

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

	Note	Quarter ended 30 Jun		6 months ended 30 Jun	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		112,902	107,256	212,400	195,685
Expenses excluding finance cost and tax		(106,891)	(101,532)	(202,998)	(183,336)
Loss on divestment		0	0	0	0
Other operating income		171	165	325	399
Profit from operations		6,182	5,889	9,727	12,748
Finance cost		(98)	(83)	(163)	(154)
Profit/(loss) before tax		6,084	5,806	9,564	12,594
Taxation	10	(1,662)	(1,085)	(2,746)	(2,800)
Net profit /(loss) for the period		4,422	4,721	6,818	9,794
Attributable to:					
- Equity holders of the parent		4,422	4,721	6,818	9,794
- Minority interest		0	0	0	0
		4,422	4,721	6,818	9,794
Basic earnings/(loss) per ordinary share (sen)	11	3.32	3.55	5.12	7.36
Diluted earnings/(loss) per ordinary share (sen)	11	3.32	3.54	5.12	7.36

(The Condensed Consolidated Income Statements 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 Balance Sheet

	AS AT END OF CURRENT QUARTER 30-Jun-07 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-06 RM'000
Non current assets		
Property, plant and equipment	13 100,823	105,333
Prepaid lease payments	0	
Deferred tax assets	3,092	3,228
Goodwill	0	0
Current assets		
Inventories	64,502	69,214
Receivables, deposits and prepayments	50,426	39,804
Deposits, cash and bank balances	33,200	31,223
	<hr/> 148,128	<hr/> 140,241
Less: Current liabilities		
Trade and other payables	23,696	19,931
Current tax liabilities	391	45
	<hr/> 24,087	<hr/> 19,976
Net current assets	<hr/> 124,041	<hr/> 120,265
Less: Non current liabilities		
Provision for retirement benefits	4,809	4,552
Deferred tax liabilities	16,102	16,752
	<hr/> 20,911	<hr/> 21,304
	<hr/> 207,045	<hr/> 207,522
Capital and reserves		
Share capital	134,331	134,329
Reserves	72,714	73,193
	<hr/> 207,045	<hr/> 207,522
Minority interest	0	0
Total equity	<hr/> 207,045	<hr/> 207,522
Net assets per share attributable to equity holders of the Company (RM)	1.55	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

	Note	<u>Non-distributable</u>			Revenue reserve	Minority interests	Total
		Share capital	Share premium	Revaluation and other reserves			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2007		134,329	4,112	3,275	65,806	0	207,522
Net profit for the 6-month period					6,818	0	6,818
Dividends					(7,297)		(7,297)
Share buyback-treasury shares							0
Share issued - exercise of share options	2						2
Acquisition of minority interest							0
Goodwill written off							0
Balance as at 30 June 2007		134,331	4,112	3,275	65,327	0	207,045
Balance as at 1 January 2006		134,065	4,094	7,308	66,231	16,215	227,913
Net profit for the 6-month period					9,794	0	9,794
Dividends					(7,193)		(7,193)
Share buyback-treasury shares				(1)			(1)
Share issued - exercise of share options	250		18				268
Acquisition of minority interest						(16,215)	(16,215)
Goodwill written off							0
Balance as at 30 Jun 2006		134,315	4,112	7,307	68,832	0	214,566

(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)

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

	6 months ended 30 June	
	2007	2006
	RM'000	RM'000
Operating activities		
Cash from operations	13,565	(17,686)
Interest paid	0	0
Payment of retirement benefits	(231)	(818)
Payment of voluntary separation scheme cost	0	0
Tax paid	(2,789)	(3,253)
Net cash flow from operating activities	10,545	(21,757)
Investing activities		
Purchase of fixed assets	(1,573)	(2,168)
Proceeds from sale of fixed assets	0	272
Land disposal costs	0	0
Proceed from disposal of subsidiary	0	0
Interest income received	300	356
Addition investment in subsidiary	0	(20,247)
Net cash flow from investing activities	(1,273)	(21,787)
Financing activities		
Proceeds from issue of ordinary shares	2	267
Payment of dividends to:		
- shareholders	(7,297)	(7,193)
- minority interests in subsidiary company	0	0
Share buy back	0	(1)
Interest paid	0	0
Net cash outflow from financing activities	(7,295)	(6,927)
Changes in Cash & Cash Equivalents	1,977	(50,471)
Cash & Cash Equivalents at beginning of year	31,223	71,519
Cash & Cash Equivalents at end of period	33,200	21,048

