



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
30 June 2009**

Interim Report For The Financial Period Ended 30 June 2009

(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
	30/06/2009 RM'000	30/06/2008 RM'000	30/06/2009 RM'000	30/06/2008 RM'000
Revenue	3,122,456	4,560,065	14,600,474	14,665,369
Operating profit	896,738	891,946	1,969,055	3,171,995
Interest income	11,134	21,094	60,346	68,035
Finance cost	(56,637)	(60,322)	(230,853)	(190,964)
Share of results of associates	3,515	3,409	9,913	46,204
Share of results of jointly controlled entities	(241,999)	(27)	(258,344)	(73)
Profit before taxation	612,751	856,100	1,550,117	3,095,197
Taxation	(111,952)	(200,135)	(486,943)	(683,010)
Profit for the period	500,799	655,965	1,063,174	2,412,187
Attributable to:				
Equity holders of the parent	487,069	597,284	983,517	2,231,632
Minority interest	13,730	58,681	79,657	180,555
	500,799	655,965	1,063,174	2,412,187
Earnings per share (sen)				
Basic	8.21	9.91	16.62	36.85
Diluted	8.18	9.80	16.55	35.17

(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 June 2009

(The figures have not been audited)

Condensed Consolidated Balance Sheet

	AS AT END OF CURRENT QUARTER 30/06/2009 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/2008 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,569,636	4,519,274
Prepaid lease payments	872,905	822,328
Land held for property development	866,172	927,263
Investment properties	1,104,633	838,639
Other long term investments	23,131	26,198
Goodwill on consolidation	513,830	514,136
Associates	536,492	542,071
Jointly controlled entities	1,436,763	1,515,878
Deferred tax assets	51,057	55,619
	9,974,619	9,761,406
Current assets		
Property development costs	465,157	412,178
Inventories	1,647,346	2,447,941
Receivables	1,430,657	1,743,765
Short term investments	4,793	7,129
Short term funds	1,619,511	1,592,545
Short term deposits	455,914	871,542
Cash and bank balances	383,957	424,718
	6,007,335	7,499,818
TOTAL ASSETS	15,981,954	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 June 2009

(The figures have not been audited)

Condensed Consolidated Balance Sheet (Continued)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	30/06/2009 RM'000	30/06/2008 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	624,680	613,788
Share premium	2,319,136	1,923,327
Other reserves	276,844	330,864
Treasury shares	(1,732,431)	(1,079,914)
Retained profits	6,858,061	6,603,296
	<u>8,346,290</u>	<u>8,391,361</u>
Minority interests	426,156	965,117
Total equity	<u>8,772,446</u>	<u>9,356,478</u>
Non-current liabilities		
Long term borrowings	5,355,303	4,867,178
Other long term liabilities	56,014	76,196
Deferred tax liabilities	521,039	551,462
	<u>5,932,356</u>	<u>5,494,836</u>
Current liabilities		
Payables	958,353	1,152,022
Bank overdrafts	-	9,152
Short term borrowings	199,091	1,087,803
Provision for taxation	119,708	160,933
	<u>1,277,152</u>	<u>2,409,910</u>
Total liabilities	<u>7,209,508</u>	<u>7,904,746</u>
TOTAL EQUITY AND LIABILITIES	<u>15,981,954</u>	<u>17,261,224</u>
Net assets per share attributable to equity holders of the parent (RM)	1.40	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 June 2009

