



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/06/2007
Quarter:	1st Quarter
Financial Year End:	31/03/2008
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2007

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2007 RM'000	Preceding year quarter 30/06/2006 RM'000	Current year to date 30/06/2007 RM'000	Preceding year to date 30/06/2006 RM'000
1 Revenue	1,105,234	518,035	1,105,234	518,035
2 Profit before tax	(693,917)	87,385	(693,917)	87,385
3 Profit for the period	(728,899)	65,358	(728,899)	65,358
4 Profit attributable to ordinary equity holders of the Company	(746,895)	54,301	(746,895)	54,301
5 Basic earnings per share (sen)	(89.34)	11.11	(89.34)	11.11
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2007		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		5.03		4.56

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED INCOME STATEMENT
(The figures have not been audited)

	Individual Quarter			Cumulative Period		
	Current year quarter		Preceding year quarter	Current year to date		Preceding year to date
	Normal Operational Results	Including Merger Goodwill Impairment		Normal Operational Results	Including Merger Goodwill Impairment	
30/06/2007 RM'000	30/06/2007 RM'000	30/06/2006 RM'000	30/06/2007 RM'000	30/06/2007 RM'000	30/06/2006 RM'000	
Operating revenue	1,105,234	1,105,234	518,035	1,105,234	1,105,234	518,035
Cost of sales	(896,072)	(896,072)	(402,354)	(896,072)	(896,072)	(402,354)
Gross profit	209,162	209,162	115,681	209,162	209,162	115,681
Other operating income	131,549	131,549	24,712	131,549	131,549	24,712
Tendering and marketing expenses	(24,152)	(24,152)	(12,123)	(24,152)	(24,152)	(12,123)
Administrative expenses	(27,250)	(27,250)	(17,852)	(27,250)	(27,250)	(17,852)
Other operating expenses	(25,508)	(25,508)	(14,238)	(25,508)	(25,508)	(14,238)
Merger goodwill impairment	-	(922,255)	-	-	(922,255)	-
Operating profit before finance cost	263,801	(658,454)	96,180	263,801	(658,454)	96,180
Finance cost	(37,283)	(37,283)	(15,213)	(37,283)	(37,283)	(15,213)
Operating profit after finance cost	226,518	(695,737)	80,967	226,518	(695,737)	80,967
Share of results of associates	3,350	3,350	2,217	3,350	3,350	2,217
Share of results of jointly controlled entities	(1,530)	(1,530)	4,201	(1,530)	(1,530)	4,201
Profit before tax	228,338	(693,917)	87,385	228,338	(693,917)	87,385
Income tax expense	(34,982)	(34,982)	(22,027)	(34,982)	(34,982)	(22,027)
Profit / (Loss) for the period	193,356	(728,899)	65,358	193,356	(728,899)	65,358
<u>Attributable to:-</u>						
Equity holders of the Company	175,360	(746,895)	54,301	175,360	(746,895)	54,301
Minority interest	17,996	17,996	11,057	17,996	17,996	11,057
	193,356	(728,899)	65,358	193,356	(728,899)	65,358
<u>Earnings / (Loss) per share (sen):-</u>						
Basic	20.97	(89.34)	11.11	20.97	(89.34)	11.11
Fully diluted	20.61	(89.34)	10.69	20.61	(89.34)	10.69
<u>Dividends per share (sen) declared / proposed:-</u>						
Tax-exempt	-	-	-	-	-	-
Subject to income tax	-	-	-	-	-	-
Depreciation and amortisation expense (RM'000)	25,917	25,917	17,235	25,917	25,917	17,235

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	Excluding Merger Goodwill Impairment	Including Merger Goodwill Impairment	
	30/06/2007	30/06/2007	31/03/2007
	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Restated)
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	851,787	851,787	570,327
Share premium	2,885,451	2,885,451	748,846
Reserves	101,278	101,278	90,917
Retained profits	1,368,192	445,937	1,192,832
	5,206,708	4,284,453	2,602,922
Minority interest	942,733	942,733	559,459
Total equity	6,149,441	5,227,186	3,162,381
NON-CURRENT LIABILITIES			
Bonds	976,630	976,630	168,464
Medium term notes	314,508	314,508	150,000
Term loans	1,401,914	1,401,914	654,085
Hire purchase and lease creditors	8,746	8,746	9,697
Deferred tax liabilities	321,765	321,765	90,947
Trade and other payables	127,553	127,553	52,666
	3,151,116	3,151,116	1,125,859
DEFERRED INCOME	61,081	61,081	58,371
	9,361,638	8,439,383	4,346,611

