



**IOI GROUP**

**IOI CORPORATION BERHAD** (9027-W)

(Incorporated in Malaysia)

**Interim Report  
For The Financial Period Ended  
30 June 2010**

**Interim Report For The Financial Period Ended 30 June 2010**

(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
	30/06/10 RM'000	30/06/09 RM'000	30/06/10 RM'000	30/06/09 RM'000
<b>Revenue</b>	<b>3,059,938</b>	3,122,456	<b>12,542,962</b>	14,600,474
<b>Operating profit</b>	<b>622,374</b>	896,738	<b>2,636,343</b>	1,969,055
Interest income	11,639	11,134	47,214	60,346
Finance cost	(55,360)	(56,637)	(221,170)	(230,853)
Share of results of associates	7,394	3,515	54,847	9,913
Share of results of jointly controlled entities	31,961	(241,999)	33,399	(258,344)
<b>Profit before taxation</b>	<b>618,008</b>	612,751	<b>2,550,633</b>	1,550,117
Taxation	(77,124)	(111,952)	(485,517)	(486,943)
<b>Profit for the period</b>	<b>540,884</b>	500,799	<b>2,065,116</b>	1,063,174
Attributable to:				
Equity holders of the parent	547,050	487,069	2,035,661	983,517
Minority interest	(6,166)	13,730	29,455	79,657
	<b>540,884</b>	500,799	<b>2,065,116</b>	1,063,174
Earnings per share (sen)				
Basic	8.57	8.21	32.96	16.62
Diluted	8.28	8.18	30.01	16.55

(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 30 June 2010**

(The figures have not been audited)

**Condensed Consolidated Balance Sheet**

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
	<b>30/06/10 RM'000</b>	<b>30/06/09 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	4,604,250	4,569,636
Prepaid lease payments	860,188	872,905
Land held for property development	913,328	866,172
Investment properties	1,113,545	1,104,633
Other long term investments	29,783	23,131
Goodwill on consolidation	513,830	513,830
Associates	572,223	536,492
Jointly controlled entities	1,549,245	1,436,763
Deferred tax assets	26,915	51,057
	<b>10,183,307</b>	<b>9,974,619</b>
<b>Current assets</b>		
Property development costs	357,181	465,157
Inventories	1,575,320	1,647,346
Receivables	1,345,913	1,430,657
Short term investments	4,390	4,793
Short term funds	3,108,216	1,619,511
Short term deposits	362,182	455,914
Cash and bank balances	406,908	383,957
	<b>7,160,110</b>	<b>6,007,335</b>
<b>TOTAL ASSETS</b>	<b>17,343,417</b>	<b>15,981,954</b>

(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 30 June 2010**

(The figures have not been audited)

**Condensed Consolidated Balance Sheet (Continued)**

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
	<b>30/06/10</b>	<b>30/06/09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	667,552	624,680
Share premium	3,542,923	2,319,136
Other reserves	(78,028)	276,844
Treasury shares	(1,767,552)	(1,732,431)
Retained earnings	8,415,286	6,858,061
	<b>10,780,181</b>	<b>8,346,290</b>
<b>Minority interests</b>	<b>289,292</b>	<b>426,156</b>
<b>Total equity</b>	<b>11,069,473</b>	<b>8,772,446</b>
<b>Non-current liabilities</b>		
Long term borrowings	4,348,281	5,355,303
Other long term liabilities	27,906	56,014
Deferred tax liabilities	465,123	521,039
	<b>4,841,310</b>	<b>5,932,356</b>
<b>Current liabilities</b>		
Payables	940,945	958,353
Short term borrowings	409,050	199,091
Provision for taxation	82,639	119,708
	<b>1,432,634</b>	<b>1,277,152</b>
<b>Total liabilities</b>	<b>6,273,944</b>	<b>7,209,508</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,343,417</b>	<b>15,981,954</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>1.69</b>	<b>1.40</b>

(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 30 June 2010**

(The figures have not been audited)

