

IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2005
Quarter: 2nd Qtr
Financial Year End: 31/03/2006
The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/09/2005

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2005 RM'000	Preceding year quarter 30/09/2004 RM'000	Current year to date 30/09/2005 RM'000	Preceding year to date 30/09/2004 RM'000
1 Revenue	58,156	67,087	119,299	134,379
2 Profit before tax	14,138	17,236	24,839	30,422
3 Profit after tax and minority interests	10,062	12,056	17,784	21,685
4 Net profit for the period	10,062	12,056	17,784	21,685
5 Basic earnings per share (sen)	2.00	2.40	3.54	4.32
6 Dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/09/2005		As at preceding financial period end	
7 Net tangible assets per share (RM)		1.04		1.00

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CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER	
	2005 RM'000 (unaudited)	2004 RM'000 (unaudited)	2005 RM'000 (unaudited)	2004 RM'000 (unaudited)
Revenue	58,156	67,087	119,299	134,379
Operating Expenses	(42,094)	(48,375)	(91,721)	(101,798)
Other Operating Income	367	314	856	1,049
Profit from Operations	<u>16,429</u>	<u>19,026</u>	<u>28,434</u>	<u>33,630</u>
Finance Costs	(2,495)	(2,082)	(4,289)	(3,939)
Share of results of associates	204	292	694	731
Profit Before Taxation	<u>14,138</u>	<u>17,236</u>	<u>24,839</u>	<u>30,422</u>
Taxation	(4,072)	(5,178)	(7,046)	(8,735)
Profit After Taxation	<u>10,066</u>	<u>12,058</u>	<u>17,793</u>	<u>21,687</u>
Minority Interests	(4)	(2)	(9)	(2)
Net Profit for the Period	<u><u>10,062</u></u>	<u><u>12,056</u></u>	<u><u>17,784</u></u>	<u><u>21,685</u></u>
Earnings Per Share:				
(a) Basic:				
- [Note B13]	<u>2.00 sen</u>	<u>2.40 sen</u>	<u>3.54 sen</u>	<u>4.32 sen</u>
(b) Fully diluted:				
- [Note B13]	<u>1.72 sen</u>	<u>2.04 sen</u>	<u>3.06 sen</u>	<u>3.68 sen</u>

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2005

	30 September 2005 RM'000 (Unaudited)	31 March 2005 RM'000 (Audited)
Non-Current Assets:		
Property, Plant and Equipment	717,463	708,063
Investments in Associates	8,045	7,948
Deferred Tax Assets	4,160	4,005
 Current Assets:		
Inventories	28,013	18,920
Trade and Other Receivables	21,739	17,417
Amount due from Associates	711	759
Cash and Bank Balances	43,469	51,316
	<u>93,932</u>	<u>88,412</u>
 Current Liabilities:		
Trade and Other Payables	27,282	23,749
Amount due to Associates	1,724	560
Amount due to the holding company of the Corporate Shareholder	28	120
Borrowings	19,937	19,833
Dividend Payable	-	12,652
Tax Payable	15	11
	<u>48,986</u>	<u>56,925</u>
 Net Current Assets	 <u>44,946</u>	 <u>31,487</u>
	<u>774,614</u>	<u>751,503</u>
 FINANCED BY:		
Share Capital	252,136	251,029
Reserves	268,800	250,285
Shareholders' Equity	520,936	501,314
Minority Interests	480	471
Net Goodwill on Consolidation	2,102	2,112
 Non-Current Liabilities:		
Borrowings	176,860	176,343
Deferred Tax Liabilities	74,236	71,263
	<u>251,096</u>	<u>247,606</u>
	<u>774,614</u>	<u>751,503</u>
 Net Tangible Assets Per Share (RM)	 <u>1.04</u>	 <u>1.00</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Non distributable			Distributable Reserve	
	Share Capital	Other Reserves	Share Premium	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2005	251,029	54,525	44,008	151,752	501,314
Exercise of ESOS [Note A6 (a)]	1,107	-	731	-	1,838
Net Profit for the period	-	-	-	17,784	17,784
Realisation of Revaluation Reserve	-	(86)	-	86	-
At 30 September 2005 (Unaudited)	252,136	54,439	44,739	169,622	520,936

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2004

	Non distributable		Distributable Reserve		
	Share Capital	Other Reserves	Share Premium	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2004	250,560	56,005	43,689	130,696	480,950
Exercise of ESOS	413	-	281	-	694
Net Profit for the period	-	-	-	21,685	21,685
Dividend	-	-	-	(9,020)	(9,020)
At 30 September 2004 (Unaudited)	250,973	56,005	43,970	143,361	494,309

