



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/06/2013
Quarter: 1st Qtr
Financial Year End: 31/03/2014
The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/06/2013

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/2013 RM'000	Preceding year quarter 30/06/2012 RM'000	Current year to date 30/06/2013 RM'000	Preceding year to date 30/06/2012 RM'000
1 Revenue	134,496	109,658	134,496	109,658
2 Profit before taxation	2,929	29,176	2,929	29,176
3 Profit for the period	2,212	21,777	2,212	21,777
4 Profit attributable to owners of the Company	2,919	21,893	2,919	21,893
5 Basic earnings per share (sen)	0.36	2.73	0.36	2.73
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2013		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.67		1.74

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE 3 MONTHS ENDED 30 JUNE	
	2013 RM'000 (unaudited)	2012 RM'000 (unaudited)	2013 RM'000 (unaudited)	2012 RM'000 (unaudited)
Revenue	134,496	109,658	134,496	109,658
Operating expenses	(131,930)	(83,100)	(131,930)	(83,100)
Other income	1,704	2,957	1,704	2,957
Profit from operations	4,270	29,515	4,270	29,515
Finance cost	(1,341)	(339)	(1,341)	(339)
Profit before taxation	2,929	29,176	2,929	29,176
Income tax expense	(717)	(7,399)	(717)	(7,399)
Net profit for the financial period	2,212	21,777	2,212	21,777
Other comprehensive income				
<i>Item that may be subsequently reclassified to profit or loss:</i>				
- Currency translation difference	(90)	(161)	(90)	(161)
Total comprehensive income for the financial period	2,122	21,616	2,122	21,616
Net profit attributable to:				
- Owners of the Company	2,919	21,893	2,919	21,893
- Non-controlling interests	(707)	(116)	(707)	(116)
	2,212	21,777	2,212	21,777
Total comprehensive income attributable to:				
- Owners of the Company	2,852	21,732	2,852	21,732
- Non-controlling interests	(730)	(116)	(730)	(116)
	2,122	21,616	2,122	21,616
Earnings per share attributable to owners of the Company (sen):				
(a) Basic:				
- [Note B10]	<u>0.364 sen</u>	<u>2.73 sen</u>	<u>0.364 sen</u>	<u>2.73 sen</u>
(b) Fully diluted:				
- [Note B10]	<u>0.358 sen</u>	<u>2.68 sen</u>	<u>0.358 sen</u>	<u>2.68 sen</u>

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CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 2013 RM'000 (Unaudited)	31 March 2013 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	722,624	714,425
Leasehold land and land use rights	116,254	114,186
Plantation expenditure	807,876	788,362
Deferred tax assets	5,766	3,282
	1,652,520	1,620,255
Current Assets:		
Inventories	86,321	100,631
Trade and other receivables	65,237	70,718
Tax recoverable	10,951	6,661
Deposits, cash and bank balances	343,766	344,237
	506,275	522,247
TOTAL ASSETS	2,158,795	2,142,502
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	400,865	400,862
Reserves	939,247	992,501
	1,340,112	1,393,363
Non-controlling interests	2,173	2,903
Total Equity	1,342,285	1,396,266
Non-Current Liabilities:		
Retirement benefits	1,252	1,246
Borrowings	476,592	466,512
Deferred tax liabilities	157,500	156,919
	635,344	624,677
Current Liabilities:		
Trade and other payables	77,050	74,958
Current tax liabilities	347	251
Borrowings	47,648	46,350
Dividend payable	56,121	-
	181,166	121,559
Total Liabilities	816,510	746,236
TOTAL EQUITY AND LIABILITIES	2,158,795	2,142,502
Net Assets Per Share attributable to owners of the Company (RM)	1.67	1.74

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013

	Attributable to Equity Holders of the Company					Non- controlling interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2013	400,862	278,793	39,993	673,715	1,393,363	2,903	1,396,266
Total comprehensive income for the financial period	-	-	(67)	2,919	2,852	(730)	2,122
Issuance of shares pursuant to exercise of Warrants 2009/2014	3	18	(3)	-	18	-	18
Dividend - Year ended 31 March 2013	-	-	-	(56,121)	(56,121)	-	(56,121)
At 30 June 2013 (Unaudited)	400,865	278,811	39,923	620,513	1,340,112	2,173	1,342,285

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2012

	Attributable to Equity Holders of the Company					Non- controlling interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2012	400,857	278,766	69,922	634,316	1,383,861	4,227	1,388,088
Total comprehensive income for the financial period	-	-	(161)	21,893	21,732	(116)	21,616
Issuance of shares pursuant to exercise of Warrants 2009/2014	1	5	(1)	-	5	-	5
Dividend - Year ended 31 March 2012	-	-	-	(80,172)	(80,172)	-	(80,172)
At 30 June 2012 (Unaudited)	400,858	278,771	69,760	576,037	1,325,426	4,111	1,329,537

