



IOI GROUP

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

**Interim Report
For The Financial Period Ended
31 December 2012**

Interim Report For The Financial Period Ended 31 December 2012

(The figures have not been audited)

Condensed Consolidated Income Statement

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/12	31/12/11	31/12/12	31/12/11
	RM'Million	RM'Million	RM'Million	RM'Million
Revenue	3,593.8	4,165.9	6,964.0	8,313.5
Operating profit	673.0	752.6	1,423.1	1,178.4
Share of results of associates	32.0	39.4	62.7	68.8
Share of results of jointly controlled entities	18.4	13.2	28.3	16.3
Profit before interest and taxation	723.4	805.2	1,514.1	1,263.5
Interest income	13.2	10.7	25.6	23.9
Finance cost	(70.0)	(49.1)	(142.2)	(96.4)
Profit before taxation	666.6	766.8	1,397.5	1,191.0
Taxation	(126.3)	(174.7)	(243.4)	(326.1)
Profit for the period	540.3	592.1	1,154.1	864.9
Profits attributable to:				
Owners of the Company	531.0	577.7	1,135.4	835.8
Non-controlling interests	9.3	14.4	18.7	29.1
	540.3	592.1	1,154.1	864.9
Earnings per share for profit attributable to owners of the Company (sen)				
Basic	8.31	8.99	17.75	13.02
Diluted	8.29	8.97	17.70	12.98

(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 31 December 2012

(The figures have not been audited)

Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/12	31/12/11	31/12/12	31/12/11
	RM'Million	RM'Million	RM'Million	RM'Million
Profit for the period	540.3	592.1	1,154.1	864.9
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss when specific conditions are met				
Exchange differences on translation of foreign operations	57.3	(96.9)	21.3	(75.1)
Share of other comprehensive income of associates	0.5	-	0.2	-
Other comprehensive income/(loss) for the period	57.8	(96.9)	21.5	(75.1)
Total comprehensive income for the period, net of tax	598.1	495.2	1,175.6	789.8
Total comprehensive income attributable to:				
Owners of the Company	588.6	481.0	1,156.7	760.9
Non-controlling interests	9.5	14.2	18.9	28.9
	598.1	495.2	1,175.6	789.8

(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 31 December 2012

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/12/12 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/12 RM'Million
ASSETS		
Non-current assets		
Property, plant & equipment	5,765.3	5,713.7
Prepaid lease payments	28.8	29.6
Land held for property development	2,826.5	1,858.9
Investment properties	1,398.8	1,326.7
Goodwill on consolidation	512.0	512.0
Associates	892.3	817.1
Jointly controlled entities	3,618.7	3,483.1
Derivative financial assets	34.4	67.1
Deferred tax assets	77.7	71.0
	15,154.5	13,879.2
Current assets		
Property development costs	403.6	362.4
Inventories	2,292.7	2,511.5
Receivables	1,471.4	1,704.0
Derivative financial assets	181.3	171.9
Other investments	70.9	75.2
Short term funds	1,737.6	1,775.2
Short term deposits	378.3	2,024.0
Cash and bank balances	1,288.0	561.5
	7,823.8	9,185.7
TOTAL ASSETS	22,978.3	23,064.9

(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 31 December 2012

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/12/12 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	643.1	642.7
Share premium	2,000.0	1,985.9
Other reserves	(39.5)	(58.6)
Treasury shares	(210.2)	(139.6)
Retained earnings	10,792.2	10,197.5
	<u>13,185.6</u>	<u>12,627.9</u>
Non-controlling interests	285.1	288.0
Total equity	<u>13,470.7</u>	<u>12,915.9</u>
Non-current liabilities		
Long term borrowings	6,930.0	7,291.7
Derivative financial liabilities	96.4	79.8
Other long term liabilities	153.6	147.3
Deferred tax liabilities	428.3	427.7
	<u>7,608.3</u>	<u>7,946.5</u>
Current liabilities		
Payables	921.1	1,114.7
Derivative financial liabilities	143.9	202.8
Short term borrowings	787.7	830.0
Provision for taxation	46.6	55.0
	<u>1,899.3</u>	<u>2,202.5</u>
Total liabilities	<u>9,507.6</u>	<u>10,149.0</u>
TOTAL EQUITY AND LIABILITIES	<u>22,978.3</u>	<u>23,064.9</u>
Net assets per share attributable to owners of the Company (RM)	2.06	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 31 December 2012