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 MONTHS ENDED 30 SEPTEMBER 2005 RM'000 (Unaudited)	6 MONTHS ENDED 30 SEPTEMBER 2004 RM'000 (Uuaudited)
OPERATING ACTIVITIES		
Receipts from customers	118,983	131,419
Payments to contractors, suppliers and employees	(87,109)	(87,289)
Interest paid	(4,918)	(3,675)
Income tax paid	(6,122)	(1,755)
<i>Net cash flows from operating activities</i>	20,834	38,700
INVESTING ACTIVITIES		
Repayment from/(Advances to) Associates	48	(206)
Additions to property, plant and equipment	(18,758)	(26,478)
Dividend received from an Associate	405	405
Interest received	530	157
<i>Net cash flows used in investing activities</i>	(17,775)	(26,122)
FINANCING ACTIVITIES		
Settlement of advances from Associate	-	(37,383)
Issue of shares	1,838	694
Repayments to lease creditor	-	(1,700)
Repayment to the holding company of the Corporate Shareholder	(92)	(38)
Dividend paid	(12,652)	(9,020)
<i>Net cash flows used in financing activities</i>	(10,906)	(47,447)
Net Change in Cash and Cash Equivalents	(7,847)	(34,869)
Cash & Cash Equivalent at beginning of period	51,316	71,632
Cash & Cash Equivalent at end of period	43,469	36,763
Notes:	AS AT 30 SEPTEMBER 2005 RM'000	AS AT 30 SEPTEMBER 2004 RM'000
Cash and cash equivalents represents the following:		
Cash and bank balances	2,287	2,335
Fixed deposits	41,182	34,428
	43,469	36,763

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited 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 financial report should be read in conjunction with the audited financial statements for the period ended 31 March 2005 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 period ended 31 March 2005.

The accounting policies and methods of computation are consistent with those adopted in the audited financial statements for the period ended 31 March 2005.

A2. Disclosure of Audit Report Qualification and Status of Matters Raised

The audit reports for the financial period ended 31 March 2005 was not subject to any qualifications.

A3. Seasonality or Cyclicity of Operations

As the cropping pattern of oil palm normally declines to a trough in the first half of a calendar year before rising to a peak in a second half, the Group's performance can be affected accordingly.

A4. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence during the financial period under review.

A5. Material Changes in Estimates

There were no changes in estimates that have had material effect in the current quarter and financial period-to-date.

A6. Debt and Equity Securities

- (a) For the period ended 30 September 2005, the paid-up share capital of the Company was increased by RM1,107,300 by way of allotment and issue of 45,000 and 2,169,600 ordinary share of RM0.50 at a premium of RM0.34 and RM0.33 per share respectively. This is as a result of the exercise of the Employee Share Option Scheme ("ESOS") in the current and financial period-to-date, therefore increasing the issued and paid-up capital to RM252,135,931.
- (b) There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period-to-date.

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A7. Dividend Paid

Dividend paid during the financial period ended 30 September 2005 is as follow:

In respect of the financial period ended 31 March 2005 as reported in the directors' report of that period:

	RM'000
An interim dividend of 7% or 3.5 sen per share less income tax at 28% was paid on 22 April 2005.	<u>12,652</u>

A8. Segmental Information

There is no segmental reporting as the Group's predominant activities are oil palm cultivation and milling in Malaysia.

A9. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter and financial period-to-date.

A10. Material Subsequent Events

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

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period-to-date.

A12. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets.

A13. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2005 are as follows:

	2005 RM'000
Approved and contracted for	5,324
Approved but not contracted for	<u>36,142</u>
	<u>41,466</u>
Analysed as follows:	
- Property, plant and equipment	<u>41,466</u>

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

B1. Review of Performance

For the current quarter, the Group's revenue decreased by 13.31% to RM58.16 million as compared to the corresponding quarter last year resulting in the profit before taxation decreasing by 17.97% to RM14.14 million. Average CPO selling price achieved was significantly lower at RM1,353 per tonne compared to RM1,479 per tonne in the previous year. Margin was affected by the increased costs of fertilizer, fuel oil and State's sales tax but partially offset by higher crop production.

Similarly, year to date revenue and profit before taxation are lower than the corresponding period last year, i.e. 11.22% and 18.35% respectively. Average CPO selling price achieved was RM1,365 per tonne compared to RM1,615 per tonne in the previous year.

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

Revenue for the current quarter is 4.88% lower than that of the immediate preceding quarter. Average CPO selling price reduced by 1.74% from RM1,377 per tonne in the previous quarter. Average PKO selling price dropped more significantly (10.27%) to RM2,035 per tonne. Constraints on oil deliveries to the refineries in Sandakan resulted in higher closing stocks.