**Condensed Consolidated Cash Flow Statement**

	<b>12 Months Ended</b>	<b>12 Months Ended</b>
	<b>30/06/10</b>	<b>30/06/09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating Activities</b>		
Profit before taxation	2,550,633	1,550,117
Adjustments for:		
Depreciation	231,828	230,718
Other non-cash items	(315,445)	642,617
Operating profit before working capital changes	<u>2,467,016</u>	<u>2,423,452</u>
Net changes in working capital	<u>124,626</u>	<u>986,799</u>
Cash generated from operations	2,591,642	3,410,251
Other payments	(36,421)	(29,908)
Taxes paid	(544,169)	(561,078)
<b>Net cash inflow from operating activities</b>	<b><u>2,011,052</u></b>	<b><u>2,819,265</u></b>
<b>Investing Activities</b>		
Equity investments	123,380	(50,474)
Other investments	65,221	(39,755)
Payment made to jointly controlled entities	(118,272)	(122,534)
Investment in land held for development	(132,095)	(81,588)
Property, plant and equipment	(427,373)	(422,392)
<b>Net cash outflow from investing activities</b>	<b><u>(489,139)</u></b>	<b><u>(716,743)</u></b>
<b>Financing Activities</b>		
Proceeds from rights issue	1,156,582	45,680
Issuance/(Repurchase) of shares (net)	(10,694)	(611,133)
Dividends paid to minority shareholders	(22,957)	(55,950)
Purchase of 3rd Exchangeable Bonds	(320,257)	(84,372)
Bank borrowings	(309,772)	(865,179)
Dividends paid	(566,455)	(946,522)
Issuance of shares (subsidiary)	-	380
<b>Net cash outflow from financing activities</b>	<b><u>(73,553)</u></b>	<b><u>(2,517,096)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,448,360</b>	<b>(414,574)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,459,382</b>	<b>2,879,653</b>
<b>Effect of exchange rate changes</b>	<b>(30,436)</b>	<b>(5,697)</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>3,877,306</u></b>	<b><u>2,459,382</u></b>

(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 30 June 2010**

(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		
<b>As at 1 July 2009</b>	<b>624,680</b>	<b>2,319,136</b>	<b>326,323</b>	<b>(49,479)</b>	<b>(1,732,431)</b>	<b>6,858,061</b>	<b>8,346,290</b>	<b>426,156</b>	<b>8,772,446</b>
Net loss not recognised in income statement	-	-	-	(323,268)	-	-	(323,268)	(2,579)	(325,847)
Net profit for the year	-	-	-	-	-	2,035,661	2,035,661	29,455	2,065,116
Dividend paid in respect of current financial year	-	-	-	-	-	(446,899)	(446,899)	-	(446,899)
Dividend paid in respect of previous financial year	-	-	-	-	-	(119,556)	(119,556)	-	(119,556)
Issue of shares arising from exercise of share options	876	29,290	(5,739)	-	-	-	24,427	-	24,427
Repurchase of shares	-	-	-	-	(35,121)	-	(35,121)	-	(35,121)
Recognition of share option expenses	-	-	7,696	-	-	-	7,696	-	7,696
Purchase of 3rd Exchangeable Bonds	-	-	(33,246)	-	-	37,545	4,299	-	4,299
Liquidation of subsidiaries	-	-	(315)	-	-	-	(315)	1,230	915
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	-	-	-	-	-	-	-	(22,957)	(22,957)
<b>As at 30 June 2010</b>	<b>667,552</b>	<b>3,542,923</b>	<b>294,719</b>	<b>(372,747)</b>	<b>(1,767,552)</b>	<b>8,415,286</b>	<b>10,780,181</b>	<b>289,292</b>	<b>11,069,473</b>

(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 30 June 2010**

(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			
<b>As at 1 July 2008</b>	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 year	-	-	-	-	-	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)	-	-	79	41,384	-	41,384
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)	-	-	16,321	3,804	-	3,804
Arising from acquisition of additional interest in subsidiaries	9,428	346,949	-	-	-	201,370	557,747	(564,243)	(6,496)
Dividend paid to minority interest	-	-	-	-	-	-	-	(55,950)	(55,950)
<b>As at 30 June 2009</b>	<b>624,680</b>	<b>2,319,136</b>	<b>326,323</b>	<b>(49,479)</b>	<b>(1,732,431)</b>	<b>6,858,061</b>	<b>8,346,290</b>	<b>426,156</b>	<b>8,772,446</b>

(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 30 June 2010**

(The figures have not been audited)