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/12 RM'Million	6 Months Ended 31/12/11 RM'Million
Operating Activities		
Profit before taxation	1,397.5	1,191.0
Adjustments for:		
Depreciation	124.2	128.0
Other non-cash items	(357.8)	244.6
Operating profit before working capital changes	<u>1,163.9</u>	1,563.6
Decrease in inventories	238.3	23.1
Decrease in receivables and other assets	170.6	138.1
Decrease in payables and other liabilities	(231.1)	(15.6)
Cash generated from operations	<u>1,341.7</u>	1,709.2
Other payments	(2.0)	(2.3)
Taxes paid	(262.7)	(293.4)
Net cash inflow from operating activities	<u>1,077.0</u>	1,413.5
Investing Activities		
Dividends received	36.1	30.1
Interest received	11.2	11.9
Proceeds from disposal of property, plant and equipment	6.2	3.0
Proceeds from disposal of land from compulsory acquisitions	3.7	14.0
Proceeds from disposal of other investments	0.2	2.6
Other payments	(2.1)	(0.7)
Investments in jointly controlled entities	(9.1)	(28.2)
Advances to jointly controlled entities	(73.8)	(27.9)
Additions to investment properties	(90.1)	(26.0)
Additions to property, plant and equipment	(155.5)	(185.2)
Investment in land held for development	(961.5)	(101.4)
Additions to other investments	-	(1.6)
Proceeds from disposal of investment properties	-	5.7
Net cash outflow from investing activities	<u>(1,234.7)</u>	(303.7)

(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 31 December 2012

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows (Continued)

	6 Months Ended 31/12/12 RM'Million	6 Months Ended 31/12/11 RM'Million
Financing Activities		
Issuance of shares	11.5	20.2
Advances from non-controlling interests	0.4	-
Dividends paid to non-controlling interests	(11.3)	-
Net (repayment of)/proceeds from other borrowings	(46.1)	57.1
Repurchase of shares	(70.6)	(130.0)
Payment of interest	(142.2)	(96.0)
Payment of dividends	(543.3)	(575.6)
Drawdown of term loan	-	232.6
Capital repayment to non-controlling interests	-	(0.3)
Redemption of 2nd Exchangeable Bonds	-	(236.5)
Net cash outflow from financing activities	(801.6)	(728.5)
Net (decrease)/increase in cash and cash equivalents	(959.3)	381.3
Cash and cash equivalents at beginning of period	4,360.7	2,785.5
Effect of exchange rate changes	2.5	(10.6)
Cash and cash equivalents at end of period	3,403.9	3,156.2

(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

IOI CORPORATION BERHAD (9027-W)

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Interim Report For The Financial Period Ended 31 December 2012

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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	-	-	-	21.3	-	1,135.4	1,156.7	18.9	1,175.6
Transactions with owners									
Dividend paid in respect of previous financial year	-	-	-	-	-	(543.3)	(543.3)	-	(543.3)
Issue of shares arising from exercise of share options	0.4	14.1	(3.0)	-	-	-	11.5	-	11.5
Repurchase of shares	-	-	-	-	(70.6)	-	(70.6)	-	(70.6)
Recognition of share option expenses	-	-	0.8	-	-	-	0.8	-	0.8
Changes in equity interest in subsidiaries	-	-	-	-	-	2.6	2.6	(10.5)	(7.9)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(11.3)	(11.3)
As at 31 December 2012	643.1	2,000.0	130.6	(170.1)	(210.2)	10,792.2	13,185.6	285.1	13,470.7

(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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IOI CORPORATION BERHAD (9027-W)

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Interim Report For The Financial Period Ended 31 December 2012

(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	-	-	-	(74.9)	-	835.8	760.9	28.9	789.8
Transactions with owners									
Dividend paid in respect of previous financial year	-	-	-	-	-	(575.6)	(575.6)	-	(575.6)
Issue of shares arising from exercise of share options	0.7	24.8	(5.3)	-	-	-	20.2	-	20.2
Repurchase of share	-	-	-	-	(130.0)	-	(130.0)	-	(130.0)
Recognition of share option expenses	-	-	2.1	-	-	-	2.1	-	2.1
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	(0.3)	(0.3)
As at 31 December 2011	642.3	1,969.1	138.9	(229.2)	(130.0)	9,685.7	12,076.8	290.8	12,367.6

