



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2007
Quarter: 3rd 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 31/12/2007

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2007 RM'000	Preceding year quarter 31/12/2006 RM'000	Current year to date 31/12/2007 RM'000	Preceding year to date 31/12/2006 RM'000
1 Revenue	1,103,512	584,704	3,324,501	1,623,022
2 Profit before tax	237,298	84,329	(293,715)	246,327
3 Profit for the period	172,267	56,163	(439,295)	178,034
4 Profit attributable to ordinary equity holders of the Company	133,479	43,242	(521,346)	144,724
5 Basic earnings per share (sen)	15.62	8.52	(61.49)	29.10
6 Proposed/Declared dividend per share (sen)	-	-	-	10.00
	As at end of current quarter 31/12/2007		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		5.23		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	
31/12/2007 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2007 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	
Operating revenue	1,103,512	1,103,512	584,704	3,324,501	-	3,324,501	1,623,022
Cost of sales	(867,155)	(867,155)	(450,662)	(2,642,206)	-	(2,642,206)	(1,250,922)
Gross profit	236,357	236,357	134,042	682,295	-	682,295	372,100
Other operating income	123,894	123,894	17,377	284,073	-	284,073	48,625
Tendering and marketing expenses	(17,515)	(17,515)	(13,796)	(46,507)	-	(46,507)	(35,473)
Administrative expenses	(37,750)	(37,750)	(29,205)	(111,479)	-	(111,479)	(61,644)
Other operating expenses	(36,193)	(36,193)	(3,144)	(81,470)	-	(81,470)	(37,513)
Goodwill written off	-	-	-	-	(922,255)	(922,255)	-
Operating profit before finance cost	268,793	268,793	105,274	726,912	(922,255)	(195,343)	286,095
Finance cost	(37,659)	(37,659)	(29,914)	(112,038)	-	(112,038)	(60,518)
Operating profit after finance cost	231,134	231,134	75,360	614,874	(922,255)	(307,381)	225,577
Share of results of associates	2,750	2,750	6,218	11,569	-	11,569	12,502
Share of results of jointly controlled entities	3,414	3,414	2,751	2,097	-	2,097	8,248
Profit before tax	237,298	237,298	84,329	628,540	(922,255)	(293,715)	246,327
Income tax expense	(65,031)	(65,031)	(28,166)	(145,580)	-	(145,580)	(68,293)
Profit for the period	172,267	172,267	56,163	482,960	(922,255)	(439,295)	178,034
<u>Attributable to:-</u>							
Equity holders of the Company	133,479	133,479	43,242	400,909	(922,255)	(521,346)	144,724
Minority interest	38,788	38,788	12,921	82,051	-	82,051	33,310
	172,267	172,267	56,163	482,960	(922,255)	(439,295)	178,034
<u>Earnings / (Loss) per share (sen):-</u>							
Basic	15.62	15.62	8.52	47.28		(61.49)	29.10
Fully diluted	15.40	15.40	8.17	46.60		(61.49)	28.14
<u>Dividends per share (sen) declared / proposed:-</u>							
Tax-exempt	-	-	-	-	-	-	5.00
Subject to income tax	-	-	-	-	-	-	5.00
Depreciation and amortisation expense (RM'000)	45,964	45,964	20,270	108,474	-	108,474	52,211

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Normal Operational Results	Including Merger Goodwill Impairment	
	31/12/2007	31/12/2007	31/03/2007
	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Restated)
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	855,825	855,825	570,327
Share premium	2,900,174	2,900,174	748,846
Reserves	78,035	78,035	90,917
Retained profits	1,562,306	640,051	1,192,832
	5,396,340	4,474,085	2,602,922
Minority interest	923,671	923,671	559,459
Total equity	6,320,011	5,397,756	3,162,381
NON-CURRENT LIABILITIES			
Bonds	912,162	912,162	168,464
Medium term notes	314,508	314,508	150,000
Term loans	1,561,364	1,561,364	654,085
Hire purchase and lease creditors	8,098	8,098	9,697
Deferred tax liabilities	356,907	356,907	90,947
Trade and other payables	146,778	146,778	52,666
	3,299,817	3,299,817	1,125,859
DEFERRED INCOME	73,757	73,757	58,371
	9,693,585	8,771,330	4,346,611

