



IOI GROUP

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

**Interim Report
For The Financial Period Ended
31 December 2011**

Interim Report For The Financial Period Ended 31 December 2011

(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
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
Revenue	4,165,860	3,970,487	8,313,479	7,489,747
Operating profit	752,584	671,422	1,178,433	1,330,070
Share of results of associates	39,382	31,420	68,763	48,830
Share of results of jointly controlled entities	13,247	8,779	16,264	16,691
Profit before interest and taxation	805,213	711,621	1,263,460	1,395,591
Interest income	10,673	11,407	23,906	20,982
Finance cost	(49,067)	(33,704)	(96,445)	(65,503)
Profit before taxation	766,819	689,324	1,190,921	1,351,070
Taxation	(174,766)	(135,593)	(326,068)	(284,750)
Profit for the period	592,053	553,731	864,853	1,066,320
Profits attributable to:				
Owners of the Company	577,674	520,238	835,770	1,018,366
Non-controlling interests	14,379	33,493	29,083	47,954
	592,053	553,731	864,853	1,066,320
Earnings per share for profit attributable to owners of the Company (sen)				
Basic	8.99	8.15	13.02	15.96
Diluted	8.97	8.04	12.98	14.72

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2011

(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
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
Profit for the period	592,053	553,731	864,853	1,066,320
Other comprehensive income				
Exchange differences on translation of foreign operations	(96,897)	(44,213)	(75,062)	55,196
Other comprehensive income for the period	(96,897)	(44,213)	(75,062)	55,196
Total comprehensive income for the period, net of tax	495,156	509,518	789,791	1,121,516
Total comprehensive income attributable to:				
Owners of the Company	480,921	474,533	760,857	1,071,385
Non-controlling interests	14,235	34,985	28,934	50,131
	495,156	509,518	789,791	1,121,516

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/12/11 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/11 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	5,696,558	5,677,476
Prepaid lease payments	29,228	30,007
Land held for property development	880,182	834,513
Investment properties	1,083,910	1,062,529
Goodwill on consolidation	511,994	511,994
Associates	728,962	668,074
Jointly controlled entities	3,181,183	3,099,132
Derivative financial assets	30,952	18,619
Deferred tax assets	50,503	49,670
	<u>12,193,472</u>	<u>11,952,014</u>
Current assets		
Property development costs	241,791	235,910
Inventories	2,595,716	2,651,655
Receivables	1,621,016	1,756,215
Derivative financial assets	123,875	208,372
Other investments	66,213	65,427
Short term funds	2,238,918	1,725,237
Short term deposits	473,400	592,864
Cash and bank balances	443,915	467,425
	<u>7,804,844</u>	<u>7,703,105</u>
TOTAL ASSETS	<u>19,998,316</u>	<u>19,655,119</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 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/12/11 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/11 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	642,329	641,603
Share premium	1,969,148	1,944,320
Other reserves	(90,332)	(12,270)
Treasury shares	(130,047)	-
Retained earnings	9,685,759	9,425,524
	<u>12,076,857</u>	<u>11,999,177</u>
Non-controlling interest	290,793	262,221
Total equity	<u>12,367,650</u>	<u>12,261,398</u>
Non-current liabilities		
Long term borrowings	5,060,321	4,606,449
Derivative financial liabilities	48,139	19,906
Other long term liabilities	18,070	26,292
Deferred tax liabilities	428,045	453,046
	<u>5,554,575</u>	<u>5,105,693</u>
Current liabilities		
Payables	1,129,123	1,191,974
Derivative financial liabilities	174,929	189,055
Short term borrowings	604,413	791,309
Provision for taxation	167,626	115,690
	<u>2,076,091</u>	<u>2,288,028</u>
Total liabilities	<u>7,630,666</u>	<u>7,393,721</u>
TOTAL EQUITY AND LIABILITIES	<u>19,998,316</u>	<u>19,655,119</u>
Net assets per share attributable to owners of the Company (RM)	1.89	1.87

