



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

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

Interim Report For The Financial Period Ended 31 December 2009

(The figures have not been audited)

Condensed Consolidated Income Statement

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2009 RM'000	31/12/2008 RM'000	31/12/2009 RM'000	31/12/2008 RM'000
Revenue	3,060,237	3,726,840	6,335,697	8,381,612
Operating profit	623,147	385,885	1,280,436	874,431
Interest income	14,694	15,088	25,815	35,758
Finance cost	(55,153)	(54,189)	(114,519)	(114,303)
Share of results of associates	15,212	3,075	30,662	16,539
Share of results of jointly controlled entities	341	(16,364)	963	(16,388)
Profit before taxation	598,241	333,495	1,223,357	796,037
Taxation	(122,494)	(150,967)	(259,345)	(291,903)
Profit for the period	475,747	182,528	964,012	504,134
Attributable to:				
Equity holders of the parent	461,211	168,586	939,593	459,086
Minority interest	14,536	13,942	24,419	45,048
	475,747	182,528	964,012	504,134
Earnings per share (sen)				
Basic	7.71	2.86	15.72	7.75
Diluted	7.29	2.85	14.66	7.71

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2009

(The figures have not been audited)

Condensed Consolidated Balance Sheet

	AS AT END OF CURRENT QUARTER 31/12/2009 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,644,585	4,569,636
Prepaid lease payments	866,882	872,905
Land held for property development	867,658	866,172
Investment properties	1,107,296	1,104,633
Other long term investments	30,295	23,131
Goodwill on consolidation	513,830	513,830
Associates	559,654	536,492
Jointly controlled entities	1,602,236	1,436,763
Deferred tax assets	47,743	51,057
	10,240,179	9,974,619
Current assets		
Property development costs	417,278	465,157
Inventories	1,528,365	1,647,346
Receivables	1,411,145	1,430,657
Short term investments	5,292	4,793
Short term funds	3,270,937	1,619,511
Short term deposits	521,252	455,914
Cash and bank balances	413,946	383,957
	7,568,215	6,007,335
TOTAL ASSETS	17,808,394	15,981,954

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to this interim financial report.)

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(The figures have not been audited)

Condensed Consolidated Balance Sheet (Continued)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	31/12/2009 RM'000	30/06/2009 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	667,261	624,680
Share premium	3,533,062	2,319,136
Other reserves	281,383	276,844
Treasury shares	(1,732,431)	(1,732,431)
Retained earnings	7,728,572	6,858,061
	<u>10,477,847</u>	<u>8,346,290</u>
Minority interests	303,109	426,156
Total equity	<u>10,780,956</u>	<u>8,772,446</u>
Non-current liabilities		
Long term borrowings	5,277,365	5,355,303
Other long term liabilities	55,579	56,014
Deferred tax liabilities	492,273	521,039
	<u>5,825,217</u>	<u>5,932,356</u>
Current liabilities		
Payables	794,330	958,353
Short term borrowings	218,666	199,091
Provision for taxation	189,225	119,708
	<u>1,202,221</u>	<u>1,277,152</u>
Total liabilities	<u>7,027,438</u>	<u>7,209,508</u>
TOTAL EQUITY AND LIABILITIES	<u>17,808,394</u>	<u>15,981,954</u>
Net assets per share attributable to equity holders of the parent (RM)	1.64	1.40

