



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

**Interim Financial Report
For the first quarter ended 31 December 2011**



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

The Directors are pleased to announce the unaudited financial results of the Group for the first quarter ended 31 December 2011.

Condensed Consolidated Income Statement For the first quarter ended 31 December 2011

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	2,923,177	2,422,980	2,923,177	2,422,980
Operating expenses	(2,465,364)	(2,026,914)	(2,465,364)	(2,026,914)
Other operating income	21,601	4,865	21,601	4,865
Finance costs	(19,528)	(16,802)	(19,528)	(16,802)
Share of results of associates	3,319	8,150	3,319	8,150
Profit before taxation	463,205	392,279	463,205	392,279
Tax expense	(105,395)	(74,827)	(105,395)	(74,827)
Net profit for the period	<u>357,810</u>	<u>317,452</u>	<u>357,810</u>	<u>317,452</u>
Attributable to:-				
Equity holders of the Company	340,985	304,186	340,985	304,186
Non-controlling interests	<u>16,825</u>	<u>13,266</u>	<u>16,825</u>	<u>13,266</u>
	<u>357,810</u>	<u>317,452</u>	<u>357,810</u>	<u>317,452</u>
	Sen	Sen	Sen	Sen
Earnings per share - Basic	<u>32.02</u>	<u>28.56</u>	<u>32.02</u>	<u>28.56</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A - Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011.

**KUALA LUMPUR KEPONG BERHAD**

(15043-V)
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**Condensed Consolidated Statement of Comprehensive Income
For the first quarter ended 31 December 2011**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	<u>357,810</u>	<u>317,452</u>	<u>357,810</u>	<u>317,452</u>
Other comprehensive income/(loss)				
Foreign currency translation differences	(73,687)	35,219	(73,687)	35,219
Net change in fair value of available-for-sale investments	7,797	93,113	7,797	93,113
Reclassification adjustment for surplus on disposal of available-for-sale investments	<u>(4,412)</u>	<u>-</u>	<u>(4,412)</u>	<u>-</u>
Total other comprehensive (loss)/income for the period	<u>(70,302)</u>	<u>128,332</u>	<u>(70,302)</u>	<u>128,332</u>
Total comprehensive income for the period	<u><u>287,508</u></u>	<u><u>445,784</u></u>	<u><u>287,508</u></u>	<u><u>445,784</u></u>
Attributable to:-				
Equity holders of the Company	272,966	430,589	272,966	430,589
Non-controlling interests	<u>14,542</u>	<u>15,195</u>	<u>14,542</u>	<u>15,195</u>
	<u><u>287,508</u></u>	<u><u>445,784</u></u>	<u><u>287,508</u></u>	<u><u>445,784</u></u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011.



KUALA LUMPUR KEPONG BERHAD

(15043-V)
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Condensed Consolidated Statement of Financial Position

As at 31 December 2011

(The figures have not been audited.)

	31 December 2011	30 September 2011
	RM'000	RM'000
Assets		
Property, plant and equipment	2,899,924	2,886,437
Prepaid lease payments	163,111	164,139
Biological assets	1,814,954	1,836,811
Land held for property development	226,556	223,693
Goodwill on consolidation	295,625	304,266
Intangible assets	30,993	33,473
Investment in associates	91,890	92,521
Available-for-sale investments	559,989	559,704
Other receivable	64,716	61,940
Deferred tax assets	29,244	29,399
Total non-current assets	<u>6,177,002</u>	<u>6,192,383</u>
Inventories	1,502,752	1,673,013
Biological assets	1,900	4,752
Trade and other receivables	1,353,339	1,366,751
Tax recoverable	6,802	10,164
Property development costs	22,896	30,930
Derivative financial assets	9,578	21,709
Cash and cash equivalents	<u>2,043,379</u>	<u>1,670,156</u>
Total current assets	<u>4,940,646</u>	<u>4,777,475</u>
Total assets	<u>11,117,648</u>	<u>10,969,858</u>
Equity		
Share capital	1,067,505	1,067,505
Reserves	<u>6,292,557</u>	<u>6,019,591</u>
	7,360,062	7,087,096
Less: Cost of treasury shares	<u>(13,447)</u>	<u>(13,447)</u>
Total equity attributable to equity holders of the Company	7,346,615	7,073,649
Non-controlling interests	<u>406,964</u>	<u>392,422</u>
Total equity	<u>7,753,579</u>	<u>7,466,071</u>
Liabilities		
Deferred tax liabilities	247,486	245,732
Provision for retirement benefits	214,906	224,747
Borrowings	<u>820,065</u>	<u>525,766</u>
Total non-current liabilities	<u>1,282,457</u>	<u>996,245</u>
Trade and other payables	764,411	768,178
Borrowings	1,170,450	1,563,830
Tax payable	116,090	113,927
Derivative financial liabilities	30,661	61,607
Total current liabilities	<u>2,081,612</u>	<u>2,507,542</u>
Total liabilities	<u>3,364,069</u>	<u>3,503,787</u>
Total equity and liabilities	<u>11,117,648</u>	<u>10,969,858</u>
Net assets per share attributable to equity holders of the Company (RM)	6.90	6.64

