



IOI GROUP

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

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

Interim Report For The Financial Period Ended 31 March 2012

(The figures have not been audited)

Condensed Consolidated Income Statement

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Revenue	3,579,283	4,340,259	11,892,762	11,830,006
Operating profit	666,569	786,618	1,845,002	2,116,688
Share of results of associates	17,482	20,646	86,245	69,476
Share of results of jointly controlled entities	12,221	20,249	28,485	36,940
Profit before interest and taxation	696,272	827,513	1,959,732	2,223,104
Interest income	10,791	11,438	34,697	32,420
Finance cost	(47,730)	(58,087)	(144,175)	(123,590)
Profit before taxation	659,333	780,864	1,850,254	2,131,934
Taxation	(110,097)	(110,358)	(436,165)	(395,108)
Profit for the period	549,236	670,506	1,414,089	1,736,826
Profits attributable to:				
Owners of the Company	551,958	656,710	1,387,728	1,675,076
Non-controlling interests	(2,722)	13,796	26,361	61,750
	549,236	670,506	1,414,089	1,736,826
Earnings per share for profit attributable to owners of the Company (sen)				
Basic	8.59	10.25	21.61	26.21
Diluted	8.55	9.73	21.54	25.01

(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 March 2012

(The figures have not been audited)

Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Profit for the period	549,236	670,506	1,414,089	1,736,826
Other comprehensive (loss)/income				
Exchange differences on translation of foreign operations	(5,154)	50,254	(80,216)	105,450
Other comprehensive (loss)/income for the period	(5,154)	50,254	(80,216)	105,450
Total comprehensive income for the period, net of tax	544,082	720,760	1,333,873	1,842,276
Total comprehensive income attributable to:				
Owners of the Company	546,772	707,277	1,307,629	1,778,662
Non-controlling interests	(2,690)	13,483	26,244	63,614
	544,082	720,760	1,333,873	1,842,276

(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 March 2012

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/03/12 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/06/11 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	5,697,972	5,677,476
Prepaid lease payments	29,572	30,007
Land held for property development	1,105,097	834,513
Investment properties	1,089,992	1,062,529
Goodwill on consolidation	511,994	511,994
Associates	740,752	668,074
Jointly controlled entities	3,236,225	3,099,132
Derivative financial assets	31,541	18,619
Deferred tax assets	47,182	49,670
	<u>12,490,327</u>	<u>11,952,014</u>
Current assets		
Property development costs	331,134	235,910
Inventories	2,713,915	2,651,655
Receivables	1,726,342	1,756,215
Derivative financial assets	115,717	208,372
Other investments	74,918	65,427
Short term funds	1,431,084	1,725,237
Short term deposits	342,913	592,864
Cash and bank balances	509,069	467,425
	<u>7,245,092</u>	<u>7,703,105</u>
TOTAL ASSETS	<u><u>19,735,419</u></u>	<u><u>19,655,119</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 2011 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 March 2012

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/03/12 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	642,536	641,603
Share premium	1,978,501	1,944,320
Other reserves	(96,315)	(12,270)
Treasury shares	(130,047)	-
Retained earnings	9,791,043	9,425,524
	<u>12,185,718</u>	<u>11,999,177</u>
Non-controlling interest	276,818	262,221
Total equity	<u>12,462,536</u>	<u>12,261,398</u>
Non-current liabilities		
Long term borrowings	5,158,408	4,606,449
Derivative financial liabilities	59,699	19,906
Other long term liabilities	17,376	26,292
Deferred tax liabilities	424,860	453,046
	<u>5,660,343</u>	<u>5,105,693</u>
Current liabilities		
Payables	1,043,593	1,191,974
Derivative financial liabilities	140,034	189,055
Short term borrowings	297,239	791,309
Provision for taxation	131,674	115,690
	<u>1,612,540</u>	<u>2,288,028</u>
Total liabilities	<u>7,272,883</u>	<u>7,393,721</u>
TOTAL EQUITY AND LIABILITIES	<u>19,735,419</u>	<u>19,655,119</u>
Net assets per share attributable to owners of the Company (RM)	1.90	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 March 2012