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2009

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	6 Months Ended 31/12/2009 RM'000	6 Months Ended 31/12/2008 RM'000
Operating Activities		
Profit before taxation	1,223,357	796,037
Adjustments for:		
Depreciation	112,546	108,907
Other non-cash items	(83,442)	358,962
Operating profit before working capital changes	<u>1,252,461</u>	1,263,906
Net changes in working capital	<u>70,186</u>	666,023
Cash generated from operations	1,322,647	1,929,929
Other payments	(1,894)	(157)
Taxes paid	(203,875)	(344,235)
Net cash inflow from operating activities	<u>1,116,878</u>	<u>1,585,537</u>
Investing Activities		
Equity investments	33,626	(16,525)
Other investments	(369)	(40,582)
Investment in land held for development	(55,288)	(37,895)
Payment made to jointly controlled entities	(138,446)	(77,124)
Property, plant and equipment	(205,514)	(208,422)
Net cash outflow from investing activities	<u>(365,991)</u>	<u>(380,548)</u>
Financing Activities		
Proceeds from rights issue	1,156,582	-
Issuance/(Repurchase) of shares (net)	16,200	(477,558)
Dividends paid to minority shareholders	(5,778)	(44,161)
Bank borrowings	(50,946)	(1,080,346)
Dividends paid	(119,556)	(590,996)
Proceeds from right issue of a subsidiary	-	45,680
Issuance of shares (subsidiary)	-	380
Purchase of 3rd Exchangeable Bonds	-	(84,373)
Net cash inflow/(outflow) from financing activities	<u>996,502</u>	<u>(2,231,374)</u>
Net increase/(decrease) in cash and cash equivalents	1,747,389	(1,026,385)
Cash and cash equivalents at beginning of period	2,459,382	2,879,653
Effect of exchange rate changes	(636)	(7,830)
Cash and cash equivalents at end of period	<u>4,206,135</u>	<u>1,845,438</u>

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 31 December 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 2009	624,680	2,319,136	326,323	(49,479)	(1,732,431)	6,858,061	8,346,290	426,156	8,772,446
Net income not recognised in income statement	-	-	-	3,109	-	-	3,109	325	3,434
Net profit for the period	-	-	-	-	-	939,593	939,593	24,419	964,012
Dividend paid in respect of previous financial year	-	-	-	-	-	(119,556)	(119,556)	-	(119,556)
Issue of shares arising from exercise of share options	585	19,429	(3,814)	-	-	-	16,200	-	16,200
Recognition of share option expenses	-	-	5,244	-	-	-	5,244	-	5,244
Arising from acquisition of interest in subsidiaries	2,114	77,797	-	-	-	50,474	130,385	(142,013)	(11,628)
Arising from rights issue of the Company	39,882	1,116,700	-	-	-	-	1,156,582	-	1,156,582
Dividend paid to minority interest	-	-	-	-	-	-	-	(5,778)	(5,778)
As at 31 December 2009	667,261	3,533,062	327,753	(46,370)	(1,732,431)	7,728,572	10,477,847	303,109	10,780,956

(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 2009 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 31 December 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 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	-	-	-	(69,731)	-	-	(69,731)	2,040	(67,691)
Net profit for the period	-	-	-	-	-	459,086	459,086	45,048	504,134
Dividend paid in respect of previous financial year	-	-	-	-	-	(590,996)	(590,996)	-	(590,996)
Issue of shares arising from exercise of share options	1,271	42,730	(7,849)	-	-	-	36,152	-	36,152
Repurchase of shares	-	-	-	-	(513,789)	-	(513,789)	-	(513,789)
Recognition of share option expenses	-	-	8,279	-	-	-	8,279	89	8,368
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 December 2008	615,059	1,966,057	318,994	(69,948)	(1,593,703)	6,487,706	7,724,165	1,050,688	8,774,853

(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 2009 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 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 2009.

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 2009.

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 2009 except for the adoption of FRS 8 - Operating Segments which became effective for financial periods beginning on and after 1 July 2009.

The adoption of FRS 8 does not have any significant financial impact on the Group.

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 are no unusual items affecting assets, liabilities, equity, net income and cash flows for the current financial year except for the renounceable rights issue of 398,821,324 new ordinary shares of RM0.10 each in the Company ("Rights Shares"), at an issue price of RM2.90 per Rights Share on the basis of one Rights Share for fifteen existing ordinary shares held in the Company.

d) Material Changes in Estimates of Amounts Reported

There are 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 31 December 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:

- 4,979,900 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.
- 872,300 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.
- 21,140,410 new ordinary shares of RM0.10 each for cash at RM3.78 per ordinary share arising from the voluntary take over offer for IOI Properties Berhad's shares.
- 398,821,324 new ordinary shares of RM0.10 each for cash at RM2.90 per ordinary share arising from the renounceable rights issue by the Company.

