



IOI GROUP

IOI CORPORATION BERHAD (9027-W)
(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
30 September 2012**

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Income Statement

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/12 RM'Million	30/09/11 RM'Million	30/09/12 RM'Million	30/09/11 RM'Million
Revenue	3,370.2	4,147.6	3,370.2	4,147.6
Operating profit	750.0	425.8	750.0	425.8
Share of results of associates	30.7	29.4	30.7	29.4
Share of results of jointly controlled entities	9.9	3.0	9.9	3.0
Profit before interest and taxation	790.6	458.2	790.6	458.2
Interest income	12.4	13.2	12.4	13.2
Finance cost	(72.2)	(47.3)	(72.2)	(47.3)
Profit before taxation	730.8	424.1	730.8	424.1
Taxation	(117.1)	(151.3)	(117.1)	(151.3)
Profit for the period	613.7	272.8	613.7	272.8
Profits attributable to:				
Owners of the Company	604.3	258.1	604.3	258.1
Non-controlling interests	9.4	14.7	9.4	14.7
	613.7	272.8	613.7	272.8
Earnings per share for profit attributable to owners of the Company (sen)				
Basic	9.44	4.02	9.44	4.02
Diluted	9.41	3.68	9.41	3.68

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/12 RM'Million	30/09/11 RM'Million	30/09/12 RM'Million	30/09/11 RM'Million
Profit for the period	613.7	272.8	613.7	272.8
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss when specific conditions are met				
Exchange differences on translation of foreign operations	(36.1)	21.8	(36.1)	21.8
Share of other comprehensive loss of associates	(0.2)	-	(0.2)	-
Other comprehensive (loss)/income for the period	(36.3)	21.8	(36.3)	21.8
Total comprehensive income for the period, net of tax	577.4	294.6	577.4	294.6
Total comprehensive income attributable to:				
Owners of the Company	568.0	279.9	568.0	279.9
Non-controlling interests	9.4	14.7	9.4	14.7
	577.4	294.6	577.4	294.6

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 30/09/12 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/12 RM'Million
ASSETS		
Non-current assets		
Property, plant & equipment	5,683.9	5,713.7
Prepaid lease payments	28.7	29.6
Land held for property development	2,541.4	1,858.9
Investment properties	1,383.7	1,326.7
Goodwill on consolidation	512.0	512.0
Associates	847.6	817.1
Jointly controlled entities	3,551.5	3,483.1
Derivative financial assets	59.1	67.1
Deferred tax assets	73.7	71.0
	<u>14,681.6</u>	<u>13,879.2</u>
Current assets		
Property development costs	389.5	362.4
Inventories	2,434.6	2,511.5
Receivables	1,491.0	1,704.0
Derivative financial assets	315.5	171.9
Other investments	78.7	75.2
Short term funds	1,733.0	1,775.2
Short term deposits	769.5	2,024.0
Cash and bank balances	1,336.0	561.5
	<u>8,547.8</u>	<u>9,185.7</u>
TOTAL ASSETS	<u><u>23,229.4</u></u>	<u><u>23,064.9</u></u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 30/09/12 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/12 RM'Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	642.9	642.7
Share premium	1,992.9	1,985.9
Other reserves	(96.0)	(58.6)
Treasury shares	(181.7)	(139.6)
Retained earnings	10,258.5	10,197.5
	<u>12,616.6</u>	<u>12,627.9</u>
Non-controlling interest	286.1	288.0
Total equity	<u>12,902.7</u>	<u>12,915.9</u>
Non-current liabilities		
Long term borrowings	7,019.7	7,291.7
Derivative financial liabilities	101.1	79.8
Other long term liabilities	147.5	147.3
Deferred tax liabilities	427.3	427.7
	<u>7,695.6</u>	<u>7,946.5</u>
Current liabilities		
Payables	1,497.1	1,114.7
Derivative financial liabilities	276.3	202.8
Short term borrowings	827.1	830.0
Provision for taxation	30.6	55.0
	<u>2,631.1</u>	<u>2,202.5</u>
Total liabilities	<u>10,326.7</u>	<u>10,149.0</u>
TOTAL EQUITY AND LIABILITIES	<u>23,229.4</u>	<u>23,064.9</u>
Net assets per share attributable to owners of the Company (RM)	1.97	1.97