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011.



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Condensed Consolidated Statement of Changes in Equity For the first quarter ended 31 December 2011

(The figures have not been audited.)

	← Attributable to the equity holders of the Company →								Non-controlling interests	Total Equity	
	Share capital	Capital reserve	Revaluation reserve	Capital redemption reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Treasury shares			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2011	1,067,505	1,018,204	81,121	55,742	206,751	(16,007)	4,673,780	(13,447)	7,073,649	392,422	7,466,071
Profit for the period	-	-	-	-	-	-	340,985	-	340,985	16,825	357,810
Net change in fair value of available-for-sale investments	-	-	-	-	-	7,797	-	-	7,797	-	7,797
Reclassification adjustment for surplus on disposal of available-for-sale investments	-	-	-	-	-	(4,412)	-	-	(4,412)	-	(4,412)
Currency translation differences	-	(154)	-	-	(71,250)	-	-	-	(71,404)	(2,283)	(73,687)
Total comprehensive income for the period	-	(154)	-	-	(71,250)	3,385	340,985	-	272,966	14,542	287,508
At 31 December 2011	1,067,505	1,018,050	81,121	55,742	135,501	(12,622)	5,014,765	(13,447)	7,346,615	406,964	7,753,579
At 1 October 2010											
As previously stated	1,067,505	1,017,861	81,121	27,841	44,434	-	3,779,889	(13,447)	6,005,204	320,145	6,325,349
Effect of adopting FRS 139	-	-	-	-	-	23,578	1,053	-	24,631	467	25,098
As restated	1,067,505	1,017,861	81,121	27,841	44,434	23,578	3,780,942	(13,447)	6,029,835	320,612	6,350,447
Profit for the period	-	-	-	-	-	-	304,186	-	304,186	13,266	317,452
Net change in fair value of available-for-sale investments	-	-	-	-	-	93,113	-	-	93,113	-	93,113
Currency translation differences	-	131	-	-	33,159	-	-	-	33,290	1,929	35,219
Total comprehensive income for the period	-	131	-	-	33,159	93,113	304,186	-	430,589	15,195	445,784
Rights issue to non-controlling interests	-	-	-	-	-	-	-	-	-	24,254	24,254
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(8,263)	(8,263)
At 31 December 2010	1,067,505	1,017,992	81,121	27,841	77,593	116,691	4,085,128	(13,447)	6,460,424	351,798	6,812,222

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011.

**KUALA LUMPUR KEPONG BERHAD**

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**Condensed Consolidated Statement of Cash Flows
For the first quarter ended 31 December 2011**

(The figures have not been audited.)