**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.

**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 30 June 2010**

(The figures have not been audited)

**e) Details of Changes in Debt and Equity Securities**

- i. During the current financial year-to-date, the Company issued:
- 7,339,900 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.
  - 1,413,300 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 ("Rights Shares") for cash at RM2.90 per Right Share on the basis of one Rights Share for fifteen existing ordinary shares held in the Company, pursuant to the Company's renounceable rights issue.
- ii. During the current financial year-to-date, the Company has repurchased 7,174,200 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM4.90 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
Third interim single tier dividend in respect of financial year ended 30 June 2009		
- 2.0 sen per ordinary share of RM0.10 each	<b>119,556</b>	-
Interim single tier dividend in respect of financial year ending 30 June 2010		
- 7.0 sen per ordinary share of RM0.10 each	<b>446,899</b>	-
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
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 2009		
- 3.0 sen per ordinary share of RM0.10 each	-	178,761
	<b>566,455</b>	<b>946,522</b>

## Interim Report For The Financial Period Ended 30 June 2010

(The figures have not been audited)

### g) Segment Revenue & Results

(RM'000)	Plantation	Property Development	Property Investment	Resource-based Manufacturing	Other Operations	Eliminations	Consolidated
<b>12 Months Ended 30/06/10</b>							
<b>REVENUE</b>							
External Sales	355,838	945,538	97,866	11,002,521	141,199	-	12,542,962
Inter-segment sales	1,634,638	-	-	-	-	(1,634,638)	-
Total Revenue	<u>1,990,476</u>	<u>945,538</u>	<u>97,866</u>	<u>11,002,521</u>	<u>141,199</u>	<u>(1,634,638)</u>	<u>12,542,962</u>
<b>RESULT</b>							
Segment operating profit	1,126,214	532,052	49,810	568,562	61,513	-	2,338,151
Fair value gain on investment properties	-	-	21,021	-	-	-	21,021
Segment results	<u>1,126,214</u>	<u>532,052</u>	<u>70,831</u>	<u>568,562</u>	<u>61,513</u>	<u>-</u>	<u>2,359,172</u>
Translation gain on USD denominated borrowings							395,838
Other unallocated corporate net expenses							(118,667)
Operating profit							2,636,343
Finance cost							(221,170)
Interest income							47,214
Share of results of associates	42,623	-	-	12,224	-	-	54,847
Share of results of jointly controlled entities	-	33,399	-	-	-	-	33,399
Profit before taxation							2,550,633
Taxation							(485,517)
Profit for the year							<u>2,065,116</u>
<b>12 Months Ended 30/06/09</b>							
<b>REVENUE</b>							
External Sales	242,853	660,167	81,505	13,490,715	125,234	-	14,600,474
Inter-segment sales	2,254,706	-	-	-	-	(2,254,706)	-
Total Revenue	<u>2,497,559</u>	<u>660,167</u>	<u>81,505</u>	<u>13,490,715</u>	<u>125,234</u>	<u>(2,254,706)</u>	<u>14,600,474</u>
<b>RESULT</b>							
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 (bonds)							(315,346)
Other unallocated corporate net expenses							(257,962)
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 entities	-	(258,344)	-	-	-	-	(258,344)
Profit before taxation							1,550,117
Taxation							(486,943)
Profit for the year							<u>1,063,174</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 30 June 2010**

(The figures have not been audited)

**h) Material Events Subsequent to the End of Financial Period**

There are no material events subsequent to 30 June 2010 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 2010.

**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 30 June 2010**

(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) Q4 FY2010 vs. Q4 FY2009**

The Group reported a pre-tax profit of RM618.0 million for Q4 FY2010, which is higher than the profit reported for Q4 FY2009 of RM612.8 million.

The plantation segment reported a 6% increase in operating profit to RM274.5 million for Q4 FY2010 as compared to RM259.3 million for Q4 FY2009. The higher profit is due mainly to an improvement in CPO prices realised. Average CPO prices realised for Q4 FY2010 is RM2,504/MT compared to RM2,455/MT for Q4 FY2009.