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	3 Months Ended 30/09/2012 RM'Million	3 Months Ended 30/09/2011 RM'Million
Operating Activities		
Profit before taxation	730.8	424.1
Adjustments for:		
Depreciation	61.8	63.9
Other non-cash items	(294.4)	296.9
Operating profit before working capital changes	<u>498.2</u>	784.9
Decrease in inventories	55.6	168.2
Decrease in receivables and other assets	179.7	218.7
Decrease in payables and other liabilities	(164.1)	(128.4)
Cash generated from operations	<u>569.4</u>	1,043.4
Other payments	(1.0)	(1.1)
Taxes paid	(151.5)	(157.2)
Net cash inflow from operating activities	<u>416.9</u>	885.1
Investing Activities		
Dividends received	19.3	15.7
Interest received	5.4	8.4
Proceeds from disposal of land from compulsory acquisitions	3.7	13.0
Other receipts	2.7	0.2
Proceeds from disposal of property, plant and equipment	0.9	0.8
Proceeds from disposal of other investments	0.2	-
Additions to property, plant and equipment	(41.5)	(69.1)
Advances to jointly controlled entities	(48.1)	(25.9)
Additions to investment properties	(62.1)	(5.4)
Investment in land held for development	(691.4)	(22.2)
Proceeds from disposal of investment properties	-	1.2
Investments in jointly controlled entities	-	(12.3)
Deposits paid for the purchase of land	-	(83.0)
Proceeds from disposal of subsidiary	-	1.7
Net cash outflow from investing activities	<u>(810.9)</u>	(176.9)

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows (Continued)

	3 Months Ended 30/09/12 RM'Million	3 Months Ended 30/09/11 RM'Million
Financing Activities		
Issuance of shares	5.7	16.4
Advances from non-controlling interests	0.5	-
Net repayment of other borrowings	(2.6)	(84.1)
Dividends paid to non-controlling interests	(11.3)	-
Repurchase of shares	(42.1)	(129.0)
Payment of interest	(77.6)	(75.9)
Net cash outflow from financing activities	(127.4)	(272.6)
Net (decrease)/increase in cash and cash equivalents	(521.4)	435.6
Cash and cash equivalents at beginning of period	4,360.7	2,785.5
Effect of exchange rate changes	(0.8)	2.4
Cash and cash equivalents at end of period	3,838.5	3,223.5

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

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Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

(RM'Million)	Non-distributable					Distributable		Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total attributable to owners of the Company		
As at 1 July 2012	642.7	1,985.9	132.8	(191.4)	(139.6)	10,197.5	12,627.9	288.0	12,915.9
Total comprehensive income	-	-	-	(36.3)	-	604.3	568.0	9.4	577.4
Transactions with owners									
Dividend in respect of previous financial year	-	-	-	-	-	(543.3)	(543.3)	-	(543.3)
Issue of shares arising from exercise of share options	0.2	7.0	(1.5)	-	-	-	5.7	-	5.7
Repurchase of shares	-	-	-	-	(42.1)	-	(42.1)	-	(42.1)
Recognition of share option expenses	-	-	0.4	-	-	-	0.4	-	0.4
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(11.3)	(11.3)
As at 30 September 2012	642.9	1,992.9	131.7	(227.7)	(181.7)	10,258.5	12,616.6	286.1	12,902.7

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)



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(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity (Continued)

(RM'Million)	Non-distributable					Distributable		Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total attributable to owners of the Company		
As at 1 July 2011	641.6	1,944.3	142.1	(154.3)	-	9,425.5	11,999.2	262.2	12,261.4
Total comprehensive income	-	-	-	21.8	-	258.1	279.9	14.7	294.6
Transactions with owners									
Dividend in respect of previous financial year	-	-	-	-	-	(575.6)	(575.6)	-	(575.6)
Issue of shares arising from exercise of share options	0.6	20.2	(4.4)	-	-	-	16.4	-	16.4
Repurchase of share	-	-	-	-	(129.0)	-	(129.0)	-	(129.0)
Recognition of share option expenses	-	-	1.1	-	-	-	1.1	-	1.1
As at 30 September 2011	642.2	1,964.5	138.8	(132.5)	(129.0)	9,108.0	11,592.0	276.9	11,868.9

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

a) Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berthed. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012.

