



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
31 March 2009**

Interim Report For The Financial Period Ended 31 March 2009

(The figures have not been audited)

Condensed Consolidated Income Statement

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2009 RM'000	31/03/2008 RM'000	31/03/2009 RM'000	31/03/2008 RM'000
Revenue	3,096,406	3,525,422	11,478,018	10,105,304
Operating profit	197,886	823,817	1,072,317	2,280,049
Interest income	13,454	25,571	49,212	46,941
Finance cost	(59,913)	(46,952)	(174,216)	(130,642)
Share of results of associates	(10,141)	17,949	6,398	42,795
Share of results of jointly controlled entities	43	(26)	(16,345)	(46)
Profit before taxation	141,329	820,359	937,366	2,239,097
Taxation	(83,088)	(182,782)	(374,991)	(482,875)
Profit for the period	58,241	637,577	562,375	1,756,222
Attributable to:				
Equity holders of the parent	37,362	601,639	496,448	1,634,348
Minority interest	20,879	35,938	65,927	121,874
	58,241	637,577	562,375	1,756,222
Earnings per share (sen)				
Basic	0.63	9.89	8.39	26.95
Diluted	0.63	8.78	8.36	24.71

(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 31 March 2009

(The figures have not been audited)

Condensed Consolidated Balance Sheet

	AS AT END OF CURRENT QUARTER 31/03/2009 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/2008 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,594,715	4,519,274
Prepaid lease payments	821,356	822,328
Land held for property development	879,652	927,263
Investment properties	909,299	838,639
Other long term investments	23,189	26,198
Goodwill on consolidation	547,420	514,136
Associates	539,097	542,071
Jointly controlled entities	1,631,333	1,515,878
Deferred tax assets	50,541	55,619
	9,996,602	9,761,406
Current assets		
Property development costs	482,967	412,178
Inventories	1,651,454	2,447,941
Receivables	1,359,607	1,743,765
Short term investments	7,129	7,129
Short term funds	1,905,639	1,592,545
Short term deposits	268,556	871,542
Cash and bank balances	341,407	424,718
	6,016,759	7,499,818
TOTAL ASSETS	16,013,361	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 31 March 2009

(The figures have not been audited)

Condensed Consolidated Balance Sheet (Continued)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	31/03/2009	30/06/2008
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	615,118	613,788
Share premium	1,967,792	1,923,327
Other reserves	248,859	330,864
Treasury shares	(1,631,279)	(1,079,914)
Retained profits	6,348,304	6,603,296
	<u>7,548,794</u>	<u>8,391,361</u>
Minority interests	1,069,304	965,117
Total equity	<u>8,618,098</u>	<u>9,356,478</u>
Non-current liabilities		
Long term borrowings	5,682,610	4,867,178
Other long term liabilities	74,019	76,196
Deferred tax liabilities	524,393	551,462
	<u>6,281,022</u>	<u>5,494,836</u>
Current liabilities		
Payables	920,575	1,152,022
Bank overdrafts	2,453	9,152
Short term borrowings	38,771	1,087,803
Provision for taxation	152,442	160,933
	<u>1,114,241</u>	<u>2,409,910</u>
Total liabilities	<u>7,395,263</u>	<u>7,904,746</u>
TOTAL EQUITY AND LIABILITIES	<u>16,013,361</u>	<u>17,261,224</u>
Net assets per share attributable to equity holders of the parent (RM)	1.28	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 31 March 2009