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	Excluding Merger Goodwill Impairment	Including Merger Goodwill Impairment	
	30/06/2007	30/06/2007	31/03/2007
	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	1,099,239	1,099,239	735,560
Leasehold land	298,603	298,603	180,471
Concession assets	2,276,531	2,276,531	474,385
Plantation expenditure	410,555	410,555	408,500
Investment properties	78,972	78,972	38,664
Associates	407,605	407,605	383,063
Jointly controlled entities	60,571	60,571	60,422
Long term investments	102,566	102,566	100,722
Long term receivables	94,936	94,936	102,554
Deferred tax assets	75,260	75,260	18,862
Land held for property development	643,620	643,620	319,037
Intangible assets	76,230	76,230	66,669
Goodwill	935,388	13,133	-
	6,560,076	5,637,821	2,888,909
CURRENT ASSETS			
Property development costs	1,494,282	1,494,282	685,488
Inventories	282,539	282,539	233,365
Trade and other receivables	2,351,570	2,351,570	1,758,886
Short term investments	4,283	4,283	71,228
Deposits with licensed banks	405,666	405,666	174,073
Cash and bank balances	476,731	476,731	226,860
	5,015,071	5,015,071	3,149,900
CURRENT LIABILITIES			
Trade and other payables	1,650,181	1,650,181	1,238,891
Bank borrowings	330,302	330,302	404,417
Bonds	34,952	34,952	34,924
Commercial paper	139,000	139,000	-
Medium term notes	40,000	40,000	-
Current tax liabilities	19,074	19,074	13,966
	2,213,509	2,213,509	1,692,198
NET CURRENT ASSETS	2,801,562	2,801,562	1,457,702
	9,361,638	8,439,383	4,346,611
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY (RM)	6.11	5.03	4.56

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2007
(The figures have not been audited)

	<--Attributable to equity holders of the Company-->				Minority interests RM'000	Total equity RM'000	
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained profits RM'000			Total RM'000
At 1 April 2007	570,327	748,846	90,917	1,192,832	559,459	3,162,381	
Net gains recognised directly in equity	-	-	10,751	-	10,751	1,205	11,956
Acquisition of a subsidiary	272,661	2,102,935	-	-	2,375,596	319,362	2,694,958
Issuance of shares by subsidiaries to minority shareholders	-	-	-	-	-	44,711	44,711
Issuance of shares:							
- exercise of ESOS	1,001	3,259	-	-	4,260	-	4,260
- exercise of Warrants 2005/2010	7,798	30,411	(390)	-	37,819	-	37,819
	851,787	2,885,451	101,278	1,192,832	5,031,348	924,737	5,956,085
Net profit for the financial year	-	-	-	175,360	175,360	17,996	193,356
At 30 June 2007 (Normal Operational Results)	851,787	2,885,451	101,278	1,368,192	5,206,708	942,733	6,149,441
Merger goodwill impairment	-	-	-	(922,255)	(922,255)	-	(922,255)
At 30 June 2007 (Including Merger Goodwill Impairment)	851,787	2,885,451	101,278	445,937	4,284,453	942,733	5,227,186
At 1 April 2006:							
As previously stated	479,931	420,401	93,804	1,071,916	2,066,052	169,288	2,235,340
Effects of consolidating IJM Plantations Berhad as a subsidiary	-	-	-	-	-	294,364	294,364
	479,931	420,401	93,804	1,071,916	2,066,052	463,652	2,529,704
Effects of adopting FRS 3	-	-	-	9,791	9,791	-	9,791
Restated	479,931	420,401	93,804	1,081,707	2,075,843	463,652	2,539,495
Net gains/(losses) recognised directly in	-	-	(6,057)	-	(6,057)	(780)	(6,837)
Net profit for the financial year	-	-	-	54,301	54,301	11,057	65,358
Issuance of shares by a subsidiary to minority shareholders	-	-	-	-	-	5,221	5,221
Issuance of shares:							
- exercise of ESOS	13,354	42,093	-	-	55,447	-	55,447
At 30 June 2006	493,285	462,494	87,747	1,136,008	2,179,534	479,150	2,658,684