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 financial year ended 30 June 2012.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2012 except for the adoption of the following new/revised FRSs and amendments to FRSs:

Title	Effective Date
FRS 124 <i>Related Party Disclosures</i>	1 January 2012
Amendments to FRS 1 <i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 January 2012
Amendments to FRS 7 <i>Disclosures – Transfers of Financial Assets</i>	1 January 2012
Amendments to FRS 112 <i>Deferred tax: Recovery of Underlying Assets</i>	1 January 2012
<i>Mandatory Effective Date of FRS 9 and Transition Disclosures</i>	1 March 2012
Amendments to FRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012

The adoption of the above FRS and amendments to FRSs do not have any significant financial impact on the results and the financial position of the Group for the current quarter.

As stated in our audited financial statements for the financial year ended 30 June 2012, the Group has yet to adopt the Malaysian Financial Reporting Standards ("MFRS") framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2015.

b) Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors that affect the business of the Group for the quarter under review.

c) Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

d) Material Changes in Estimates of Amounts Reported

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

e) Details of Changes in Debt and Equity Securities

i. During the current financial period-to-date, the Company issued:

- 799,000 shares of RM0.10 each for cash at RM2.44 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.
- 900,800 shares of RM0.10 each for cash at RM4.19 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.

ii. During the current financial year-to-date, the Company has repurchased 8,402,900 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM5.01 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

f) Dividends Paid

No dividend was paid during the quarter under review (30 September 2011: Nil).



Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

g) Segment Revenue & Results

(RM'Million)

	Plantation	Property Development	Property Investment	Resource-based Manufacturing	Other Operations	Eliminations	Consolidated
3 Months Ended 30/09/12							
REVENUE							
External Sales	34.7	184.5	25.3	3,080.3	45.4	-	3,370.2
Inter-segment sales	534.3	-	-	-	-	(534.3)	-
Total Revenue	569.0	184.5	25.3	3,080.3	45.4	(534.3)	3,370.2
RESULT							
Operating profit	377.3	101.9	15.2	66.4	24.5	-	585.3
Share of results of associates	23.9	-	-	6.8	-	-	30.7
Share of results of jointly controlled entities	-	9.9	-	-	-	-	9.9
Segment results	401.2	111.8	15.2	73.2	24.5	-	625.9
3 Months Ended 30/09/11							
REVENUE							
External Sales	46.7	163.4	22.8	3,879.9	34.8	-	4,147.6
Inter-segment sales	716.5	-	-	-	-	(716.5)	-
Total Revenue	763.2	163.4	22.8	3,879.9	34.8	(716.5)	4,147.6
RESULT							
Operating profit	540.4	100.0	13.5	20.5	12.3	-	686.7
Share of results of associates	16.7	-	-	12.7	-	-	29.4
Share of results of jointly controlled entities	-	3.0	-	-	-	-	3.0
Segment results	557.1	103.0	13.5	33.2	12.3	-	719.1

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

The reconciliation of reportable segment profit or loss to the Group's corresponding amounts is as follows:

	3 Months Ended 30/09/12 RM'Million	3 Months Ended 30/09/11 RM'Million
Segment results	625.9	719.1
Translation gain/(loss) on foreign currency denominated borrowings	259.2	(271.7)
Translation (loss)/gain on foreign currency denominated cash and cash equivalents	(48.7)	1.5
Unallocated fair value loss on derivative financial instruments	(27.7)	(13.1)
Unallocated fair value gain on financial liabilities	-	33.1
Unallocated fair value (loss)/gain on financial assets	(1.9)	1.7
Other unallocated corporate net expense	(16.2)	(12.4)
Profit before interest and taxation	790.6	458.2
Finance cost	(72.2)	(47.3)
Interest income	12.4	13.2
Profit before taxation	730.8	424.1
Taxation	(117.1)	(151.3)
Profit for the period	613.7	272.8

The basis of segmentation and measurement of segment profit or loss is consistent with the basis adopted in the last audited annual financial statements. There were no material changes in segment assets from the amount disclosed in the last audited annual financial statements.

h) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to 30 September 2012 that has not been reflected in the financial statements.

i) Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 30 September 2012.

j) Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual reporting date.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

1) Detailed Analysis of the Performance of all Operating Segments of the Group

Q1 FY2013 vs. Q1 FY2012

The Group reported a pre-tax profit of RM730.8 million for Q1 FY2013, which is 72% higher than the profit of RM424.1 million reported for Q1 FY2012. The increase is due mainly to translation gain of RM259.2 million (Q1 FY2012 – loss of RM271.7 million) on foreign currency denominated borrowings and higher contributions from all major segments other than plantation segment.

