

**INTEGRAX BERHAD**  
**QUARTERLY REPORT**  
**30 JUNE 2008**

**Activity Highlights**

<i>Port Throughput</i>		
2Q2008	2,350,353 MT	
2Q2007	1,399,735 MT	
Change (%)	67.9 %	
YTD2008	4,127,699 MT	
YTD2007	3,097,028 MT	
Change (%)	33.2 %	
<i>Land Sales</i>		
2Q2008	6.84 acres	
1Q2008	Nil	
YTD2008	6.84 acres	
YTD2007	8.78 acres	
<i>Nickel Ore Export Shipments (DMT)</i>		
Qtr 1	Nil	
Qtr 2	33,582	
<i>Nickel Prices</i>		
	USD/ MT	USD/Pound
31 March 2008	29,803	13.52
30 June 2008	21,673	9.83

**Capital**

<i>Capital Base</i>	
Ordinary Shares in issue	300,805,917
Convertibles etc	Nil
Share Price at 18.8.2008	RM0.695
Market Capitalization	RM209,060,112
<i>(As at 30 June 2008)</i>	
<i>Distribution</i>	
< 10,000	2.96%
10,001 - 100,000	4.73%
100,001 - 1,000,000	5.36%
> 1,000,001	86.95%
Local Ownership	66.18%
Foreign Ownership	33.82%
<i>Top 5 Shareholders</i>	
Halim Rasip Holdings Sdn Bhd	33.03%
Utilico Emerging Markets Ltd	12.80%
Kuda Sejati Sdn Bhd	8.41%
HSBC Nominees (Asing) Sdn Bhd	8.07%
Mackenzie Cundill Investment Management Ltd	7.48%

**INDX**

<i>Capital Base</i>	
Ordinary Shares in issue	122,665,000
Convertibles etc	Nil
Share Price at 18.8.2008	Rph170
Market Capitalization	Rph20.85 billion
<i>(As at 30 June 2008)</i>	
<i>Substantial Shareholders</i>	
Integrax Berhad	34.85%
Soetanto Pranoto, Drs. MM	9.30%
Yayasan Masyarakat Pasar Modal Indonesia	5.18%

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**KEY POINTS**

- ✓ **PATSC DOWN BY 42 % ON A QUARTER-TO-07QUARTER BASIS BASICALLY DUE TO HIGHER DEPRECIATION CHARGES RESULTING FROM HIGHER THRUPUT, SHARE OF LOSSES FROM OUR ASSOCIATE PGMC, NO SIGNIFICANT PROPERTY GAINS FROM ASSOCIATE LMTSB TO SUPPLEMENT ITS PORT EARNINGS AND THE POLICY OF EXPENSING OF PROJECT DEVELOPMENT COSTS .**
- ✓ **EARNINGS RESILIENCE FROM LBT PORT OPERATIONS STILL VERY MUCH IN PLACE WITH EBITDA DOWN BY ONLY 1.6% ON A QUARTER-TO-07QUARTER BASIS DUE TO PROJECT COSTS BEING EXPENSED**
- ✓ **LMT AND LBT CARGO UP IN THIS QUARTER BY 42% and 84% RESPECTIVELY ON A QUARTER-TO- 07QUARTER BASIS. CARGO OUTLOOK IS POSITIVE**
- ✓ **LMT ASSOCIATE PROPERTY CONTRIBUTION OUTLOOK REMAINS WEAK**
- ✓ **RESOURCES FUNDAMENTAL VALUE STILL VERY MUCH INTACT BUT EXPECT VOLATILITY WITH A PENDING FULL RECOVERY OF LOSSES YEAR TO DATE IN 3Q2008 WITH A ONE-OFF HEDGING PROFIT**

**OVERVIEW**

**Lumut Port Development**

- Works on the piperack system and some maintenance dredging at LMT has been completed. This phase of works now completes the overall first phase to have a piperack system that serves as the backbone system to fulfill the liquid cargo transfer system needs of users throughout the entire LPID
- LBT's export stream project remains in final configuration and costing process still looking for an optimum first phase implementation. Costs of equipment and delivery times remain a major concern as does the now increased cost of debt required. Negotiations with prospective users have advanced considerably in our efforts to take advantage of LBT's existing infrastructure backbone to permit LBT to have a high volume loading capability as part of a rationalization of facilities within Lumut Port and to meet with expressed shipper needs and interest. Announcements will be made in relation to this, where and as appropriate, in due course.
- Cargo throughput for LBT and LMT are up and cargo prospects are positive.

**New Ports Development**

- Further to announcement in 3Q2007, Company has commenced negotiations for final agreements with relevant authorities for the two (2) port possibilities in Aceh Nanggroe Darussalam, Sumatra, Republic of Indonesia at Kuala Langsa (greenfield port) and at Krueg Guekeh (existing port) in partnership with the respective Pemerintah Kabupaten/Pemerintah Walikota.
- Several other Sumatra, Kalimantan and Java ports or specialized terminals remain in assessment/negotiation or in land acquisition process and negotiation with prospective clients.

**Resources**

- PGMC continued to experience losses in 2Q2008 struggling with a variety of issues and the deterioration of the China market which is not expected to recover until after the Olympics.
- In 3Q2008 PGMC agreed to a debt reduction achieved by closing out a secured and no recourse hedge in place which resulted in a profit of approximately USD10 Million. This will return PGMC to a recovery of the year to date loss position and reverse our share of losses to date. Such was also prompted by a rush by many lenders to projects in the Philippines seeking to reduce exposure with a recent sharp increase in the risk profile of the Philippines. Much of it emanated as a consequence of the civil unrest seen in Mindanao despite recent progress to address this decades old problem. The troubled areas are quite distant from PGMC's activities.
- Prices of nickel have dropped further along with the apparent correction being felt by many base metals. Some may read this a collapse of the commodity cycle but it is believed that it is still far from over as supply disruptions and greater difficulties in extraction and in planting up worldwide (especially with the credit concerns) will keep supply on a short string .One must not forget that several base metals are now dominated globally by a very few companies.
- Works for listing plans for PGMC continue and are coming to a close.

**Corporate**

- P.T. Indoexchange Tbk ("INDX") continues to investigate acquisitions and investments in Indonesia in conjunction with the Company. INDX already has an option to participate in the two (2) port projects in Nanggroe Aceh Darussalam now in negotiation phase. INDX is also in negotiation for two other port projects in Kalimantan and Java. INDX currently under temporary trading suspension for unusual price fluctuations caused by speculative trading which saw prices get to highs above 300Rph per share. Investigations by the relevant authorities have now concluded that there has been no breach of law and we continue to push for the lifting of the trading suspension and have recently made some progress in this regard.