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	9 Months Ended 31/03/2009 RM'000	9 Months Ended 31/03/2008 RM'000
Operating Activities		
Profit before taxation	937,366	2,239,097
Adjustments for:		
Depreciation	169,876	173,838
Other non-cash items	677,811	(219,624)
Operating profit before working capital changes	<u>1,785,053</u>	2,193,311
Net changes in working capital	<u>1,028,084</u>	(922,098)
Cash generated from operations	2,813,137	1,271,213
Other payments	(455)	(461)
Taxes paid	(453,887)	(207,735)
Net cash inflow from operating activities	<u>2,358,795</u>	<u>1,063,017</u>
Investing Activities		
Equity investments	(8,280)	(283,216)
Other investments	(45,637)	48,659
Investment in land held for development	(66,926)	(145,093)
Payment made to jointly controlled entities	(110,916)	(873,970)
Property, plant and equipment	(288,455)	(135,399)
Net cash outflow from investing activities	<u>(520,214)</u>	<u>(1,389,019)</u>
Financing Activities		
Right issue of a subsidiary	45,680	-
Issuance/(Repurchase) of shares (subsidiary)	380	4,486
Dividends paid to minority shareholders	(44,161)	(67,134)
Purchase of 3rd Exchangeable Bonds	(84,373)	-
(Repurchase)/Issuance of shares (net)	(513,673)	(591,909)
Dividends paid	(767,760)	(314,738)
Bank borrowings	(831,968)	930,773
Issuance of 3rd Exchangeable Bonds	-	1,953,900
Capital repayment	-	(1,314,391)
Net cash outflow from financing activities	<u>(2,195,875)</u>	<u>600,987</u>
Net (decrease)/increase in cash and cash equivalents	(357,294)	274,985
Cash and cash equivalents at beginning of period	2,879,653	2,720,983
Effect of exchange rate changes	(9,210)	10,820
Cash and cash equivalents at end of period	<u>2,513,149</u>	<u>3,006,788</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 31 March 2009

(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 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	-	-	-	(74,237)	-	-	(74,237)	(268)	(74,505)
Net profit for the period	-	-	-	-	-	496,448	496,448	65,927	562,375
Dividend paid in respect of current financial year	-	-	-	-	-	(176,764)	(176,764)	-	(176,764)
Dividend paid in respect of previous financial year	-	-	-	-	-	(590,996)	(590,996)	-	(590,996)
Issue of shares arising from exercise of share options	1,330	44,465	(8,182)	-	-	-	37,613	-	37,613
Repurchase of shares	-	-	-	-	(551,365)	-	(551,365)	-	(551,365)
Recognition of share option expenses	-	-	12,931	-	-	-	12,931	134	13,065
Purchase of 3rd Exchangeable Bonds	-	-	(12,517)	-	-	16,320	3,803	-	3,803
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	82,555	82,555
Dividend paid to minority interest	-	-	-	-	-	-	-	(44,161)	(44,161)
As at 31 March 2009	615,118	1,967,792	323,313	(74,454)	(1,631,279)	6,348,304	7,548,794	1,069,304	8,618,098

(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 31 March 2009

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity (Continued)

(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 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	-	-	-	73,978	-	-	73,978	1,766	75,744
Net profit for the period	-	-	-	-	-	1,634,348	1,634,348	121,874	1,756,222
Dividend paid in respect of current financial year	-	-	-	-	-	(314,738)	(314,738)	-	(314,738)
Issue of shares arising from conversion of 2nd Exchangeable Bonds	17,209	791,620	(56,826)	-	-	(21,141)	730,862	-	730,862
Issue of shares arising from exercise of share options	1,326	42,633	(11,426)	-	-	-	32,533	-	32,533
Capital repayment	(31,295)	(1,283,096)	-	-	-	-	(1,314,391)	-	(1,314,391)
Repurchase of shares	-	-	-	-	(625,046)	-	(625,046)	-	(625,046)
Recognition of share option expenses	-	-	27,965	-	-	-	27,965	-	27,965
Equity component of 3rd Exchangeable Bonds	-	-	205,712	-	-	-	205,712	-	205,712
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	4,789	4,789
Dividend paid to minority interest	-	-	-	-	-	-	-	(67,134)	(67,134)
As at 31 March 2008	613,121	1,900,717	323,659	(27,999)	(625,046)	6,006,029	8,190,481	918,249	9,108,730

(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 31 March 2009

(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

The traditional low crop season for oil palm for the third quarter has resulted in a 26% drop in FFB yield per mature hectare as compared to the immediate preceding quarter. Apart from this, 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 31 March 2009