Plantation

The plantation profit decreased by 28% to RM401.2 million for Q1 FY2013, as compared to RM557.1 million reported for Q1 FY2012. The lower profit reported is due mainly to lower FFB production coupled with lower CPO and PK prices. Average CPO price realised for Q1 FY2013 was RM2,941/MT as compared to RM3,149/MT for Q1 FY2012.

Resource-based Manufacturing

The resource-based manufacturing profit increased from RM33.2 million in Q1 FY2012 to RM73.2 million in Q1 FY2013. The increase is due mainly to higher margins from oleochemicals and specialty fats sub-segments and net fair value gain in forward foreign exchange and commodity forward contracts.

Property Development

The property development segment reported an increase in profit by 9% to RM111.8 million for Q1 FY2013, mainly attributed to higher share of results from Singapore jointly controlled entities.

Property Investment

Property investment profit of RM15.2 million for Q1 FY2013 increased by 13% from RM13.5 million reported for Q1 FY2012 in line with the improvement in occupancy rates and rental yields for some investment properties.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

2) Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

The Group reported a pre-tax profit of RM730.8 million for Q1 FY2013, which is 38% higher than RM528.7 million reported for Q4 FY2012. The higher profit is due mainly to translation gain of RM259.2 million (Q4 FY2012 – loss of RM233.8 million) on foreign currency denominated borrowings, which was partially offsetted by non-recurring items recognised in Q4 FY2012. These non-recurring items include fair value gain on investment properties of RM165.0 million and gain arising from dilution of interest in an associate company of RM116.3 million.

The plantation segment reported a 27% increase in operating profit from RM315.8 million for Q4 FY2012 to RM401.2 million for Q1 FY2013, contributed mainly by higher FFB production by 34% despite a lower CPO price realised.

Contribution from property segment for Q1 FY2013 of RM127.0 million is lower than Q4 FY2012 by 58% due mainly to the inclusion of fair value gain on investment properties of RM165.0 million in Q4 FY2012 and lower development profit recognised for Q1 FY2013.

The resource-based manufacturing segment reported a profit of RM73.2 million in Q1 FY2013, 80% higher than Q4 FY2012, contributed mainly by the specialty fats sub-segment with improvement in margins and net fair value gain in forward foreign exchange and commodity forward contracts.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'Million	PRECEDING QUARTER RM'Million	DIFFERENCE RM'Million	
Plantation	401.2	315.8	85.4	27%
Property development	111.8	124.7	(12.9)	
Property investment	15.2	178.0	(162.8)	
Total Property	127.0	302.7	(175.7)	(58%)
Resource-based manufacturing	73.2	40.6	32.6	80%
Other operations	24.5	21.4	3.1	14%
Segment results	625.9	680.5	(54.6)	(8%)
Translation gain/(loss) on foreign currency denominated borrowings	259.2	(233.8)	493.0	211%
Translation (loss)/gain on foreign currency denominated cash and cash equivalents	(48.7)	6.8	(55.5)	(816%)
Unallocated fair value (loss)/gain on derivative financial instruments	(27.7)	14.3	(42.0)	(294%)
Unallocated fair value loss on financial assets	(1.9)	(2.3)	0.4	(19%)
Gain on dilution of interest in an associate company	-	116.3	(116.3)	(100%)
Other unallocated corporate net expenses	(16.2)	(21.3)	5.1	(24%)
Profit before interest and taxation	790.6	560.5	230.1	41%
Finance cost	(72.2)	(46.9)	(25.3)	54%
Interest income	12.4	15.1	(2.7)	(18%)
Profit before taxation	730.8	528.7	202.1	38%

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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

3) Prospects

With the slowing global economy, the current financial year is expected to be challenging for our business operations. Nevertheless, the Group is optimistic that it will perform satisfactorily with sustainable performances from both palm oil and property businesses.

The plantation segment continues to face challenges on manpower constraints and prevailing lower CPO prices. However, the segment is expected to still perform well in the medium term with resilient demand from the food sector, price competitiveness over other edible oils, higher consumption in emerging market and expected recovery in palm oil prices beginning early 2013.