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 MONTHS ENDED 30 JUNE 2013 RM'000 (Unaudited)	3 MONTHS ENDED 30 JUNE 2012 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Receipts from customers	140,731	115,330
Payments to contractors, suppliers and employees	(94,629)	(96,685)
Interest paid	(1,341)	(339)
Income tax paid	(6,742)	(12,514)
<i>Net cash flows from operating activities</i>	38,019	5,792
INVESTING ACTIVITIES		
Additions to property, plant, equipment, leasehold land and land use rights and plantation expenditure	(38,847)	(55,483)
Finance cost capitalised under plantation expenditure	(971)	(512)
Advances for development projects	-	(11,300)
Interest received	1,310	2,011
<i>Net cash flows used in investing activities</i>	(38,508)	(65,284)
FINANCING ACTIVITIES		
Issuance of ordinary shares pursuant to exercise of warrants	18	5
Drawdown of short term advance facility	-	47,505
<i>Net cash flows from financing activities</i>	18	47,510
Net Change in Cash and Cash Equivalents	(471)	(11,982)
Cash & Cash Equivalents at beginning of financial year	342,960	315,530
Foreign Exchange differences on opening balances	-	3
Cash & Cash Equivalents at end of financial period	342,489	303,551
Notes:	AS AT 30 JUNE 2013 RM'000	AS AT 30 JUNE 2012 RM'000
Cash and cash equivalents represents the following:		
Cash and bank balances	16,534	130,469
Deposits with licensed banks	327,232	173,082
	343,766	303,551
Less: Restricted deposit with a licensed bank	(1,277)	-
	342,489	303,551

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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 2013 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 2013.

A2. Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for Construction of Real Estate”, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the MASB announcement on 7 August 2013, Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from the previous adoption date of 1 January 2014 to 1 January 2015. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year beginning 1 April 2015. For the financial year ending 31 March 2015, the Group will continue to prepare its financial statements using the Financial Reporting Standards framework.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2013 except for the adoption of the following new standards, amendments to standards and IC interpretations issued by MASB that are mandatory for the Group for the financial year beginning 1 April 2013:

FRS 10	- Consolidated Financial Statements
FRS 11	- Joint Arrangements
FRS 12	- Disclosures of Interests in Other Entities
FRS 13	- Fair Value Measurement
Revised FRS 127	- Separate Financial Statement
Revised FRS 128	- Investments in Associates and Joint Ventures
Amendment to FRS 101	- Presentation of Items of Other Comprehensive Income
Amendment to FRS 119	- Employment Benefits
Amendment to FRS 7	- Financial instrument: Disclosures – Offsetting Assets & Financial Liabilities
Improvements to FRSs (2012)	

The adoption of the above pronouncements does not result in any significant change to the accounting policies and does not have any material impact on the interim financial information of the Group.

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

The audit reports for the financial year ended 31 March 2013 was not subject to any modifications or qualifications.

A4. Seasonality or Cyclicalities of Operations

The Group's performance is affected by the oil palm cropping pattern that normally starts in a trough in the first half of a calendar year before rising to a peak in the second half.

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 a material effect in the current quarter.

A7. Debt and Equity Securities

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter except that the paid-up share capital of the Company was increased by RM3,450 by way of allotment and issuance of 6,900 ordinary shares of RM0.50 each arising from the exercise of the Warrants 2009/2014 of the Company.

A8. Dividend Paid

There was no dividend paid during the current quarter.

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A9. Segmental Information

The principal activities of the Group are the cultivation of oil palms and milling of fresh fruit bunches. The operations are geographically located in Malaysia and Indonesia.

	3 months ended 30/06/2013	3 months ended 30/06/2012
	RM'000	RM'000
REVENUE		
Malaysian Operations	110,124	105,468
Indonesian Operations	24,372	4,190
	134,496	109,658
	3 months ended 30/06/2013	3 months ended 30/06/2012
	RM'000	RM'000
PROFIT/(LOSS) BEFORE TAXATION		
Malaysian Operations	9,813	34,011
Indonesian Operations	(6,884)	(4,835)
	2,929	29,176
	As at 30 June 2013	As at 31 March 2013
	RM'000	RM'000
TOTAL ASSETS		
Malaysian Operations	1,051,236	1,049,473
Indonesian Operations	1,090,842	1,083,086
Unallocated assets	16,717	9,943
	2,158,795	2,142,502

A10. Valuations of Property, Plant and Equipment

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

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A11. Material Subsequent Events

There was no material event subsequent to the end of the current quarter 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 material contingent liabilities or contingent assets since 31 March 2013.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 June 2013 are as follows:

Property, plant, equipment, Leasehold land and land use rights and Plantation expenditure	RM'000
Approved and contracted for	128,966
Approved but not contracted for	375,961
	<u>504,927</u>

Of the RM504.93 million capital commitment, RM459.69 million is in respect of the Indonesian operations. The Board of Directors review and approve the development programme and capital commitment annually. To date an amount of RM859.68 million has been incurred since the commencement of the development in Indonesia.