(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 31 December 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 Berhad. 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 31 December 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:

- 1,880,900 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.
- 1,657,000 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 14,120,500 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM5.00 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

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'Million	RM'Million
Second interim single tier dividend in respect of financial year ended 30 June 2012		
- 8.5 sen per ordinary share of RM0.10 each	543.3	-
Second interim single tier dividend in respect of financial year ended 30 June 2011		
- 9.0 sen per ordinary share of RM0.10 each	-	575.6
	543.3	575.6



Interim Report For The Financial Period Ended 31 December 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
6 Months Ended 31/12/12							
REVENUE							
External Sales	70.6	470.0	51.1	6,282.3	90.0	-	6,964.0
Inter-segment sales	1,042.7	-	-	-	-	(1,042.7)	-
Total Revenue	1,113.3	470.0	51.1	6,282.3	90.0	(1,042.7)	6,964.0
RESULT							
Operating profit	659.0	224.0	31.6	231.9	51.9	-	1,198.4
Share of results of associates	46.5	-	-	16.2	-	-	62.7
Share of results of jointly controlled entities	-	28.3	-	-	-	-	28.3
Segment results	705.5	252.3	31.6	248.1	51.9	-	1,289.4
6 Months Ended 31/12/11							
REVENUE							
External Sales	93.2	388.9	45.9	7,711.5	74.0	-	8,313.5
Inter-segment sales	1,330.6	-	-	-	-	(1,330.6)	-
Total Revenue	1,423.8	388.9	45.9	7,711.5	74.0	(1,330.6)	8,313.5
RESULT							
Operating profit	969.9	232.8	28.3	138.1	36.3	-	1,405.4
Share of results of associates	49.5	-	-	19.3	-	-	68.8
Share of results of jointly controlled entities	-	16.3	-	-	-	-	16.3
Segment results	1,019.4	249.1	28.3	157.4	36.3	-	1,490.5

Interim Report For The Financial Period Ended 31 December 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:

	6 Months Ended 31/12/12 RM'Million	6 Months Ended 31/12/11 RM'Million
Segment results	1,289.4	1,490.5
Translation gain/(loss) on foreign currency denominated borrowings	351.1	(240.5)
Translation (loss)/gain on foreign currency denominated cash and cash equivalents	(49.8)	2.5
Unallocated fair value loss on derivative financial instruments	(47.8)	(2.1)
Unallocated fair value gain on financial liabilities	-	33.3
Unallocated fair value (loss)/gain on financial assets	(2.5)	4.1
Other unallocated corporate net expense	(26.3)	(24.3)
Profit before interest and taxation	1,514.1	1,263.5
Finance cost	(142.2)	(96.4)
Interest income	25.6	23.9
Profit before taxation	1,397.5	1,191.0
Taxation	(243.4)	(326.1)
Profit for the period	1,154.1	864.9

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 31 December 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 31 December 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 31 December 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

a) Q2 FY2013 vs. Q2 FY2012

The Group reported a pre-tax profit of RM666.6 million for Q2 FY2013, which is 13% lower than the profit of RM766.8 million reported for Q2 FY2012. The decrease is due mainly to lower profit contributions from plantation segment, which is mitigated by better performance from the manufacturing segment.

Plantation

The plantation profit decreased by 34% to RM304.3 million for Q2 FY2013, as compared to RM462.3 million reported for Q2 FY2012. The lower profit reported is due mainly to lower CPO and PK prices, offset by higher FFB production in Q2 FY2013. Average CPO price realised for Q2 FY2013 was RM2,292/MT as compared to RM3,032/MT for Q2 FY2012.

Resource-based Manufacturing

The resource-based manufacturing profit for Q2 FY2013 is higher at RM174.9 million compared to RM124.2 million in Q2 FY2012. The higher profit of the segment is mainly due to higher margins from oleochemicals sub-segment as well as increase in sales volume from specialty fats and refinery sub-segments.

Property Development

The property development segment's operating profit of RM140.5 million in Q2 FY2013 is comparable to the profit reported in Q2 FY2012 amounting to RM146.1 million.

Property Investment

Property investment profit of RM16.4 million for Q2 FY2013 increased by 11% from RM14.8 million reported for Q2 FY2012 mainly driven by improvement in occupancy rates and rental yields.