The Malaysian property market outlook remains positive especially in the landed property segment. The Group anticipates stronger sales with more property launches in the current financial year. In Singapore, the continued resilient performance of the mass market segment will ensure that the Group's recent mass market projects continue to perform well. However, the high-end market segment is still affected by uncertainty in the global economic environment and cooling measures introduced by the Government of Singapore.

The resource-based manufacturing segment continues to face challenging times ahead but is supported by resilient demand from the food industry for specialty oils and fats and the improving oleochemical performance.

4) Achievability of forecast results

Not applicable.

5) Variance of Actual Profit from Forecast Results or Profit Guarantee

Not applicable.

6) Taxation

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER RM'Million	PRECEDING YEAR CORRESPONDING QUARTER RM'Million	CURRENT YEAR TO DATE RM'Million	PRECEDING YEAR CORRESPONDING PERIOD RM'Million
The tax expense comprises the following:				
Current taxation				
- Current year	122.3	163.3	122.3	163.3
- Prior years	(2.6)	(1.1)	(2.6)	(1.1)
Deferred taxation				
- Current year	(2.3)	(10.6)	(2.3)	(10.6)
- Prior years	(0.3)	(0.3)	(0.3)	(0.3)
	117.1	151.3	117.1	151.3

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due principally to non taxable income.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

7) Corporate Proposals

There were no corporate proposals announced by the Group but not completed as at 12 November 2012 (being a date not earlier than 7 days from the date of issue of the quarterly report).

8) Group Borrowings and Debts Securities

Group borrowings and debt securities as at 30 September 2012 are as follows:

	RM'Million
a) Short term borrowings	
Secured	
Denominated in RM	0.2
Unsecured	
Denominated in RM	126.4
Denominated in USD (USD65,138,000)	200.2
Denominated in SGD (SGD200,000,000)	500.3
Total Short Term Borrowings	<u>827.1</u>
b) Long term borrowings	
Secured	
Denominated in RM	0.3
Unsecured	
Denominated in JPY (JPY21,000,000,000)	830.0
Denominated in USD (USD2,017,736,000)	6,189.4
	7,019.4
Total Long Term Borrowings	<u>7,019.7</u>



Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instruments

a) The outstanding forward foreign exchange contracts as at 30 September 2012 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value (RM'Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Vanilla Contracts									
USD/RM	USD	(973.5)	(0.2)	-	(973.7)	50.6	-	-	50.6
EUR/RM	EUR	(49.6)	-	-	(49.6)	(1.2)	-	-	(1.2)
USD/EUR	USD	698.3	-	-	698.3	(19.0)	-	-	(19.0)
CAD/EUR	CAD	3.0	-	-	3.0	0.1	-	-	0.1
GBP/EUR	GBP	1.6	-	-	1.6	-	-	-	-
EUR/USD	USD	(456.5)	-	-	(456.5)	14.6	-	-	14.6
EUR/GBP	GBP	(5.2)	-	-	(5.2)	(0.8)	-	-	(0.8)
EUR/CAD	CAD	(8.1)	-	-	(8.1)	(0.3)	-	-	(0.3)
USD/RMB	USD	7.5	-	-	7.5	-	-	-	-
USD/CAD	USD	(2.7)	-	-	(2.7)	-	-	-	-
JPY/RM	JPY	(551.5)	-	-	(551.5)	-	-	-	-
GBP/RM	GBP	(1.0)	-	-	(1.0)	-	-	-	-
RM/EUR	RM	37.7	-	-	37.7	(0.5)	-	-	(0.5)
CAD/USD	CAD	(1.2)	-	-	(1.2)	(0.1)	-	-	(0.1)
						43.4	-	-	43.4
Swap Contracts									
EUR-USD-EUR	USD	127.5	-	-	127.5	(9.4)	-	-	(9.4)
EUR-CAD-EUR	CAD	(2.4)	-	-	(2.4)	-	-	-	-
						(9.4)	-	-	(9.4)

The above contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and liabilities.