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

Quarter under review -- Q1-FY2014

Corresponding quarter of the preceding year -- Q1-FY2013

Immediate preceding quarter -- Q4-FY2013

B1. Review of Performance

Despite the decrease in palm produce prices, the Group recorded a net 22.7% increase in revenue in Q1-FY2014 as compared to Q1-FY2013 due to an increase in sales volume.

However, profit before tax decreased to RM2.9 million in Q1-FY2014 as compared to RM29.2 million in Q1-FY2013. In respect of the Malaysian operations, this was mainly caused by a substantial decline in CPO and PKO prices, compounded by higher phasing related upkeep costs and reduction in closing inventories. In respect of the Indonesian operations, there was an increase in young mature areas incurring full fixed plantation maintenance and overhead costs set against the backdrop of startup crop yields. In addition, the new palm oil mill continued at a startup utilisation level but incurred full fixed cost and depreciation charges. With the strengthening of the US dollar, there were also net foreign exchange translation losses amounting to RM6.5 million in Q1-FY2014 as compared to RM5.9 million in Q1-FY2013.

The results of the Group are tabulated below:

	Individual Quarter		var %
	Current year quarter 30/06/2013 RM'000	Preceding year quarter 30/06/2012 RM'000	
Revenue:			
- Malaysia	110,124	105,468	+4.4
- Indonesia	24,372	4,190	>100
	134,496	109,658	+22.7
Profit/(loss) before taxation:			
- Malaysia	9,813	34,011	-71.1
- Indonesia	(6,884)	(4,835)	+42.4
	2,929	29,176	-90.0

There was a 28.5% improvement in the FFB production for the Group in Q1-FY2014 as compared to Q1-FY2013 due to the change in cropping pattern and higher crop production from the Indonesian operations. The relevant details pertaining to the results above are as follows:

	Individual Quarter		var %
	Current year quarter 30/06/2013	Preceding year quarter 30/06/2012	
Malaysian Operations			
Own FFB production (mt)	125,411	106,620	+17.6
CPO production (mt)	34,349	29,338	+17.1
PKO production (mt)	2,705	3,091	-12.5
CPO sales (mt)	40,431	29,494	+37.1
PKO sales (mt)	6,936	2,646	>100
CPO price per mt (RM)	2,234	3,192	-30.0
PKO price per mt (RM)	2,192	3,713	-41.0
Indonesian Operations			
Own FFB production (mt)	22,660	8,610	>100

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B1. Review of Performance (cont'd)

Contribution to the Sabah state sales tax, windfall profit levy to federal government and statutory payment of cesses to the Malaysian Palm Oil Board (“MPOB”) were as follows:

	Individual Quarter	
	Current year quarter 30/06/2013	Preceding year quarter 30/06/2012
Malaysian Operations	RM'000	RM'000
Sabah sales tax	6,933	7,029
Windfall profit levy	-	347
MPOB Cess:		
-Palm Oil Price Stabilisation Fund Order 2001	74	65
MPOB Cess:		
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	407	357
Total	7,414	7,798

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

Revenue for the Q1-FY2014 was marginally lower than Q4-FY2013 due to lower CPO sales volume.

Profit before tax decreased from RM29.5 million to RM2.9 million mainly due to the seasonal low crop period, higher upkeep activities and reduction in the closing inventory.

Net foreign exchange translation losses were RM6.5 million in Q1-FY2014 as compared to RM1.2 million in Q4-FY2013, mainly due to the strengthening of the US Dollar against Rupiah.

