



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2007
Quarter: 2nd 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 30/09/2007

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2007 RM'000	Preceding year quarter 30/09/2006 RM'000	Current year to date 30/09/2007 RM'000	Preceding year to date 30/09/2006 RM'000
1 Revenue	1,115,755	520,283	2,220,989	1,038,318
2 Profit before tax	162,904	74,613	(531,013)	161,998
3 Profit for the period	117,337	56,513	(611,562)	121,871
4 Profit attributable to ordinary equity holders of the Company	92,070	47,181	(654,825)	101,482
5 Basic earnings per share (sen)	10.80	9.52	(77.54)	20.61
6 Proposed/Declared dividend per share (sen)	-	10.00	-	10.00
	As at end of current quarter 30/09/2007		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		5.08		4.56

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	Merger Goodwill Impairment	Including Merger Goodwill Impairment	
30/09/2007 RM'000	30/09/2007 RM'000	30/09/2006 RM'000	30/09/2007 RM'000	30/09/2007 RM'000	30/09/2007 RM'000	30/09/2006 RM'000	
Operating revenue	1,115,755	1,115,755	520,283	2,220,989	-	2,220,989	1,038,318
Cost of sales	(878,979)	(878,979)	(397,906)	(1,775,051)	-	(1,775,051)	(800,260)
Gross profit	236,776	236,776	122,377	445,938	-	445,938	238,058
Other operating income	28,630	28,630	6,536	160,179	-	160,179	31,248
Tendering and marketing expenses	(15,823)	(15,823)	(9,554)	(28,992)	-	(28,992)	(21,677)
Administrative expenses	(35,496)	(35,496)	(14,587)	(73,729)	-	(73,729)	(32,439)
Other operating expenses	(19,769)	(19,769)	(20,131)	(45,277)	-	(45,277)	(34,369)
Goodwill written off	-	-	-	-	(922,255)	(922,255)	-
Operating profit before finance cost	194,318	194,318	84,641	458,119	(922,255)	(464,136)	180,821
Finance cost	(37,096)	(37,096)	(15,391)	(74,379)	-	(74,379)	(30,604)
Operating profit after finance cost	157,222	157,222	69,250	383,740	(922,255)	(538,515)	150,217
Share of results of associates	5,469	5,469	4,067	8,819	-	8,819	6,284
Share of results of jointly controlled entities	213	213	1,296	(1,317)	-	(1,317)	5,497
Profit before tax	162,904	162,904	74,613	391,242	(922,255)	(531,013)	161,998
Income tax expense	(45,567)	(45,567)	(18,100)	(80,549)	-	(80,549)	(40,127)
Profit for the period	117,337	117,337	56,513	310,693	(922,255)	(611,562)	121,871
<u>Attributable to:-</u>							
Equity holders of the Company	92,070	92,070	47,181	267,430	(922,255)	(654,825)	101,482
Minority interest	25,267	25,267	9,332	43,263	-	43,263	20,389
	117,337	117,337	56,513	310,693	(922,255)	(611,562)	121,871
<u>Earnings / (Loss) per share (sen):-</u>							
Basic	10.80	10.80	9.52	31.36		(77.54)	20.61
Fully diluted	10.64	10.64	9.09	30.91		(77.54)	19.81
<u>Dividends per share (sen) declared / proposed:-</u>							
Tax-exempt	-	-	5.00	-	-	-	5.00
Subject to income tax	-	-	5.00	-	-	-	5.00
Depreciation and amortisation expense (RM'000)	30,593	30,593	14,706	62,510	-	62,510	31,941

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

	Normal Operational Results	Including Merger Goodwill Impairment	
	30/09/2007	30/09/2007	31/03/2007
	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Restated)
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	853,285	853,285	570,327
Share premium	2,890,623	2,890,623	748,846
Reserves	84,575	84,575	90,917
Retained profits	1,428,813	506,558	1,192,832
	5,257,296	4,335,041	2,602,922
Minority interest	954,750	954,750	559,459
Total equity	6,212,046	5,289,791	3,162,381
NON-CURRENT LIABILITIES			
Bonds	976,612	976,612	168,464
Medium term notes	314,508	314,508	150,000
Term loans	1,574,755	1,574,755	654,085
Hire purchase and lease creditors	11,961	11,961	9,697
Deferred tax liabilities	342,294	342,294	90,947
Trade and other payables	165,304	165,304	52,666
	3,385,434	3,385,434	1,125,859
DEFERRED INCOME	76,253	76,253	58,371
	9,673,733	8,751,478	4,346,611