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended	6 Months Ended
	31/12/11	31/12/10
	RM'000	RM'000
Operating Activities		
Profit before taxation	1,190,921	1,351,070
Adjustments for:		
Depreciation	128,040	119,685
Other non-cash items	244,655	(154,021)
Operating profit before working capital changes	1,563,616	1,316,734
Decrease/(increase) in inventories	23,153	(571,446)
Decrease/(increase) in receivables and other assets	138,065	(133,613)
(Increase)/decrease in payables and other liabilities	(15,621)	30,158
Cash generated from operations	1,709,213	641,833
Other payments	(2,274)	(852)
Taxes paid	(293,440)	(204,988)
Net cash inflow from operating activities	1,413,499	435,993
Investing Activities		
Dividends received	30,188	28,587
Proceeds from disposal of land from compulsory acquisitions	13,988	-
Interest received	11,933	7,841
Proceeds from disposal of investment properties	5,688	330,660
Proceeds from disposal of property, plant and equipment	2,977	1,680
Proceeds from disposal of other investments	2,557	6,213
Other payments	(679)	(2,811)
Additions to other investments	(1,632)	(4,654)
Additions to investment properties	(26,039)	(6,800)
Advances to jointly controlled entities	(27,855)	(105,502)
Investments in jointly controlled entities	(28,237)	-
Investment in land held for development	(101,383)	(37,389)
Additions to property, plant and equipment	(185,232)	(190,508)
Proceeds from disposal of subsidiary	-	9,603
Net cash (outflow)/inflow from investing activities	(303,726)	36,920

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows (Continued)

	6 Months Ended	6 Months Ended
	31/12/11	31/12/10
	RM'000	RM'000
Financing Activities		
Drawdown of term loan	232,580	-
Net proceeds from other borrowings	57,089	18,178
Issuance of shares	20,219	20,752
Capital repayment to non-controlling interests	(333)	-
Payment of Interest	(95,952)	(64,166)
Repurchase of shares	(130,047)	-
Redemption of 2nd Exchangeable Bonds	(236,500)	-
Payment of Dividends	(575,571)	(638,135)
Repurchase of 3rd Exchangeable Bonds	-	(69,122)
Dividends paid to non-controlling interests	-	(34,754)
Net cash outflow from financing activities	(728,515)	(767,247)
Net increase/(decrease) in cash and cash equivalents	381,258	(294,334)
Cash and cash equivalents at beginning of period	2,785,526	3,877,306
Effect of exchange rate changes	(10,551)	19,642
Cash and cash equivalents at end of period	3,156,233	3,602,614

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 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

(RM'000)	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total		
As at 1 July 2011	641,603	1,944,320	142,039	(154,309)	-	9,425,524	11,999,177	262,221	12,261,398
Total comprehensive income	-	-	-	(74,913)	-	835,770	760,857	28,934	789,791
Transactions with owners									
Dividend paid in respect of previous financial year	-	-	-	-	-	(575,571)	(575,571)	-	(575,571)
Issue of shares arising from exercise of share options	726	24,828	(5,335)	-	-	-	20,219	-	20,219
Repurchase of shares	-	-	-	-	(130,047)	-	(130,047)	-	(130,047)
Recognition of share option expenses	-	-	2,186	-	-	-	2,186	-	2,186
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	(333)	(333)
Arising from disposal of interest in subsidiaries	-	-	-	-	-	-	-	37	37
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	36	36	(66)	(30)
As at 31 December 2011	642,329	1,969,148	138,890	(229,222)	(130,047)	9,685,759	12,076,857	290,793	12,367,650

(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 2011 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 2011

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity (Continued)