	3 months ended	
	31 December	
	2011	2010
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	463,205	392,279
Adjustment for non-cash flow:-		
Non-cash items	47,787	135,162
Non-operating items	5,997	9,732
Operating profit before working capital changes	516,989	537,173
Working capital changes:-		
Net change in current assets	157,493	(593,617)
Net change in current liabilities	(457)	138,649
Cash generated from operations	674,025	82,205
Interest paid	(22,913)	(20,735)
Tax paid	(96,239)	(69,209)
Retirement benefits paid	(4,025)	(4,327)
Net cash generated from/(used in) operating activities	550,848	(12,066)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(73,108)	(57,645)
Purchase of leasehold land	(854)	(1,220)
Plantation development expenditure	(38,348)	(24,856)
Property development expenditure	(2,863)	(1,692)
Purchase of available-for-sale investments	(7,676)	(2,811)
Purchase of intangible assets	(5)	(2,929)
Proceeds from sale of property, plant and equipment	1,262	490
Compensation from government on land acquired	-	455
Proceeds from sale of available-for-sale investments	14,908	16,238
Repayment from an associate	82	15
Dividends received from associates	962	1,322
Dividends received from investments	9,148	5,852
Interest received	5,307	3,125
Net cash used in investing activities	(91,185)	(63,656)
Cash Flows from Financing Activities		
Term loans received	323,755	10,915
Repayment of term loans	(267,628)	(36,065)
(Repayment)/Drawdown of short term borrowings	(133,288)	405,167
Dividends paid to non-controlling interests	-	(8,263)
Rights issue of shares to non-controlling interests	-	24,254
Increase in other receivable	(3,523)	(1,360)
Net cash (used in)/generated from financing activities	(80,684)	394,648
Net increase in cash and cash equivalents	378,979	318,926
Cash and cash equivalents at 1 October	1,655,377	1,220,882
	2,034,356	1,539,808
Currency translation differences on opening balance	(4,655)	3,541
Cash and cash equivalents at 31 December	2,029,701	1,543,349

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2011.



Notes to Interim Financial Report

A Explanatory Notes as required by FRS 134

A1. Basis of Preparation

The Interim Financial Report is unaudited and has been prepared in compliance with Financial Reporting Standard ("FRS") 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB"). The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2011.

The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the audited financial statements for the year ended 30 September 2011 except for the adoption of the following new FRSs, amendments and IC Interpretations:-

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards*
 - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2 *Share-based Payment: Group Cash-settled Share-based Payment Transactions*
- Amendments to FRS 7 *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
- IC Interpretation 4 *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18 *Transfers of Assets from Customers*
- Amendments to FRSs contained in the document entitled "*Improvements to FRSs (2010)*"

Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
- *Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)*

Amendments to FRS 2, IC Interpretation 18 and 19 are not applicable to the Group.

The application of the other amendments to FRSs and IC Interpretations has no significant effect to the financial statements of the Group.

A2. Seasonal and Cyclical Factors

The Group's plantation operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices. The business of its retailing sector is subject to seasonal sales.

A3. Unusual Items

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

A4. Changes in Estimates

There were no significant changes in the amount of estimates reported in prior interim periods or prior financial years that have a material effect in the current interim period.

A5. Changes in Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the current financial year to-date.

A6. Dividends Paid

There were no dividends paid during the financial quarter ended 31 December 2011 (31 December 2010: Nil).



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Notes to Interim Financial Report

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A7. Segment Information

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure.

(a) Segment revenue and results

	Plantations	Manufacturing	Retailing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended							
31 December 2011							
Revenue							
External revenue	1,306,762	1,280,092	276,624	29,319	30,380	-	2,923,177
Inter-segment revenue	142,363	1,833	-	-	9,084	(153,280)	-
Total revenue	1,449,125	1,281,925	276,624	29,319	39,464	(153,280)	2,923,177
Results							
Operating results	389,025	4,525	58,144	6,095	21,026	-	478,815
Interest income	38	947	110	171	7,349	(2,302)	6,313
Finance costs	(107)	(7,768)	(1,534)	-	(12,421)	2,302	(19,528)
Share of results of associates	2,714	58	-	547	-	-	3,319
Segment results	391,670	(2,238)	56,720	6,813	15,954	-	468,919
Corporate expense							(5,714)
Profit before taxation							463,205
3 months ended							
31 December 2010							
Revenue							
External revenue	1,077,990	1,055,539	271,142	351	17,958	-	2,422,980
Inter-segment revenue	178,531	2,242	53	-	9,904	(190,730)	-
Total revenue	1,256,521	1,057,781	271,195	351	27,862	(190,730)	2,422,980
Results							
Operating results	311,606	21,103	55,054	(505)	8,150	-	395,408
Interest income	21	481	16	205	5,278	(2,158)	3,843
Finance costs	(328)	(6,016)	(1,444)	-	(11,172)	2,158	(16,802)
Share of results of associates	3,254	3,930	-	699	267	-	8,150
Segment results	314,553	19,498	53,626	399	2,523	-	390,599
Corporate income							1,680
Profit before taxation							392,279



