

IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/06/2006
Quarter: 1st Qtr
Financial Year End: 31/03/2007
The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/06/2006

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2006 RM'000	Preceding year quarter 30/06/2005 RM'000	Current year to date 30/06/2006 RM'000	Preceding year to date 30/06/2005 RM'000
1 Revenue	56,085	61,143	56,085	61,143
2 Profit before tax	7,593	10,627	7,593	10,627
3 Profit for the period	5,254	7,726	5,254	7,726
4 Profit/(loss) attributable to ordinary equity holders of the Company	5,249	7,722	5,249	7,722
5 Basic earnings/(loss) per share (sen)	1.02	1.54	1.02	1.54
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2006		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.05		1.07

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE 3 MONTHS ENDED 30 JUNE	
	2006 RM'000 (unaudited)	2005 RM'000 (unaudited) (restated)	2006 RM'000 (unaudited)	2005 RM'000 (unaudited) (restated)
Revenue	56,085	61,143	56,085	61,143
Operating Expenses	(46,621)	(49,628)	(46,621)	(49,628)
Other Income	487	489	487	489
Profit from Operations	9,951	12,004	9,951	12,004
Finance Costs	(2,615)	(1,794)	(2,615)	(1,794)
Share of results of associates	257	417	257	417
Profit Before Taxation	7,593	10,627	7,593	10,627
Taxation	(2,339)	(2,901)	(2,339)	(2,901)
Profit for the Period	5,254	7,726	5,254	7,726
Profit for the Period attributable to :				
Equity holders of the Company	5,249	7,722	5,249	7,722
Minority Interests	5	4	5	4
	5,254	7,726	5,254	7,726
Earnings per share attributable to equity holders of the Company (sen):				
(a) Basic:				
- [Note B13]	1.02 sen	1.54 sen	1.02 sen	1.54 sen
(b) Fully diluted:				
- [Note B13]	0.94 sen	1.34 sen	0.94 sen	1.34 sen

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2006

	30 June 2006 RM'000 (Unaudited)	31 March 2006 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, Plant and Equipment	724,354	721,819
Investments in Associates	8,318	8,061
Deferred Tax Assets	5,179	4,072
	737,851	733,952
Current Assets:		
Inventories	21,902	23,564
Trade and Other Receivables	16,400	22,324
Amount due from Associates	756	741
Cash and Bank Balances	53,363	42,677
	92,421	89,306
TOTAL ASSETS	830,272	823,258
 EQUITY AND LIABILITIES		
Share Capital	257,824	254,850
Reserves	284,896	288,470
Equity attributable to equity holders of the Company	542,720	543,320
Net goodwill on consolidation	-	2,092
Minority Interests	492	487
Total Equity	543,212	545,899
Non-Current Liabilities:		
Borrowings	152,779	152,525
Deferred Tax Liabilities	79,829	78,220
	232,608	230,745
Current Liabilities:		
Trade and Other Payables	16,060	19,464
Amount due to Associates	456	2,243
Borrowings	24,942	24,907
Dividend payable	12,994	-
	54,452	46,614
Total Liabilities	287,060	277,359
TOTAL EQUITY AND LIABILITIES	830,272	823,258
 Net Assets Per Share (RM)	1.05	1.07

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2006

	Attributable to Equity Holders of the Company				Minority Interests	Total Equity	
	Non distributable Reserve		Distributable Reserve				
	Share Capital	Other Reserves	Share Premium	Retained Profits			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2006							
As previously stated	254,850	54,339	46,531	187,600	543,320	487	543,807
Effect of adopting of FRS 3	-	-	-	2,092	2,092	-	2,092
At 1 April 2006 (Restated)	254,850	54,339	46,531	189,692	545,412	487	545,899
Profit for the period	-	-	-	5,249	5,249	5	5,254
Realisation of Revaluation Reserve recognised directly in equity	-	(43)	-	43	-	-	-
Total recognised income and expense for the period	-	(43)	-	5,292	5,249	5	5,254
Dividend - Year ended 31 March 2006	-	-	-	(12,994)	(12,994)	-	(12,994)
Issue of ordinary shares pursuant to ESOS [Note A7 (a)]	2,974	-	2,079	-	5,053	-	5,053
At 30 June 2006 (Unaudited)	257,824	54,296	48,610	181,990	542,720	492	543,212

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2005

	Attributable to Equity Holders of the Company				Minority Interests	Total Equity	
	Non distributable Reserve		Distributable Reserve				
	Share Capital	Other Reserves	Share Premium	Retained Profits			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2005	251,029	54,525	44,008	151,752	501,314	471	501,785
Profit for the period	-	-	-	7,722	7,722	4	7,726
Realisation of Revaluation Reserve recognised directly in equity	-	(43)	-	43	-	-	-
Total recognised income and expense for the period	-	(43)	-	7,765	7,722	4	7,726
Issue of ordinary shares pursuant to ESOS [Note A7 (a)]	34	-	24	-	58	-	58
At 30 June 2005 (Unaudited)	251,063	54,482	44,032	159,517	509,094	475	509,569