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B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter (cont'd)

The results of the Group are tabulated below:

	Individual Quarter		var % +/-
	Current year quarter 30/06/2013 RM'000	Immediate preceding quarter 31/03/2013 RM'000	
Revenue:			
- Malaysia	110,124	112,243	-1.9
- Indonesia	24,372	22,873	+6.6
	134,496	135,116	-0.5
Profit/(loss) before taxation:			
- Malaysia	9,813	31,451	-68.8
- Indonesia	(6,884)	(1,991)	>100
	2,929	29,460	-90.1

The relevant details pertaining to the results above are as follows:

	Individual Quarter		var % +/-
	Current year quarter 30/06/2013	Immediate preceding quarter 31/03/2013	
Malaysian Operations			
Own FFB production (mt)	125,411	160,187	-21.7
CPO production (mt)	34,349	39,456	-12.9
PKO production (mt)	2,705	3,770	-28.2
CPO sales (mt)	40,431	43,158	-6.3
PKO sales (mt)	6,936	4,019	+72.6
CPO price per mt (RM)	2,234	2,286	-2.3
PKO price per mt (RM)	2,192	2,098	+4.5
Indonesian Operations			
Own FFB production (mt)	22,660	17,860	+26.9

B3. Prospects for the Current Financial Year

In the current financial year, the FFB production is expected to be sustained from the Malaysian operations. Increased production is expected from the young plantings and the new areas coming into maturity in the Indonesian operations. In view of the prevailing low palm produce prices and growing pressure on the cost of production, the Group expects the profitability level for the current financial year to be impacted. In addition, the significantly more young mature areas in the Indonesian operations will incur full fixed plantation maintenance and overhead costs, set against startup crop yields. Extended foreign exchange volatility will further affect the profitability.

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B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Income Tax Expense

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax:				
- Malaysian income tax	2,548	8,303	2,548	8,303
Deferred tax:				
- Relating to origination/reversal of temporary differences	(1,831)	(904)	(1,831)	(904)
	717	7,399	717	7,399

The Group's effective tax rate is marginally lower than the statutory tax rate of 25% mainly due to non-taxable income received by certain subsidiaries.

B6. Corporate Proposals

At the close of the quarter, there were no corporate proposals that were pending completion.

B7. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2013 are as follows:

	USD'000	RM'000
<u>Short term borrowing</u>		
Short term advance facility	15,000	47,648
<u>Long term borrowings</u>		
Term loans	150,000	476,592
	165,000	524,240

The Group's borrowings are denominated in US Dollars. The long term borrowings are secured by way of corporate guarantees by the Company.

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2013.

B9. Dividend Payable

In respect of the financial year ended 31 March 2013, a single tier interim dividend amounting to 7 sen per share (previous corresponding financial year: 10 sen per share) was paid on 3 July 2013 to every member who is entitled to receive the dividend as at 5.00 p.m. on 14 June 2013.

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

B10. Earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE QUARTER 3 MONTHS ENDED 30 JUNE	
	2013	2012	2013	2012
<u>Basic Earnings per share</u>				
Profit for the period attributable to owners of the Company (RM'000)	2,919	21,893	2,919	21,893
Weighted average number of ordinary shares in issue ('000')	801,727	801,716	801,727	801,716
Basic Earnings per share (sen)	0.364	2.73	0.364	2.73
<u>Diluted Earnings per share</u>				
Profit for the period attributable to owners of the Company (RM'000)	2,919	21,893	2,919	21,893
Weighted average number of ordinary shares ('000')	801,727	801,716	801,727	801,716
Effect of dilution:				
-Warrants	13,206	14,660	13,206	14,660
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	814,933	816,376	814,933	816,376
Diluted Earnings per share (sen)	0.358	2.68	0.358	2.68

B11. Disclosure of Realised and Unrealised Retained Profits/(Accumulated Losses)

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

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B11. Disclosure of Realised and Unrealised Retained Profits/(Accumulated Losses) (cont'd)

	As at 30 June 2013 RM'000	As at 31 March 2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	890,224	940,601
- Unrealised (Note 1)	(168,872)	(166,228)
	721,352	774,373
Less: Consolidation adjustments (Note 2)	(100,839)	(100,658)
Total Group retained profits	620,513	673,715

Note 1 The unrealised retained profits/(accumulated losses) are mainly deferred tax provisions, and translation gains/losses on monetary items denominated in a currency other than the functional currency.

Note 2 Consolidation adjustments are mainly elimination of pre-acquisition profits or losses, fair value adjustments arising from the business combination and non-controlling interests' share of retained profits or accumulated losses.

B12. Notes to the Condensed Statement of Comprehensive Income

The following amounts have been debited/(credited) in arriving at profit before taxation:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE QUARTER 3 MONTHS ENDED 30 JUNE	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest income	(1,310)	(2,011)	(1,310)	(2,011)
Net foreign exchange losses	6,463	5,914	6,463	5,914
Other income	(394)	(525)	(394)	(525)
Finance cost	1,341	339	1,341	339
Depreciation and amortisation	10,033	7,129	10,033	7,129

The above disclosure was prepared in accordance with the paragraph 16 of Appendix 9B of the Main Listing Requirements ("MLR") issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MLR are not applicable to the Group.