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Notes to Interim Financial Report

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(b) Segment assets

	Plantations	Manufacturing	Retailing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2011						
Operating assets	4,253,389	3,642,178	474,250	361,528	2,258,367	10,989,712
Associates	58,610	3,675	-	16,264	13,341	91,890
Segment assets	<u>4,311,999</u>	<u>3,645,853</u>	<u>474,250</u>	<u>377,792</u>	<u>2,271,708</u>	<u>11,081,602</u>
Tax assets						36,046
Total assets						<u>11,117,648</u>
As at 30 September 2011						
Operating assets	4,271,039	3,712,760	440,075	360,140	2,053,760	10,837,774
Associates	59,741	3,640	-	15,717	13,423	92,521
Segment assets	<u>4,330,780</u>	<u>3,716,400</u>	<u>440,075</u>	<u>375,857</u>	<u>2,067,183</u>	<u>10,930,295</u>
Tax assets						39,563
Total assets						<u>10,969,858</u>

A8. Event Subsequent to Balance Sheet Date

In the interval between the end of the reporting period and the date of this report, no material events have arisen which have not been reflected in the interim financial statements.

A9. Changes in the Composition of the Group

- (a) Crabtree & Evelyn (Hong Kong) Ltd, a wholly-owned subsidiary, had incorporated a new wholly-owned subsidiary, namely, Crabtree & Evelyn (Shanghai) Ltd in the People's Republic of China in December 2011.

Crabtree & Evelyn (Shanghai) Ltd with a registered capital of Rmb1 million will undertake the sale of Crabtree & Evelyn products in the People's Republic of China.

- (b) The following wholly-owned subsidiaries of the Company, which have become dormant following the completion of a Group internal restructuring exercise, will be wound-up by way of a members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965:

- (i) Gocoa Sdn Bhd
- (ii) Golden Peak Development Sdn Bhd
- (iii) Ladang Finari Sdn Bhd
- (iv) Ladang Sumundu (Sabah) Sdn Bhd
- (v) Sy Kho Trading Plantation Sdn Bhd
- (vi) Syarikat Swee Keong (Sabah) Sdn Bhd

The aforesaid members' voluntary winding-up will not have any effect on the share capital and shareholding structure of the company nor have any material operational and financial impact on the net assets, earnings and gearing of the Group for the financial year ending 30 September 2012.

There were no other material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations during the current quarter under review.

A10. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet date.



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Notes to Interim Financial Report

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A11. Capital Commitments

	31 December 2011	30 September 2011
	<u>RM'000</u>	<u>RM'000</u>
Capital expenditure		
Approved and contracted for	373,016	390,305
Approved but not contracted for	<u>1,122,170</u>	<u>1,315,996</u>
	<u>1,495,186</u>	<u>1,706,301</u>
Acquisition of shares in subsidiaries		
Approved and contracted for	<u>6,013</u>	<u>6,013</u>

A12. Significant Related Party Transactions

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions not more materially different from those obtainable in transactions with unrelated parties.