(RM'000)	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			
As at 1 July 2010									
As previously reported	667,552	3,542,923	294,719	(372,747)	(1,767,552)	8,415,286	10,780,181	289,292	11,069,473
Effect of adopting FRS 139	-	-	(184,567)	-	-	(62,308)	(246,875)	4	(246,871)
As restated	667,552	3,542,923	110,152	(372,747)	(1,767,552)	8,352,978	10,533,306	289,296	10,822,602
Total comprehensive income	-	-	-	53,019	-	1,018,366	1,071,385	50,131	1,121,516
Transactions with owners									
Dividend paid in respect of previous financial year	-	-	-	-	-	(638,135)	(638,135)	-	(638,135)
Issue of shares arising from exercise of share options	647	25,127	(5,022)	-	-	-	20,752	-	20,752
Issue of shares arising from exchange of 2nd Exchangeable Bonds	1,821	81,581	-	-	-	-	83,402	-	83,402
Recognition of share option expenses	-	-	2,550	-	-	-	2,550	-	2,550
Arising from acquisition of additional interest in subsidiaries	-	-	-	-	-	790	790	(2,172)	(1,382)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(34,754)	(34,754)
As at 31 December 2010	670,020	3,649,631	107,680	(319,728)	(1,767,552)	8,733,999	11,074,050	302,501	11,376,551

(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 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2011

(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 2011.

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 2011.

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 2011 except for the adoption of the following new/revised FRSs, amendments to FRSs and IC Interpretations:

Effective for annual financial period beginning on or after 1 January 2011

Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs (2010)	
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 3	Business Combinations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interests in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 13	Customer Loyalty Programmes

Effective for annual financial period beginning on or after 1 July 2011

Amendments to IC Interpretation 14	FRS 119- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

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

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

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.

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:

- 5,823,300 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.
- 1,434,200 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 27,035,200 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM4.81 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 RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Second interim single tier dividend in respect of financial year ended 30 June 2011 - 9.0 sen per ordinary share of RM0.10 each	575,571	-
Second interim single tier dividend in respect of financial year ended 30 June 2010 - 10.0 sen per ordinary share of RM0.10 each	-	638,135
	575,571	638,135



Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

g) Segment Revenue & Results

(RM'000)	Plantation	Property Development	Property Investment	Resource-based Manufacturing	Other Operations	Eliminations	Consolidated
6 Months Ended 31/12/11							
REVENUE							
External Sales	93,206	388,861	45,926	7,711,514	73,972	-	8,313,479
Inter-segment sales	1,330,595	-	-	-	-	(1,330,595)	-
Total Revenue	1,423,801	388,861	45,926	7,711,514	73,972	(1,330,595)	8,313,479
RESULT							
Operating profit	969,903	232,838	28,293	138,110	36,333	-	1,405,477
Share of results of associates	49,500	-	-	19,263	-	-	68,763
Share of results of jointly controlled entities	-	16,264	-	-	-	-	16,264
Segment results	1,019,403	249,102	28,293	157,373	36,333	-	1,490,504
6 Months Ended 31/12/10							
REVENUE							
External Sales	200,563	499,613	51,237	6,671,256	67,078	-	7,489,747
Inter-segment sales	914,283	-	-	-	-	(914,283)	-
Total Revenue	1,114,846	499,613	51,237	6,671,256	67,078	(914,283)	7,489,747
RESULT							
Operating profit	709,065	262,289	89,480	135,170	34,183	-	1,230,187
Share of results of associates	35,420	-	-	13,410	-	-	48,830
Share of results of jointly controlled entities	-	16,691	-	-	-	-	16,691
Segment results	744,485	278,980	89,480	148,580	34,183	-	1,295,708

Interim Report For The Financial Period Ended 31 December 2011

(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 are as follows:

	6 Months Ended	6 Months Ended
	31/12/11	31/12/10
	RM'000	RM'000
Segment results	1,490,504	1,295,708
Translation (loss)/gain on foreign currency denominated borrowings	(240,534)	139,119
Unallocated fair value loss/(gain) on derivative financial instruments	(2,109)	21,121
Unallocated fair value gain/(loss) on financial liabilities	33,304	(77,579)
Unallocated fair value gain on financial assets	4,089	15,254
Other unallocated corporate net (expense)/income	(21,794)	1,968
Profit before interest and taxation	1,263,460	1,395,591
Finance cost	(96,445)	(65,503)
Interest income	23,906	20,982
Profit before taxation	1,190,921	1,351,070
Taxation	(326,068)	(284,750)
Profit for the period	864,853	1,066,320