There is minimal credit risk as the contracts were entered into with reputable banks.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instruments (Continued)

b) The outstanding commodity contracts as at 30 September 2012 are as follows:

	Contract/Notional Value (Million) Net long/(short)					Fair Value (RM'Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Forward Contracts	RM	234.5	-	-	234.5	(45.3)	-	-	(45.3)
	USD	(212.1)	-	-	(212.1)	49.5	-	-	49.5
Futures	RM	193.9	-	-	193.9	(18.6)	-	-	(18.6)
	RM	(122.8)	-	-	(122.8)	19.2	-	-	19.2
	USD	(2.4)	-	-	(2.4)	0.4	-	-	0.4
	USD	(10.1)	-	-	(10.1)	0.1	-	-	0.1

The above exchange traded commodity contracts were entered into with the objective of managing and hedging the respective exposure of the Group's plantation segment and resource-based manufacturing segment to adverse price movements in vegetable oil commodities.

The associated credit risk is minimal as these contracts were entered into with brokers of commodity exchanges.

c) The outstanding cross currency swap contracts as at 30 September 2012 are as follows:

	Contract/Notional Value (Million)					Fair Value (RM'Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Fixed rate USD liability to fixed rate EUR liability ¹	EUR	-	80.0	-	80.0	-	8.5	-	8.5
JPY liability to USD liability ²	JPY	-	-	15,000.0	15,000.0	-	-	32.5	32.5
JPY liability to USD liability ³	JPY	-	-	6,000.0	6,000.0	-	-	12.2	12.2
Floating rate USD liability to fixed rate RM liability ⁴	USD	-	-	100.0	100.0	-	-	5.8	5.8
Floating rate USD liability to floating rate SGD liability ⁵	USD	-	-	156.0	156.0	-	-	(12.5)	(12.5)

¹ The contracts effectively swapped part of the Group's USD500 million 5.25% Guaranteed Notes due 2015 into fixed rate EUR liability and serve as a hedge against the Group's Euro denominated assets.

² The contracts effectively swapped the Group's JPY15.0 billion 30-year Fixed Rate Term Loan due 2037 into USD128 million liability and serve as a cashflow hedge for the Group's principal repayment for the JPY loan obtained.

³ The contracts effectively swapped the Group's JPY6.0 billion 30-year Fixed Rate Term Loan due 2038 into USD55 million liability and serve as a cashflow hedge for the Group's principal repayment for the JPY loan obtained.

⁴ The contracts effectively swapped the Group's floating rate USD100 million Term Loan into fixed rate RM302 million liability and serve as a cashflow hedge for the Group's principal repayment for the USD loan obtained.

⁵ The contracts effectively swapped the Group's floating rate USD156 million Term Loan into floating rate SGD197 million liability and serve as a hedge against the Group's SGD denominated assets.

There is minimal credit risk as the swaps were entered into with reputable banks.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instruments (Continued)

d) The outstanding interest rate swap contracts as at 30 September 2012 are as follows:

	Contract/Notional Value (Million)					Fair Value (RM'Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest Rate Swaps ¹	USD	-	-	600.0	600.0	-	-	(81.9)	(81.9)
	USD	-	-	74.0	74.0	-	-	(6.7)	(6.7)

¹ The contracts effectively swapped the Group's floating interest rate to fixed interest rate to hedge against interest rate fluctuations.

There is minimal credit risk as the swaps were entered into with reputable banks.

All the above derivatives are initially recognised at fair value on the date the derivative contract is entered into 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.



Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

10) Fair Value Changes of Financial Liabilities

Type of Financial Liability	Fair Value Gain/(Loss)		Basis of Fair Value Measurement	Reason for gain/(loss)
	Current Quarter	Current Year To Date		
	RM'Million	RM'Million		
Forward foreign exchange contracts	49.0	49.0	The difference between the contracted rates and the market forward rates	The exchange rates have moved favourably for the Group from the last measurement date
Commodity futures	(15.9)	(15.9)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved unfavourably against the Group from the last measurement date
Commodity forward contracts	(106.6)	(106.6)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved unfavourably against the Group from the last measurement date
Cross currency swap contracts	(12.5)	(12.5)	Based on spot, forward and interest rate term structure for the respective currencies	The forward and interest rate term structure for the respective currencies have moved unfavourably against the Group from the last measurement date
Interest rate swap	(8.8)	(8.8)	The difference between fixed and floating interest rates	The floating interest rate has moved unfavourably against the Group from the last measurement date

