

IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2005
Quarter: 3rd 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 31/12/2005

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2005 RM'000	Preceding year quarter 31/12/2004 RM'000	Current year to date 31/12/2005 RM'000	Preceding year to date 31/12/2004 RM'000
1 Revenue	71,697	78,959	190,996	213,338
2 Profit before tax	19,412	22,324	44,251	52,746
3 Profit after tax and minority interests	13,854	16,060	31,638	37,745
4 Net profit for the period	13,854	16,060	31,638	37,745
5 Basic earnings per share (sen)	2.74	3.20	6.28	7.52
6 Dividend per share (sen)	-	3.5	-	3.5
	As at end of current quarter 31/12/2005		As at preceding financial period end	
7 Net tangible assets per share (RM)		1.06		1.00

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CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE 9 MONTHS ENDED 31 DECEMBER	
	2005 RM'000 (unaudited)	2004 RM'000 (unaudited)	2005 RM'000 (unaudited)	2004 RM'000 (unaudited)
Revenue	71,697	78,959	190,996	213,338
Operating Expenses	(50,685)	(57,028)	(142,406)	(158,826)
Other Operating Income	378	308	1,234	1,357
Profit from Operations	<u>21,390</u>	<u>22,239</u>	<u>49,824</u>	<u>55,869</u>
Finance Costs	(2,071)	(160)	(6,360)	(4,099)
Share of results of associates	93	245	787	976
Profit Before Taxation	19,412	22,324	44,251	52,746
Taxation	(5,554)	(6,258)	(12,600)	(14,993)
Profit After Taxation	<u>13,858</u>	<u>16,066</u>	<u>31,651</u>	<u>37,753</u>
Minority Interests	(4)	(6)	(13)	(8)
Net Profit for the Period	<u><u>13,854</u></u>	<u><u>16,060</u></u>	<u><u>31,638</u></u>	<u><u>37,745</u></u>
Earnings Per Share:				
(a) Basic:				
- [Note B13]	<u><u>2.74 sen</u></u>	<u><u>3.20 sen</u></u>	<u><u>6.28 sen</u></u>	<u><u>7.52 sen</u></u>
(b) Fully diluted:				
- [Note B13]	<u><u>2.32 sen</u></u>	<u><u>2.69 sen</u></u>	<u><u>5.38 sen</u></u>	<u><u>6.37 sen</u></u>

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

	31 December 2005 RM'000 (Unaudited)	31 March 2005 RM'000 (Audited)
Non-Current Assets:		
Property, Plant and Equipment	720,378	708,063
Investments in Associates	8,063	7,948
Deferred Tax Assets	4,059	4,005
Current Assets:		
Inventories	26,986	18,920
Trade and Other Receivables	18,767	17,417
Amount due from Associates	727	759
Cash and Bank Balances	38,140	51,316
	<u>84,620</u>	<u>88,412</u>
Current Liabilities:		
Trade and Other Payables	24,306	23,749
Amount due to Associates	709	560
Amount due to the holding company of the Corporate Shareholder	-	120
Borrowings	24,872	19,833
Dividend Payable	-	12,652
Tax Payable	-	11
	<u>49,887</u>	<u>56,925</u>
Net Current Assets	<u>34,733</u>	<u>31,487</u>
	<u>767,233</u>	<u>751,503</u>
FINANCED BY:		
Share Capital	253,651	251,029
Reserves	283,654	250,285
Shareholders' Equity	537,305	501,314
Minority Interests	484	471
Net Goodwill on Consolidation	2,097	2,112
Non-Current Liabilities:		
Borrowings	152,272	176,343
Deferred Tax Liabilities	75,075	71,263
	<u>227,347</u>	<u>247,606</u>
	<u>767,233</u>	<u>751,503</u>
Net Tangible Assets Per Share (RM)	<u>1.06</u>	<u>1.00</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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)]	2,622	-	1,731	-	4,353
Net Profit for the period	-	-	-	31,638	31,638
Realisation of Revaluation Reserve	-	(129)	-	129	-
At 31 December 2005 (Unaudited)	253,651	54,396	45,739	183,519	537,305

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2004

	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 2004	250,560	56,005	43,689	130,696	480,950
Exercise of ESOS	438	-	299	-	737
Net Profit for the period	-	-	-	37,745	37,745
Dividend	-	-	-	(9,020)	(9,020)
At 31 December 2004 (Unaudited)	250,998	56,005	43,988	159,421	510,412

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 MONTHS ENDED 31 DECEMBER 2005 RM'000 (Unaudited)	9 MONTHS ENDED 31 DECEMBER 2004 RM'000 (Uuaudited)
OPERATING ACTIVITIES		
Receipts from customers	190,638	209,820
Payments to contractors, suppliers and employees	(134,976)	(137,439)
Interest paid	(7,903)	(3,992)
Income tax paid	(7,164)	(6,289)
<i>Net cash flows from operating activities</i>	40,595	62,100
INVESTING ACTIVITIES		
Repayment from/(Advances to) Associates	32	(431)
Proceeds from disposal of property, plant and equipment	-	229
Additions to property, plant and equipment	(26,524)	(38,075)
Dividend received from an Associate	405	405
Interest received	735	352
<i>Net cash flows used in investing activities</i>	(25,352)	(37,520)
FINANCING ACTIVITIES		
Settlement of advances from Associate	-	(37,383)
Issue of shares	4,353	737
Repayments to lease creditor	-	(1,700)
Bond Repayment	(20,000)	-
Repayment to the holding company of the Corporate Shareholder	(120)	(12)
Dividend paid	(12,652)	(9,020)
<i>Net cash flows used in financing activities</i>	(28,419)	(47,378)
Net Change in Cash and Cash Equivalents	(13,176)	(22,798)
Cash & Cash Equivalent at beginning of period	51,316	71,632
Cash & Cash Equivalent at end of period	38,140	48,834
Notes:	AS AT 31 DECEMBER 2005 RM'000	AS AT 31 DECEMBER 2004 RM'000
Cash and cash equivalents represents the following:		
Cash and bank balances	1,931	5,377
Fixed deposits	36,209	43,457
	38,140	48,834