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Normal Operational Results	Including Merger Goodwill Impairment	
	31/12/2007	31/12/2007	31/03/2007
	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	1,223,636	1,223,636	719,133
Leasehold land	223,262	223,262	196,898
Concession assets	2,156,290	2,156,290	474,385
Plantation expenditure	414,803	414,803	408,500
Investment properties	77,679	77,679	38,664
Associates	553,427	553,427	383,063
Jointly controlled entities	69,916	69,916	60,422
Long term investments	121,421	121,421	100,722
Long term receivables	99,175	99,175	102,554
Deferred tax assets	71,063	71,063	18,862
Land held for property development	683,254	683,254	319,037
Intangible assets	105,722	105,722	66,669
Goodwill	922,255	-	-
	6,721,903	5,799,648	2,888,909
CURRENT ASSETS			
Property development costs	1,578,040	1,578,040	685,488
Inventories	334,366	334,366	233,365
Trade and other receivables	2,633,896	2,633,896	1,758,886
Short term investments	5,103	5,103	71,228
Deposits with licensed banks	528,126	528,126	174,073
Cash and bank balances	251,013	251,013	226,860
	5,330,544	5,330,544	3,149,900
CURRENT LIABILITIES			
Trade and other payables	1,795,424	1,795,424	1,238,891
Bank borrowings	296,667	296,667	404,417
Bonds	34,926	34,926	34,924
Commercial paper	144,000	144,000	-
Medium term notes	40,000	40,000	-
Current tax liabilities	47,845	47,845	13,966
	2,358,862	2,358,862	1,692,198
NET CURRENT ASSETS	2,971,682	2,971,682	1,457,702
	9,693,585	8,771,330	4,346,611
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY (RM)	6.31	5.23	4.56

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2007

(The figures have not been audited)

	<--Attributable to equity holders of the Company-->				Total RM'000	Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained profits 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	-	-	(12,325)	107	(12,218)	(34,644)	(46,862)
Acquisition of a subsidiary	272,661	2,102,935	-	-	2,375,596	319,362	2,694,958
Net profit for the financial year	-	-	-	400,909	400,909	82,051	482,960
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	-	-	-	-	-	14,327	14,327
Issuance of shares:							
- exercise of ESOS	1,702	5,524	-	-	7,226	-	7,226
- exercise of Warrants 2005/2010	11,135	42,869	(557)	-	53,447	-	53,447
At 31 December 2007 (Normal Operational Results)	855,825	2,900,174	78,035	1,562,306	5,396,340	923,671	6,320,011
Merger Goodwill Impairment	-	-	-	(922,255)	(922,255)	-	(922,255)
At 31 December 2007 (Including Merger Goodwill Impairment)	855,825	2,900,174	78,035	640,051	4,474,085	923,671	5,397,756
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 equity	-	-	(4,628)	-	(4,628)	(16,183)	(20,811)
Net profit for the financial year	-	-	-	144,724	144,724	33,310	178,034
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	-	-	-	-	-	16,390	16,390
Issuance of shares:							
- exercise of ESOS	24,730	78,990	-	-	103,720	-	103,720
- exercise of Warrants 2005/2010	36,071	138,871	-	-	174,942	-	174,942
At 31 December 2006	540,732	638,262	89,176	1,190,763	2,458,933	492,808	2,951,741

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2007
(The figures have not been audited)