The basis of segmentation and measurement of segment profit or loss is consistent with the basis adopted in the last audited annual financial statements, except for the inclusion of associates and jointly controlled entities results in the operating segments. 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 are no material events subsequent to 31 December 2011 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 2011.

j) Contingent Liabilities

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

Interim Report For The Financial Period Ended 31 December 2011

(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 FY2012 vs. Q2 FY2011

The Group reported a pre-tax profit of RM766.8 million for Q2 FY2012, which is 11% higher than the profit of RM689.3 million reported for Q2 FY2011. The higher profit is due mainly to increase in overall operating profit of the group, except for property investment segment.

Plantation

The plantation segment profit increased by 19% to RM462.3 million for Q2 FY2012, as compared to RM388.1 million reported for Q2 FY2011. The higher profit reported is due to higher CPO price as well as higher FFB production. Average CPO price realised for Q2 FY2012 was RM3,032/MT as compared to RM2,800/MT for Q2 FY2011, whilst FFB production for Q2 FY2012 was 902,983 MT as compared to 820,168 MT for Q2 FY2011 i.e. an increase of about 10%.

Resource-based Manufacturing

The resource-based manufacturing profit increased from RM101.9 million in Q2 FY2011 to RM124.2 million in Q2 FY2012. The increase in resource-based manufacturing profit is due mainly to higher margins from oleochemicals sub-segment as well as higher sales from specialty fats and refineries sub segments.

Property Development

The segment results from property development division of RM146.1 million for Q2 FY2012 is 16% higher than the profit reported for Q2 FY2011 of RM125.6 million. The higher profit from the segment is due mainly to higher development revenue recognised as well as increase in share of results from jointly controlled entities.

Property Investment

Operating profit from property investment segment for Q2 FY2012 is 80% lower than Q2 FY2011 as the profit during Q2 FY2011 included gain on disposal of an investment property amounting to RM61 million. By excluding this gain, the profit of property investment segment for Q2 FY2012 is 6% higher than Q2 FY2011 as a result of increase in overall average rental per square feet.

Interim Report For The Financial Period Ended 31 December 2011

(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 FY2012 vs. Q2 YTD FY2011**

For Q2 YTD FY2012, the Group reported a pre-tax profit of RM1,190.9 million, which is 12% lower than the profit of RM1,351.1 million reported for Q2 YTD FY2011. The decrease is due mainly to translation loss on foreign currency denominated borrowings of RM240.5 million (Q2 YTD FY2011 – gain of RM139.1 million). Segment results of the Group however recorded an increase of 15%, with higher contributions from both plantation and resource-based manufacturing segments, offsetted by lower contributions from property segments.

Plantation

The plantation segment reported a 37% increase in operating profit to RM1,019.4 million for Q2 YTD FY2012, as compared to RM744.5 million reported for Q2 YTD FY2011. The higher profit reported is due mainly to higher CPO price realised of RM3,094/MT (Q2 YTD FY2011 – RM2,698/MT) and higher FFB production of 1,876,276 MT (Q2 YTD FY2011 – 1,699,490 MT).

Resource-based Manufacturing

The overall resource-based manufacturing profit of RM157.4 million for Q2 YTD FY2012 improved by 6% from RM148.6 million reported for Q2 YTD FY2011. The segment as a whole reported increase in sales volume, however this was moderated by lower margins achieved for the specialty fats and refinery sub-segments.

Property Development

The property development segment's operating profit of RM249.1 million for Q2 YTD FY2012 is 11% lower than profit of RM279.0 million for Q2 YTD FY2011 as a result of lower development revenue.

Property Investment

Operating profit of RM28.3 million from property investment segment for Q2 YTD FY2012 is lower than Q2 YTD FY2011 by 68% (approximately RM61 million) as the profit in Q2 YTD FY2011 included gain on disposal of an investment property amounting to RM61 million.

Interim Report For The Financial Period Ended 31 December 2011

(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 RM766.8 million for Q2 FY2012, which is 81% higher than the profit reported for Q1 FY2012 of RM424.1 million. The higher profit is due mainly to translation gain on foreign currency denominated borrowings of RM31.2 million, as compare to translation loss in Q1 FY2012 of RM271.7 million.