The higher profit before taxation for this quarter compared to the preceding quarter was due to higher crop production.

B3. Prospects for the Current Financial Year

For the current financial year, the Group expects significantly higher crop production. Assuming the current palm product prices will sustain, the Group is expecting satisfactory results, barring unforeseen circumstances.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Taxation

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE QUARTER 6 MONTHS ENDED 30 SEPTEMBER	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysian Income Taxation	2,052	3,899	4,036	5,672
Transfer to Deferred Taxation	1,901	886	2,818	2,639
	<u>3,953</u>	<u>4,785</u>	<u>6,854</u>	<u>8,311</u>
Share of associates' taxation	119	393	192	424
	<u>4,072</u>	<u>5,178</u>	<u>7,046</u>	<u>8,735</u>

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B5. Taxation (Contd.)

The Group's effective tax rate approximates the statutory tax rate.

B6. Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter and financial period-to-date.

B7. Quoted Investment

There were no purchases or disposals of quoted investments for the current quarter and financial period-to-date.

B8. Status of Corporate Proposals

There were no corporate proposals announced but pending completion for the current quarter and financial period-to-date.

B9. Group Borrowings

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

UNSECURED:	RM'000
Long term borrowings	
Redeemable Convertible Unsecured Loan Stocks – Nominal Value	50,000
Equity component, net of deferred tax	2,694
Liability Component - At beginning of period	46,259
Interest expense recognised in Income statement:	
At beginning of period	5,546
Recognised during the period	1,610
At end of period	7,156
Interest paid:	
At beginning of period	(4,375)
Paid during the period	(1,250)
At end of period	(5,625)
Liability Component - At end of period	47,790
Bond	130,000
Less: Discount on issuance	
At beginning of period	1,087
Amortisation for the period	(157)
	930
At end of period	129,070
Total Long term borrowings	176,860

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B9. Group Borrowings (Contd.)

UNSECURED:	RM'000
Short term borrowings	
Bond	20,000
Less: Discount on issuance	
At beginning of period	167
Amortisation for the period	(104)
	63
At end of period	19,937
Total Borrowings	196,797

There were no borrowings denominated in foreign currency.

B10. Off Balance Sheet Risk Financial Instruments

As detailed in note 28 of the audited financial statement for the period ended 31 March 2005, the Company issued RM150 million bonds under the Islamic Financing concept of AL-Bai' Bithaman Ajil. Arising from this, on 18 February 2004, the Company entered into the following rate swap contracts:

Rate Swap	Notional Amount	Effective Period
(a) 4 years Ringgit Fixed rate @ 6.4% to floating rate @ 6 months Klibor (in arrear) + 2.05%	RM35,000,000	18 February 2004 to 15 December 2007
(b) 5 years Ringgit Fixed rate @ 6.65% to floating rate @ 6 months Klibor (in arrear) + 1.90%	RM35,000,000	18 February 2004 to 15 December 2008

Any differential to be paid or received on the rate swap contracts is recognised as a component of related expense over the period of the contracts. Gains or losses on early termination of swap contracts or on repayment of the borrowings are taken to the income statement.

There is minimal credit risk as the rate swap contracts were entered into with a reputable financial institution.

B11. Changes in Material Litigation

There was no material litigation since 31 March 2005.

B12. Dividend

The Directors do not recommend any interim dividend for current quarter and financial period-to-date.

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B13. Earnings per Share

Basic and diluted earnings per ordinary share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of interest expenses (net of tax) and potential dilution on the ordinary shares from the conversion of the 5% of the Redeemable Convertible Unsecured Loan Stock (“RCUL”) and the exercise of the ESOS.

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE QUARTER 6 MONTHS ENDED 30 SEPTEMBER	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Basic Earning per share</u>				
(a) Net profit for the period	10,062	12,056	17,784	21,685
(b) Weighted average number of ordinary shares ('000')	502,846	501,830	502,484	501,697
Basic earnings per share (sen)	2.00	2.40	3.54	4.32
<u>Diluted Earning per share</u>				
(a) Adjusted net profit for the period	10,512	12,506	18,684	22,585
(b) Weighted average number of ordinary shares ('000')	502,846	501,830	502,484	501,697
Effect of dilution ('000')				
-RCUL	100,000	100,000	100,000	100,000
-ESOS	9,518	10,989	8,744	12,251
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	612,364	612,819	611,228	613,948
Diluted earnings per share (sen)	1.72	2.04	3.06	3.68

B14. Comparative Figures

Comparative figures, where applicable, have been modified to confirm to the current quarter and period-to-date presentation.