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

	Normal Operational Results	Including Merger Goodwill Impairment	
	30/09/2007 RM'000 (Unaudited)	30/09/2007 RM'000 (Unaudited)	31/03/2007 RM'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	1,220,053	1,220,053	735,560
Leasehold land	223,471	223,471	180,471
Concession assets	2,353,859	2,353,859	474,385
Plantation expenditure	412,923	412,923	408,500
Investment properties	77,760	77,760	38,664
Associates	487,694	487,694	383,063
Jointly controlled entities	65,255	65,255	60,422
Long term investments	102,096	102,096	100,722
Long term receivables	101,098	101,098	102,554
Deferred tax assets	70,649	70,649	18,862
Land held for property development	683,935	683,935	319,037
Intangible assets	76,377	76,377	66,669
Goodwill	935,388	13,133	-
	6,810,558	5,888,303	2,888,909
CURRENT ASSETS			
Property development costs	1,522,431	1,522,431	685,488
Inventories	284,727	284,727	233,365
Trade and other receivables	2,539,121	2,539,121	1,758,886
Short term investments	4,301	4,301	71,228
Deposits with licensed banks	588,161	588,161	174,073
Cash and bank balances	251,328	251,328	226,860
	5,190,069	5,190,069	3,149,900
CURRENT LIABILITIES			
Trade and other payables	1,748,158	1,748,158	1,238,891
Bank borrowings	205,637	205,637	404,417
Bonds	34,981	34,981	34,924
Commercial paper	139,000	139,000	-
Medium term notes	164,000	164,000	-
Current tax liabilities	35,118	35,118	13,966
	2,326,894	2,326,894	1,692,198
NET CURRENT ASSETS	2,863,175	2,863,175	1,457,702
	9,673,733	8,751,478	4,346,611
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY (RM)			
	6.16	5.08	4.56

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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	2,602,922	559,459	3,162,381
Net gains recognised directly in equity	-	-	(5,894)	93	(5,801)	1,943	(3,858)
Acquisition of a subsidiary	272,661	2,102,935	-	-	2,375,596	319,362	2,694,958
Net profit for the financial year	-	-	-	267,430	267,430	43,263	310,693
Dividends paid for the year ended:- 31 March 2007 (second interim)	-	-	-	(31,542)	(31,542)	-	(31,542)
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	(16,884)	(16,884)
Issuance of shares by subsidiaries to minority shareholders	-	-	-	-	-	47,607	47,607
Issuance of shares:							
- exercise of ESOS	1,347	4,384	-	-	5,731	-	5,731
- exercise of Warrants 2005/2010	8,950	34,458	(448)	-	42,960	-	42,960
At 30 September 2007 (Normal Operational Results)	853,285	2,890,623	84,575	1,428,813	5,257,296	954,750	6,212,046
Merger Goodwill Impairment	-	-	-	(922,255)	(922,255)	-	(922,255)
At 30 September 2007 (Including Merger Goodwill Impairment)	853,285	2,890,623	84,575	506,558	4,335,041	954,750	5,289,791
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	-	-	(15,555)	-	(15,555)	(190)	(15,745)
Net profit for the financial year	-	-	-	101,482	101,482	20,389	121,871
Dividends paid for year ended:- 31 March 2006	-	-	-	(35,668)	(35,668)	-	(35,668)
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	(4,361)	(4,361)
Issuance of shares by subsidiaries to minority shareholders	-	-	-	-	-	4,417	4,417
Issuance of shares:							
- exercise of ESOS	18,373	58,594	-	-	76,967	-	76,967
- exercise of Warrants 2005/2010	110	417	-	-	527	-	527
At 30 September 2006	498,414	479,412	78,249	1,147,521	2,203,596	483,907	2,687,503

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2007
(The figures have not been audited)