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	12 Months Ended	12 Months Ended
	30/06/2009	30/06/2008
	RM'000	RM'000
Operating Activities		
Profit before taxation	1,550,117	3,095,197
Adjustments for:		
Depreciation	230,718	222,647
Other non-cash items	642,470	(228,759)
Operating profit before working capital changes	2,423,305	3,089,085
Net changes in working capital	950,224	(1,105,626)
Cash generated from operations	3,373,529	1,983,459
Other payments	(4,071)	(26,270)
Taxes paid	(561,078)	(538,535)
Net cash inflow from operating activities	2,808,380	1,418,654
Investing Activities		
Equity investments	(48,905)	(231,212)
Other investments	(39,755)	125,207
Investment in land held for development	(81,588)	(188,061)
Payment made to jointly controlled entities	(122,534)	(1,316,120)
Property, plant and equipment	(422,392)	(226,959)
Net cash outflow from investing activities	(715,174)	(1,837,145)
Financing Activities		
Right issue of a subsidiary	45,680	-
Issuance/(Repurchase) of shares (subsidiary)	380	(1,511)
Dividends paid to minority shareholders	(55,950)	(74,065)
Purchase of 3rd Exchangeable Bonds	(84,373)	-
(Repurchase)/Issuance of shares (net)	(611,133)	(1,025,386)
Dividends paid	(946,522)	(314,738)
Bank borrowings	(855,862)	1,338,353
Issuance of 3rd Exchangeable Bonds	-	1,953,900
Capital repayment	-	(1,314,391)
Net cash outflow from financing activities	(2,507,780)	562,162
Net (decrease)/increase in cash and cash equivalents	(414,574)	143,671
Cash and cash equivalents at beginning of period	2,879,653	2,720,983
Effect of exchange rate changes	(5,697)	14,999
Cash and cash equivalents at end of period	2,459,382	2,879,653

(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 June 2009

(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	-	-	-	(49,262)	-	-	(49,262)	1,432	(47,830)
Net profit for the period	-	-	-	-	-	983,517	983,517	79,657	1,063,174
Dividend paid in respect of current financial year	-	-	-	-	-	(355,526)	(355,526)	-	(355,526)
Dividend paid in respect of previous financial year	-	-	-	-	-	(590,996)	(590,996)	-	(590,996)
Issue of shares arising from exercise of share options	1,464	48,860	(9,019)	-	-	-	41,305	-	41,305
Repurchase of shares	-	-	-	-	(652,517)	-	(652,517)	-	(652,517)
Recognition of share option expenses	-	-	16,778	-	-	-	16,778	143	16,921
Purchase of 3rd Exchangeable Bonds	-	-	(12,517)	-	-	16,320	3,803	-	3,803
Arising from acquisition of interest in subsidiaries	9,428	346,949	-	-	-	201,450	557,827	(564,242)	(6,415)
Dividend paid to minority interest	-	-	-	-	-	-	-	(55,951)	(55,951)
As at 30 June 2009	624,680	2,319,136	326,323	(49,479)	(1,732,431)	6,858,061	8,346,290	426,156	8,772,446

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

Interim Report For The Financial Period Ended 30 June 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

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.

d) Material Changes in Estimates of Amounts Reported

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

Interim Report For The Financial Period Ended 30 June 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:
- 11,982,000 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.
 - 2,657,900 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.
 - 94,279,715 new ordinary shares of RM0.10 each for cash at RM3.78 per ordinary share arising from the exercise of voluntary take over offer of IOI Properties Berhad's shares.
- ii. During the current financial year-to-date, the Company has repurchased 139,419,800 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM4.68 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 2009 - 3.0 sen per ordinary share of RM0.10 each	178,761	-
First interim single tier dividend in respect of financial year ended 30 June 2009 - 3.0 sen per ordinary share of RM0.10 each	176,765	-
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
	946,522	314,738

Interim Report For The Financial Period Ended 30 June 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
12 Months Ended 30/06/09							
REVENUE							
External Sales	242,853	660,167	81,505	13,490,715	125,234	-	14,600,474
Inter-segment sales	2,251,867	-	-	-	-	(2,251,867)	-
Total Revenue	<u>2,494,720</u>	<u>660,167</u>	<u>81,505</u>	<u>13,490,715</u>	<u>125,234</u>	<u>(2,251,867)</u>	<u>14,600,474</u>
RESULT							
Segment operating profit	1,639,739	309,556	46,633	356,816	78,779	-	2,431,523
Fair value gain on investment properties	-	-	110,840	-	-	-	110,840
Segment results	<u>1,639,739</u>	<u>309,556</u>	<u>157,473</u>	<u>356,816</u>	<u>78,779</u>	<u>-</u>	<u>2,542,363</u>
Translation loss on USD denominated borrowings							(315,346)
Other unallocated corporate expenses							<u>(257,962)</u>
Operating profit							1,969,055
Finance cost							(230,853)
Interest income							60,346
Share of results of associates	5,976	-	-	3,937	-	-	9,913
Share of results of jointly controlled entity	-	(258,344)	-	-	-	-	<u>(258,344)</u>
Profit before taxation							1,550,117
Taxation							<u>(486,943)</u>
Profit for the period							<u>1,063,174</u>
12 Months Ended 30/06/08							
REVENUE							
External Sales	236,335	755,066	74,302	13,479,145	120,521	-	14,665,369
Inter-segment sales	2,541,991	-	-	-	-	(2,541,991)	-
Total Revenue	<u>2,778,326</u>	<u>755,066</u>	<u>74,302</u>	<u>13,479,145</u>	<u>120,521</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	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							(190,964)
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>