f) Dividends Paid

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Third interim single tier dividend in respect of financial year ended 30 June 2009 - 2.0 sen per ordinary share of RM0.10 each	119,556	-
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
	119,556	590,996

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(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
6 Months Ended 31/12/09							
REVENUE							
External Sales	171,390	512,017	47,629	5,523,883	80,778	-	6,335,697
Inter-segment sales	807,375	-	-	-	-	(807,375)	-
Total Revenue	<u>978,765</u>	<u>512,017</u>	<u>47,629</u>	<u>5,523,883</u>	<u>80,778</u>	<u>(807,375)</u>	<u>6,335,697</u>
RESULT							
Segment results	569,689	259,191	28,252	304,306	17,631	-	1,179,069
Translation gain on USD denominated borrowings							129,460
Other unallocated corporate net expenses							<u>(28,093)</u>
Operating profit							1,280,436
Finance cost							(114,519)
Interest income							25,815
Share of results of associates	20,354	-	-	10,308	-	-	30,662
Share of results of jointly controlled entity	-	963	-	-	-	-	<u>963</u>
Profit before taxation							1,223,357
Taxation							(259,345)
Profit for the period							<u>964,012</u>
6 Months Ended 31/12/08							
REVENUE							
External Sales	129,291	262,043	39,134	7,882,588	68,556	-	8,381,612
Inter-segment sales	1,421,787	-	-	-	-	(1,421,787)	-
Total Revenue	<u>1,551,078</u>	<u>262,043</u>	<u>39,134</u>	<u>7,882,588</u>	<u>68,556</u>	<u>(1,421,787)</u>	<u>8,381,612</u>
RESULT							
Segment results	1,094,955	105,836	23,584	59,438	44,112	-	1,327,925
Translation loss on USD denominated borrowings							(249,596)
Other unallocated corporate net expenses							<u>(203,898)</u>
Operating profit							874,431
Finance cost							(114,303)
Interest income							35,758
Share of results of associates	8,515	-	-	8,024	-	-	16,539
Share of results of jointly controlled entity	-	(16,388)	-	-	-	-	<u>(16,388)</u>
Profit before taxation							796,037
Taxation							(291,903)
Profit for the period							<u>504,134</u>

The basis of segmentation and measurement of segment profit or loss is consistent with the basis adopted in the last audited annual financial statements. There were also no material changes in segment assets from the amount disclosed in the last audited annual financial statements.

Interim Report For The Financial Period Ended 31 December 2009

(The figures have not been audited)

Explanatory Notes

h) Material Events Subsequent to the End of Financial Period

There are no material events subsequent to 31 December 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 December 2009.

j) Contingent Liabilities

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

Interim Report For The Financial Period Ended 31 December 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

a) Q2 FY2010 vs. Q2 FY2009

The Group reported a pre-tax profit of RM598.2 million for Q2 2010, which is 79% higher than RM333.5 million reported for Q2 FY2009. The higher profit is due mainly to higher profit contributions from the property and manufacturing segments and unrealised translation gain on USD denominated borrowings (Q2 FY2009 - realised and unrealised translation losses).

The plantation segment reported a 39% decrease in operating profit to RM319.9 million for Q2 FY2010 as compared to RM527.8 million for Q2 FY2009. The lower profit is due mainly to lower CPO prices realised as well as lower FFB production. Average CPO prices realised for Q2 FY2010 is RM2,225/MT compared to RM3,081/MT for Q2 FY2009.

The resource-based manufacturing segment reported an operating profit of RM145.4 million in Q2 FY2010 as compared to a loss of RM85.3 million in Q2 FY2009. The loss incurred in the preceding year corresponding quarter is due mainly to realised foreign exchange losses and customers defaults.

The property segment's operating profit of RM125.4 million for Q2 FY2010 is more than twice the profit reported for Q2 FY2009. The significantly higher profit is contributed mainly by increased sales of higher end residential properties and commercial properties in the Klang Valley.

b) Q2 YTD FY2010 vs. Q2 YTD FY2009

The Group reported a pre-tax profit of RM1.22 billion for Q2 YTD FY2010, which is 54% higher than RM796.0 million reported for Q2 YTD FY2009. The higher profit is due mainly to higher profit contributions from the property and manufacturing segments and unrealised translation gain on USD denominated borrowings.