	6 months ended 30/9/2007 RM'000	6 months ended 30/9/2006 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,065,553	861,201
Payments to contractors, suppliers and employees	(1,716,235)	(798,216)
Interest received	16,071	14,382
Interest paid	(69,654)	(28,811)
Income tax paid	(77,056)	(11,933)
Net cash flow from operating activities	218,679	36,623
INVESTING ACTIVITIES		
Acquisition of investments	(84,426)	(56,708)
Cash and cash equivalent of a subsidiary acquired	230,843	-
Purchases of property, plant and equipment, development land, concession assets and deferred expenditure	(352,424)	(283,530)
Disposal of investments, property, plant and equipment and land	187,286	66,146
Dividends received	1,280	6,960
Advances and repayments to associates and jointly controlled	380	(8,860)
Net cash flow used in investing activities	(17,061)	(275,992)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of ESOS	5,731	76,967
- conversion of Warrants	42,960	527
Issuance of shares by subsidiaries to minority interest in	47,607	4,417
Net proceeds from bank borrowings	373,450	126,912
Repayment of Bonds	(113,908)	-
Payments of Bonds and Medium Term Notes interest	(8,136)	(10,267)
Advances from the State Government	3,451	7,000
Repayments to hire purchase and lease creditors	(7,377)	(4,920)
Dividends paid by subsidiaries to minority shareholders	(16,884)	(4,361)
Dividends paid by the Company	(31,520)	(35,660)
Net redemption / (placement) of bank deposits assigned to	(6,687)	24,232
Net cash flow from financing activities	288,687	184,847
Net increase in cash and cash equivalents during the	490,305	(54,522)
Cash and cash equivalents at beginning of the financial year	251,793	212,764
Foreign exchange differences on opening balances	(2,658)	(205)
Cash and cash equivalents at end of the financial period	739,440	158,037

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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. 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 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	439,846
Operating Expenses	(367,183)
Other Income	7,724
Profit from Operations	80,387
Finance Costs	(32,421)
Share of results of Associates	1,717
Goodwill impairment	(922,255)
Profit / (Loss) Before Taxation	(872,572)
Taxation	(16,296)
Increase/(Decrease) in Group profit (before minority interests)	(888,868)
Less: Increase in Minority Interests	(7,667)
Increase/(Decrease) in profit attributable to equity holders of the Company	(896,535)

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

	RM'000
Non-current assets	2,625,396
Current assets	1,652,041
Current liabilities	(608,186)
Non-current liabilities	(1,851,612)
Minority interests	(327,029)

- 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 September 2007, the paid-up share capital of the Company was increased by RM282,957,269 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. 1,345,900 ordinary shares of RM1.00 each arising from the exercise of Employee Share Option Scheme; and,
 - iii. 8,950,000 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

On 17 August 2007, dividend of 5% less 26% tax in respect of the financial year ended 31 March 2007 was paid totalling RM31,542,000.

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A9. Segmental Information

Analysis by business segments

	Group revenue including share of revenue of JVs and associates				GROUP			
	IJM	RBH	Total	Total	IJM	RBH	Total	Total
	6 months ended 30/9/2007	6 months ended 30/9/2007	6 months ended 30/9/2007	6 months ended 30/9/2006	6 months ended 30/9/2007	6 months ended 30/9/2007	6 months ended 30/9/2007	6 months ended 30/9/2006
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:								
Construction	988,439	208,742	1,197,181	525,334	917,359	208,742	1,126,101	380,041
Property	292,474	117,229	409,703	208,210	266,143	117,229	383,372	194,924
Industries	410,796	-	410,796	355,619	372,160	-	372,160	328,232
Plantation	237,812	-	237,812	141,936	211,326	-	211,326	124,354
Infrastructure	39,746	126,082	165,828	31,417	11,692	111,568	123,260	4,978
Investment and others	2,729	2,307	5,036	19,927	2,463	2,307	4,770	5,789
	<u>1,971,996</u>	<u>454,360</u>	<u>2,426,356</u>	<u>1,282,443</u>	<u>1,781,143</u>	<u>439,846</u>	<u>2,220,989</u>	<u>1,038,318</u>

Profit / (Loss) before taxation:

	IJM	RBH	GROUP	
	6 months ended 30/9/2007	6 months ended 30/9/2007	6 months ended 30/9/2007	6 months ended 30/9/2006
	RM'000	RM'000	RM'000	RM'000
Construction	104,618	(85)	104,533	66,453
Property	15,620	23,364	38,984	26,163
Industries	51,948	-	51,948	40,001
Plantation	69,391	-	69,391	22,245
Infrastructure	(11,622)	28,804	17,182	(7,983)
Investment and others	111,603	(2,399)	109,204	15,119
	<u>341,558</u>	<u>49,684</u>	<u>391,242</u>	<u>161,998</u>
Merger Goodwill Impairment			<u>(922,255)</u>	<u>-</u>
			<u>(531,013)</u>	<u>161,998</u>