(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:
- 10,828,000 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.
 - 2,470,400 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 115,984,200 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM4.75 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
Interim single tier dividend in respect of financial year ended 30 June 2009 - 3.0 sen per ordinary share of RM0.10 each	176,764	-
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 dividend in respect of financial year ended 30 June 2008 - 7.0 sen per ordinary share of RM0.10 less 26% income tax	-	314,738
	767,760	314,738

Interim Report For The Financial Period Ended 31 March 2009

(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
9 Months Ended 31/03/09							
REVENUE							
External Sales	165,953	381,952	59,451	10,763,902	106,760	-	11,478,018
Inter-segment sales	1,879,720	-	-	-	-	(1,879,720)	-
Total Revenue	2,045,673	381,952	59,451	10,763,902	106,760	(1,879,720)	11,478,018
RESULT							
Segment results	1,380,479	164,832	35,626	169,065	56,086	-	1,806,088
Translation loss on USD denominated borrowings (bonds)							(481,966)
Other unallocated corporate expenses							(251,805)
Operating profit							1,072,317
Finance cost							(174,216)
Interest income							49,212
Share of results of associates	1,194	-	-	5,204	-	-	6,398
Share of results of jointly controlled entity	-	(16,345)	-	-	-	-	(16,345)
Profit before taxation							937,366
Taxation							(374,991)
Profit for the period							562,375
9 Months Ended 31/03/08							
REVENUE							
External Sales	168,528	580,368	52,640	9,220,663	83,105	-	10,105,304
Inter-segment sales	1,815,960	-	-	-	-	(1,815,960)	-
Total Revenue	1,984,488	580,368	52,640	9,220,663	83,105	(1,815,960)	10,105,304
RESULT							
Segment results	1,302,352	278,276	32,354	457,401	36,404	-	2,106,787
Gain on disposal of non-current assets held for sale	11,221	3,310	2,190	-	-	-	16,721
Translation loss on USD denominated borrowings (bonds)							226,796
Other unallocated corporate expenses							(70,255)
Operating profit							2,280,049
Finance cost							(130,642)
Interest income							46,941
Share of results of associates	15,772	-	-	27,023	-	-	42,795
Share of results of jointly controlled entity	-	(46)	-	-	-	-	(46)
Profit before taxation							2,239,097
Taxation							(482,875)
Profit for the period							1,756,222

Interim Report For The Financial Period Ended 31 March 2009

(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 31 March 2009 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 31 March 2009 except for the following:

	EFFECTIVE EQUITY INTEREST	
	AS AT	
	31/03/2009	30/06/2008
Laksana Kemas Sdn Bhd	100 %	-
IOI Pelita Kanowit Sdn Bhd	50 %	-
IOI Oleo (Europe) ApS	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 31 March 2009

(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

In tandem with the global economic slow down, the Group reported a 58% lower pre-tax profit of RM937.4 million for Q3 YTD FY2009 as compared to RM2,239.1 million for Q3 YTD FY2008. The lower profit is due mainly to unrealised translation losses on long term USD denominated borrowings as well as lower contribution from both the manufacturing and property segments. After excluding the unrealised translation loss on long term USD denominated borrowings of RM482.0 million (Q3 YTD FY2008 - gain of RM226.8 million), the pre-tax profit for Q3 YTD FY2009 is RM1,419.3 million or 30% lower than Q3 YTD FY2008, which is reasonable in light of the challenging economic conditions. The ringgit has been strengthening against the USD since 31 March 2009 and should this trend continues, it is likely that part of the unrealised translation loss on long term USD denominated borrowings will be written back.

The plantation segment reported a 6% increase in operating profit, i.e. RM1,380.5 million for Q3 YTD FY2009 as compared to RM1,302.4 million for Q3 YTD FY2008. The better performance is due mainly to higher CPO prices realised from the forward sales entered into during the second half of FY2008. Average CPO prices realised for Q3 YTD FY2009 was RM2,932/MT as compared to RM2,705/MT for Q3 YTD FY2008.