	<u>Cumulative Quarter</u> 3 months ended 31 December	
	2011	2010
	<u>RM'000</u>	<u>RM'000</u>
(i) Transactions with associates		
Purchase of goods	1,319	1,938
Research and development services paid	<u>1,782</u>	<u>1,308</u>
(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
Sale of goods		
Mitsui & Co Ltd	<u>21,514</u>	<u>18,643</u>
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	1,319	1,023
Bukit Katho Estate Sdn Bhd	2,304	2,274
Kampar Rubber & Tin Co Sdn Bhd	4,118	4,111
Malay Rubber Plantations (M) Sdn Bhd	2,024	3,646
PT Agro Makmur Abadi	14,700	11,708
PT Safari Riau	5,795	5,927
PT Satu Sembilan Delapan	8,895	6,269
PT Taiko Persada Indoprima	4,085	4,460
Taiko Fertiliser Marketing Sdn Bhd	7,612	6,579
Taiko Marketing Sdn Bhd	<u>4,721</u>	<u>3,027</u>

**Notes to Interim Financial Report**

(Continued)

B Explanatory Notes as required by the BMSB Revised Listing Requirements**B1. Analysis of Performance****1st Quarter FY2012 vs 1st Quarter FY2011**

For the current quarter, the Group's pre-tax profit rose 18.1% to RM463.2 million compared to the same quarter last year. The Group's revenue improved 20.6% to RM2.92 billion. Comments on the business sectors are as follows:-

- (i) Plantations profit climbed 24.5% to RM391.7 million on the back of a higher revenue of RM1.31 billion (1QFY2011: RM1.08 billion). Despite the increase in cost of production due to inflationary pressures and the negative effect of the Indonesian export duty on our crude palm oil production in Indonesia, the improved performance of this sector was attributed to:-
- Higher selling prices achieved for crude palm oil and rubber.
 - Higher FFB production.
 - Improved contribution from refinery operations with better margins.
 - Lower FRS 139's fair value loss of RM2.3 million (1QFY2011: loss RM45.1 million).

The average commodity prices achieved were as follows:-

	<u>1QFY2012</u>	<u>1QFY2011</u>
Crude Palm Oil (RM/mt ex-mill)	2,753	2,678
Palm Kernel (RM/mt ex-mill)	1,582	1,762
Rubber (RM/kg net of cess)	14.10	11.78

- (ii) The oleochemical division delivered a 21.2% growth in revenue to RM1.24 billion as a result of improved sales volume. Increase in raw material cost had pushed up selling prices but margins were squeezed by tough competition and a difficult macroeconomic landscape. The recent change in the export duty structure of palm products in Indonesia had resulted in their oleochemical producers having an advantage of a 15% lower raw material cost. As a result, the profit margins for the Malaysian oleochemical producers had been grossly reduced. This division ended the quarter with a lower profit of RM3.9 million (1QFY2011: profit RM23.1 million). The fair value loss of FRS 139 had decreased to RM13.0 million (1QFY2011: loss RM50.3 million).
- (iii) Retailing sector reported a 5.8% improvement in profit to RM56.7 million which was achieved through better margins and slightly higher revenue.
- (iv) Properties sector's profit of RM6.8 million was largely derived from the recognition of profit from 2 phases of the new project, Bandar Seri Coalfields in Sg Buloh, Selangor.

B2. Variation of Results to Preceding Quarter**1st Quarter FY2012 vs 4th Quarter FY2011**

The Group recorded a 22.7% decline in the 1st quarter pre-tax profit to RM463.2 million. The previous quarter's result was boosted by the non-recurring surplus of RM200.6 million derived from the disposal of an associate, Esterol Sdn Bhd.

Plantations profit fell 12.5% to RM391.7 million caused by softened commodity prices and higher production cost. Whilst FFB production was comparable to the previous quarter, fair value loss from FRS 139 had reduced to RM2.3 million (4QFY2011: loss RM27.1 million). The average commodity prices achieved were as follows:-

	<u>1QFY2012</u>	<u>4QFY2011</u>
Crude Palm Oil (RM/mt ex-mill)	2,753	2,975
Palm Kernel (RM/mt ex-mill)	1,582	1,839
Rubber (RM/kg net of cess)	14.10	14.79



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(Continued)

The oleochemical division achieved a lower profit of RM3.9 million (4QFY2011: loss RM31.3 million). The 4th quarter's result of FY2011 was impacted by substantial stocks write-down of RM78.6 million and FRS 139's fair value loss of RM32.6 million. However, the current quarter's fair value loss for FRS 139 was lower at RM13.0 million. Revenue had dropped 14.5% to RM1.24 billion which was constrained by softening demand resulting from the persistent weak global macroeconomic environment. The 1st quarter was also a seasonal low period with customers trying to keep lower stocks level at the calendar year-end. Volatility in palm oil prices, in particular palm kernel oil, had also impacted the demand with customers becoming hesitant on committing new orders.