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	9 Months Ended	9 Months Ended
	31/03/12	31/03/11
	RM'000	RM'000
Operating Activities		
Profit before taxation	1,850,254	2,131,934
Adjustments for:		
Depreciation	198,057	182,074
Other non-cash items	(4,020)	(447,041)
Operating profit before working capital changes	<u>2,044,291</u>	1,866,967
Increase in inventories	(54,434)	(978,984)
Increase in receivables and other assets	(6,639)	(314,376)
(Decrease)/increase in payables and other liabilities	<u>(63,276)</u>	52,832
Cash generated from operations	1,919,942	626,439
Other payments	(3,372)	(1,230)
Taxes paid	<u>(429,374)</u>	(344,733)
Net cash inflow from operating activities	<u>1,487,196</u>	<u>280,476</u>
Investing Activities		
Dividends received	46,435	41,281
Interest received	14,942	13,014
Proceeds from disposal of investment properties	14,846	332,091
Proceeds from disposal of land from compulsory acquisitions	14,180	21,843
Proceeds from disposal of other investments	3,398	7,332
Proceeds from disposal of property, plant and equipment	1,634	4,943
Additions to other investments	(1,632)	(4,654)
Other payments	(3,560)	(4,024)
Additions to investment properties	(33,883)	(11,325)
Investments in jointly controlled entities	(36,108)	(2)
Advances to jointly controlled entities	(69,219)	53,492
Additions to property, plant and equipment	(266,269)	(275,810)
Investment in land held for development	(393,963)	(48,077)
Proceeds from disposal of subsidiary	-	9,603
Net cash (outflow)/inflow from investing activities	<u>(709,199)</u>	<u>139,707</u>

(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 March 2012

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows (Continued)

	9 Months Ended	9 Months Ended
	31/03/12	31/03/11
	RM'000	RM'000
Financing Activities		
Drawdown of term loan	531,882	1,832,242
Issuance of shares	27,889	30,815
Proceeds from issuance of shares to non-controlling interests	293	-
Capital repayment to non-controlling interests	(333)	-
Dividends paid to non-controlling interests	(10,218)	(80,960)
Repurchase of shares	(130,047)	-
Payment of interest	(167,165)	(141,349)
Redemption of 2nd Exchangeable Bonds	(236,500)	-
Net repayment of other borrowings	(262,931)	(317,526)
Payment of Dividends	(1,023,454)	(1,151,218)
Redemption of 3rd Exchangeable Bonds	-	(1,397,158)
Repurchase of 3rd Exchangeable Bonds	-	(69,122)
Net cash outflow from financing activities	(1,270,584)	(1,294,276)
Net decrease in cash and cash equivalents	(492,587)	(874,093)
Cash and cash equivalents at beginning of period	2,785,526	3,877,306
Effect of exchange rate changes	(9,873)	32,082
Cash and cash equivalents at end of period	2,283,066	3,035,295

(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	-	-	-	(80,099)	-	1,387,728	1,307,629	26,244	1,333,873
Transactions with owners									
Dividend paid in respect of current financial year	-	-	-	-	-	(447,883)	(447,883)	-	(447,883)
Dividend paid in respect of previous financial year	-	-	-	-	-	(575,571)	(575,571)	-	(575,571)
Issue of shares arising from exercise of share options	933	34,181	(7,225)	-	-	-	27,889	-	27,889
Repurchase of shares	-	-	-	-	(130,047)	-	(130,047)	-	(130,047)
Recognition of share option expenses	-	-	3,279	-	-	-	3,279	-	3,279
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	(333)	(333)
Incorporation of a subsidiary	-	-	-	-	-	-	-	293	293
Changes in equity interest in subsidiaries	-	-	-	-	-	1,245	1,245	(1,389)	(144)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(10,218)	(10,218)
As at 31 March 2012	642,536	1,978,501	138,093	(234,408)	(130,047)	9,791,043	12,185,718	276,818	12,462,536

(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.)