The resource-based manufacturing operating profit of RM169.1 million for Q3 YTD FY2009 is significantly lower as compared to RM457.4 million for Q3 YTD FY2008. The lower profit is attributable mainly to realised foreign exchange losses and customer defaults on high priced contracts incurred during the first half of the financial year and lower sales volume due to the unfavourable global economic conditions.

The property segment's operating profit of RM200.5 million for Q3 YTD FY2009 is 35% lower than Q3 YTD FY2008. The decrease is due mainly to the soft property market conditions and lower margins.

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 31 March 2009 and the date of this announcement.

Interim Report For The Financial Period Ended 31 March 2009

(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 58% from RM333.5 million for Q2 FY2009 to RM141.3 million for Q3 FY2009. After excluding the unrealised translation loss on USD denominated borrowings of RM232.4 million (Q2 FY2009– RM37.4 million), the pre-tax profit for Q3 FY2009 is RM373.7 million, which is in line with the previous quarter.

Operating profit of RM285.5 million from the plantation segment is 46% lower than the previous quarter due mainly to lower FFB production and lower CPO prices realised.

Property segment reported an increase of 16% in operating profit to RM71.0 million, due mainly to better sales of affordable terrace houses in the Group's township developments aided by more aggressive marketing and attractive financial packages.

The manufacturing segment reported profit of RM109.6 million as compared to a loss in the previous quarter due to a recovery in sales volume and also the results of the previous quarter included higher realised foreign exchange losses and customer defaults on high priced contracts.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	DIFFERENCE RM'000	
Plantation	285,524	527,846	(242,322)	(46%)
Property development	58,996	49,251	9,745	
Property investment	12,042	11,955	87	
Total Property	71,038	61,206	9,832	16%
Resource-based manufacturing *	109,627	(85,311)	194,938	(229%)
Other operations	11,974	30,747	(18,773)	(61%)
	478,163	534,488	(56,325)	(11%)
Translation loss on USD denominated borrowings (bonds)	(232,370)	(37,354)	(195,016)	522%
Other unallocated corporate expenses #	(47,907)	(111,249)	63,342	(57%)
Operating profit	197,886	385,885	(187,999)	(49%)
Interest expense	(59,913)	(54,189)	(5,724)	11%
Interest income	13,454	15,088	(1,634)	(11%)
Share of results of associates	(10,141)	3,075	(13,216)	(430%)
Share of results of jointly controlled entity	43	(16,364)	16,407	(100%)
Profit before taxation	141,329	333,495	(192,166)	(58%)

* Result for the resource-based manufacturing for the current quarter is inclusive of realised foreign exchange losses of RM20.4 million (Q2 - RM57.5 million) and customer defaults of RM4.8 million (Q2 - RM76.3 million).

Other unallocated corporate expenses for the current quarter is inclusive of corporate office realised foreign exchange losses of RM49.0 million (Q2 - RM38.4 million).

Interim Report For The Financial Period Ended 31 March 2009

(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 slowdown which is now affecting Malaysia will no doubt make the current year a challenging period for business corporations. Overall, the Group's results for the current financial year is expected to be lower than the previous year's record results but still satisfactory in the light of current conditions.

4) Achievability of forecast results

Not applicable

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

Not applicable.

6) Taxation

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 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	93,682	181,317	404,981	485,158
- Prior years	(8,904)	1,616	(8,904)	2,042
Deferred taxation				
- Current year	(1,717)	(4,877)	(21,113)	(16,685)
- Prior years	27	4,726	27	12,360
	83,088	182,782	374,991	482,875

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 31 March 2009

(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 (Q3)		CUMULATIVE QUARTER (9 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	-	340	13,236	1,127
Total gain on disposal	-	212	10,618	564
Total purchases	-	-	28	-

b) Total investments in quoted securities (mainly classified under other long term investments) as at 31 March 2009 are as follows:

	RM'000
Quoted in Malaysia	
At cost	28,097
Allowance for diminution in value	<u>(6,422)</u>
Net book value	<u>21,675</u>
At market value	<u>35,176</u>
Quoted outside Malaysia	
At cost	16,194
Allowance for diminution in value	<u>(9,077)</u>
Net book value	<u>7,117</u>
At market value	<u>4,998</u>