Retailing sector registered a profit of RM56.7 million as against the preceding quarter's loss of RM2.8 million. The year-end festive season in the 1st quarter had pushed up sales with revenue improving to RM276.6 million (4QFY2011: RM135.3 million).

B3. Current Year Prospects

Despite the uncertain economic environment, the prevailing palm oil price has held on reasonably well, supported by strong fundamentals and the drought situation in South America, India and China. With our crude palm products prices reasonably hedged by forward sales and the expectation of higher FFB production, the Group anticipates good plantations profit for the current financial year.

The performance of the oleochemical division is expected to recover for the remainder of the financial year owing to the accelerated drive for efficiency and productivity improvements. The negative effect of the Indonesian export duty structure for palm products on our oleochemical business will be mitigated by our Indonesian oleochemical plant which is expected to come on-stream in the next financial year.

The properties sector anticipates better results on the recognition of profits from the launches of its new project for the current financial year.

Overall, the Group's profit performance for the current financial year is expected to be satisfactory.

B4. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial year to-date.

B5. Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	74,493	58,456	74,493	58,456
Overseas taxation	29,079	35,175	29,079	35,175
	<u>103,572</u>	<u>93,631</u>	<u>103,572</u>	<u>93,631</u>
Deferred tax				
Relating to origination and reversal of temporary differences	1,870	(16,237)	1,870	(16,237)
Relating to changes in tax rate	(48)	-	(48)	-
	<u>1,822</u>	<u>(16,237)</u>	<u>1,822</u>	<u>(16,237)</u>
	105,394	77,394	105,394	77,394
Under/(Over) provision in respect of previous years				
Malaysian taxation	1	(2,593)	1	(2,593)
Overseas taxation	-	26	-	26
	<u>1</u>	<u>(2,567)</u>	<u>1</u>	<u>(2,567)</u>
	<u>105,395</u>	<u>74,827</u>	<u>105,395</u>	<u>74,827</u>

The effective tax rates for the current quarter and financial year-to-date are lower than the statutory tax rate mainly due to utilisation of previously unrecognised tax losses by certain subsidiaries.



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B6. Status of Corporate Proposals Announced

There were no corporate proposals announced.

B7. Group Borrowings

As at the end of the reporting period, the Group's borrowings were as follows:-

	31 December 2011		30 September 2011	
	RM'000	Amount in Foreign Currency '000	RM'000	Amount in Foreign Currency '000
(a) Repayable within 12 months:-				
(i) Term Loans				
- Secured	1,871	Rmb3,716	1,855	Rmb3,716
- Unsecured	12,119	USD3,820	15,763	USD4,970
	22,075	GBP4,500	24,948	GBP5,007
	-		34,937	Rmb70,000
	4,373	AUD1,350	6,246	AUD2,000
	228	CAD73	265	CAD86
	89,541		89,539	
	<u>128,336</u>		<u>171,698</u>	
	<u>130,207</u>		<u>173,553</u>	
(ii) Islamic Medium Term Notes				
- Unsecured	<u>300,000</u>		<u>508,267</u>	
(iii) Bank Overdraft				
- Unsecured	9,124	GBP1,860	4,908	GBP985
	3,667	HKD8,989	3,399	HKD8,307
	437	USD137	417	USD130
	450	CAD145	6,055	CAD1,961
	<u>13,678</u>		<u>14,779</u>	
(iv) Short Term Borrowings				
- Unsecured	114,955	USD36,241	153,742	USD48,441
	7,301	Rmb14,500	7,986	Rmb16,000
	-		86,714	Euro20,000
	6,754	CHF2,000	17,772	CHF5,000
	132,454	GBP27,000	134,541	GBP27,000
	<u>465,101</u>		<u>466,476</u>	
	<u>726,565</u>		<u>867,231</u>	
Total repayable within 12 months	<u>1,170,450</u>		<u>1,563,830</u>	
(b) Repayable after 12 months:-				
(i) Term Loans				
- Secured	455	Rmb923	886	Rmb1,852
- Unsecured	94,942	USD30,000	77,456	USD24,520
	82,020	Euro20,000	86,714	Euro20,000
	342,648		360,710	
	<u>519,610</u>		<u>524,880</u>	
	<u>520,065</u>		<u>525,766</u>	
(ii) Islamic Medium Term Notes				
- Unsecured	<u>300,000</u>		-	
Total repayable after 12 months	<u>820,065</u>		<u>525,766</u>	