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 December 2009 and the date of this announcement.

Interim Report For The Financial Period Ended 31 December 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 RM598.2 million for Q2 is lower by 4% compared to Q1. The increase in plantation profit was offset by a decrease in profit from other segments as well as lower translation gain on USD denominated borrowings.

Plantation operating profit of RM319.9 million for Q2 is 28% higher than the preceding quarter, contributed mainly by higher FFB production.

Operating profit from the property segment for Q2 is lower than the preceding quarter by 23%, the lower profit is due mainly to lower margin products sold outside of the Klang Valley.

The resource-based manufacturing segment reported a profit of RM145.4 million in Q2 FY2010, 8% lower than Q1 due mainly to lower margins and plant utilisation.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	DIFFERENCE RM'000	
Plantation	319,907	249,782	70,125	28%
Property development	111,617	147,574	(35,957)	
Property investment	13,778	14,474	(696)	
Total Property	125,395	162,048	(36,653)	(23%)
Resource-based manufacturing	145,405	158,901	(13,496)	(8%)
Other operations	6,990	10,641	(3,651)	(34%)
	597,697	581,372	16,325	3%
Translation gain on USD denominated borrowings (bonds)	49,419	80,041	(30,622)	(38%)
Other unallocated corporate net income/(expenses)	(23,969)	(4,124)	(19,845)	481%
Operating profit	623,147	657,289	(34,142)	(5%)
Interest expense	(55,153)	(59,366)	4,213	(7%)
Interest income	14,694	11,121	3,573	32%
Share of results of associates	15,212	15,450	(238)	(2%)
Share of results of jointly controlled property entities	341	622	(281)	(45%)
Profit before taxation	598,241	625,116	(26,875)	(4%)

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(The figures have not been audited)

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

3) Current Year Prospects

The global economy is showing signs of improvement but will continue to make the current financial year a challenging period for businesses. Nevertheless, the Group is optimistic that it will perform better in the current 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 (Q2)		CUMULATIVE QUARTER (6 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	129,135	158,433	274,976	311,299
- Prior years	(119)	-	(119)	-
Deferred taxation				
- Current year	(5,022)	(7,466)	(14,222)	(19,396)
- Prior years	(1,500)	-	(1,290)	-
	122,494	150,967	259,345	291,903

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.

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(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 during the financial period ended 31 December 2009 are as follows:

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 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	-	13,236	-	13,236
Total gain on disposal	-	10,618	-	10,618
Total purchases	7,164	28	7,164	28

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

	RM'000
Quoted in Malaysia	
At cost	35,265
Allowance for diminution in value	(6,483)
Net book value	<u>28,782</u>
At market value	<u>51,697</u>
Quoted outside Malaysia	
At cost	16,211
Allowance for diminution in value	(10,933)
Net book value	<u>5,278</u>
At market value	<u>4,491</u>

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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

- a) There is no corporate proposal announced by the Group but not completed as at 3 February 2010 (being a date not earlier than 7 days from the date of issue of the quarterly report).
- b) The status of utilisation of proceeds raised from corporate proposals as at 3 February 2010 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

3rd Exchangeable Bonds

Purpose	Proposed Utilisation (USD million)	Actual Utilisation (USD million)	Intended Timeframe for Utilisation	Deviation	
				Amount	%
Capital expenditure, investments/acquisitions and working capital	600	459	by January 2011	-	-
Total	600	459		-	-

Renounceable Rights Issue

Purpose	Proposed Utilisation (RM million)	Actual Utilisation (RM million)	Intended Timeframe for Utilisation	Deviation	
				Amount	%
Investment and capital expenditure	1,157	-	By December 2011	-	-
Total	1,157	-		-	-

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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 31 December 2009 are as follows:

RM'000

a) Short term borrowings

Unsecured

Denominated in USD (USD6,941,000) **23,784**

Denominated in SGD (SGD79,700,000) **194,882**

Total Short Term Borrowings **218,666**

b) Long term borrowings

Unsecured

Denominated in RM **146**

Denominated in SGD (SGD181,000,000) **442,581**

Denominated in JPY (JPY21,000,000,000) **626,303**

Denominated in USD (USD1,228,173,000) **4,208,335**

Total Long Term Borrowings **5,277,365**

11) Off Balance Sheet Financial Instruments

- a) Forward foreign exchange sale and purchase contracts that were entered into as at 3 February 2010 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies amounted to RM2.49 billion and RM141.2 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 February 2010 to June 2011.