Interim Report For The Financial Period Ended 31 March 2009

(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 8 May 2009 (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	On 30 January 2009, IOI entered into a conditional sale and purchase agreement with IOI Properties Berhad ("IOI Prop") for the disposal of its entire equity interests in IOI Landscape Services Sdn Bhd to IOI Prop, for a total cash consideration of RM2.00 as part of streamlining exercise.
Adviser	None.
Approval(s) pending / Status	The Foreign Investment Committee had approved the proposal and is currently pending the transfer of the shares from IOI to IOI Prop. The proposal is not subject to any other approvals.

Proposal	<p>On 4 February 2009, IOI served a notice of voluntary take-over offer on the Board of Directors of IOI Prop to notify IOI Prop of IOI's intention to acquire all 199,727,505 ordinary shares of RM0.50 each in IOI Prop ("IOI Prop Share") not already owned by IOI and all the new IOI Prop Shares that may be issued prior to the closing of the offer arising from the exercise of outstanding options granted pursuant to IOI Prop's Executive Share Option Scheme ("ESOS Options") at an offer price of RM2.598 per IOI Prop Share to be satisfied in the following manner:</p> <ol style="list-style-type: none"> i. the issuance of zero-point six (0.6) ordinary shares of RM0.10 each in IOI ("IOI Share") at an issue price of RM3.78 per IOI Share; and ii. RM0.33 in cash, <p>for every one (1) IOI Prop Share held in respect of which the offer is validly accepted.</p> <p>(to be referred to as "Offer").</p>
Adviser	AmInvestment Bank Berhad
Approval(s) pending / Status	<p>Pursuant to the announcement to Bursa Malaysia, the Offer period was closed on 31 March 2009 and the consideration shares listed and quoted on Bursa Malaysia with effect from 17 April 2009.</p> <p>Even though the Offer period is closed, IOI had on 13 April 2009, dispatched to the remaining shareholders of IOI Prop who had not accepted the Offer, a notice under Section 34A of the Securities Commission Act, 1993, where any such holders of IOI Prop shares may give notice to IOI that he requires IOI to acquire his IOI Prop shares not later than 5.00 p.m. on 13 July 2009, being 3 months from the date of the notice.</p>

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(The figures have not been audited)

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

9) Status of Corporate Proposal (Continued)

- b) The status of utilisation of proceeds raised from the 3rd Exchangeable Bonds as at 8 May 2009 (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	391	by January 2011	-	-
Total	600	391		-	-

10) Group Borrowings and Debts Securities

Group borrowings and debt securities as at 31 March 2009 are as follows:

RM'000

a) Bank overdrafts

Unsecured		
Denominated in RM		309
Denominated in EGP* (EGP3,363,000)		2,144
	Total Bank Overdrafts	<u>2,453</u>

b) Short term borrowings

Unsecured		
Denominated in RM		14,100
Denominated in USD (USD1,441,000)		5,255
Denominated in SGD (SGD8,100,000)		19,416
	Total Short Term Borrowings	<u>38,771</u>

c) Long term borrowings

Unsecured		
Denominated in SGD (SGD256,000,000)		613,632
Denominated in JPY (JPY21,000,000,000)		666,515
Denominated in USD (USD1,207,312,000)		4,402,463
	Total Long Term Borrowings	<u>5,682,610</u>

* EGP – Egyptian Pound

Interim Report For The Financial Period Ended 31 March 2009

(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 8 May 2009 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM2.18 billion and RM191.8 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 May 2009 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 8 May 2009 are as follows:

Description	Notional Amount	Effective Period
Reverse EUR/USD Target Redemption Forward	EUR36 million	May 2009 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.

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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 8 May 2009 are as follows:

Description	Ringgit Equivalent (RM'mil)	Maturity Period
Sale contracts	92.3	May 2009 to September 2009
Purchase contracts	161.8	May 2009 to September 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 8 May 2009, 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 31 March 2009

(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 8 May 2009, 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	USD104.1 million into EUR80 million	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
Fixed rate USD liability to fixed rate RM liability ⁴	USD100.0 million into RM352 million	3 February 2009 to 3 February 2012

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.