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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.
- iii. Karachi Expressway J.A. Limited (“KEJAL”) has been incorporated in Jebel Ali Free Zone, Dubai, United Arab Emirates on 10 July 2007. KEJAL is a wholly-owned subsidiary of IJM Investments J.A. Limited (“IJMIJA”). IJMIJA is a wholly-owned subsidiary of IJM Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company. This has no material impact on the Group for the financial year-to-date.
- iv. Acquisition of 118,373,600 ordinary shares of RM1 each in Kumpulan Europlus Berhad (“KEB”) representing 25% equity interest in KEB for a total cash consideration of RM33,144,608 or RM0.28 per share. This has no material impact on the Group for the financial year-to-date.

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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	<u>660</u>
- As at 30 September 2007	<u><u>8,660</u></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	<u>294</u>
- As at 30 September 2007	<u><u>46,590</u></u>

A14. Capital Commitments

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

	RM'000
Approved and contracted for	603,282
Approved but not contracted for	<u>191,985</u>
	<u><u>795,267</u></u>
<u>Analysed as follows:</u>	
- Purchase of property, plant and equipment	121,040
- Purchase of development land	107,615
- Concession assets	283,860
- Participation in a concession	240,000
- Share of capital commitment of jointly controlled entities	<u>42,752</u>
	<u><u>795,267</u></u>

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

B1. Review of Performance

The Group recorded aggregate revenues of RM 1,116 million for the current quarter, a significant increase of RM 595 million or 114% over the corresponding quarter of the preceding year. Revenues attributed to the merger of RBH accounted for 36% of the total revenue increase of RM 595 million. All divisions within the Group attained significantly higher revenues during the quarter under review, driven largely by the Group's sizeable order book, higher CPO prices, strong demand for the Group's rock and concrete products and the inclusion of RBH's contributions from the construction, property and infrastructure assets.

The operating profit before tax for the Group for the current quarter correspondingly showed a significant increase to RM 163 million, up by 118% over the previous year, mainly attributable to higher divisional operating profits recorded as well as additional profits pursuant to the acquisition of RBH.

For the six months ended 30 September 2007, the Group achieved total revenue of RM 2,221 million, up by 114% over the previous year's corresponding period, attributed mainly to the same reasons mentioned above. The merger of RBH accounted for 37% of the total revenue increase.

The operating profit before tax for the Group over the six months ended 30 September 2007 showed an increase of 142% over the previous year to RM391 million. Whilst the aggregate increase includes a capital gain of RM105 million arising from the disposal of GPED shares as mentioned in Note A5(ii) above, the remainder is mainly attributable to higher divisional operating profits recorded as well as additional profits pursuant to the acquisition of RBH. Of the total increase, 22% 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 30% increase in profits over the corresponding period of the previous year, the Plantations division's profits rose by approximately 3.12 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 six months under review.

The impairment of merger goodwill of RM 922.26 million in the first quarter has resulted in the Group recording a loss before tax of RM 531 million for the six months ended 30 September 2007. The write-off, being a non-recurring, non-cash transaction does not impair the Group's future earnings or operational strengths and the Company has, on 21 November 2007, obtained shareholders' approval to make an application to the High Court to off-set the resultant negative retained earnings against the share premium account to the maximum extent possible.

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

The Group's operating revenue increased only marginally in the current quarter compared to the immediate preceding quarter. The operating pre-tax profit before goodwill impairment, however declined by RM65 million mainly because the previous quarter included a capital gain of RM105 million arising from the disposal of GPED shares as mentioned in Note A5(ii) above. Excluding this capital gain, the Group's operating pre-tax profit actually increased by 32% over the immediate preceding quarter with the Plantations division recording the strongest growth by tripling its pre-tax profit on the back of higher CPO prices.

