

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
Condensed Consolidated Income Statements

	Note	Quarter ended 31 Mar		3 months ei
		2007 RM'000	2006 RM'000	2007 RM'000
Revenue		99,498	88,429	99,498
Expenses excluding finance cost and tax		(96,107)	(81,804)	(96,107)
Loss on divestment		0	0	0
Other operating income		154	234	154
Profit from operations		3,545	6,859	3,545
Finance cost		(65)	(71)	(65)
Profit/(loss) before tax		3,480	6,788	3,480
Taxation	10	(1,084)	(1,715)	(1,084)
Net profit /(loss) for the period		2,396	5,073	2,396
Attributable to:				
- Equity holders of the parent		2,396	5,073	2,396
- Minority interest		0	0	0
		2,396	5,073	2,396
Basic earnings/(loss) per ordinary share (se	11	1.80	3.81	1.80
Diluted earnings/(loss) per ordinary share (s	11	1.80	3.81	1.80

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006)

ended 31 Mar
2006
RM'000

88,429

(81,804)

0

234

6,859

(71)

6,788

(1,715)

5,073

5,073

0

5,073

3.81

3.81

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
Condensed Consolidated Balance Sheet

		AS AT END OF CURRENT QUARTER 31-Mar-07 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-06 RM'000
	Note		
Non current assets			
Property, plant and equipment	13	102,784	105,333
Prepaid lease payments		0	
Deferred tax assets		3,120	3,228
Goodwill		0	0
Current assets			
Inventories		72,460	69,214
Receivables, deposits and prepayments		49,961	39,804
Deposits, cash and bank balances		23,759	31,223
		146,180	140,241
Less: Current liabilities			
Trade and other payables		21,030	19,931
Current tax liabilities		45	45
		21,075	19,976
Net current assets		125,105	120,265
Less: Non current liabilities			
Provision for retirement benefits		4,681	4,552
Deferred tax liabilities		16,408	16,752
		21,089	21,304
		209,920	207,522
Capital and reserves			
Share capital		134,331	134,329
Reserves		75,589	73,193
		209,920	207,522
Minority interest		0	0
Total equity		209,920	207,522
NTA		1.57	1.56

(The Condensed Consolidated Balance Sheet should be read in conjunction with the

Annual Financial Report for the year ended 31 December 2006)

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
Condensed Consolidated Statement of Changes In Equity

		<u>Non-distributable</u> Revaluation				
	Share capital RM'000	Share premium RM'000	and other reserves RM'000	Revenue reserve RM'000	Minority interests RM'000	
Note						
Balance as at 1 January 2007	134,329	4,112	3,275	65,806	0	
Net profit for the 3-month period				2,396	0	
Dividends				0		
Share buyback-treasury shares						
Share issued - exercise of share options	2					
Acquisition of minority interest						
Goodwill written off						
Balance as at 31 Mar 2007	134,331	4,112	3,275	68,202	0	
Balance as at 1 January 2006	134,065	4,094	7,308	66,231	16,215	
Net profit for the 3-month period				5,073	0	
Dividends			(1)			
Share buyback-treasury shares						
Share issued - exercise of share options						
Acquisition of minority interest					(16,215)	
Goodwill written off						
Balance as at 31 Mar 2006	134,065	4,094	7,307	71,304	0	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006)

**Total
RM'000**

207,522

2,396

0

0

2

0

0

209,920

227,913

5,073

(1)

0

0

(16,215)

0

216,770

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
Condensed Consolidated Cash Flow Statement

	3 months ended 31 Mar	
	2007	2006
	RM'000	RM'000
Operating activities		
Cash from operations	(5,628)	(26,101)
Interest paid	0	0
Payment of retirement benefits	(110)	(21)
Payment of voluntary separation scheme cost	0	0
Tax paid	(1,375)	(1,828)
Net cash flow from operating activities	(7,113)	(27,950)
Investing activities		
Purchase of fixed assets	(483)	(912)
Proceeds from sale of fixed assets	0	0
Land disposal costs	0	0
Proceed from disposal of subsidiary	0	0
Interest income received	130	229
Addition investment in subsidiary	0	(20,247)
Net cash flow from investing activities	(353)	(20,930)
Financing activities		
Proceeds from issue of ordinary shares	2	0
Payment of dividends to:		
- shareholders	0	0
- minority interests in subsidiary company	0	0
Share buy back	0	(1)
Interest paid	0	0
Net cash outflow from financing activities	2	(1)
Changes in Cash & Cash Equivalents	(7,464)	(48,881)
Cash & Cash Equivalents at beginning of year	31,223	71,519
Cash & Cash Equivalents at end of period	23,759	22,638