Interim Report For The Financial Period Ended 30 June 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 30 June 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 30 June 2009 except for the following:

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

The Group reported a pre-tax profit of RM612.8 million for Q4 FY2009, which is 28% lower than RM856.1 million reported for Q4 FY2008. The lower profit is due mainly to lower profit contributions from the plantation and manufacturing segments as well as an impairment loss of RM242.8 million recognised on a development property in Singapore. Excluding the impairment loss, the Group's pre-tax profit is RM855.5 million which is about the same level as Q4 FY2008 results.

The plantation segment reported a 50% decrease in operating profit to RM259.3 million for Q4 FY2009 as compared to RM522.3 million for Q4 FY2008. The lower profit is due mainly to reduction in FFB production and lower CPO prices realised. Average CPO prices realised for Q4 FY2009 is RM2,455/MT compared to RM3,361/MT for Q4 FY2008.

The resource-based manufacturing segment reported an operating profit of RM187.8 million for Q4 FY2009, which is 6% lower than Q4 FY2008. The lower profit is mainly attributable to lower margins at the oleochemical division due to unfavourable market conditions.

The property segment's operating profit of RM266.6 million for Q4 FY2009 is 13% higher than the RM235.8 million recorded for Q4 FY2008 despite lower fair value gains on investment properties of RM110.8 million for Q4 FY2009 (Q4 FY2008 – RM130.0 million). The higher operating profit is due mainly to an increase in sale of higher end products.

On a full financial year basis, the Group reported a 50% lower pre-tax profit of RM1.55 billion for FY2009 as compared to RM3.10 billion for FY2008. The lower profit is due mainly to lower profit contributions from major segments in tandem with the global economic slowdown, impairment charges of RM258.6 million recognised on a development property in Singapore, as well as unrealised translation losses on long term USD denominated borrowings of RM315.3 million (FY2008 – gain of RM134.9 million).

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 2009 and the date of this announcement.

Interim Report For The Financial Period Ended 30 June 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 of RM612.8 million for Q4 is 334% higher than the earnings generated for Q3 due to an overall improvement in operating profits which is supplemented by fair value gains on investment properties of RM110.8 million and unrealised foreign currency translation gain on USD denominated borrowings of RM166.6 million (Q3 – loss of RM232.4 million), partially offset by an impairment loss of RM242.8 million on a development property in Singapore.

Operating profit of RM259.3 million for Q4 from the plantation segment is 9% lower than the previous quarter due mainly to lower FFB production.

Operating profit from the property segment for Q4 is higher than the previous quarter's profit after including fair value gains of RM110.8 million recognised in Q4 and an improvement in sales of the Group's properties.

The resource-based manufacturing segment reported a profit of RM187.8 million in Q4 compared to RM109.6 million in Q3 due to a recovery in sales volume and improvement of margins at the refinery division.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	DIFFERENCE RM'000	
Plantation	259,260	285,524	(26,264)	(9%)
Property development	144,724	58,996	85,728	
Property investment *	121,847	12,042	109,805	
Total Property	266,571	71,038	195,533	275%
Resource-based manufacturing ^	187,751	109,627	78,124	71%
Other operations	22,693	11,974	10,719	90%
	736,275	478,163	258,112	54%
Translation gain/(loss) on USD denominated borrowings (bonds)	166,620	(232,370)	398,990	(172%)
Other unallocated corporate expenses #	(6,157)	(47,907)	41,750	(87%)
Operating profit	896,738	197,886	698,852	353%
Interest expense	(56,637)	(59,913)	3,276	(5%)
Interest income	11,134	13,454	(2,320)	(17%)
Share of results of associates	3,515	(10,141)	13,656	(135%)
Share of results of jointly controlled property entities	(241,999)	43	(242,042)	-
Profit before taxation	612,751	141,329	471,422	334%

* Results for property investment in the current quarter is inclusive of fair value gains on investment properties of RM110,840k.