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007
(The figures have not been audited)

	3 months ended 30/6/2007 RM'000	3 months ended 30/6/2006 RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,149,745	554,955
Payments to contractors, suppliers and employees	(939,913)	(610,769)
Interest received	9,384	8,734
Interest paid	(33,227)	(14,874)
Income tax paid	(35,940)	(5,385)
Net cash flow from operating activities	150,049	(67,339)
INVESTING ACTIVITIES		
Acquisition of investments	(2,480)	-
Cash and cash equivalent of a subsidiary acquired	230,843	-
Purchases of property, plant and equipment, development land, concession assets and deferred expenditure	(154,179)	(74,725)
Disposal of investments, property, plant and equipment and land	178,675	69,691
Dividends received	85	485
Advances and repayments to associates and jointly controlled	7,485	6,023
Net cash flow used in investing activities	260,429	1,474
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of ESOS	4,260	55,447
- conversion of Warrants	37,819	-
Issuance of shares by subsidiaries to minority interest in	44,711	5,221
Net proceeds from bank borrowings	48,502	(8,028)
Payments of Bonds and Medium Term Notes interest	(4,056)	(4,057)
Advances from the State Government	-	7,000
Repayments to hire purchase and lease creditors	(2,364)	(2,438)
Net redemption / (placement) of bank deposits assigned to	(1,929)	(1,635)
Net cash flow from financing activities	126,943	51,510
Net increase in cash and cash equivalents during the	537,421	(14,355)
Cash and cash equivalents at beginning of the financial year	251,793	212,764
Foreign exchange differences on opening balances	(1,475)	2,209
Cash and cash equivalents at end of the financial period	787,739	200,618

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2007 which are available at <http://www.ijm.com>. The explanatory notes attached to the unaudited interim financial report 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 31 March 2007.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2007 except for the adoption of the Financial Reporting Standards (“FRS”) 117 Leases, which is effective for financial year beginning on 1 April 2007.

Prior to 1 April 2007, the Group’s leasehold land held for own use was classified as property, plant and equipment and was stated at cost/valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a retrospective change in the accounting policy relating to the classification of leasehold land separately from Property, plant and equipment. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease term. As allowed by the transitional provisions of FRS 117, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments.

The reclassifications of leasehold land have been accounted for retrospectively and the following comparative amounts as at 31 March 2007 have been restated:

Consolidated Balance Sheets	As previously reported RM’000	Effect RM’000	As restated RM’000
Property, plant and equipment	916,031	(180,471)	735,560
Leasehold land	-	180,471	180,471

A3. Audit Report

The audit report for the financial year ended 31 March 2007 was not subject to any qualification.

A4. Seasonality or Cyclicity of Operations

The Group’s operations are not materially affected by seasonal or cyclical factors except for the Plantations division which normally sees its cropping pattern of oil palm declining to a trough in the first half of a calendar year before rising to a peak in the second half.

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A5. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence other than the following:-

- i. On 25 January 2007, the shareholders of the Company approved a proposed conditional takeover offer by the Company for all the ordinary shares of RM1.00 each of Road Builder (M) Holdings Berhad (“RBH Shares”) at the offer price of RM3.00 per share to be satisfied by the issuance of up to 273,293,885 new ordinary shares of RM1.00 each in IJM (“IJM Shares”) on the basis of one (1) new IJM Share at the issue price of RM6.00 for every two (2) existing RBH Shares held.

On 16 March 2007, the Company announced that the offer has become unconditional and subsequently the Company issued 258,889,538 new IJM ordinary shares on 2 April 2007 and a further 13,771,831 new IJM ordinary shares on 27 April 2007 to the shareholders of RBH to complete the merger. The market prices of the new IJM shares issued on 2 April 2007 and 27 April 2007 were RM 8.70 and RM 8.95 per share, respectively.