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Interim Report For The Financial Period Ended 31 March 2012

(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	-	-	-	103,586	-	1,675,076	1,778,662	63,614	1,842,276
Transactions with owners									
Dividend paid in respect of current financial year	-	-	-	-	-	(513,083)	(513,083)	-	(513,083)
Dividend paid in respect of previous financial year	-	-	-	-	-	(638,135)	(638,135)	-	(638,135)
Issue of shares arising from exercise of share options	937	37,350	(7,472)	-	-	-	30,815	-	30,815
Cancellation of treasury shares	(29,842)	(1,767,552)	29,842	-	1,767,552	-	-	-	-
Issue of shares arising from exchange of 2nd Exchangeable Bonds	2,706	121,229	-	-	-	-	123,935	-	123,935
Recognition of share option expenses	-	-	3,798	-	-	-	3,798	-	3,798
Changes in equity interest in a subsidiary	-	-	-	-	-	827	827	(2,305)	(1,478)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(80,960)	(80,960)
As at 31 March 2011	641,353	1,933,950	136,320	(269,161)	-	8,877,663	11,320,125	269,645	11,589,770

(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 March 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 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 March 2012

(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:

- 6,402,800 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.
- 2,927,300 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	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	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	-
First interim single tier dividend in respect of financial year ending 30 June 2012 - 7.0 sen per ordinary share of RM0.10 each	447,883	
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
First interim single tier dividend in respect of financial year ended 30 June 2011 - 8.0 sen per ordinary share of RM0.10 each	-	513,083
	<u>1,023,454</u>	<u>1,151,218</u>



Interim Report For The Financial Period Ended 31 March 2012

(The figures have not been audited)

g) Segment Revenue & Results

(RM'000)

	Plantation	Property Development	Property Investment	Resource-based Manufacturing	Other Operations	Eliminations	Consolidated
9 Months Ended 31/03/12							
REVENUE							
External Sales	124,725	555,573	70,380	11,030,922	111,162	-	11,892,762
Inter-segment sales	1,842,910	-	-	-	-	(1,842,910)	-
Total Revenue	1,967,635	555,573	70,380	11,030,922	111,162	(1,842,910)	11,892,762
RESULT							
Operating profit	1,260,391	330,712	42,098	222,494	56,212	-	1,911,907
Share of results of associates	62,261	-	-	23,984	-	-	86,245
Share of results of jointly controlled entities	-	28,485	-	-	-	-	28,485
Segment results	1,322,652	359,197	42,098	246,478	56,212	-	2,026,637
9 Months Ended 31/03/11							
REVENUE							
External Sales	248,131	726,956	74,809	10,684,936	95,174	-	11,830,006
Inter-segment sales	1,418,658	-	-	-	-	(1,418,658)	-
Total Revenue	1,666,789	726,956	74,809	10,684,936	95,174	(1,418,658)	11,830,006
RESULT							
Operating profit	1,037,252	387,893	101,189	319,633	81,951	-	1,927,918
Share of results of associates	48,798	-	-	20,678	-	-	69,476
Share of results of jointly controlled entities	-	36,940	-	-	-	-	36,940
Segment results	1,086,050	424,833	101,189	340,311	81,951	-	2,034,334

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

	9 Months Ended	9 Months Ended
	31/03/12	31/03/11
	RM'000	RM'000
Segment results	2,026,637	2,034,334
Translation (loss)/gain on foreign currency denominated borrowings	(93,325)	250,849
Unallocated fair value gain on derivative financial instruments	22,372	3,431
Unallocated fair value gain/(loss) on financial liabilities	33,341	(74,596)
Unallocated fair value gain on financial assets	4,902	19,120
Other unallocated corporate net expense	(34,195)	(10,034)
Profit before interest and taxation	1,959,732	2,223,104
Finance cost	(144,175)	(123,590)
Interest income	34,697	32,420
Profit before taxation	1,850,254	2,131,934
Taxation	(436,165)	(395,108)
Profit for the period	1,414,089	1,736,826

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 March 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 March 2012.