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

Interim Report For The Financial Period Ended 31 December 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)

- b) Commodity future contracts entered into by certain subsidiary companies and outstanding as at 3 February 2010 are as follows:

Description	Ringgit Equivalent (RM'mil)	Maturity Period
Sale contracts	101.6	March 2010 to July 2010
Purchase contracts	210.4	March 2010 to November 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 3 February 2010, 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 2009. 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 at the Court of Appeal. The Applicant's appeal is now fixed for hearing for the week commencing 19 April 2010.

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 5 April 2010 while the hearing has been fixed from 3 to 6 May 2010.

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 December 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 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.

The Court has yet to fix a date for full trial of this case after dismissing the 3rd and 4th defendants' (Unilever plc and Pamol (Sabah) Ltd) application to strike out the claim against them on 14 January 2010.

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

Interim Report For The Financial Period Ended 31 December 2009

(The figures have not been audited)

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

13) Dividend

The Board has declared an interim single tier dividend of 70% or 7.0 sen (31 December 2008: 30% or 3.0 sen) per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2010 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 25 March 2010 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 16 March 2010.

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 16 March 2010 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 12 March 2010 (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 a single tier dividend of 7.0 sen (31 December 2008: 3.0 sen) per ordinary share of RM0.10 each.

14) Earnings per Share

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 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	461,211	168,586	939,593	459,086
Weighted average number of ordinary shares in issue ('000)	5,980,759	5,899,989	5,975,438	5,926,660
Basic earnings per share (sen)	7.71	2.86	15.72	7.75

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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 (Q2)		CUMULATIVE QUARTER (6 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	461,211	168,586	939,593	459,086
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	3,332	-	6,692	-
Net foreign exchange differences taken up	(3,562)	-	(9,369)	-
	(230)	-	(2,677)	-
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	14,379	-	29,147	-
Net foreign exchange differences taken up	(18,580)	-	(48,864)	-
	(4,201)	-	(19,717)	-
	456,780	168,586	917,200	459,086
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	5,980,759	5,899,989	5,975,438	5,926,660
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	76,508	-	76,508	-
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	172,251	-	172,251	-
Assumed exercise of Executive Share Options at beginning of period	33,432	14,129	31,852	27,185
	6,262,950	5,914,118	6,256,049	5,953,845
Diluted earnings per share (sen)	7.29	2.85	14.66	7.71

Interim Report For The Financial Period Ended 31 December 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 is not qualified.

By Order of the Board

Lee Ai Leng
Yap Chon Yoke
Company Secretaries

Putrajaya
10 February 2010

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

(The figures have not been audited)

Group Plantation Statistics

		As At 31/12/2009	As At 31/12/2008
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	139,458	138,901
Total planted	<i>(hectares)</i>	153,531	148,475
Rubber			
Mature	<i>(hectares)</i>	-	274
Total planted	<i>(hectares)</i>	438	712

		31/12/2009 (6 months)	31/12/2008 (6 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	140,031	139,373
Rubber	<i>(hectares)</i>	-	274
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,893,115	2,083,501
Yield per mature hectare	<i>(tonnes)</i>	13.52	14.95
FFB processed	<i>(tonnes)</i>	1,886,923	2,088,986
Crude palm oil production	<i>(tonnes)</i>	405,191	446,475
Palm kernel production	<i>(tonnes)</i>	95,031	103,494
Crude palm oil extraction rate	<i>(%)</i>	21.47%	21.37%
Palm kernel extraction rate	<i>(%)</i>	5.04%	4.95%
Rubber			
Rubber production	<i>('000kgs)</i>	-	378
Yield per mature hectare	<i>(kgs)</i>	-	1,378
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,258	3,238
Palm kernel	<i>(RM/tonne)</i>	1,077	1,520