Pursuant to the merger, the Company undertook and has since completed the Purchase Price Allocation exercise in respect of RBH’s assets and liabilities, and with reference to the fair valuation of the new IJM shares issued as consideration for the merger, has determined the merger goodwill arising, inclusive of inherent goodwill of RBH of RM 149.793 million and goodwill attributable to RBH’s order book and staff cost synergies of RM 13.133 million, to aggregate RM 935.387 million. This increase has no cash impact and arises solely as a result of the application of FRS 3: Business Combination, whereby the Group has to reflect the acquisition cost based on the market price of IJM shares as at the point of issuance, which, partly as a result of positive market response to the merger and partly a favourable increase in the overall market in Malaysia, rose by 45.1% over the issue price of RM 6.00 per share as at the date of offer. As the creation of this goodwill was largely the result of market price movements not expected at the time the merger was conceived, the Company has reviewed and adopted a prudent approach as to the sustainability of the merger goodwill and, other than the retention of the goodwill attributable to RBH’s order book and staff cost synergies of RM 13.133 million, has booked in a one-off impairment to the extent of RM 922.255 million thereof to the Consolidated Income Statement of the Group during the quarter under review. The negative retained earnings at the Company level are also attributable to the merger goodwill impairment adjustment, and the Company intends to seek court sanction to off-set the negative retained earnings against the share premium account to the maximum extent permissible. An application to this effect will be made to the High Court in due course.

The effect of this merger on the income statement of the Group for the financial year-to-date after taking into account the fair value adjustments is as follows:-

	RM’000
Revenue	227,793
Operating Expenses	(191,943)
Other Income	3,651
Profit from Operations	39,501
Finance Costs	(16,428)
Share of results of Associates	416
Merger goodwill impairment	(922,255)
Profit / (Loss) Before Taxation	(898,766)
Taxation	(8,249)
Increase/(Decrease) in Group profit (before minority interests)	(907,015)
Less: Increase in Minority Interests	(4,061)
Increase/(Decrease) in profit attributable to equity holders of the Company	(911,076)

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The effect of this merger on the financial position of the Group as at 30 June 2007 after taking into account the fair value adjustments is as follows:-

	RM'000
Non-current assets	2,624,526
Current assets	1,632,026
Current liabilities	(640,392)
Non-current liabilities	(1,836,190)
Minority interests	(323,423)

- ii. Gain on disposal of 59,455,917 quoted shares in Guangdong Provincial Expressway Development Co Ltd (“GPED”) amounting to RM104.9 million during the current financial year.

A6. Material Changes in Estimates

There were no major changes in estimates that have had material effect in the financial year-to-date.

A7. Debt and Equity Securities

- (a) For the period ended 30 June 2007, the paid-up share capital of the Company was increased by RM281,459,569 by way of allotment and issue of:
 - i. 272,661,369 ordinary shares of RM1.00 each for the acquisition of Road Builder (M) Holdings Berhad;
 - ii. 1,000,600 ordinary shares of RM1.00 each arising from the exercise of Employee Share Option Scheme; and,
 - iii. 7,797,600 ordinary shares of RM1.00 each arising from the conversion of IJM Warrants 2005/2010.
- (b) There were no cancellations, repurchases, resale and repayments of debt and equity securities for the financial year-to-date.

A8. Dividend Paid

There was no dividend paid during the current quarter.

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A9. Segmental Information

Analysis by business segments

	Group revenue including share of revenue of JVs and associates		GROUP	
	3 months ended 30/6/2007	3 months ended 30/6/2006	3 months ended 30/6/2007	3 months ended 30/6/2006
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Construction	624,796	260,832	583,339	195,819
Property	194,310	104,067	184,980	100,057
Industries	195,390	174,028	182,405	162,690
Plantation	106,020	56,085	92,413	56,085
Infrastructure	75,934	15,727	60,708	2,818
Investment and others	1,389	7,029	1,389	566
	<u>1,197,839</u>	<u>617,768</u>	<u>1,105,234</u>	<u>518,035</u>

	GROUP	
	3 months ended 30/6/2007	3 months ended 30/6/2006
	RM'000	RM'000
Profit / (Loss) before taxation:		
Construction	52,150	34,917
Property	21,570	18,320
Industries	25,039	20,020
Plantation	17,226	7,612
Infrastructure	8,945	(2,630)
Investment and others	103,408	9,146
	<u>228,338</u>	<u>87,385</u>
Merger Goodwill Impairment	(922,255)	-
	<u>(693,917)</u>	<u>87,385</u>

IJM CORPORATION BERHAD (104131-A)

A10. Carrying Amount of Revalued Property, Plant and Equipment

Other than the fair values ascribed to RBH assets pursuant to the Purchase Price Allocation exercise undertaken by the Company, the valuations of certain property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

A11. Material Subsequent Events

There was no other material event subsequent to the end of the current financial year-to-date that has not been reflected in the financial statements.