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 March 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) Q3 FY2012 vs. Q3 FY2011

The Group reported a pre-tax profit of RM659.3 million for Q3 FY2012, which is 16% lower than the profit of RM780.9 million reported for Q3 FY2011. The lower profit is due mainly to decrease in overall operating profit of the group, except for property investment segment.

Plantation

The plantation segment profit decreased by 11% to RM303.2 million for Q3 FY2012, as compared to RM341.6 million reported for Q3 FY2011. The lower profit reported is due to lower FFB production as well as higher cost of production. FFB production for Q3 FY2012 was 644,984 MT as compared to 676,197 MT for Q3 FY2011 i.e. a decrease of about 5%.

Resource-based Manufacturing

The resource-based manufacturing profit decreased from RM191.7 million in Q3 FY2011 to RM89.1 million in Q3 FY2012. After excluding the changes in fair value on derivative contracts amounting to a loss of RM4.9 million (Q3 FY2011 – gain of RM99.1 million), the results of resource-based manufacturing segment in Q3 FY2012 is consistent with the results in Q3 FY2011.

Property Development

The segment results from property development division of RM110.1 million for Q3 FY2012 is 25% lower than the profit reported for Q3 FY2011 of RM145.9 million. The lower profit from the segment is due mainly to lower development revenue recognised as well as decrease in share of results from jointly controlled entities.

Property Investment

Operating profit from property investment segment for Q3 FY2012 is 18% higher than Q3 FY2011 as a result of increase in overall average rental per square foot.

Interim Report For The Financial Period Ended 31 March 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 (Continued)**
- b) **Q3 YTD FY2012 vs. Q3 YTD FY2011**

For Q3 YTD FY2012, the Group reported a pre-tax profit of RM1,850.3 million, which is 13% lower than the profit of RM2,131.9 million reported for Q3 YTD FY2011. The decrease is due mainly to translation loss on foreign currency denominated borrowings of RM93.3 million (Q3 YTD FY2011 – gain of RM250.8 million).

Plantation

The plantation segment reported a 22% increase in operating profit to RM1,322.7 million for Q3 YTD FY2012, as compared to RM1,086.1 million reported for Q3 YTD FY2011. The higher profit reported is due mainly to higher CPO price realised of RM3,107/MT (Q3 YTD FY2011 – RM2,794/MT) and higher FFB production of 2,521,260 MT (Q3 YTD FY2011 – 2,375,687 MT).

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM246.5 million for Q3 YTD FY2012, 28% lower than profit of RM340.3 million reported for Q3 YTD FY2011. The lower profit reported is mainly due to fair value differences on derivative contracts. The segment reported RM85.9 million loss on changes in fair value of derivative contracts for Q3 YTD FY2012 whilst there was a fair value gain of RM2.7 million for Q3 YTD FY2011.

Property Development

The property development segment's operating profit of RM359.2 million for Q3 YTD FY2012 is 15% lower than profit of RM424.8 million for Q3 YTD FY2011 as a result of slower take up rates in line with the more cautious market sentiments.

Property Investment

Operating profit of RM42.1 million from property investment segment for Q3 YTD FY2012 is lower than Q3 YTD FY2011 by 58% (approximately RM59.1 million) as the profit in Q3 YTD FY2011 included gain on disposal of an investment property amounting to RM61 million.