The property segment's operating profit of RM190.8 million for Q4 FY2010 is 28% lower than the RM266.6 million recorded for Q4 FY2009. The lower profit reported is mainly due to lower appreciation in value of investment properties of the Group compared to FY2009. In Q4 FY 2010, the net fair value gain recognised is RM21.0 million (Q4 FY2009 - RM110.8 million). After excluding the net fair value gain, the operating profit for Q4 FY2010 would be 9% higher than Q4 FY2009.

The resource-based manufacturing segment reported an operating profit of RM135.7 million in Q4 FY2010, which is 28% lower than Q4 FY2009. The lower profit is mainly attributable to lower margins from the refinery operations.

##### **b) FY2010 vs. FY2009**

The Group reported a pre-tax profit of RM2.55 billion for FY2010, which is 65% higher than the profit of RM1.55 billion reported for FY2009. The higher profit is due mainly to unrealised translation gain on long term USD denominated borrowings of RM395.8 million (FY2009 - unrealised loss of RM315.3 million) and no further impairment loss at the jointly controlled property entity in Singapore during FY2010 (FY2009 - loss of RM258.6 million).

The plantation segment reported a 31% decrease in operating profit to RM1.13 billion for FY2010 as compared to RM1.64 billion for FY2009. The lower operating profit was due mainly to lower average CPO prices realised of RM2,372/MT (FY2009 - RM2,831/MT) and lower FFB production of 3,405,090 MT (FY2009 - 3,626,776 MT).

The resource-based manufacturing segment reported an operating profit of RM568.6 million for FY2010, which is 59% higher than FY2009. The lower profit in the preceding year is due mainly to realised foreign exchange losses on derivative contracts and customer defaults on high priced contracts incurred.

The property segment's operating profit of RM602.9 million for FY2010 is 29% higher than the RM467.0 million recorded for FY2009. The higher profit reported is contributed mainly by an overall increase in sales despite a lower fair value gain on investment properties reported of RM21.0 million (FY2009 - RM110.8 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 2010 and the date of this announcement.

**Interim Report For The Financial Period Ended 30 June 2010**

(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 RM618.0 million for Q4 is 13% lower than Q3 due mainly to lower unrealised translation gain on USD denominated borrowings.

Plantation operating profit of RM274.5 million for Q4 is 3% lower than the preceding quarter, mainly due to lower production.

Operating profit from the property segment for Q4 of RM190.8 million is 53% higher than Q3. The higher profit is contributed by a gain of RM34.9 million recognised on the disposal of a property development subsidiary.

The resource-based manufacturing segment reported a profit of RM135.7 million in Q4 FY2010, 6% higher than Q3 FY2010 due to increase in margins from the specialty fats operations.

The analysis of contribution by segment is as follows:

	<b>CURRENT QUARTER RM'000</b>	<b>PRECEDING QUARTER RM'000</b>	<b>DIFFERENCE RM'000</b>	
Plantation	274,498	282,027	(7,529)	(3%)
Property development	162,814	110,047	52,767	
Property investment	27,952	14,627	13,325	
Total Property	190,766	124,674	66,092	53%
Resource-based manufacturing	135,667	128,589	7,078	6%
Other operations	33,238	10,644	22,594	212%
	634,169	545,934	88,235	16%
Translation gain on USD denominated borrowings (bonds)	34,891	231,487	(196,596)	(85%)
Other unallocated corporate net income/(expenses)	(46,686)	(43,888)	(2,798)	6%
Operating profit	622,374	733,533	(111,159)	(15%)
Interest expense	(55,360)	(51,291)	(4,069)	8%
Interest income	11,639	9,760	1,879	19%
Share of results of associates	7,394	16,791	(9,397)	(56%)
Share of results of jointly controlled property entities	31,961	475	31,486	6629%
Profit before taxation	618,008	709,268	(91,260)	(13%)

**Interim Report For The Financial Period Ended 30 June 2010**

(The figures have not been audited)

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

**3) Current Year Prospects**

Global economic growth has recently shown signs of slowing down which will make the new financial year a challenging period for business corporations. Nevertheless, the Group is optimistic that it will perform satisfactorily 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 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	<b>92,607</b>	131,154	<b>512,766</b>	536,135
- Prior years	<b>(4,101)</b>	(12,022)	<b>1,369</b>	(20,926)
Deferred taxation				
- Current year	<b>10,304</b>	(8,570)	<b>(5,677)</b>	(29,683)
- Prior years	<b>(21,686)</b>	1,390	<b>(22,941)</b>	1,417
	<b>77,124</b>	111,952	<b>485,517</b>	486,943