A12. Changes in the Composition of the Group

During the financial year-to-date, the following changes in composition were effected:

- i. Acquisition of the entire equity interest in Road Builder (M) Holdings Berhad (“RBH”) vide the issuance of 272,661,369 new ordinary shares of RM1.00 each in IJM (“IJM Shares”) on the basis of one (1) new IJM Share at the issue price of RM6.00 for every two (2) existing RBH Shares held. The effect on the Group for the financial year-to-date is explained in Note A5(i) above.
- ii. On 30 April 2007 the Company converted 11,100,000 Redeemable Convertible Unsecured Loan Stocks (RCULS) of IJM Plantations Berhad (“IJMP”) into 22,200,000 new ordinary shares of RM0.50 each, increasing its shareholding in IJMP from 49.5% to 50.6%. This has no material impact on the Group for the financial year-to-date.

A13. Contingent Liabilities

The changes in contingent liabilities since 31 March 2007 are as follows:-

	RM'000
Group's proportionate share of guarantees for borrowings of associates:	
- As at 31 March 2007	8,000
- Increase during the financial year-to-date	510
- As at 30 June 2007	<u>8,510</u>
Pledging of share certificates for term loan facility granted to an associate:	
- As at 31 March 2007	46,296
- Decrease during the financial year-to-date	(3)
- As at 30 June 2007	<u>46,293</u>

A14. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2007 are as follows:

	RM'000
Approved and contracted for	654,594
Approved but not contracted for	433,386
	<u>1,087,980</u>
<u>Analysed as follows:</u>	
- Purchase of property, plant and equipment	100,261
- Purchase of development land	85,420
- Investment in associates	33,145
- Acquisition of concession assets	531,178
- Participation in a concession disclosed in Note B8 (b)	290,000
- Share of capital commitment of jointly controlled entities	47,976
	<u>1,087,980</u>

IJM CORPORATION BERHAD (104131-A)

B Bursa Securities Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group successfully completed the merger with the RBH Group, and for the first quarter ended 30 June 2007, the merged entity recorded aggregate revenues of RM 1,105.23 million, a significant increase of RM 587.20 million or 113% over the corresponding quarter of the preceding year. Additional revenues pursuant to the merger of RBH have accounted for 38.7% of the total revenue increase. The remainder has been attributable to all divisions within the Group attaining significantly higher revenues during the quarter under review. The enhanced performance of all divisions has been driven largely by the Group's sizeable order book, sustained higher CPO prices as well as revenue contributions from the construction, property and infrastructure assets of the newly acquired RBH Group.

The normal operating profit before tax from the Group's divisions correspondingly showed a significant increase to RM 228.34 million, up by 161% over the previous year. Whilst the aggregate increase includes a capital gain of RM104.9 million arising from the disposal of GPED shares as mentioned in Note A5(ii) above, the resultant remainder is mainly attributable to higher divisional operating profits recorded as well as additional profits pursuant to the merger of RBH.

Of the total increase, 32% was contributed by the enhanced order book and development projects of the Construction and Properties divisions of the merged entity. Whilst the Industries division showed a healthy 25% increase in profits over the corresponding previous year quarter, the Plantations division's profits rose by approximately 2.45 times due to higher CPO prices. The added profit contributions from the infrastructure assets of the newly acquired RBH Group enabled the Infrastructure division to contribute 4% of the aggregate Group profits for the quarter under review.