Interim Report For The Financial Period Ended 31 March 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 RM659.3 million for Q3 FY2012, which is 14% lower than the profit reported for Q2 FY2012 of RM766.8 million. It is mainly due to lower operating profits in all segments which however mitigated by higher translation gain on foreign currency denominated borrowings.

The decrease of plantation segment results by 34% to RM303.2 million for Q3 FY2012 as compared to RM462.3 million for Q2 FY2012 is due mainly to lower FFB production of 644,984 MT (Q2 FY2012 – 902,983 MT).

Contribution from the property segment for Q3 FY2012 of RM123.9 million is lower than the preceding quarter by 23%, due mainly to lower development revenue recognised.

The resource-based manufacturing segment reported a profit of RM89.1 million in Q3 FY2012, 28% lower than Q2 FY2012, due mainly to lower sales volume.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'000	PRECEDING QUARTER RM'000	DIFFERENCE RM'000	
Plantation	303,249	462,317	(159,068)	(34%)
Property development	110,095	146,073	(35,978)	
Property investment	13,805	14,758	(953)	
Total Property	123,900	160,831	(36,931)	(23%)
Resource-based manufacturing	89,105	124,212	(35,107)	(28%)
Other operations	19,879	24,042	(4,163)	(17%)
Segment results	536,133	771,402	(235,269)	(30%)
Translation gain on foreign currency denominated borrowings	147,209	31,204	116,005	372%
Unallocated fair value gain on derivative financial instruments	24,481	11,024	13,457	122%
Unallocated fair value gain on financial liabilities	37	217	(180)	(83%)
Unallocated fair value gain on financial assets	813	2,376	(1,563)	(66%)
Other unallocated corporate net expenses	(12,401)	(11,010)	(1,391)	13%
Profit before interest and taxation	696,272	805,213	(108,941)	(14%)
Finance cost	(47,730)	(49,067)	1,337	(3%)
Interest income	10,791	10,673	118	1%
Profit before taxation	659,333	766,819	(107,486)	(14%)

Interim Report For The Financial Period Ended 31 March 2012

(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 one for business operations. Nevertheless, the Group is optimistic that it will perform satisfactorily in the current financial year underpinned by strong plantation segment performance.

The plantation segment is expected to perform well for the current financial year on the back of resilient crude palm oil prices.

The Malaysian property market outlook remains positive especially in the landed property segment. The Group anticipates stronger sales with more property launches in the coming quarter. In Singapore, the continued resilient performance of the mass market segment will ensure that the Group's more recent mass market projects continue to do well although the high-end market segment is still affected by uncertainty in the global economic 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 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 (Q3)		CUMULATIVE QUARTER (9 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	109,321	96,731	453,276	403,799
- Prior years	236	3,853	(1,681)	(900)
Deferred taxation				
- Current year	(167)	9,879	(15,767)	6,464
- Prior years	707	(105)	337	(14,255)
	110,097	110,358	436,165	395,108

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 March 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 23 May 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 March 2012 are as follows:

	RM'000
a) Short term borrowings	
Secured	
Denominated in RM	168
Unsecured	
Denominated in RM	115,058
Denominated in USD (USD59,118,000)	182,013
Total Short Term Borrowings	<u>297,239</u>
b) Long term borrowings	
Secured	
Denominated in RM	273
Unsecured	
Denominated in SGD (SGD200,000,000)	487,920
Denominated in JPY (JPY21,000,000,000)	784,014
Denominated in USD (USD1,267,722,000)	3,886,201
	<u>5,158,135</u>
Total Long Term Borrowings	<u>5,158,408</u>