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 2010**

(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 30 June 2010 are as follows:

	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	682	107	682	13,343
Total gain/ (loss) on disposal	164	(19)	164	10,599
Total purchases	25	341	7,189	369

b) Total investments in quoted securities (mainly classified under other long term investments) as at 30 June 2010 are as follows:

	RM'000
<b>Quoted in Malaysia</b>	
At cost	34,772
Allowance for diminution in value	(6,484)
Net book value	<u>28,288</u>
At market value	<u>51,234</u>
<b>Quoted outside Malaysia</b>	
At cost	16,211
Allowance for diminution in value	(11,838)
Net book value	<u>4,373</u>
At market value	<u>4,768</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 17 August 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 17 August 2010 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

**3<sup>rd</sup> 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	507	by January 2011	-	-
Total	600	507		-	-

**Renounceable Rights Issue**

Purpose	Proposed Utilisation (RM million)	Actual Utilisation (RM million)	Intended Timeframe for Utilisation	Deviation	
				Amount	%
Investment and capital expenditure and unless utilised as aforesaid, repayment of borrowings	1,157	-	By December 2011	-	-
Total	1,157	-		-	-



**Interim Report For The Financial Period Ended 30 June 2010**

(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 2010 are as follows:

**RM'000**

**a) Short term borrowings**

Unsecured

Denominated in RM

**25**

Denominated in SGD (SGD176,700,000)

**409,025**

Total Short Term Borrowings **409,050**

**b) Long term borrowings**

Unsecured

Denominated in RM

**107**

Denominated in SGD (SGD15,000,000)

**34,722**

Denominated in JPY (JPY21,000,000,000)

**591,574**

Denominated in USD (USD1,149,970,000)

**3,721,878**

Total Long Term Borrowings **4,348,281**

**11) Off Balance Sheet Financial Instruments**

a) Forward foreign exchange sale and purchase contracts that were entered into as at 30 June 2010 by certain subsidiary companies are as follows:

(In RM Million)	Maturity Analysis			Total Notional Amount
	Less than 1 year	1 year to 3 years	More than 3 years	
Sale Contracts	2,154.2	0.2	-	<b>2,154.4</b>
Purchase Contracts	175.2	-	-	<b>175.2</b>

The above 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.

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 30 June 2010 are as follows:

(In RM Million)	Maturity Analysis			
	Less than 1 year	1 year to 3 years	More than 3 years	Total Notional Amount
Sale Contracts	112.8	-	-	<b>112.8</b>
Purchase Contracts	205.7	15.2	-	<b>220.9</b>

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 30 June 2010, the Group has the following cross currency swap contracts:

Cross Currency Swap	Notional amount	Effective Period	Maturity Analysis	
			1 year to 3 years	More than 3 years
Fixed rate USD liability to fixed rate EUR liability <sup>1</sup>	USD104.1 million into EUR80 million	1 April 2005 to 28 February 2015	-	✓
JPY liability to USD liability <sup>2</sup>	JPY15.0 billion into USD128 million	23 January 2007 to 22 January 2037	-	✓
JPY liability to USD liability <sup>3</sup>	JPY6.0 billion into USD55 million	5 February 2008 to 5 February 2038	-	✓
Fixed rate USD liability to fixed rate RM liability <sup>4</sup>	USD100.0 million into RM352 million	3 February 2009 to 2 March 2012	✓	-

<sup>1</sup> 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.

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

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

<sup>4</sup> 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 filed an appeal against the said decision at the Court of Appeal. The Court of Appeal has dismissed the appeal of the Applicant with costs on 4 June 2010. The Applicant has since filed an application for leave to appeal to the Federal Court and the same is pending case management.

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.

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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)**

**a) IOI Corporation Berhad (Continued)**

- 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.

The hearing for this case has been concluded on 6 May 2010. The High Court has directed parties to file written submission and has fixed 27 August 2010 for clarification.

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.