Upon the successful completion of the merger with the RBH Group, and pursuant to the resultant Purchase Price Allocation exercise undertaken by the Group, goodwill attributable to the merger amounted to RM 935.39 million. The increase has no cash impact and arises solely as a result of the application of FRS 3: Business Combination, whereby the Group has to reflect the acquisition cost based on the market price of IJM shares as at the point of issuance, which, partly as a result of positive market response to the merger and partly a favourable increase in the overall market in Malaysia, rose by 45.1% over the issue price of RM 6.00 per share as at the date of offer. As the creation of this goodwill was largely the result of market price movements not expected at the time the merger was conceived, the Company has reviewed and adopted a prudent approach as to the sustainability of the merger goodwill and has booked in a one-off impairment thereof to the Consolidated Income Statement of the Group during the quarter under review. Taking into consideration the impairment of merger goodwill of RM 922.26 million the Group has recorded a loss before tax of RM 693.92 million. The write-off, being a non-recurring, non-cash transaction does not impair the Group's future earnings or operational strengths and the Company intends to seek court sanction to off-set the negative retained earnings against the share premium account to the maximum extent possible, and will seek to make an application to the High Court in due course.

B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter

Changes in both revenue and pre-tax profits, as compared with the immediately preceding quarter are mainly attributable to the same reasons as mentioned in Note B1 above.

IJM CORPORATION BERHAD (104131-A)

B3. Prospects for the Current Financial Year

The completion of the merger with Road Builder (M) Holdings Berhad (“RBH”) in April 2007 has resulted in the Company having a significant 65.2% increase in its net asset base. The significantly increased combined order books, property development projects and land banks of the merged entity bode well for the Construction and Property divisions of the Group. The Industries division is expected to see continued improvement by leveraging off the increased construction opportunities resulting from the implementation of projects under the 9th Malaysia Plan. The Plantations division is also expected to show improved profitability levels arising from higher crop production expected during the current financial year, supported by the trend of high palm product prices. The Group’s prospects are expected to be further buoyed by additional revenue and profit sources arising from RBH’s inherent tolling and port operations.

As a result of the above stated factors, barring any unforeseen circumstances, the Group expects to record better operating performance for the current financial year.

B4. Profit Forecast

The Group did not issue any profit forecast for the year.

B5. Taxation

The taxation of the group for the financial period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2007 RM’000	2006 RM’000	2007 RM’000	2006 RM’000
Malaysian income tax	32,492	19,449	32,492	19,449
Overseas taxation	132	1,914	132	1,914
Transfer to/(from) deferred taxation	2,358	664	2,358	664
	<u>34,982</u>	<u>22,027</u>	<u>34,982</u>	<u>22,027</u>

The Group’s effective tax rate (excluding the results of associates and jointly controlled entities which are equity accounted net of tax) is higher than the statutory tax rate mainly due to the merger goodwill written off which is not allowable as disclosed in Note A5(i) above.

B6. Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter.

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B7. Quoted Investments

a. Purchases and sales of quoted investments

	Current Quarter Ended 30/06/2007 RM'000	Cumulative Current Year-to-date 30/06/2007 RM'000
Long term:		
- Total purchases	181	181
- Total disposals / sale proceeds	-	-
- Total profit / (loss) on disposal	-	-
Short term:		
- Total purchases	-	-
- Total disposals / sale proceeds	178,453	178,453
- Total profit / (loss) on disposal	104,912	104,912

b. Quoted investments as at 30 June 2007

	RM'000
Long term:	
Quoted investments at cost	59,755
Quoted investments at carrying value	57,795
Quoted investments at market value	58,779
Short term:	
Quoted investments at cost	10,329
Quoted investments at carrying value	4,283
Quoted investments at market value	4,283

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B8. Status of Corporate Proposals

- a. On 30 May 2005, the Company entered into a Share Purchase Agreement ("SPA") to acquire 118,373,600 ordinary shares of RM1.00 each in Kumpulan Europlus Berhad ("KEB") representing 25% of the equity interest in KEB from certain shareholders of KEB for a total cash consideration of RM33,144,608 or RM0.28 per share. In addition the Company has been granted a call option to acquire a further 5% equity interest in KEB. The acquisition of the 25% equity interest in KEB was completed on 15 August 2007.
- b. On 25 July 2007, the Company announced the proposed rationalisation of the Group's Property Division into RB Land Holdings Berhad ('RB Land') involving, among others, the proposed disposal of 100% equity interest in IJM Properties Sdn Bhd, a wholly-owned subsidiary of the Company, to RB Land, a 69.96% indirect subsidiary of the Company via Road Builder (M) Holdings Berhad, for a total sale consideration of RM995.0 million.