Interim Report For The Financial Period Ended 31 December 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**
- b) **Q2 YTD FY2013 vs. Q2 YTD FY2012**

For Q2 YTD FY2013, the Group reported a pre-tax profit of RM1,397.5 million, which is 17% higher than the profit of RM1,191.0 million reported for Q2 YTD FY2012. The increase is due mainly to translation gain of RM351.1 million (Q2 YTD FY2012 – loss of RM240.5 million) on foreign currency denominated borrowings and higher contributions from all major segments other than plantation segment.

Plantation

The plantation segment reported a lower profit of RM705.5 million for Q2 YTD FY2013 as compared to RM1,019.4 million for Q2 YTD FY2012. The lower profit is due mainly to lower CPO and PK prices of which the average CPO price realised for Q2 YTD FY2013 was RM2,585/MT as compared to RM3,094/MT for Q2 YTD FY2012.

Resource-based Manufacturing

Higher resource-based manufacturing profit of RM248.1 million in Q2 YTD FY2013 compared to RM157.4 million in Q2 YTD FY2012. The increase is due mainly to higher margins from oleochemicals and specialty fats sub-segments and net fair value gain in forward foreign exchange contracts.

Property Development

The property development segment's profit of RM252.3 million for Q2 YTD FY2013 is comparable to the profit reported in Q2 YTD FY2012 amounted to RM249.1 million.

Property Investment

Property investment profit of RM31.6 million for Q2 YTD FY2013 increased by 12% from RM28.3 million reported for Q2 YTD FY2012 is driven by improvement in occupancy rates and rental yields.

Interim Report For The Financial Period Ended 31 December 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 RM666.6 million for Q2 FY2013, which is 9% lower than RM730.8 million reported for Q1 FY2013. The lower profit is due mainly to lower translation gain on foreign currency denominated borrowings amounting to RM91.9 million as compared to RM259.2 million recognised in Q1 FY2013. Segment results of the Group however recorded an increase of 6%, with higher contributions from all major segments other than plantation segment.

The plantation segment reported a 24% decrease in operating profit from RM401.2 million for Q1 FY2013 to RM304.3 million for Q2 FY2013, attributable mainly to lower CPO price realised, despite a higher FFB production recorded in Q2 FY2013 of 1,036,692 MT (Q1 FY2013 – 891,391 MT).

Contribution from property segment for Q2 FY2013 of RM156.9 million is higher than Q1 FY2013 by 24% due mainly to higher development profit recognised for Q2 FY2013.

The resource-based manufacturing segment reported a profit of RM174.9 million in Q2 FY2013, 139% higher than Q1 FY2013. The segment as a whole reported increase in sales volume and higher margins were generated from oleochemicals and refinery sub-segments.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'Million	PRECEDING QUARTER RM'Million	DIFFERENCE RM'Million	
Plantation	304.3	401.2	(96.9)	(24%)
Property development	140.5	111.8	28.7	
Property investment	16.4	15.2	1.2	
Total Property	156.9	127.0	29.9	24%
Resource-based manufacturing	174.9	73.2	101.7	139%
Other operations	27.4	24.5	2.9	12%
Segment results	663.5	625.9	37.6	6%
Translation gain on foreign currency denominated borrowings	91.9	259.2	(167.3)	(65%)
Translation loss on foreign currency denominated cash and cash equivalents	(1.1)	(48.7)	47.6	98%
Unallocated fair value loss on derivative financial instruments	(20.1)	(27.7)	7.6	27%
Other unallocated corporate net expenses	(10.8)	(18.1)	7.3	40%
Profit before interest and taxation	723.4	790.6	(67.2)	(9%)
Finance cost	(70.0)	(72.2)	2.2	3%
Interest income	13.2	12.4	0.8	6%
Profit before taxation	666.6	730.8	(64.2)	(9%)

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

3) Prospects

The plantation segment continues to face challenges on manpower constraints, higher labour costs arising from the implementation of minimum wage 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, higher consumption in emerging markets and expected recovery in palm oil prices beginning in second quarter of 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 affected by additional cooling measures introduced recently by the Government of Singapore.

In the resource-based manufacturing segment, the Group's refineries and specialty fats businesses are seeing signs of recovery due to the lower palm oil price and the new export-duty structure introduced by the Malaysian government recently. The oleochemical business is expected to perform well in this financial year due to the lower feed stock prices.