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006)

ALUMINIUM COMPANY OF MALAYSIA BERHAD (ALCOM) (Co. No. 3859-U)
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THREE MONTHS
ENDED 31 MARCH 2007**

A Financial Reporting Standards (“FRS”) 134

A.1 Accounting policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Company are in compliance with the Malaysian Financial Reporting Standards (FRSs) and other interpretations effective for financial statement commencing 1 Jan 2007.

A.2 Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report on the annual financial statements for the year ended 31 Dec 2006.

A.3 Seasonality or Cyclicity of Interim Operations

One of the products that the ALCOM Group manufactures and sells is finstock (both bare and coated). This product is supplied to air conditioner manufacturers, in which sector demand is increasingly subject to seasonal changes.

A.4 Unusual items affecting assets, liabilities, equity, net income, or cash flow

During the quarter under review, there were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group.

A.5 Materials changes in estimates

There were no significant changes in estimates that have had a material effect in current quarter ended 31 March 2007.

A.6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

The Company did not do any share buy-back during the quarter under review. As at 31 March 2007, a total of 1,046,800 ALCOM shares (being the total number of such shares purchased between 18 September 2001 and 26 January 2006) were held by the Company as treasury shares.

In the same quarter, the Company did not issue or repay any debt or equity securities.

The movement of ALCOM's Employee Share Option Scheme during the quarter was as follows:-

	Number of options with exercise price of RM2.48/share	Number of options with exercise price of RM1.07/share	Total
Balance as at 31.12.2006	1,691,000	40,000	1,731,000
Granted during qtr	-	-	-
Exercised during qtr	-	2,000	2,000
Lapsed during qtr	7,000	-	7,000
Balance as at 31.03.2007	1,684,000	38,000	1,722,000

A.7 Dividends paid

There were no dividends paid during the quarter under review.

A.8 Segmental report

The ALCOM Group is solely involved in the manufacturing of aluminium products and operates within Malaysia.

A.9 Valuation of Property, Plant and Equipment

Property, Plant and Equipment: The valuation of land and buildings has been brought forward, without amendments from the financial statements for the year ended 31 December 2006.

A.10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the quarter in which this report is made.

A.11 Changes in the composition of the Group

ALCOM announced to the Bursa on 27 April 2007, that it had been notified by its parent company Novelis Inc., that it had signed an agreement to enter into a Plan of Arrangement with Hindalco Industries Limited ("Hindalco"). According to the terms of this arrangement and subject to shareholder approval and certain regulatory approvals, Hindalco, through its wholly-owned subsidiary, AV Metals Inc. ("AV") would acquire Novelis in an all-cash transaction (the "Transaction") which values Novelis at approximately US\$6.0 billion, including approximately US\$2.4 billion of debt. ..

On 11 May 2007, ALCOM announced that it had been notified that the Malaysian Securities Commission had on 10 May 2007 confirmed that Practice 2.2 of the Malaysian Code on Take-Overs and Mergers, 1998 does not apply to AV and the parties acting in concert with it ("PACs") where AV and the PAC proposes to acquire the entire equity interests in Novelis.

The acquisition of the entire equity interests in Novelis Inc. by AV was completed on 15 May 2007.

A.12 Changes in contingent liabilities or contingent assets

The ALCOM Group has no contingent liabilities or contingent assets as at end of the quarter.

B BMSB Listing Requirements (Part A of Appendix 9B)

B.1 Review of Performance

Group revenue of RM99.5 million for the quarter increased by 14.2% as compared to preceding quarter. Revenues increased by 12.5% over the corresponding quarter in the preceding year on the back of higher metal prices as well as a 3.5% increase in shipments.