^ Results for the resource-based manufacturing segment for the current quarter is inclusive of realised foreign currency losses on derivative contracts of RM23.3 million (Q3 – RM20.4 million).

Other unallocated corporate expenses for the current quarter is inclusive of realised foreign currency losses on derivative contracts of RM4.9 million (Q3 – RM49.0 million).

Interim Report For The Financial Period Ended 30 June 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 affecting Malaysia has shown signs of stabilising but will continue to make the new financial year a challenging period for business corporations. Nevertheless, if the economy and business conditions show an improvement in year 2010 as is widely expected, the Group is optimistic that it will perform better in the new financial year.

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	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000	RM'000	RM'000
The tax expense comprises the following:				
Current taxation				
- Current year	131,154	176,657	536,135	661,815
- Prior years	(12,022)	17,383	(20,926)	19,425
Deferred taxation				
- Current year	(8,570)	17,763	(29,683)	1,078
- Prior years	1,390	(11,668)	1,417	692
	111,952	200,135	486,943	683,010

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due principally to non taxable income and utilisation of previously unrecognised tax losses.

Interim Report For The Financial Period Ended 30 June 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

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	107	-	13,343	1,127
Total (loss)/gain on disposal	(19)	-	10,599	564
Total purchases	341	-	369	-

b) Total investments in quoted securities (mainly classified under other long term investments) as at 30 June 2009 are as follows:

	RM'000
Quoted in Malaysia	
At cost	28,101
Allowance for diminution in value	(6,483)
Net book value	<u>21,618</u>
At market value	<u>44,357</u>
Quoted outside Malaysia	
At cost	16,211
Allowance for diminution in value	(11,431)
Net book value	<u>4,780</u>
At market value	<u>5,273</u>

Interim Report For The Financial Period Ended 30 June 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 19 August 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 23 July 2009, AmInvestment Bank Berhad ("AmInvestment Bank") on behalf of the Board of Directors of IOI, announced that the Company proposed to undertake a renounceable rights issue of up to 420,989,299 new ordinary shares of RM0.10 each in the Company ("Rights Share(s)", at an issue price of RM2.90 per Rights Share on the basis of one (1) Rights Share for every fifteen (15) existing ordinary shares of RM0.10 each held in IOI at an entitlement date to be determined later. ("Proposed Rights Issue").
Adviser	AmInvestment Bank.
Approval(s) pending	<p>i. The approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities;</p> <p>ii The approval of the shareholders of IOI at an extraordinary general meeting to be convened for the Proposed Rights Issue; and</p> <p>iii The approval of any other authorities/parties, if required.</p>

- b) The status of utilisation of proceeds raised from the 3rd Exchangeable Bonds as at 19 August 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	413	by January 2011	-	-
Total	600	413		-	-

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(The figures have not been audited)

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

10) Group Borrowings and Debts Securities

Group borrowings and debt securities as at 30 June 2009 are as follows:

	RM'000
a) Short term borrowings	
Unsecured	
Denominated in SGD (SGD81,900,000)	<u>199,091</u>
Total Short Term Borrowings	<u><u>199,091</u></u>
b) Long term borrowings	
Unsecured	
Denominated in SGD (SGD181,000,000)	<u>439,992</u>
Denominated in JPY (JPY21,000,000,000)	<u>643,119</u>
Denominated in USD (USD1,214,208,000)	<u>4,272,192</u>
Total Long Term Borrowings	<u><u>5,355,303</u></u>

11) Off Balance Sheet Financial Instruments

- a) Forward foreign exchange sale and purchase contracts that were entered into as at 19 August 2009 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM2.49 billion and RM245.6 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 2009 to March 2011.

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)

- b) Commodity future contracts entered into by certain subsidiary companies and outstanding as at 19 August 2009 are as follows:

Description	Ringgit Equivalent (RM'mil)	Maturity Period
Sale contracts	165.8	September 2009 to January 2010
Purchase contracts	197.2	September 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.

- c) As at 19 August 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.

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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)

d) As at 19 August 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 2 March 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.

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(The figures have not been audited)

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

12) Material Litigations

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 former 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. The Applicant's appeal is now fixed for hearing for the week commencing 26 October 2009.

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 became a wholly-owned subsidiary of the Company since then.