In summary, the Group is optimistic that its overall performance will be satisfactory despite the lower palm oil prices beginning in fourth quarter of 2012 and the weak global economy.

4) Achievability of forecast results

Not applicable.

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

Not applicable.

6) Taxation

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 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	131.1	180.6	253.5	344.0
- Prior years	(0.1)	(0.8)	(2.7)	(1.9)
Deferred taxation				
- Current year	(4.7)	(5.0)	(7.1)	(15.6)
- Prior years	-	(0.1)	(0.3)	(0.4)
	126.3	174.7	243.4	326.1

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 31 December 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 15 February 2013 (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 31 December 2012 are as follows:

	RM'Million
a) Short term borrowings	
Secured	
Denominated in RM	0.2
Unsecured	
Denominated in RM	127.4
Denominated in USD (USD51,712,000)	158.9
Denominated in SGD (SGD200,000,000)	501.2
Total Short Term Borrowings	<u>787.7</u>
b) Long term borrowings	
Secured	
Denominated in RM	0.3
Unsecured	
Denominated in JPY (JPY21,000,000,000)	748.8
Denominated in USD (USD2,018,238,000)	6,180.9
	6,929.7
Total Long Term Borrowings	<u>6,930.0</u>

Interim Report For The Financial Period Ended 31 December 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 31 December 2012 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value – assets/(liabilities) (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	(994.8)	-	-	(994.8)	16.9	-	-	16.9
EUR/RM	EUR	(16.5)	-	-	(16.5)	(1.1)	-	-	(1.1)
USD/EUR	USD	324.3	-	-	324.3	(25.6)	-	-	(25.6)
CAD/EUR	CAD	5.9	-	-	5.9	(0.3)	-	-	(0.3)
GBP/EUR	GBP	0.7	-	-	0.7	-	-	-	-
EUR/USD	USD	(297.2)	-	-	(297.2)	27.8	-	-	27.8
EUR/GBP	GBP	(6.4)	-	-	(6.4)	0.2	-	-	0.2
EUR/CAD	CAD	(8.2)	-	-	(8.2)	0.5	-	-	0.5
USD/RMB	USD	6.7	-	-	6.7	(0.4)	-	-	(0.4)
USD/CAD	USD	(0.8)	-	-	(0.8)	(0.2)	-	-	(0.2)
JPY/RM	JPY	(534.7)	-	-	(534.7)	0.9	-	-	0.9
GBP/RM	GBP	(1.0)	-	-	(1.0)	-	-	-	-
RM/EUR	RM	59.5	-	-	59.5	(1.7)	-	-	(1.7)
EUR/RM	RM	(53.1)	-	-	(53.1)	0.4	-	-	0.4
CAD/USD	CAD	(0.9)	-	-	(0.9)	-	-	-	-
RMB/RM	SGD	2.8	-	-	2.8	-	-	-	-
						17.4	-	-	17.4
Swap Contracts									
EUR-USD-EUR	USD	242.2	-	-	242.2	(6.9)	-	-	(6.9)
EUR-CAD-EUR	CAD	(2.4)	-	-	(2.4)	0.3	-	-	0.3
						(6.6)	-	-	(6.6)

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 31 December 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 31 December 2012 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value – assets/(liabilities) (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	162.2	-	-	162.2	10.0	-	-	10.0
	USD	(109.8)	-	-	(109.8)	16.2	-	-	16.2
						26.2	-	-	26.2
Futures	RM	66.2	-	-	66.2	0.5	-	-	0.5
	RM	(77.1)	-	-	(77.1)	0.2	-	-	0.2
	USD	5.5	-	-	5.5	0.7	-	-	0.7
	USD	(10.0)	-	-	(10.0)	(1.0)	-	-	(1.0)
					0.4	-	-	0.4	

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 31 December 2012 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (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	-	(0.4)	-	(0.4)
JPY liability to USD liability ²	JPY	-	-	15,000.0	15,000.0	-	-	20.8	20.8
JPY liability to USD liability ³	JPY	-	-	6,000.0	6,000.0	-	-	7.8	7.8
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	-	-	(13.6)	(13.6)

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 31 December 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 31 December 2012 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (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	-	-	(76.1)	(76.1)
	USD	-	-	74.0	74.0	-	-	(6.3)	(6.3)

