.70
FFB processed	<i>(tonnes)</i>	1,043,679	1,071,379
Crude palm oil production	<i>(tonnes)</i>	222,022	229,122
Palm kernel production	<i>(tonnes)</i>	50,391	53,574
Crude palm oil extraction rate	<i>(%)</i>	21.27%	21.39%
Palm kernel extraction rate	<i>(%)</i>	4.83%	5.00%
Rubber			
Rubber production	<i>('000kgs)</i>	59	437
Yield per mature hectare	<i>(kgs)</i>	215	769
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	3,391	2,473
Palm kernel	<i>(RM/tonne)</i>	1,766	1,435