The decrease of plantation segment results by 17% to RM462.3 million for Q2 FY2012 as compared to RM557.1 million for Q1 FY2012 is due mainly to lower FFB production of 902,983 MT (Q1 FY2012 – 973,293 MT) as well as lower CPO and PK prices.

Contribution from the property segment for Q2 FY2012 of RM160.8 million is higher than the preceding quarter by 38%, contributed by higher development revenue recognised as well as increase in shares of results from jointly controlled entities.

The resource-based manufacturing segment reported a profit of RM124.2 million in Q2 FY2012, 275% higher than Q1 FY2012, due mainly to fair value differences on outstanding derivative contracts. During Q2 FY2012, the segment reported RM2 million loss on changes in fair value on outstanding derivative contract, whilst during Q1 FY2012, the segment reported RM79 million loss on changes in fair value on outstanding derivative contract.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	DIFFERENCE RM'000	
Plantation	462,317	557,086	(94,769)	(17%)
Property development	146,073	103,029	43,044	
Property investment	14,758	13,535	1,223	
Total Property	160,831	116,564	44,267	38%
Resource-based manufacturing	124,212	33,161	91,051	275%
Other operations	24,042	12,291	11,751	96%
Segment results	771,402	719,102	52,300	7%
Translation gain/(loss) on foreign currency denominated borrowings	31,204	(271,738)	302,942	111%
Unallocated fair value gain/(loss) on derivative financial instruments	11,024	(13,133)	24,157	184%
Unallocated fair value gain on financial liabilities	217	33,087	(32,870)	(99%)
Unallocated fair value gain on financial assets	2,376	1,713	663	39%
Other unallocated corporate net expenses	(11,010)	(10,784)	(226)	2%
Profit before interest and taxation	805,213	458,247	346,966	76%
Interest expense	(49,067)	(47,378)	(1,689)	4%
Interest income	10,673	13,233	(2,560)	(19%)
Profit before taxation	766,819	424,102	342,717	81%

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

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

3) Current Year Prospects

Global economic growth has recently shown signs of slowing down which will make the current financial year a challenging period for business operations. Nevertheless, the Group is optimistic that it will perform satisfactorily in the current financial year underpinned by strong plantation segment.

The plantation segment is expected to perform well for the current financial year on the back of strong crude palm oil prices and higher FFB productions.

Property market remains challenging in line with the global uncertainty, however the performance of property segment is expected to be stable in view of our strength in township development as well as our ability to modify product mix to meet changing demands and market environment.

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. Therefore, the performance of the manufacturing segment is expected to remain satisfactory.

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'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
The tax expense comprises the following:				
Current taxation				
- Current year	180,626	158,633	343,955	309,201
- Prior years	(766)	44	(1,917)	(4,753)
Deferred taxation				
- Current year	(4,974)	(9,029)	(15,600)	(5,548)
- Prior years	(120)	(14,055)	(370)	(14,150)
	174,766	135,593	326,068	284,750

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate due principally to the unrealised foreign exchange losses and other expenses incurred by the Group which are not deductible for tax purposes.

Interim Report For The Financial Period Ended 31 December 2011

(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 16 February 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 31 December 2011 are as follows:

	RM'000
a) Short term borrowings	
Secured	
Denominated in RM	134
Unsecured	
Denominated in RM	156,097
Denominated in USD (USD140,392,000)	448,182
Total Short Term Borrowings	604,413
b) Long term borrowings	
Secured	
Denominated in RM	222
Unsecured	
Denominated in SGD (SGD200,000,000)	487,740
Denominated in JPY (JPY21,000,000,000)	856,065
Denominated in USD (USD1,172,591,000)	3,716,294
Total Long Term Borrowings	5,060,321