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

11) Realised and Unrealised Profits

The retained earnings as at the end of the reporting period are analysed as follows:

	RM'Million
Total retained profits of IOI Corporation Berhad and its subsidiaries:	
- Realised	12,099.8
- Unrealised	961.7
	13,061.5
Total share of retained profits from associated companies:	
- Realised	207.2
- Unrealised	112.5
	319.7
Total share of accumulated losses from jointly controlled entities:	
- Realised	(127.3)
- Unrealised	(4.1)
	(131.4)
	13,249.8
Less: Consolidation adjustments	(2,991.3)
Total Group retained profits	10,258.5

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

12) Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit for the period has been arrived after charging/(crediting):

	CURRENT YEAR QUARTER 30/09/12 RM'Million	CURRENT YEAR TO DATE 30/09/12 RM'Million
Interest income	(12.4)	(12.4)
Other income including investment income		
- Dividend income	(19.3)	(19.3)
Interest expense	72.2	72.2
Depreciation and amortisation	61.8	61.8
Provision for and write off of receivables	1.6	1.6
Provision for and write off of inventories	18.0	18.0
Gain or loss on disposal of quoted or unquoted investments or properties		
- Gain on disposal of quoted investments	-	-
Impairment of assets	-	-
Foreign exchange gain	(201.1)	(201.1)
Gain on derivatives	(42.5)	(42.5)
Other exceptional items		
- Loss on disposal of land from compulsory acquisition	1.4	1.4

Other than as per disclosed above, the group does not have other material items that recognised as profit/ loss in the income statement and statement of comprehensive income.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

13) Material Litigations

There is no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2012. For ease of reference, the material litigations brought forward are detailed below:

a) IOI Corporation Berthed

A civil suit had been instituted by Tuan Haji Zulkifli Bin Husain and 6 others, the former shareholders of IOI Oleochemical Industries Berthed ("IOI Oleo") against the Company, its Executive Chairman Tan Sri Dato' Lee Shin Cheng and its Executive Director, Dato' Lee Yeow Chor. The Writ of Summons and the Statement of Claim, inter alia, alleged that the defendants are under an obligation pursuant to Rule 34.1 of the Malaysian Code on Take-Overs and Mergers, 1987 to extend a mandatory general offer to the plaintiffs to acquire their shares in IOI Oleo and have sought for damages by reason of alleged failure by the defendants to extend the said general offer.

The plaintiffs' claim in this suit is based on similar facts that gave rise to the mandamus proceeding initiated by the first plaintiff in the High Court of Kuala Lumpur against the Securities Commission (the Company and Tan Sri Dato' Lee Shin Cheng were subsequently allowed to be joined as parties to the said mandamus proceeding) which has been struck off.

The trial for this case concluded on 6 May 2010 and the High Court had on 20 May 2011 dismissed the plaintiffs' case with costs. The plaintiffs have filed an appeal to the Court of Appeal against the decision of the High Court.

The Company had been advised by its solicitors that it has genuine and valid defences to advance against the plaintiffs' cause of actions and the claims made therein.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

13) Material Litigations (Continued)

b) Unipamol Malaysia Sdn Bhd and Pamol Plantations Sdn Bhd (subsidiaries of IOI Oleochemical Industries Berthed)

A legal suit had been instituted by Joseph bin Paulus Lantip, Mairin @ Martin bin Idang, Jaskri Doyou, Saffar bin Jumat @ Beklin bin Jumat, Datuk Miller Munang and George Windom Munang (collectively, the “Plaintiffs”) against Unipamol Malaysia Sdn Bhd (“Unipamol”), Pamol Plantations Sdn Bhd (“PPSB”), Unilever plc and its subsidiary Pamol (Sabah) Ltd (collectively the “Defendants”). The Writ of Summons and Statement of Claim are dated 4 December 2002 and inter-alia, alleged that the Defendants have wrongfully refused or failed to continue with the Share Sale Agreement (to which PPSB is a party but not Unipamol) and Shareholders' Agreement (to which both PPSB and Unipamol are parties). The Plaintiffs are claiming for, inter-alia, special damages of RM43.47 million, general damages of RM136.85 million or such amount as may be assessed, exemplary damages, interest and costs. Unipamol and PPSB have entered an appearance and filed a Defence to the claim as well as a Counter-claim against the Plaintiffs.