Group net profit before tax for the quarter was RM3.5 million as compared to RM1.8 million attained in the preceding quarter and was RM3.3 million lower compared to the corresponding quarter of 2006. The continued weakening of the USD against the Malaysian Ringgit had an adverse impact on profitability the impact of weakening USD.

As at end of the quarter under review, ALCOM's cash reserves stood at RM23.8 million as compared to RM31.2 million at the end of preceding quarter in 2006. The lower cash reserve was principally due to higher working capital requirements.

B.2 Material changes in profit before taxation for the quarter as compared with the preceding quarter.

The Group's pre-tax profit for the quarter ended 31 March 2007 of RM3.5 million was significantly higher than the RM1.8 million attained in the preceding quarter and was principally due to increase in shipment and better product mix.

B.3 Prospects for the current financial year.

The rapid strengthening of the Ringgit continues to affect margins as exports constitute a significant portion of ALCOM's shipments. Chinese competitors are also taking advantage of cheap metal prices in their home country to compete aggressively in some of our markets. In the face of these challenges, ALCOM has been stepping up its continuous improvement initiative to help the Group maintain its profitability for the year.

B.4 Variance of actual profit from forecast profit

Not applicable.

B.5 Taxation

	Quarter ended 31 March		3 months ended 31 March	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	1,320	2,035	1,320	2,035
-deferred tax	(236)	(320)	(236)	(320)
In respect of prior period – income tax	0	0	0	0
	1,084	1,715	1,084	1,715

The reversal of deferred tax reversal during the quarter is due to the impact of lower tax rates for the years ahead.

B.6 Unquoted Investments

There were no profits or losses on sale of unquoted investments and/or properties for the current quarter and current financial year-to-date.

B.7 Quoted Investments

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

B.8 Status of Corporate Proposal

At the Company's last Annual General Meeting shareholders approved a new employee share option scheme (ESOS) to replace the existing ESOS. This new scheme will however only come into effect when the existing ESOS is terminated after consent is obtained from all existing option holders

B.9 Group borrowings

As at 31 December 2006, the ALCOM Group had no bank borrowings outstanding.

B.10 Off Balance Sheet Financial Instruments

Forward foreign exchange contracts

Besides using natural hedges, the ALCOM Group also enters into forward foreign currency exchange contracts to limit their exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

As at 22 May 2007, the notional amount of foreign exchange contracts that were entered into as hedges for sales amounted to RM 32.8 million. This amount represents the future cash flows receivable under contracts to sell Singapore Dollar and United States Dollars. The settlement dates of these forward contracts range between 1 to 3 months.

As at the same date, there were also notional amount of foreign exchange contracts that were entered into as hedges for purchases amounting to RM0.5 million. The amount represents the future cash flows payable under contracts to buy United States dollars. These contracts were due to mature within 1 month.

B.11 Changes in Material Litigation

Not applicable.

B.12 Approved Dividends Not Yet Paid

On the 9th May 2007, ALCOM announced to Bursa Malaysia, that the Board has approved payment of an interim dividend of 7.5% less 27% income tax in respect of the financial year ended 31 December 2007. The net dividend payable after tax amounting to approximately RM7.3 million will be paid on 15 June 2007.

B.13 Earnings per Share

		Quarter ended 31 Mar		3 months ended 31 Mar	
		2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000

(a) Basic earnings per share

Net profit/(loss) for the period	(RM,000)	2,396	5,073	2,396	5,073
Weighted average number of ordinary shares in issue	('000)	133,284	133,018	133,284	133,018
Basic earnings/(loss) per share	(sen)	1.80	3.81	1.80	3.81

(b) Diluted earnings per share

Net profit/(loss) for the period	(RM,000)	2,396	5,073	2,396	5,073
Weighted average number of ordinary shares in issue	('000)	133,284	133,018	133,284	133,018
Adjustment for share options	('000)	8	76	8	76
Weighted average number of ordinary shares for diluted earnings per share	('000)	133,292	133,094	133,292	133,094

Diluted earnings/(loss) per share	(sen)	1.80	3.81	1.80	3.81
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**BY ORDER OF THE BOARD
KRISHNA PRASAD
CHIEF FINANCIAL OFFICER
BUKIT RAJA, KLANG
29 MAY 2007**