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 had been instituted by Tuan Haji Zulkifli Bin Hussain and 6 others, the 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 case management on 23 November 2009.

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

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(The figures have not been audited)

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

12) Material Litigations (Continued)

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

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

Unipamol has subsequently 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.

Unitangkob's appeal to the Court of Appeal against the summary judgement was struck out by the Court of Appeal on 25 May 2009. As such, this matter has reached its finality with Unitangkob owing Unipamol a sum of approximately RM5 million plus interest and costs as per the judgement dated 27 July 2001.

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

A legal suit had 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 (collectively, the "Plaintiffs") against Unipamol Malaysia Sdn Bhd ("Unipamol"), Pamol Plantations Sdn Bhd ("PPSB"), Unilever plc and its subsidiary Pamol (Sabah) Ltd (collectively the "Defendants"). 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 30 June 2009

(The figures have not been audited)

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

13) Dividend

On 16 January 2009, the Board declared a interim single tier dividend of 30% or 3.0 sen per ordinary share of RM0.10 each in respect of financial year ended 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.

On 15 May 2009, the Board declared a second interim single tier dividend of 30% or 3.0 sen (30 June 2008: 100% or 10.0 sen) per ordinary share of RM0.10 each in respect of the financial year ended 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 was paid on 26 June 2009.

The Board now declares a third interim single tier dividend of 20% or 2.0 sen (30 June 2008: nil) per ordinary share of RM0.10 each in respect of the financial year ended 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 8 October 2009 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 29 September 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 29 September 2009 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 25 September 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 8.0 sen per ordinary share of RM0.10 each (30 June 2008: 7.0 sen per ordinary share of RM0.10 each less 26% income tax and single tier dividend of RM10.0 sen per ordinary share of RM0.10 each).

14) Earnings per Share

	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
a) Basic earnings per share				
Net profit for the period attributable to equity holders of the parent	487,069	597,284	983,517	2,231,632
Weighted average number of ordinary shares in issue ('000)	5,930,183	6,025,926	5,919,055	6,055,596
Basic earnings per share (sen)	<u>8.21</u>	<u>9.91</u>	<u>16.62</u>	<u>36.85</u>

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(The figures have not been audited)

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

14) Earnings per Share (Continued)

	INDIVIDUAL QUARTER (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
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	487,069	597,284	983,517	2,231,632
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	-	-	-	24,437
Net foreign exchange differences taken up	-	-	-	(48,122)
	-	-	-	(23,685)
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
	487,069	597,284	983,517	2,237,871
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	5,930,183	6,025,926	5,919,055	6,055,596
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	-	-	156,699
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	-	-	81,633
Assumed exercise of Executive Share Options at beginning of period	24,723	66,613	23,396	69,212
	5,954,906	6,092,539	5,942,452	6,363,140
Diluted earnings per share (sen)	8.18	9.80	16.55	35.17



Interim Report For The Financial Period Ended 30 June 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
26 August 2009

**IOI GROUP**

Interim Report For The Financial Period Ended 30 June 2009

(The figures have not been audited)

Group Plantation Statistics

		As At 30/06/2009	As At 30/06/2008
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	139,597	139,097
Total planted	<i>(hectares)</i>	150,931	149,445
Rubber			
Mature	<i>(hectares)</i>	-	274
Total planted	<i>(hectares)</i>	438	552

		30/06/2009 (12 months)	30/06/2008 (12 months)
Average Mature Area			
Oil palm	<i>(hectares)</i>	139,323	138,647
Rubber	<i>(hectares)</i>	200	430
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	3,626,776	3,957,281
Yield per mature hectare	<i>(tonnes)</i>	26.03	28.54
FFB processed	<i>(tonnes)</i>	3,634,907	3,967,606
Crude palm oil production	<i>(tonnes)</i>	777,310	848,119
Palm kernel production	<i>(tonnes)</i>	182,075	199,347
Crude palm oil extraction rate	<i>(%)</i>	21.38%	21.38%
Palm kernel extraction rate	<i>(%)</i>	5.01%	5.02%
Rubber			
Rubber production	<i>('000kgs)</i>	449	1,243
Yield per mature hectare	<i>(kgs)</i>	2,243	2,890
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,831	2,865
Palm kernel	<i>(RM/tonne)</i>	1,279	1,706