The 3rd and 4th defendants have filed an appeal against the decision of the High Court delivered on 14 January 2010 dismissing their application to strike out the claim against them. On 13 October 2010, the Court of Appeal allowed the 3rd defendant’s appeal but dismissed the 4th defendant’s appeal. The Plaintiffs have since filed an application for leave to appeal to the Federal Court on the decision of the Court of Appeal in allowing the 3rd defendant’s appeal.

The High Court has on 3 December 2010 struck off the Plaintiffs’ Writ of Summons and Statement of Claim due to procedural non-compliance subject to the Plaintiffs’ right to apply for reinstatement. The Plaintiffs’ Solicitors have subsequently filed an application to reinstate the Writ of Summons and Statement of Claim. On 10 March 2011, the High Court dismissed the Plaintiffs’ application for reinstatement and the Plaintiffs have filed an appeal against the said decision to the Court of Appeal and the Court of Appeal has allowed the Plaintiffs’ appeal on 12 December 2011.

Meanwhile, the Plaintiffs’ application for leave to appeal to the Federal Court (against the decision of the Court of Appeal to strike off the 3rd defendant as a party) has been allowed. The Federal Court has completed the hearing for the said appeal on 29 May 2012 and dismissed the same on 16 October 2012.

The parties have entered a consent order on 8 November 2012 wherein among others, the parties withdrew their claims against each other with no liberty to file afresh.

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

14) Dividend

No Dividend has been proposed for the quarter under review (30 September 2011: Nil).

15) Earnings per Share

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'Million	RM'Million	RM'Million	RM'Million
a) Basic earnings per share				
Net profit for the period attributable to owners of the Company	604.3	258.1	604.3	258.1
Weighted average number of ordinary shares in issue ('Million)	6,399.1	6,416.1	6,399.1	6,416.1
Basic earnings per share (sen)	9.44	4.02	9.44	4.02

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

15) Earnings per Share (Continued)

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'Million	RM'Million	RM'Million	RM'Million
b) Diluted earnings per share				
Adjusted net profit for the period attributable to owners of the Company :				
Net profit for the period attributable to owners of the Company	604.3	258.1	604.3	258.1
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Fair value adjustment	-	(33.1)	-	(33.1)
Net foreign exchange differences taken up	-	13.4	-	13.4
	-	(19.7)	-	(19.7)
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Fair value adjustment	-	-	-	-
Net foreign exchange differences taken up	(0.5)	-	(0.5)	-
	(0.5)	-	(0.5)	-
	603.8	238.4	603.8	238.4
Adjusted weighted average number of ordinary shares in issue (Million)				
Weighted average number of ordinary shares in issue	6,399.1	6,416.1	6,399.1	6,416.1
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	49.4	-	49.4
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	1.2	-	1.2	-
Assumed exercise of Executive Share Options at beginning of period	18.0	21.3	18.0	21.3
	6,418.3	6,486.8	6,418.3	6,486.8
Diluted earnings per share (sen)	9.41	3.68	9.41	3.68



IOI GROUP

IOI CORPORATION BERHAD (9027-W)
(Incorporated in Malaysia)

Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

16) Audit Qualification

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

Lee Ai Leng
Tan Choong Khiang
Company Secretaries

Putrajaya
19 November 2012



Interim Report For The Financial Period Ended 30 September 2012

(The figures have not been audited)

Group Plantation Statistics

		As At 30/09/12	As At 30/09/11
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	139,404	139,714
Total planted	<i>(hectares)</i>	158,430	157,464
Rubber			
Total planted	<i>(hectares)</i>	496	496
Total Titled Area	<i>(hectares)</i>	180,040	180,278

		30/09/12 (3 months)	30/09/11 (3 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	137,215	138,224
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	890,024	973,293
Yield per mature hectare	<i>(tonnes)</i>	6.49	7.04
FFB processed	<i>(tonnes)</i>	889,544	974,425
Crude palm oil production	<i>(tonnes)</i>	188,301	205,950
Palm kernel production	<i>(tonnes)</i>	45,469	48,353
Crude palm oil extraction rate	<i>(%)</i>	21.17%	21.14%
Palm kernel extraction rate	<i>(%)</i>	5.11%	4.96%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,941	3,149
Palm kernel	<i>(RM/tonne)</i>	1,561	2,043