	9 months ended 31/12/2007 RM'000	9 months ended 31/12/2006 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,937,041	1,336,847
Payments to contractors, suppliers and employees	(2,514,971)	(1,305,989)
Interest received	42,524	17,579
Interest paid	(116,496)	(59,997)
Income tax paid	(89,106)	(16,219)
Net cash flow from operating activities	258,992	(27,779)
INVESTING ACTIVITIES		
Acquisition of investments	(133,280)	(89,578)
Cash and cash equivalent of a subsidiary acquired	306,080	-
Purchases of property, plant and equipment, development land, concession assets and deferred expenditure	(377,123)	(309,944)
Disposal of investments, property, plant and equipment and land	250,886	78,918
Dividends received	8,154	24,401
Advances and repayments to associates and jointly controlled	(69,067)	(92,307)
Net cash flow used in investing activities	(14,350)	(388,510)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of ESOS	7,247	103,720
- conversion of Warrants	53,447	174,942
Issuance of shares by subsidiaries to minority interest in	14,327	16,390
Net proceeds from bank and government borrowings	209,382	198,048
Net drawdown / (repayment) of Bonds	(15,000)	(25,000)
Payments of Bonds and Medium Term Notes interest	(12,216)	(12,216)
Advances from the State Government	-	7,000
Repayments to hire purchase and lease creditors	(13,819)	(4,920)
Dividends paid by subsidiaries to minority shareholders	(16,884)	(4,361)
Dividends paid by the Company	(31,542)	(35,653)
Net redemption / (placement) of bank deposits assigned to	(7,473)	17,147
Net cash flow from financing activities	187,469	435,097
Net increase in cash and cash equivalents during the	432,111	18,808
Cash and cash equivalents at beginning of the financial year	251,793	212,764
Foreign exchange differences on opening balances	(5,462)	(1,970)
Cash and cash equivalents at end of the financial period	678,442	229,602

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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	(196,898)	719,133
Leasehold land	-	196,898	196,898

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

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

- 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 is seeking court sanction to off-set the negative retained earnings against the share premium account to the maximum extent permissible. An application to this effect has been made to the High Court and hearing has been fixed on 12 March 2008.

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	634,948
Operating Expenses	(527,172)
Other Income	24,741
Profit from Operations	132,517
Finance Costs	(47,662)
Share of results of Associates	3,126
Goodwill impairment	(922,255)
Profit / (Loss) Before Taxation	(834,274)
Taxation	(24,628)
Increase/(Decrease) in Group profit (before minority interests)	(858,902)
Less: Increase in Minority Interests	(14,504)
Increase/(Decrease) in profit attributable to equity holders of the Company	(873,406)

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The effect of this acquisition on the financial position of the Group as at 31 December 2007 after taking into account the fair value adjustments is as follows:-

	RM'000
Non-current assets	2,622,981
Current assets	1,687,016
Current liabilities	(622,057)
Non-current liabilities	(1,843,167)
Minority interests	(333,866)

- ii. Gain on disposal of 59,455,917 quoted shares in Guangdong Provincial Expressway Development Co Ltd ("GPED") amounting to RM118.01 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 31 December 2007, the paid-up share capital of the Company was increased by RM285,497,169 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. 1,701,000 ordinary shares of RM1.00 each arising from the exercise of Employee Share Option Scheme; and,
 - iii. 11,134,800 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	
	9 months ended 31/12/2007	9 months ended 31/12/2006	9 months ended 31/12/2007	9 months ended 31/12/2006
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Construction	1,786,929	817,587	1,629,826	584,533
Property	604,239	359,585	560,959	335,008
Industries	627,140	517,941	585,627	476,209
Plantation	398,174	233,591	360,118	210,238
Infrastructure	232,252	51,599	182,235	11,088
Investment and others	7,318	29,829	5,736	5,946
	<u>3,656,052</u>	<u>2,010,132</u>	<u>3,324,501</u>	<u>1,623,022</u>