⁴ The contracts effectively swapped the Group's USD100 million 3-year Fixed Rate Term Loan into RM352 million liability.

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

Interim Report For The Financial Period Ended 31 March 2009

(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 transferred to another court and no hearing date has been fixed.

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 31 March 2009

(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.

The Court of Appeal has fixed 25 May 2009 as the mention date for the appeal of 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 on 1st and 2nd December 2009.

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

Interim Report For The Financial Period Ended 31 March 2009

(The figures have not been audited)

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

13) Dividend

The Board has on 16 January 2009 declared a single tier interim dividend of 30% or 3.0 sen per ordinary share of RM0.10 each in respect of financial year ending 30 June 2009 (30 June 2008: 70% or 7.0 sen per ordinary share of RM0.10 each less 26% income tax). The dividend was paid on 27 February 2009.

The Board now declares a second single tier interim dividend of 30% or 3.0 sen (30 June 2008: nil) per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2009 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 June 2009 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 15 June 2009.

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 15 June 2009 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 11 June 2009 (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 single tier dividend of 6.0 sen per ordinary share of RM0.10 each (31 March 2008: 7.0 sen per ordinary share of RM0.10 each less 26% income tax).

14) Earnings per Share

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 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	37,362	601,639	496,448	1,634,348
Weighted average number of ordinary shares in issue ('000)	5,892,256	6,081,566	5,915,360	6,065,414
Basic earnings per share (sen)	0.63	9.89	8.39	26.95

Interim Report For The Financial Period Ended 31 March 2009

(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 (Q3)		CUMULATIVE QUARTER (9 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	37,362	601,639	496,448	1,634,348
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	-	3,775	-	21,586
Net foreign exchange differences taken up	-	(16,878)	-	(55,707)
	-	(13,103)	-	(34,121)
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	-	11,228	-	11,228
Net foreign exchange differences taken up	-	(37,122)	-	(37,122)
	-	(25,894)	-	(25,894)
	37,362	562,642	496,448	1,574,333
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	5,892,256	6,081,566	5,915,360	6,065,414
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	97,977	-	183,856
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	149,419	-	49,444
Assumed exercise of Executive Share Options at beginning of period	20,344	79,044	25,001	73,507
	5,912,600	6,408,006	5,940,361	6,372,221
Diluted earnings per share (sen)	0.63	8.78	8.36	24.71

Interim Report For The Financial Period Ended 31 March 2009

(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 May 2009

**IOI GROUP****IOI CORPORATION BERHAD** (9027-W)
(Incorporated in Malaysia)**Interim Report For The Financial Period Ended 31 March 2009**

(The figures have not been audited)

Group Plantation Statistics

		As At 31/03/2009	As At 31/03/2008
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	139,048	138,386
Total planted	<i>(hectares)</i>	148,645	149,060
Rubber			
Mature	<i>(hectares)</i>	137	274
Total planted	<i>(hectares)</i>	438	552

		31/03/2009 (9 months)	31/03/2008 (9 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	139,273	138,567
Rubber	<i>(hectares)</i>	255	482
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	2,855,985	3,027,224
Yield per mature hectare	<i>(tonnes)</i>	20.51	21.85
FFB processed	<i>(tonnes)</i>	2,862,278	3,040,937
Crude palm oil production	<i>(tonnes)</i>	608,965	649,623
Palm kernel production	<i>(tonnes)</i>	143,908	154,163
Crude palm oil extraction rate	<i>(%)</i>	21.28%	21.36%
Palm kernel extraction rate	<i>(%)</i>	5.03%	5.07%
Rubber			
Rubber production	<i>('000kgs)</i>	449	1,066
Yield per mature hectare	<i>(kgs)</i>	1,759	2,212
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,932	2,705
Palm kernel	<i>(RM/tonne)</i>	1,323	1,630