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 31 December 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	17.8	66.8	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	18.1	2.2	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved favourably for the Group from the last measurement date
Commodity forward contracts	96.5	(10.1)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved favourable for/(unfavourably against) the Group from the last measurement date
Cross currency swap contracts	(1.6)	(14.0)	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	6.3	(2.6)	The difference between fixed and floating interest rates	The floating interest rate has moved favourably for/(unfavourably against) the Group from the last measurement date

Interim Report For The Financial Period Ended 31 December 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	12,081.7
- Unrealised	963.4
	<u>13,045.1</u>
Total share of retained profits from associated companies:	
- Realised	237.3
- Unrealised	113.0
	<u>350.3</u>
Total share of accumulated losses from jointly controlled entities:	
- Realised	(104.8)
- Unrealised	(8.2)
	<u>(113.0)</u>
	<u>13,282.4</u>
Less: Consolidation adjustments	<u>(2,490.2)</u>
Total Group retained profits	<u>10,792.2</u>

Interim Report For The Financial Period Ended 31 December 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 31/12/12 RM'Million	CURRENT YEAR TO DATE 31/12/12 RM'Million
Interest income	(13.2)	(25.6)
Other income including investment income		
- Dividend income	(14.9)	(34.2)
Interest expense	70.0	142.2
Depreciation and amortisation	62.5	124.2
Provision for and write off of receivables	0.1	1.7
Provision for and write off of inventories	1.3	19.3
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain	(83.9)	(285.0)
Loss/(gain) on derivatives	21.6	(20.9)
Other exceptional items		
- Loss on disposal of land from compulsory acquisition	-	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 31 December 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 litigation brought forward is detailed below:

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 31 December 2012

(The figures have not been audited)

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

14) Dividend

The Board has declared an interim single tier dividend of 70% or 7.0 sen (31 December 2011: 70% or 7.0 sen) per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2013 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967.

The dividend will be payable on 20 March 2013 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 11 March 2013.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 11 March 2013 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 7 March 2013 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividend declared to date for the current financial year is a single tier dividend of 7.0 sen (31 December 2011: 7.0 sen) per ordinary share of RM0.10 each.

15) Earnings per Share

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 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	531.0	577.7	1,135.4	835.8
Weighted average number of ordinary shares in issue ('Million)	6,390.1	6,422.3	6,394.6	6,419.2
Basic earnings per share (sen)	8.31	8.99	17.75	13.02

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(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 (Q2)		CUMULATIVE QUARTER (6 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	531.0	577.7	1,135.4	835.8
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Fair value adjustment	-	0.1	-	-
Net foreign exchange differences taken up	-	(0.1)	(0.6)	-
	-	-	(0.6)	-
	531.0	577.7	1,134.8	835.8
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,390.1	6,422.3	6,394.6	6,419.2
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	1.3	1.2	1.3	-
Assumed exercise of Executive Share Options at beginning of period	15.8	20.1	16.8	20.6
	6,407.2	6,443.6	6,412.7	6,439.8
Diluted earnings per share (sen)	8.29	8.97	17.70	12.98



IOI GROUP

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

Interim Report For The Financial Period Ended 31 December 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
21 February 2013



Interim Report For The Financial Period Ended 31 December 2012

(The figures have not been audited)

Group Plantation Statistics

		As At 31/12/12	As At 31/12/11
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	141,850	138,759
Total planted	<i>(hectares)</i>	159,543	157,925
Rubber			
Total planted	<i>(hectares)</i>	496	496
Total Titled Area	<i>(hectares)</i>	180,892	180,528

		31/12/12 (6 months)	31/12/11 (6 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	138,864	137,829
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,928,083	1,876,276
Yield per mature hectare	<i>(tonnes)</i>	13.88	13.61
FFB processed	<i>(tonnes)</i>	1,922,008	1,878,413
Crude palm oil production	<i>(tonnes)</i>	402,389	394,635
Palm kernel production	<i>(tonnes)</i>	100,208	95,148
Crude palm oil extraction rate	<i>(%)</i>	20.94%	21.01%
Palm kernel extraction rate	<i>(%)</i>	5.21%	5.07%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,585	3,094
Palm kernel	<i>(RM/tonne)</i>	1,318	1,917