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	3 MONTHS ENDED 30 JUNE 2006 RM'000 (Unaudited)	3 MONTHS ENDED 30 JUNE 2005 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Receipts from customers	63,703	63,556
Payments to contractors, suppliers and employees	(43,144)	(44,116)
Interest paid	(6,333)	(3,352)
Income tax paid	(1,582)	(3,045)
<i>Net cash flows from operating activities</i>	12,644	13,043
INVESTING ACTIVITIES		
(Advances to)/ Repayment from Associates	(15)	63
Additions to property, plant and equipment	(7,308)	(9,845)
Dividend received from an Associate	-	405
Interest received	312	198
<i>Net cash flows used in investing activities</i>	(7,011)	(9,179)
FINANCING ACTIVITIES		
Issue of shares	5,053	58
Advances from the holding company of the Corporate Shareholder	-	87
Dividend paid	-	(12,652)
<i>Net cash flows from/(used in) financing activities</i>	5,053	(12,507)
Net Change in Cash and Cash Equivalents	10,686	(8,643)
Cash & Cash Equivalent at beginning of year	42,677	51,316
Cash & Cash Equivalent at end of period	53,363	42,673
Notes:	AS AT 30 JUNE 2006 RM'000	AS AT 30 JUNE 2005 RM'000
Cash and cash equivalents represents the following:		
Cash and bank balances	4,927	1,901
Fixed deposits	48,436	40,772
	53,363	42,673

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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 year ended 31 March 2006 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 2006.

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 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) which are effective for financial year beginning 1 April 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition to the above, the Group has also taken the option of early adoption of the following new/revised FRS for the financial year beginning 1 April 2006:

FRS 124	Related Party Disclosures
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The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are as follows:

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A2. Changes in Accounting Policies (Cont'd)

- (a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 resulted in consequential amendments to FRS 136 and FRS 138.

The adoption of these new FRSs resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually at the end of each financial year, or more frequently if events or changes in circumstances indicate that it might be impaired. Any identified impairment loss is recognised in income statement and subsequent reversal is not allowed. Prior to 1 April 2006, the Group amortised goodwill on a straight-line basis over its estimated useful life or 20 years, whichever is the shorter.

Under FRS 3, any excess of the fair value of the Group's share identifiable net assets over the cost of acquisition (previously referred to as "negative goodwill"), after assessment, is now recognised immediately in income statement. Prior to 1 April 2006, the Group amortised negative goodwill on a straight-line method over a period of 20 years.

The above changes in accounting policy had been accounted for prospectively and in accordance with the transitional provision of FRS 3, the Group derecognised the Net Negative Goodwill on consolidation with a corresponding adjustment to opening balance of retained profits as follows:

Balance Sheets As at 1 April 2006	As previously reported RM'000	Effect RM'000	As restated RM'000
Net Goodwill on Consolidation	2,092	(2,092)	-
Retained Profits	187,600	2,092	189,692

The cessation of amortisation of goodwill and negative goodwill on consolidation as no material impact on the results of the financial period ended 30 June 2006.

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A2. Changes in Accounting Policies (Cont'd)

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of results of associates and other disclosures.

In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the Company and to minority interest.

Share of results of associates and jointly controlled entities are now reported net of tax prior to arriving at the Group's profit before taxation.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current period's presentation as follows:

Income Statements 3 months Ended 30 June 2005	As previously reported RM'000	Effect RM'000	As restated RM'000
Share of results of Associates	490	(73)	417
Profit before taxation	10,700	(73)	10,627
Taxation	2,974	(73)	2,901

(c) FRS 2, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, and 140

The adoption of the above FRSs does not have significant financial impact on the Group.

A3. Disclosure of Audit Report Qualification and Status of Matters Raised

The audit reports for the financial year ended 31 March 2006 was not subject to any qualifications.

A4. 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.

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 during the financial period under review.

A6. Material Changes in Estimates

There were no major changes in estimates that have had material effect in the current quarter.

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A7. Debt and Equity Securities

- (a) For the period ended 30 June 2006, the paid-up share capital of the Company was increased by RM2,973,554 by way of allotment and issue of 5,947,109 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 RM257,823,923.
- (b) There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

A8. Dividend Paid

There was no dividend paid during current quarter.

A9. Segmental Information

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

A10. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter.

A11. 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.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.

A13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since 31 March 2006.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 June 2006 are as follows:

Property, Plant and Equipment	2006 RM’000
Approved and contracted for	18,106
Approved but not contracted for	70,050
	<hr/> 88,156

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

B1. Review of Performance

The Group is seeing the benefits of its intensive planting programme. Fresh Fruit Brunches (“FFB”) production for the current quarter grew 12.33% compared to the corresponding quarter of the preceding year. The growth was primarily from more areas coming into maturity and of prime age in the Sugut plantations.