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(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 2011 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	(932.8)	(1.9)	-	(934.7)	(43.5)	(0.2)	-	(43.7)
EUR/RM	EUR	(10.8)	-	-	(10.8)	1.3	-	-	1.3
USD/EUR	USD	503.6	-	-	503.6	17.9	-	-	17.9
CAD/EUR	CAD	1.2	-	-	1.2	0.1	-	-	0.1
GBP/EUR	GBP	0.6	-	-	0.6	-	-	-	-
EUR/USD	USD	(146.2)	-	-	(146.2)	(24.5)	-	-	(24.5)
EUR/GBP	GBP	(8.2)	-	-	(8.2)	(1.3)	-	-	(1.3)
EUR/SEK	SEK	(0.5)	-	-	(0.5)	-	-	-	-
EUR/CAD	CAD	(8.4)	-	-	(8.4)	(0.9)	-	-	(0.9)
EUR/CHF	CHF	(0.1)	-	-	(0.1)	-	-	-	-
USD/RMB	USD	6.6	-	-	6.6	(0.2)	-	-	(0.2)
USD/CAD	USD	(5.0)	-	-	(5.0)	(0.4)	-	-	(0.4)
JPY/RM	JPY	(591.9)	-	-	(591.9)	0.1	-	-	0.1
GBP/RM	GBP	(0.7)	-	-	(0.7)	-	-	-	-
						(51.4)	(0.2)	-	(51.6)
Swap Contracts									
EUR-USD-EUR	USD	148.2	-	-	148.2	8.0	-	-	8.0
						8.0	-	-	8.0

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.

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(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 2011 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	(68.9)	-	-	(68.9)	11.2	-	-	11.2
	USD	60.4	-	-	60.4	1.8	-	-	1.8
Futures	RM	20.8	-	-	20.8	11.4	-	-	11.4
	RM	118.3	-	-	118.3	2.7	-	-	2.7
	USD	(2.3)	-	-	(2.3)	0.3	-	-	0.3
	USD	(9.7)	-	-	(9.7)	(1.2)	-	-	(1.2)
Swap Contracts	RM	7.2	-	-	7.2	0.9	-	-	0.9

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 2011 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	-	-	6.3	6.3
JPY liability to USD liability ²	JPY	-	-	15,000.0	15,000.0	-	-	22.9	22.9
JPY liability to USD liability ³	JPY	-	-	6,000.0	6,000.0	-	-	8.1	8.1
Floating rate USD liability to fixed rate RM liability ⁴	USD	100.0	-	-	100.0	(34.7)	-	-	(34.7)

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 RM352 million liability and serve as a cashflow hedge for the Group's principal repayment for the USD loan obtained.

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

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(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 2011 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 Swap ¹	USD	-	-	600.0	600.0	-	-	(53.5)	(53.5)
	USD	-	-	80.0	80.0	-	-	(0.8)	(0.8)

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.



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(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'000	RM'000		
Forward foreign exchange contracts	72,108	(64,407)	The difference between the contracted rates and the market forward rates	The exchange rates have moved favourably for/ (unfavourably against) the Group from the last measurement date
Commodity future contracts	6,034	10,669	The difference between the contracted prices rate and forward prices	The prices for the respective commodity future contracts have moved favourably for the Group from the last measurement date
Commodity forward contracts	46,295	54,165	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved favourably for the Group from the last measurement date
Cross currency swap contracts	6,073	40,951	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 favourably for the Group from the last measurement date
Interest rate swap	3,577	(54,328)	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
Commodity swap	(180)	(1,157)	Based on prices of underlying commodity	The prices of underlying commodity have moved unfavourably against the Group from the last measurement date
2nd Exchangeable Bonds	303	33,352	Quoted market price	The quoted market price has decrease from the last measurement date
3rd Exchangeable Bonds	(86)	(48)	Quoted market price	The quoted market price has increased from the last measurement date

Interim Report For The Financial Period Ended 31 December 2011

(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'000
Total retained profits of IOI Corporation Berhad and its subsidiaries:	
- Realised	11,757,718
- Unrealised	263,311
	12,021,029
Total share of retained profits from associated companies:	
- Realised	370,658
- Unrealised	(13,032)
	357,626
Total share of accumulated losses from jointly controlled entities:	
- Realised	(155,854)
- Unrealised	(1,910)
	(157,764)
	12,220,891
Less: Consolidation adjustments	(2,535,132)
Total Group retained profits	9,685,759

Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

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

12) Notes to the Statement of Comprehensive Income

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

	CURRENT YEAR QUARTER	CURRENT YEAR TO DATE
	31/12/11 RM'000	31/12/11 RM'000
Interest income	(10,673)	(23,906)
Other income including investment income		
- Dividend income	(11,794)	(22,313)
Interest expense	49,067	96,445
Depreciation and amortisation	64,174	128,040
Provision for and write off of receivables	461	641
Provision for and write off of inventories	401	493
Gain or loss on disposal of quoted or unquoted investments or properties		
- Gain on disposal of quoted investments	(48)	(48)
Impairment of assets	-	-
Foreign exchange (gain)/ loss	(71,919)	223,593
(Gain)/loss on derivatives	(44,639)	87,443
Other exceptional items		
- Gain on disposal of land from compulsory acquisition	(1,027)	(13,776)
- Gain on disposal of investment property	(822)	(810)

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 2011

(The figures have not been audited)

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

13) Material Litigations

There are no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2011. For ease of reference, the material litigations brought forward are detailed below:

a) IOI Corporation Berhad

A civil suit had been instituted by Tuan Haji Zulkifli Bin Hussain and 6 others, the former shareholders of IOI Oleochemical Industries Berhad ("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.

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(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 Berhad)

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. The matter has been presently fixed for hearing from 25 to 29 of June 2012.

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 will now proceed to hear and determine the said appeal.

Unipamol and PPSB have obtained favourable legal opinion on the merits of the case.

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(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 2010: 80% or 8.0 sen) per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2012 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 29 March 2012 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 16 March 2012.

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 16 March 2012 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 14 March 2012 (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 2010: 8.0 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'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net profit for the period attributable to owners of the Company	577,674	520,238	835,770	1,018,366
Weighted average number of ordinary shares in issue ('000)	6,422,250	6,386,690	6,419,186	6,382,108
Basic earnings per share (sen)	<u>8.99</u>	<u>8.15</u>	<u>13.02</u>	<u>15.96</u>

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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'000	RM'000	RM'000	RM'000
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	577,674	520,238	835,770	1,018,366
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Fair value adjustment	86	6,309	-	17,574
Net foreign exchange differences taken up	(68)	573	-	(71,667)
	18	6,882	-	(54,093)
	577,692	527,120	835,770	964,273
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	6,422,250	6,386,690	6,419,186	6,382,108
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	1,254	135,991	-	135,991
Assumed exercise of Executive Share Options at beginning of period	20,090	33,185	20,638	32,068
	6,443,594	6,555,866	6,439,824	6,550,167
Diluted earnings per share (sen)	8.97	8.04	12.98	14.72



IOI GROUP

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

Interim Report For The Financial Period Ended 31 December 2011

(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
23 February 2012



Interim Report For The Financial Period Ended 31 December 2011

(The figures have not been audited)

Group Plantation Statistics

		As At 31/12/11	As At 31/12/10
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	138,759	138,744
Total planted	<i>(hectares)</i>	157,925	154,853
Rubber			
Total planted	<i>(hectares)</i>	496	438
Total Titled Area	<i>(hectares)</i>	180,528	179,191

		31/12/11 (6 months)	31/12/10 (6 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	139,551	138,760
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,876,276	1,699,490
Yield per mature hectare	<i>(tonnes)</i>	13.45	12.25
FFB processed	<i>(tonnes)</i>	1,878,413	1,691,954
Crude palm oil production	<i>(tonnes)</i>	394,635	360,226
Palm kernel production	<i>(tonnes)</i>	95,148	86,208
Crude palm oil extraction rate	<i>(%)</i>	21.01%	21.29%
Palm kernel extraction rate	<i>(%)</i>	5.07%	5.10%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	3,094	2,698
Palm kernel	<i>(RM/tonne)</i>	1,917	1,824