(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 30 June 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 30 June 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 30 June 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 31.03.2007	1,684,000	38,000	1,722,000
Granted during qtr	-	-	-
Exercised during qtr	-	-	-
Lapsed during qtr	121,000	-	121,000
Balance as at 30.06.2007	1,563,000	38,000	1,601,000

A.7 Dividends paid

Dividend already paid for the quarter ending 30 June 2007 and up to the date of this report is as follows:-

Financial Year	Type	Rate	Payment Date
2007	Interim	7.5% less 27% income tax	15 June 2007

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

With effect from 15 May 2007, ALCOM's ultimate holding company changed to Hindalco Industries Limited. This is as a result of the acquisition of the entire equity interests in Novelis Inc. (Alcom's immediate parent company) by AV Metals Inc., a wholly-owned subsidiary of Hindalco Industries Limited.

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 RM112.9 million for the quarter increased by 13.5% as compared to preceding quarter and 5.3% over the corresponding quarter in the preceding year due mainly to a 12% and 7.5% increase in shipments for the respective quarters mentioned.

Group net profit before tax for the quarter RM6.1 million as compared to RM3.5 million attained in the preceding quarter and was also RM0.3 million higher compared to the corresponding quarter of 2006.

As at end of the quarter under review, ALCOM's cash reserves stood at RM33.2 million as compared to RM23.8 million at the end of preceding quarter. Asides from the profits for the quarter working capital levels were reduced accounting for the increase in the cash reserves.

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 30 June 2007 of RM6.1 million was significantly higher than the RM3.5 million attained in the preceding quarter and was principally due to higher shipments as well as successful containment of costs.

B.3 Prospects for the current financial year.

As mentioned in the previous quarter, the strengthening of the Ringgit affects margins as exports constitute a significant portion of ALCOM's shipments. Chinese competitors meanwhile continue to benefit from cheap metal prices in their home country. To neutralize these adverse market factors and maintain profitability, ALCOM has stepped up its focus on operational excellence, and continues to make good progress in its various continuous improvement initiatives.

B.4 Variance of actual profit from forecast profit

Not applicable.

B.5 Taxation

	Quarter ended 30 June		6 months ended 30 June	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	1,940	1,500	3,260	3,535
-deferred tax	(278)	(355)	(514)	(675)
In respect of prior period – income tax	0	(60)	0	(60)
	1,662	1,085	2,746	2,800

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

Not applicable.

B.9 Group borrowings

As at quarter ending 30 Jun 2007, 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 27 August 2007, the notional amount of foreign exchange contracts that were entered into as hedges for sales amounted to RM 17.3 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 2 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 RM4.8 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

The Directors do not recommend any interim dividend for the current financial period under review.

B.13 Earnings per Share

Quarter ended 30 Jun		6 months ended 30 Jun	
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)	4,422	4,721	6,818	9,794
Weighted average number of ordinary shares in issue	('000)	133,284	133,172	133,284	133,095
Basic earnings/(loss) per share	(sen)	3.32	3.55	5.12	7.36

(b) Diluted earnings per share

Net profit/(loss) for the period	(RM,000)	4,422	4,721	6,818	9,794
Weighted average number of ordinary shares in issue	('000)	133,284	133,172	133,284	133,095
Adjustment for share options	('000)	8	41	8	59
Weighted average number of ordinary shares for diluted earnings per share	('000)	133,292	133,213	133,292	133,154
Diluted earnings/(loss) per share	(sen)	3.32	3.54	5.12	7.36

**BY ORDER OF THE BOARD
KRISHNA PRASAD
CHIEF FINANCIAL OFFICER
BUKIT RAJA, KLANG
28 AUGUST 2007**