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B8. Derivative Financial Instruments

The forward foreign exchange contracts are entered into by the Group as hedges for committed sales and purchases denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on receipts and payments.

The commodity future contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the vegetable oil commodities.

As at 31 December 2011, the values and maturity analysis of the outstanding derivatives are as follows:-

<u>Derivatives</u>	Contract/Notional	Fair value
	Value Net long/(short)	Net gains/(losses)
	RM'000	RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	(1,533,987)	(12,431)
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	(135,504)	(8,652)
- 1 year to 3 years	-	-
- More than 3 years	-	-

With the adoption of FRS 139, derivative financial instruments are recognised at fair value on contract dates and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

For the current quarter ended 31 December 2011, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes.

B9. Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments.

B10. Material Litigation

There was no pending material litigation as at the date of this report.

B11. Dividend

(a) The Directors do not recommend the payment of dividend for the first quarter ended 31 December 2011 (31 December 2010: Nil).

(b) The total dividend for the current financial year to-date is Nil (31 December 2010: Nil).



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B12. Earnings Per Share

Basic earnings per share

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2011	2010	2011	2010
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	<u>340,985</u>	<u>304,186</u>	<u>340,985</u>	<u>304,186</u>
(b) Weighted average number of shares	<u>1,064,965,692</u>	<u>1,064,965,692</u>	<u>1,064,965,692</u>	<u>1,064,965,692</u>
(c) Earnings per share (sen)	<u>32.02</u>	<u>28.56</u>	<u>32.02</u>	<u>28.56</u>

B13. Audit Report

The audit report for the financial year ended 30 September 2011 was not subject to any qualifications.

B14. Profit Before Taxation

Profit before taxation is arrived at after charging and (crediting) the following:

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Interest income	(6,313)	(3,843)	(6,313)	(3,843)
Other income including dividend income	(28,819)	(8,092)	(28,819)	(8,092)
Interest expense	19,528	16,802	19,528	16,802
Depreciation and amortisation	62,236	56,988	62,236	56,988
Provision for and write-off of receivables	-	-	-	-
Provision for and write-off of inventories	21,069	1,079	21,069	1,079
Gain on disposal of quoted or unquoted investments	(5,650)	(8,998)	(5,650)	(8,998)
(Gain)/Loss on disposal of properties	-	-	-	-
Surplus arising from government acquisition of land	-	(705)	-	(705)
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	28,431	459	28,431	459
(Gain)/Loss on derivatives	(20,914)	125,482	(20,914)	125,482
Exceptional items	-	-	-	-



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B15. Breakdown of Realised and Unrealised Profits or Losses

	31 December 2011	30 September 2011
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries		
- realised	5,439,300	4,946,150
- unrealised	(40,633)	20,511
	<u>5,398,667</u>	<u>4,966,661</u>
Total share of retained profits from associates		
- realised	34,435	32,373
- unrealised	(1,306)	(1,601)
	<u>33,129</u>	<u>30,772</u>
	5,431,796	4,997,433
Consolidation adjustments	(417,031)	(323,653)
Total group retained profits as per consolidated accounts	<u><u>5,014,765</u></u>	<u><u>4,673,780</u></u>

By Order of the Board
YAP MIOW KIEN
FAN CHEE KUM
Company Secretaries

22 February 2012