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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 March 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	(912.1)	(0.2)	-	(912.3)	5.1	-	-	5.1
EUR/RM	EUR	(49.3)	-	-	(49.3)	0.2	-	-	0.2
USD/EUR	USD	366.5	-	-	366.5	(14.1)	-	-	(14.1)
CAD/EUR	CAD	4.2	-	-	4.2	(0.1)	-	-	(0.1)
GBP/EUR	GBP	0.8	-	-	0.8	-	-	-	-
EUR/USD	USD	(247.6)	-	-	(247.6)	4.0	-	-	4.0
EUR/GBP	GBP	(7.8)	-	-	(7.8)	(0.9)	-	-	(0.9)
EUR/CAD	CAD	(9.4)	-	-	(9.4)	0.1	-	-	0.1
EUR/CHF	CHF	(0.1)	-	-	(0.1)	-	-	-	-
USD/RMB	USD	3.2	-	-	3.2	-	-	-	-
USD/CAD	USD	(4.3)	-	-	(4.3)	0.1	-	-	0.1
JPY/RM	JPY	(598.8)	-	-	(598.8)	0.4	-	-	0.4
GBP/RM	GBP	(0.9)	-	-	(0.9)	(0.1)	-	-	(0.1)
RM/EUR	RM	30.3	-	-	30.3	(0.7)	-	-	(0.7)
						(6.0)	-	-	(6.0)
Swap Contracts									
EUR-USD-EUR	USD	(123.7)	-	-	(123.7)	6.1	-	-	6.1
CAD-EUR-CAD	EUR	(0.4)	-	-	(0.4)	-	-	-	-
USD-EUR-USD	EUR	288.5	-	-	288.5	(15.0)	-	-	(15.0)
RM-USD-RM	USD	(2.3)	-	-	(2.3)	-	-	-	-
						(8.9)	-	-	(8.9)

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 March 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	(168.9)	-	-	(168.9)	17.5	-	-	17.5
	USD	102.0	-	-	102.0	(15.0)	-	-	(15.0)
Futures	RM	267.6	-	-	267.6	(12.7)	-	-	(12.7)
	RM	8.2	-	-	8.2	(0.4)	-	-	(0.4)
	USD	(2.8)	-	-	(2.8)	0.1	-	-	0.1
	USD	(8.0)	-	-	(8.0)	1.0	-	-	1.0
Swap Contracts	RM	1.8	-	-	1.8	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 31 March 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	-	(2.1)	-	(2.1)
JPY liability to USD liability ²	JPY	-	-	15,000.0	15,000.0	-	-	17.2	17.2
JPY liability to USD liability ³	JPY	-	-	6,000.0	6,000.0	-	-	6.5	6.5
Floating rate USD liability to fixed rate RM liability ⁴	USD	-	-	100.0	100.0	-	-	7.8	7.8

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.

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 March 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	-	-	(55.9)	(55.9)
	USD	-	-	74.0	74.0	-	-	(1.7)	(1.7)

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.



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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	27,790	(36,617)	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 futures	(13,623)	(2,954)	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	(15,073)	39,092	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved (unfavourably against)/favourably for the Group from the last measurement date
Cross currency swap contracts	26,364	67,315	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	(3,280)	(57,608)	The difference between fixed and floating interest rates	The floating interest rate has moved unfavourably against the Group from the last measurement date
Commodity swap	1,157	-	Based on prices of underlying commodity	The prices of underlying commodity have moved favourably for the Group from the last measurement date
2nd Exchangeable Bonds	-	33,352	Quoted market price	The quoted market price has decreased from the last measurement date
3rd Exchangeable Bonds	37	(11)	Quoted market price	The quoted market price has decreased/(increased) from the last measurement date

Interim Report For The Financial Period Ended 31 March 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'000
Total retained profits of IOI Corporation Berhad and its subsidiaries:	
- Realised	11,698,084
- Unrealised	398,055
	12,096,139
Total share of retained profits from associated companies:	
- Realised	238,722
- Unrealised	(12,961)
	225,761
Total share of accumulated losses from jointly controlled entities:	
- Realised	(143,588)
- Unrealised	(1,955)
	(145,543)
	12,176,357
Less: Consolidation adjustments	(2,385,314)
Total Group retained profits	9,791,043