	GROUP	
	9 months ended 31/12/2007	9 months ended 31/12/2006
	RM'000	RM'000
Profit / (Loss) before taxation:		
Construction	142,074	87,199
Property	93,031	59,248
Industries	85,130	55,985
Plantation	137,505	50,081
Infrastructure	24,842	(20,946)
Investment and others	145,958	14,760
	<u>628,540</u>	<u>246,327</u>
Merger Goodwill Impairment	<u>(922,255)</u>	<u>-</u>
	<u>(293,715)</u>	<u>246,327</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.
- v. IJM Properties Sdn Bhd (“IJMPRP”), a wholly-owned subsidiary of the Company, acquired 6,000,000 ordinary shares of RM1 each and 3,000,000 preference shares of RM1 each, representing 30% equity interest in Worldwide Ventures Sdn Bhd (“WVSB”) for a total cash consideration of RM10,800,000. With this acquisition, WVSB has become an 80% subsidiary of IJMPRP. This has no material impact on the Group for the financial year-to-date.
- vi. On 14 November 2007 the Company converted 28,650,000 Redeemable Convertible Unsecured Loan Stocks (RCULS) of IJM Plantations Berhad (“IJMP”) into 57,300,000 new ordinary shares of RM0.50 each, increasing its shareholding in IJMP to 54.6%. This has no material impact on the Group for the financial year-to-date.
- vii. On 30 November 2007 the Company completed the disposal of 10,000,000 ordinary shares of RM1 each in Torsco Sdn Bhd (“TSB”) representing 100% equity interest in TSB for a total cash consideration of RM74,624,582. This resulted in a capital gain of RM22 million for the Group in the current quarter.

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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>460</u>
- As at 31 December 2007	<u><u>8,460</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>(1,060)</u>
- As at 31 December 2007	<u><u>45,236</u></u>

A14. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2007 are as follows:

	RM'000
Approved and contracted for	541,034
Approved but not contracted for	<u>183,547</u>
	<u><u>724,581</u></u>
<u>Analysed as follows:</u>	
- Purchase of property, plant and equipment	118,498
- Purchase of development land	103,462
- Concession assets	218,797
- Participation in a concession	240,000
- Share of capital commitment of jointly controlled entities	<u>43,824</u>
	<u><u>724,581</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 1,104 million for the current quarter, a significant increase of RM 519 million or 89% over the corresponding quarter of the preceding year. Revenues attributed to the merger of RBH accounted for 38% of the revenue increase. 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 237 million, up by 181% over the previous year, mainly attributable to higher divisional operating profits recorded as well as additional profits pursuant to the acquisition of RBH and capital gains from the sales of Torsco Sdn Bhd and PIETC land and buildings mentioned in Note B6 below.

For the nine months ended 31 December 2007, the Group achieved total revenue of RM 3,325 million, up by 105% 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 nine months ended 31 December 2007 showed an increase of 155% over the previous year to RM629 million. Whilst the aggregate increase includes non-recurrent gains of RM189 million arising from the disposal of GPED shares, sales of Torsco Sdn Bhd & PIETC land and buildings and waiver of interest from banks, 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, 25% 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 52% increase in profits over the corresponding period of the previous year, the Plantations division's profits rose by approximately 2.75 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 3% of the aggregate Group profits for the nine 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 294 million for the nine months ended 31 December 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. The Court hearing has been fixed on 12 March 2008.

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

The Group's operating revenue was almost unchanged in the current quarter compared to the immediate preceding quarter. The operating pre-tax profit however increased by RM74 million mainly due to improved property earnings, higher plantation profits due to higher CPO prices and a RM22 million capital gain arising from the disposal of a subsidiary during the current quarter.

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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 on the increased construction opportunities resulting from the implementation of projects under the 9th Malaysia Plan. The Plantations division is also expected to show significantly improved profitability levels arising from the high 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 a very satisfactory 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 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2007 RM’000	2006 RM’000	2007 RM’000	2006 RM’000
Malaysian income tax	40,179	21,333	97,443	60,884
Overseas taxation	4,927	(82)	8,330	1,493
Transfer to/(from) deferred taxation	19,925	6,915	39,807	5,916
	<u>65,031</u>	<u>28,166</u>	<u>145,580</u>	<u>68,293</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 other than the following:-

- i) Disposal of a subsidiary mentioned in Note A12(vii) above which resulted in a capital gain of approximately RM22 million; and,
- ii) Disposal of land and buildings situated in Bukit Jambul, Penang, for a capital gain of approximately RM36 million.