Outside fruits purchase volume for the current quarter reduced by 18.46% from the corresponding quarter of the preceding year. The reduction was mainly due to increased competition from the increased number of mills particularly in Sugut Region. Fortunately, the rapidly increasing production from our own planting was able to off set, to a large extent, the impact of the decline in outside fruits purchase. As a result, total CPO production of 32,194 tonnes is a reduction of only 2.01% from the corresponding quarter of the preceding year.

The average CPO selling price achieved at RM1,377 per tonne was a marginal decline as compared to RM1,378 per tonne in the corresponding quarter of the preceding year. However, the average price of PKO experienced a significant reduction of 21.56% from RM2,268 to RM1,779 per tonne.

As a result, despite the higher FFB production, the Group revenue of RM56.09 million was lower than the corresponding quarter of the preceding year by 8.27% due to the lower PKO prices and lower volume of CPO and PKO sold, as mentioned above.

Profit before taxation of RM7.59 million was a reduction of 28.55% from the corresponding quarter of preceding year. This reduction is mainly due to the significant lower PKO prices.

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

FFB production in the quarter increased by 25.19% to 107,678 tonnes as production moved out of the normal low season. Similarly, outside fruits purchase increased by 24.43% to 37,935 tonnes.

Average CPO selling price improved by 0.51% from RM1,370 per tonne in the previous quarter to RM1,377 per tonne. However, average PKO selling price declined by 13.56% from RM2,058 to RM1,779 per tonne. Total CPO sales volume of 31,986 tonnes was 4,040 tonnes higher than the previous quarter but total PKO sales volume at 5,510 tonnes was 905 tonnes lower.

As a result, revenue for the current quarter was 4.57% higher than that of the immediate preceding quarter. However, profit before tax was 6.64% lower mainly due to seasonally higher expenditure on manuring and plantation maintenance.

B3. Prospects for the Current Financial Year

The Group expects significantly higher crop production for the current financial year, and assuming the current palm product prices will sustain, the Group is expecting higher level of profitability, barring unforeseen circumstances.

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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 JUNE		CUMULATIVE QUARTER 3 MONTHS ENDED 30 JUNE	
	2006 RM'000	2005 RM'000 Restated	2006 RM'000	2005 RM'000 Restated
Malaysian Income Taxation	1,837	1,985	1,837	1,985
Transfer to Deferred Taxation	502	916	502	916
	2,339	2,901	2,339	2,901

The Group's effective tax rate is higher than the statutory rate for the current quarter mainly due to non-deductibility of certain expenses for tax purpose.

B6. Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter.

B7. Quoted Investment

There were no purchases or disposals of quoted investments for the current quarter.

B8. Status of Corporate Proposals

There were no corporate proposals announced but pending completion for the current quarter.

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B9. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2006 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 date of issue	46,259
Interest expense recognised in Income Statements:	
At beginning of year	8,793
Recognised during the period	814
At end of period	9,607
Interest paid:	
At beginning of year	(6,889)
Paid during the period	(625)
At end of period	(7,514)
Liability Component - At end of period	48,352
Bond	105,000
Less: Discount on issuance	
At beginning of year	638
Amortisation for the period	(65)
	573
At end of period	104,427
Total Long term borrowings	152,779
UNSECURED:	
Short term borrowings	
Bond	25,000
Less: Discount on issuance	
At beginning of year	93
Amortisation for the period	(35)
	58
At end of period	24,942
Total Borrowings	177,721

There were no borrowings denominated in foreign currency.

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B10. Off Balance Sheet Risk Financial Instruments

As detailed in note 29 of the audited financial statements for the year ended 31 March 2006, 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 statements.

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 2006.

B12. Dividend

The Directors do not recommend any interim dividend for current quarter.

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B13. Earnings per Share

Basic and diluted earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity shareholders of the Company 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 JUNE		CUMULATIVE QUARTER 3 MONTHS ENDED 30 JUNE	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<u>Basic Earnings per share</u>				
(a) Profit for the period attributable to equity holders of the Company	5,249	7,722	5,249	7,722
(b) Weighted average number of ordinary shares ('000')	512,798	502,102	512,798	502,102
Basic Earnings per share (sen)	1.02	1.54	1.02	1.54
<u>Diluted Earnings per share</u>				
(a) Adjusted Profit for the period attributable to equity holders of the Company	5,830	8,172	5,830	8,172
(b) Weighted average number of ordinary shares ('000')	512,798	502,102	512,798	502,102
Effect of dilution ('000')				
-RCUL	100,000	100,000	100,000	100,000
-ESOS	10,640	7,461	10,640	7,461
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	623,438	609,563	623,438	609,563
Diluted Earnings per share (sen)	0.94	1.34	0.94	1.34

B14. Comparative Figures

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