**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 3<sup>rd</sup> and 4<sup>th</sup> defendants have filed an appeal against the decision of the Court delivered on 14 January 2010 dismissing their application to strike out the claim against them. This matter is pending case management and has been fixed for full trial from 24 to 31 January 2011.

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

**Interim Report For The Financial Period Ended 30 June 2010**

(The figures have not been audited)

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

**13) Dividend**

The Board has on 10 February 2010 declared an interim single tier dividend of 70% or 7.0 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2010. The dividend was paid on 25 March 2010.

The Board now declares a second interim single tier dividend of 100% or 10.0 sen per ordinary share of RM0.10 each in respect of the financial year ended 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 7 October 2010 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 27 September 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 27 September 2010 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 23 September 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 17.0 sen (30 June 2009: 8.0 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
<b>a) Basic earnings per share</b>				
Net profit for the period attributable to equity holders of the parent	547,050	487,069	2,035,661	983,517
Weighted average number of ordinary shares in issue ('000)	6,382,258	5,930,183	6,177,023	5,919,055
Basic earnings per share (sen)	8.57	8.21	32.96	16.62

**Interim Report For The Financial Period Ended 30 June 2010**

(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>b) Diluted earnings per share</b>				
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	547,050	487,069	2,035,661	983,517
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	3,228	-	13,247	-
Net foreign exchange differences taken up	(2,710)	-	(29,085)	-
	518	-	(15,838)	-
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Net interest savings	13,285	-	56,850	-
Net foreign exchange differences taken up	(12,388)	-	(149,670)	-
	897	-	(92,820)	-
	<b>548,465</b>	<b>487,069</b>	<b>1,927,003</b>	<b>983,517</b>
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	6,382,258	5,930,183	6,177,023	5,919,055
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	74,555	-	74,555	-
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	139,108	-	139,108	-
Assumed exercise of Executive Share Options at beginning of period	29,227	24,723	30,774	23,397
	<b>6,625,148</b>	<b>5,954,906</b>	<b>6,421,460</b>	<b>5,942,452</b>
Diluted earnings per share (sen)	<b>8.28</b>	<b>8.18</b>	<b>30.01</b>	<b>16.55</b>

**Interim Report For The Financial Period Ended 30 June 2010**

(The figures have not been audited)

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

**15) Audit Qualification**

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

**Lee Ai Leng**  
**Yap Chon Yoke**  
Company Secretaries

Putrajaya  
24 August 2010

**Interim Report For The Financial Period Ended 30 June 2010**

(The figures have not been audited)

**Group Plantation Statistics**

		As At 30/06/10	As At 30/06/09
<b>Planted Area</b>			
Oil palm			
Mature	<i>(hectares)</i>	<b>138,675</b>	139,597
Total planted	<i>(hectares)</i>	<b>154,709</b>	150,931
<b>Rubber</b>			
Mature	<i>(hectares)</i>	-	-
Total planted	<i>(hectares)</i>	<b>438</b>	438

		30/06/10 (12 months)	30/06/09 (12 months)
<b>Average Mature Area</b>			
Oil Palm	<i>(hectares)</i>	<b>139,352</b>	139,323
Rubber	<i>(hectares)</i>	-	200
<b>Production</b>			
<b>Oil Palm</b>			
FFB production	<i>(tonnes)</i>	<b>3,405,090</b>	3,626,776
Yield per mature hectare	<i>(tonnes)</i>	<b>24.44</b>	26.03
FFB processed	<i>(tonnes)</i>	<b>3,400,795</b>	3,634,907
Crude palm oil production	<i>(tonnes)</i>	<b>732,275</b>	777,310
Palm kernel production	<i>(tonnes)</i>	<b>170,876</b>	182,075
Crude palm oil extraction rate	<i>(%)</i>	<b>21.53%</b>	21.38%
Palm kernel extraction rate	<i>(%)</i>	<b>5.02%</b>	5.01%
<b>Rubber</b>			
Rubber production	<i>('000kgs)</i>	-	449
Yield per mature hectare	<i>(kgs)</i>	-	2,243
<b>Average Selling Price Realised</b>			
<b>Oil palm</b>			
Crude palm oil	<i>(RM/tonne)</i>	<b>2,372</b>	2,831
Palm kernel	<i>(RM/tonne)</i>	<b>1,229</b>	1,279