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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

There were no other cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period-to-date except for the following:

- (a) For the period ended 31 December 2005, the paid-up share capital of the Company was increased by RM2,622,488 by way of allotment and issue of 5,244,975 ordinary share of RM0.50 each. This is as a result of the exercise of the Employee Share Option Scheme ("ESOS") increasing the issued and paid-up capital to RM253,651,119.
- (b) Pursuant to the RM150 million bonds issued under the Islamic Financing concept of Al-Bai' Bithaman Ajil on 15 December 2003, an installment payment of the bonds amounting to RM20 million was made during the current quarter.

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A7. Dividend Paid

Dividend paid during the financial period ended 31 December 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, except for the following:

On 30 December 2005, the Company acquired at par two ordinary shares of RM1 each representing the entire interest of IJM Biofuel Sdn. Bhd.. The acquisition has no material impact on the Group for the 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 31 December 2005 are as follows:

	2005 RM'000
Approved and contracted for	7,835
Approved but not contracted for	<u>26,613</u>
	<u>34,448</u>
Analysed as follows:	
- Property, plant and equipment	<u>34,448</u>

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

B1. Review of Performance

Fresh Fruit Bunch (FFB) production for the current quarter grew 21% compared to the corresponding quarter of the preceding year. The growth was primarily from the young areas coming into maturity and of prime age in the Sugut plantations.

The average CPO selling price achieved at RM1,390 per tonne was however lower compared to RM1,436 per tonne in the corresponding quarter of the preceding year. As a result, the Group's revenue for the current quarter of RM71.69 million decreased by 9.2% compared to the corresponding quarter of last year. Profit before taxation decreased by 13.04% to RM19.41 million. In addition to lower commodity prices, margin was affected by increased costs of fertilizer, fuel oil and Sabah State sales tax.

Year to date FFB production was 16% higher than that of the corresponding period of the preceding year. Average oil extraction rate for the Group improved from 22.2% to 22.7%. Revenue and profit before taxation were however respectively 10.47% and 16.11% lower than the corresponding period last year due to lower average commodity prices and higher costs as mentioned above. Average CPO selling price achieved was RM1,374 per tonne compared to RM1,545 per tonne in the previous year.

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

FFB production in the quarter remained at a high level as in the immediately previous quarter.

Revenue for the current quarter was 23.28% higher than that of the immediate preceding quarter. Constraint on oil deliveries to the refineries in Sandakan improved from that of the previous quarter, enabling the sale of almost all oil production.

Average CPO selling price improved by 2.73% from RM1,353 per tonne in the previous quarter.

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 31 DECEMBER		CUMULATIVE QUARTER 9 MONTHS ENDED 31 DECEMBER	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysian Income Taxation	4,538	2,750	8,574	8,422
Transfer to Deferred Taxation	940	3,317	3,758	5,956
	5,478	6,067	12,332	14,378
Share of associates' taxation	76	191	268	615

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5,554

6,258

12,600

14,993

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 31 December 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 2,418

At end of period 7,964

Interest paid:

At beginning of period (4,375)

Paid during the period (1,875)

At end of period (6,250)

Liability Component - At end of period 47,973

Bond 105,000

Less: Discount on issuance

At beginning of period 878

Amortisation for the period (177)

701

At end of period 104,299

Total Long term borrowings 152,272

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B9. Group Borrowings (Contd.)

UNSECURED:	RM'000
Short term borrowings	
Bond	45,000
Less: Discount on issuance	
At beginning of period	376
Amortisation for the period	(248)
	128
Less: Bond repayment	20,000
At end of period	24,872
Total Borrowings	177,144

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.

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B12. Dividend

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

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 31 DECEMBER		CUMULATIVE QUARTER 9 MONTHS ENDED 31 DECEMBER	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Basic Earning per share</u>				
(a) Net profit for the period	13,854	16,060	31,638	37,745
(b) Weighted average number of ordinary shares ('000')	505,862	502,019	503,614	501,804
Basic earnings per share (sen)	2.74	3.20	6.28	7.52
<u>Diluted Earning per share</u>				
(a) Adjusted net profit for the period	14,304	16,510	32,988	39,095
(b) Weighted average number of ordinary shares ('000')	505,862	502,019	503,614	501,804
Effect of dilution ('000')				
-RCUL	100,000	100,000	100,000	100,000
-ESOS	10,148	11,472	9,086	11,991
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	616,010	613,491	612,700	613,795
Diluted earnings per share (sen)	2.32	2.69	5.38	6.37

B14. Comparative Figures

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