Interim Report For The Financial Period Ended 31 March 2012

(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
	31/03/12	31/03/12
	RM'000	RM'000
Interest income	(10,791)	(34,697)
Other income including investment income		
- Dividend income	(12,429)	(36,310)
Interest expense	47,730	144,175
Depreciation and amortisation	70,017	198,057
Provision for and write off of receivables	574	1,215
Provision for and write off of inventories	128	621
Gain or loss on disposal of quoted or unquoted investments or properties		
- Gain on disposal of quoted investments	-	(48)
Impairment of assets	-	-
Foreign exchange (gain)/loss	(150,389)	74,450
(Gain)/loss on derivatives	(56,841)	71,552
Other exceptional items		
- Gain on disposal of land from compulsory acquisition	-	(13,776)
- Gain on disposal of investment property	(7,296)	(8,106)

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.

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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

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.

Interim Report For The Financial Period Ended 31 March 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 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 has completed the hearing for the said appeal on 29 May 2012 and decision is reserved.

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 on 23 February 2012 declared an interim single tier dividend of 70% or 7.0 sen per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2012. The dividend was paid on 29 March 2012.

No dividend has been proposed for this quarter (31 March 2011: nil).

The total dividend declared to date for the current financial year is a single tier dividend of 7.0 sen (31 March 2011: 8.0 sen) per ordinary share of RM0.10 each.

15) Earnings per Share

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 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	551,958	656,710	1,387,728	1,675,076
Weighted average number of ordinary shares in issue ('000)	6,423,824	6,407,071	6,420,719	6,390,307
Basic earnings per share (sen)	8.59	10.25	21.61	26.21

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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 (Q3)		CUMULATIVE QUARTER (9 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	551,958	656,710	1,387,728	1,675,076
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Fair value adjustment	-	(3,933)	-	-
Net foreign exchange differences taken up	-	(6,178)	-	-
	-	(10,111)	-	-
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception:				
Fair value adjustment	(37)	939	11	18,514
Net foreign exchange differences taken up	(442)	(15,485)	161	(87,153)
	(479)	(14,546)	172	(68,639)
	551,479	632,053	1,387,900	1,606,437
Adjusted weighted average number of ordinary shares in issue ('000)				
Weighted average number of ordinary shares in issue	6,423,824	6,407,071	6,420,719	6,390,307
Assumed exchange of USD370 million Zero Coupon Guaranteed Exchangeable Bonds at inception	-	54,047	-	-
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at inception	1,254	1,254	1,254	1,254
Assumed exercise of Executive Share Options at beginning of period	22,822	31,584	21,363	31,040
	6,447,900	6,493,956	6,443,336	6,422,601
Diluted earnings per share (sen)	8.55	9.73	21.54	25.01



IOI GROUP

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

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(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
30 May 2012



Interim Report For The Financial Period Ended 31 March 2012

(The figures have not been audited)

Group Plantation Statistics

		As At 31/03/12	As At 31/03/11
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	138,716	139,246
Total planted	<i>(hectares)</i>	158,255	156,003
Rubber			
Total planted	<i>(hectares)</i>	496	438
Total Titled Area	<i>(hectares)</i>	180,733	179,191

		31/03/12 (9 months)	31/03/11 (9 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	139,334	138,962
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	2,521,260	2,375,687
Yield per mature hectare	<i>(tonnes)</i>	18.10	17.10
FFB processed	<i>(tonnes)</i>	2,525,347	2,368,075
Crude palm oil production	<i>(tonnes)</i>	527,213	496,387
Palm kernel production	<i>(tonnes)</i>	129,589	119,638
Crude palm oil extraction rate	<i>(%)</i>	20.88%	20.96%
Palm kernel extraction rate	<i>(%)</i>	5.13%	5.05%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	3,107	2,794
Palm kernel	<i>(RM/tonne)</i>	1,918	2,091