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B7. Quoted Investments

a. Purchases and sales of quoted investments

	Current Quarter Ended 31/12/2007 RM'000	Cumulative Current Year-to-date 31/12/2007 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	-	118,008

b. Quoted investments as at 31 December 2007

	RM'000
Long term:	
Quoted investments at cost	61,213
Quoted investments at carrying value	58,166
Quoted investments at market value	59,630
Short term:	
Quoted investments at cost	10,907
Quoted investments at carrying value	5,103
Quoted investments at market value	5,103

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.
- b. On 19 December 2007, the Company announced the proposed capital repayment entailing a cash payment of RM0.50 for every one (1) existing IJM Share held to the entitled shareholders whose names appear on the Record of Depositors of IJM at the close of business, on an entitlement date to be determined later by the Board of IJM.

The above corporate proposals are pending approvals from the Securities Commission and shareholders.

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B9. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2007 are as follows:

	RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Commercial Paper	144,000
- Medium Term Notes	40,000
- Government support loans	2,483
- Term loan	80,791
- Bank overdrafts	57,875
- Hire purchase and lease creditors (included in trade and other payables)	16,731
Unsecured:-	
- Islamic bonds	34,926
- Term loan	37,707
- Revolving credits	11,653
- Bankers acceptances	93,216
- Bank overdrafts	12,942
	532,324
(ii) Long Term Borrowings	
8% Secured Fixed Rate Bond 1999/2009 (net of discount)	99,137
5.5% Unsecured Medium Term Notes 2005/2010	150,000
Secured Medium Term Notes	164,508
Secured Islamic bonds and notes	813,025
Secured Government support loans	271,110
Secured Hire purchase and lease creditors	8,098
Secured term loan	734,531
Unsecured term loan	555,723
	2,796,132

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	153,626	508,885
Indian Rupee	5,960,874	504,288
Chinese Renminbi	61,380	27,622
		1,040,795

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B10. Off Balance Sheet Financial Instruments

a. 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	265,000
02.06.05 – 29.07.12	6-month LIBOR + 0.7%	4.95%	20,000	66,250
22.03.06 – 22.02.10	12-month LIBOR + 1.25%	6.45%	2,918	9,660

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

Duration	Fixed rate	Floating rate	RM '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	
	31/12/2007 RM'000	31/12/2007 RM'000	31/12/2006 RM'000	31/12/2007 RM'000	31/12/2007 RM'000	31/12/2006 RM'000
<u>Basic Earnings/(Loss) per share:-</u>						
(a) Profit/(Loss) for the period attributable to equity holders of the parent	133,479	133,479	43,242	400,909	(521,346)	144,724
(b) Weighted average number of ordinary shares ('000)	854,568	854,568	507,472	847,875	847,875	497,412
Basic Earnings/(Loss) per share (sen)	15.62	15.62	8.52	47.28	(61.49)	29.10
<u>Diluted Earnings/(Loss) per share:-</u>						
(a) Profit/(Loss) for the period attributable to equity holders of the parent	133,479	133,479	43,242	400,909	(521,346)	144,724
(b) Weighted average number of ordinary shares ('000)	854,568	854,568	507,472	847,875	847,875	497,412
Effect of dilution ('000)						
- ESOS	1,700	1,700	4,032	1,703	-	3,371
- Warrants	10,642	10,642	17,752	10,669	-	13,526
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	866,910	866,910	529,256	860,247	847,875	514,309
Diluted Earnings/(Loss) per share (sen)	15.40	15.40	8.17	46.60	(61.49)	28.14

B14. Comparative Figures

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