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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 65% 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 in the buoyant construction sector resulting from the implementation of projects under the 9th Malaysia Plan. The Plantations division is also expected to show improved profitability levels arising from the good CPO prices expected during the current financial year. The Group’s prospects are expected to be further buoyed by additional revenue and profit contributions arising from RBH’s 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 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2007 RM’000	2006 RM’000	2007 RM’000	2006 RM’000
Malaysian income tax	24,772	20,102	57,264	39,551
Overseas taxation	3,271	(339)	3,403	1,575
Transfer to/(from) deferred taxation	17,524	(1,663)	19,882	(999)
	<u>45,567</u>	<u>18,100</u>	<u>80,549</u>	<u>40,127</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 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. <u>Purchases and sales of quoted investments</u>	Current Quarter Ended 30/09/2007 RM'000	Cumulative Current Year-to-date 30/09/2007 RM'000
Long term:		
- Total purchases	-	181
- Total disposals / sale proceeds	-	-
- Total profit / (loss) on disposal	-	-
Short term:		
- Total purchases	-	-
- Total disposals / sale proceeds	-	178,453
- Total profit / (loss) on disposal	-	104,912
b. <u>Quoted investments as at 30 September 2007</u>		
		RM'000
Long term:		
Quoted investments at cost		59,700
Quoted investments at carrying value		57,262
Quoted investments at market value		58,113
Short term:		
Quoted investments at cost		10,329
Quoted investments at carrying value		4,301
Quoted investments at market value		4,301

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B8. Status of Corporate Proposals

- a. 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 70% indirect subsidiary of the Company via Road Builder (M) Holdings Berhad, for a total sale consideration of RM 995.0 million.

B9. Group Borrowings

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

	RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Commercial Paper	124,000
- Medium Term Notes	40,000
- Government support loans	2,483
- Term loan	104,477
- Bank overdrafts	53,195
- Hire purchase and lease creditors (included in trade and other payables)	8,531
Unsecured:-	
- Islamic bonds	34,981
- Term loan	45,159
- Revolving credits	32,877
- Bankers acceptances	88,386
- Bank overdrafts	18,060
	552,149
(ii) Long Term Borrowings	
8% Secured Fixed Rate Bond 1999/2009 (net of discount)	98,767
5.5% Unsecured Medium Term Notes 2005/2010	150,000
Secured Medium Term Notes	164,508
Secured Islamic bonds and notes	877,845
Secured Government support loans	267,654
Secured Hire purchase and lease creditors	11,961
Secured term loan	793,706
Unsecured term loan	513,395
	2,877,836

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	138,906	485,406
Indian Rupee	6,675,155	577,735
Chinese Renminbi	63,650	28,642
		1,091,783

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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	22,267

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	279,560
02.06.05 – 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	69,890
22.03.06 – 22.02.10	12-month LIBOR + 1.25%	6.45%	3,176	11,100

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 are unable to recommend any interim dividend for the current quarter given the negative retained earnings position of the Company, attributable to the merger goodwill impairment, and pending the outcome of the court application to offset such write-off against the share premium account, at which point the Directors will consider the recommendation of a dividend.

For the preceding year's corresponding period, a special interim tax-exempt dividend of 5% or 5 sen per share and an interim dividend of 5% or 5 sen per share less tax at 27% was declared and paid on 9 February 2007.

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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	
	30/9/2007	30/9/2007	30/9/2006	30/9/2007	30/9/2007	30/9/2006
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Basic Earnings/(Loss) per share:-</u>						
(a) Profit/(Loss) for the period attributable to equity holders of the parent	92,070	92,070	47,181	267,430	(654,825)	101,482
(b) Weighted average number of ordinary shares ('000)	852,823	852,823	495,836	844,510	844,510	492,354
Basic Earnings/(Loss) per share (sen)	10.80	10.80	9.52	31.67	(77.54)	20.61
<u>Diluted Earnings/(Loss) per share:-</u>						
(a) Profit/(Loss) for the period attributable to equity holders of the parent	92,070	92,070	47,181	267,430	(654,825)	101,482
(b) Weighted average number of ordinary shares ('000)	852,823	852,823	495,836	844,510	844,510	492,354
Effect of dilution ('000)						
- ESOS	1,766	1,766	4,869	1,876	-	4,458
- Warrants	10,706	10,706	18,164	11,605	-	15,529
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	865,295	865,295	518,869	857,991	844,510	512,341
Diluted Earnings/(Loss) per share (sen)	10.64	10.64	9.09	31.17	(77.54)	19.81

B14. Comparative Figures

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