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B9. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2007 are as follows:

	RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Commercial Paper	139,000
- Medium Term Notes	40,000
- Government support loans	2,483
- Term loan	98,272
- Bank overdrafts	43,632
- Hire purchase and lease creditors (included in trade and other payables)	13,093
Unsecured:-	
- Islamic bonds	34,952
- Term loan	46,461
- Revolving credits	37,840
- Bankers acceptances	74,624
- Bank overdrafts	26,990
	557,347
(ii) Long Term Borrowings	
8% Secured Fixed Rate Bond 1999/2009 (net of discount)	98,890
5.5% Unsecured Medium Term Notes 2005/2010	150,000
Secured Medium Term Notes	164,508
Secured Islamic bonds and notes	877,740
Secured Government support loans	264,292
Secured Hire purchase and lease creditors	8,746
Secured term loan	636,853
Unsecured term loan	501,360
	2,702,389

(b) Foreign currency borrowings included in the above are as follows:

	Foreign Currency	RM Equivalent
	'000	'000
US Dollar	143,324	495,112
Indian Rupee	4,754,590	404,616
Chinese Renminbi	59,686	26,263
		925,991

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B10. Off Balance Sheet Financial Instruments

a. Foreign exchange forward contracts:

Duration	Currency to be received	Amount in foreign currency to be received '000	Contractual rate	Amount to be paid RM'000
20.03.06 – 15.11.07	US Dollar	6,372	3.66 – 3.76	22,015

b. Interest rate swaps (from floating rate to fixed rate):

Duration	Floating rate	Fixed rate	Amount in foreign currency USD'000	RM Equivalent '000
31.05.06 – 29.07.12	6-month LIBOR + 0.7%	5.00%	80,000	276,400
02.06.05 – 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	69,100
22.03.06 – 22.02.10	12-month LIBOR + 1.25%	6.45%	3,592	12,427

c. Interest rate swaps (from fixed rate to floating rate):

Duration	Fixed rate	Floating rate	RM '000
18.02.04 – 15.12.07	6.40%	6-month KLIBOR + 2.05%	35,000
18.02.04 – 15.12.08	6.65%	6-month KLIBOR + 1.90%	35,000

B11. Changes in Material Litigation

There was no change in material litigation since 31 March 2007 which exceeds 5% of the Group's net assets.

B12. Dividend

The Directors do not recommend any interim dividend for the current quarter.

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B13. Earnings per Share

	Individual Quarter			Cumulative Period		
	Current year quarter		Preceding year quarter	Current year to date		Preceding year to date
	Normal Operational Results	Including Merger Goodwill Impairment		Normal Operational Results	Including Merger Goodwill Impairment	
	30/6/2007 RM'000	30/6/2007 RM'000	30/6/2006 RM'000	30/6/2007 RM'000	30/6/2007 RM'000	30/6/2006 RM'000
<u>Basic Earnings/(Loss) per share:-</u>						
(a) Profit/(Loss) for the period attributable to equity holders of the parent	175,360	(746,895)	54,301	175,360	(746,895)	54,301
(b) Weighted average number of ordinary shares ('000)	836,045	836,045	488,835	836,045	836,045	488,835
Basic Earnings/(Loss) per share (sen)	20.97	(89.34)	11.11	20.97	(89.34)	11.11
<u>Diluted Earnings/(Loss) per share:-</u>						
(a) Profit/(Loss) for the period attributable to equity holders of the parent	175,360	(746,895)	54,301	175,360	(746,895)	54,301
(b) Weighted average number of ordinary shares ('000)	836,045	836,045	488,835	836,045	836,045	488,835
Effect of dilution ('000)						
- ESOS	2,162	-	5,317	2,162	-	5,317
- Warrants	12,847	-	13,821	12,847	-	13,821
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	851,054	836,045	507,973	851,054	836,045	507,973
Diluted Earnings/(Loss) per share (sen)	20.61	(89.34)	10.69	20.61	(89.34)	10.69

B14. Comparative Figures

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.