

APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2011

**CI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ACN 006 788 754**

Reporting Period

This information should be read in conjunction with the 30 June 2011 annual financial report.

Current reporting period: 31 December 2011

Previous corresponding period: 31 December 2010

Results for announcement to the market

**AUD
\$'000's**

Revenue from continuing operations	up 53% to	87,395
Profit from ordinary activities after tax attributable to members	up 201% to	7,016
Net profit for the period Attributable to members	up 156% to	6,773

Earnings Per Share

Basic and Diluted 9.63 cents

Dividends

No dividends have been paid or declared during the interim period.

Significant changes in the state of affairs of the Company

No significant changes took place during the period in the state of affairs of the consolidated entity.

APPENDIX 4D – HALF YEAR REPORT (Continued)

PERIOD ENDED 31 DECEMBER 2011

**CI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ACN 006 788 754**


Net Tangible Asset Backing Per Security

	31 December 2011 \$'000's	31 December 2010 \$'000's
Fully paid ordinary shares on issue at balance date	72,874,102	72,874,102
Net tangible asset backing per issued ordinary share as at balance date	\$0.55	\$0.46

Compliance Statement

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

For and on behalf of the directors:



David Somerville
Director

Dated: 29 February 2012

CI Resources Limited

Half Year Report

For the half-year ended 31 December 2011

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CI RESOURCES LIMITED

Directors' report

Your directors present their half year report on the consolidated entity ("Group") consisting of CI Resources Limited ("CI" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

Directors

The following persons were directors of CI Resources Limited for the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr David Somerville (elected 28 November 2008)
Mr Tee Lip Sin (appointed 25 June 2007)
Mr Phuar Kong Seng (resigned 16 February 2012)
Prof. Anthony Brennan (appointed 29 January 2010)
Mr Tee Lip Jen (appointed 18 March 2011)
Adrian Gurgone (appointed 18 March 2011)
Mr Phua Siak Yeong (resigned 15 March 2011)

Dividends

No final dividend has been declared or paid.

Review of operations

Financial Position

At the end of the financial period the consolidated entity had net cash balances of \$42.460M (30 June 2011: \$30.523M) and net assets of \$89.443M (30 June 2011: \$76.784M).

Total liabilities amounted to \$70.217M (30 June 2011: \$76.882M), being trade and other creditors, borrowings and taxation liabilities.

CI Resources Limited

During the financial year CI Resources continued to acquire shares in Phosphate Resources Limited (PRL). During July 2011 CI Resources acquired a further 19,000 shares under the Creep provisions of the Corporations Act 2001, and as at 31 December 2011 was the largest shareholder in PRL holding a shareholding of 50.48%.

The Company is represented on the Board of PRL by Mr Tee Lip Sin and Mr Phuar Kong Seng (resigned 16 February 2012).

PRL reported a post-tax profit of \$14.263M for the half-year ended 31 December 2011 (31 December 2010: \$6.022m), and has paid one dividend during this period. The Company received a total dividend from PRL of \$0.691M (2010: \$0.471M) during the half-year.

The Consolidated Entity is reporting a profit attributable to members of \$7.016M for the half-year ended 31 December 2011 (31 December 2010: \$2.332M).

Earnings per share

	December 2011 Cents	December 2010 Cents
Basic earnings per share	9.63	3.20

CI RESOURCES LIMITED

Directors' report

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to be 'D Somerville', written over a horizontal line.

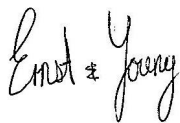
D Somerville
Chairman
Perth, Western Australia

29 February 2012

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Auditor's Independence Declaration to the Directors of CI Resources Limited

In relation to our review of the financial report of CI Resources Limited for the half-year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



R J Curtin
Partner
29 February 2012

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CI RESOURCES LIMITED

**Consolidated Statement Comprehensive Income
For the half-year ended 31 December 2011**

	Notes	Consolidated	
		2011	2010
		\$'000s	\$'000s
Revenue from continuing operations	2a	87,395	57,208
Cost of sales	2b	(60,096)	(42,017)
Gross Profit		27,299	15,191
Other income	2c	491	2,577
Other expenses	2d	(7,452)	(9,353)
Profit before income tax		20,338	8,415
Income tax expense		(6,260)	(2,831)
Net profit for the period		14,078	5,584
Other comprehensive income			
Exchange differences on translation of foreign operations		(481)	710
Total comprehensive income for the period		13,597	6,294
Net profit for the period is attributable to:			
Non-controlling interest		7,062	3,252
Owners of the parent		7,016	2,332
		14,078	5,584
Total comprehensive income for the period is attributable to:			
Non-controlling interest		6,824	3,648
Owners of the parent		6,773	2,646
		13,597	6,294
		Cents	Cents
Basic and diluted earnings/(loss) per share		9.63	3.20

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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CI RESOURCES LIMITED

Consolidated Statement of Financial Position
As at 31 December 2011

	Notes	Consolidated	
		31 December 2011 \$'000s	30 June 2011 \$'000s
Current assets			
Cash and cash equivalents	3	42,460	30,523
Trade and other receivables		16,050	24,320
Derivative financial asset		1,941	5,308
Inventories		14,450	11,912
Total current assets		74,901	72,063
Non-current assets			
Other Financial Asset		13,201	10,188
Plant & equipment		46,114	45,593
Goodwill		7,635	7,635
Biological assets	6	11,827	12,332
Deferred tax assets		5,982	5,855
Total non-current assets		84,759	81,603
Total assets		159,660	153,666
Current liabilities			
Trade and other payables		9,684	12,247
Borrowings		6,324	6,536
Tax liability		3,158	2,836
Provisions		3,013	2,765
Total current liabilities		22,179	24,384
Non-current liabilities			
Borrowings		19,693	23,996
Deferred tax liability		11,319	12,034
Provisions		17,026	16,468
Total non-current liabilities		48,038	52,498
Total liabilities		70,217	76,882
Net assets		89,443	76,784
Equity			
Contributed equity		17,970	17,970
Reserves		1,584	1,673
Accumulated profits		21,012	13,996
Parent Interests		40,566	33,639
Non-controlling interests		48,877	43,145
Total equity		89,443	76,784

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CI RESOURCES LIMITED

Consolidated Statements of changes in Equity
For the half-year ended 31 December 2011

2011 Consolidated	Contributed Equity \$'000s	Foreign currency translation Reserve \$'000s	Discount on acquisition of Non- controlling interest Reserve \$'000s	Retained earnings \$'000s	Owners of the Parent \$'000s	Non-controlling Interest \$'000s	Total \$'000s
At the beginning of the period	17,970	86	1,587	13,996	33,639	43,145	76,784
Profit for the period	-	-	-	7,016	7,016	7,062	14,078
Other comprehensive income	-	(243)	-	-	(243)	(238)	(481)
Total comprehensive income for the period	-	(243)	-	7,016	6,773	6,824	13,597
Transactions with owners in their capacity as owners							
Dividends paid	-	-	-	-	-	(678)	(678)
Acquisition of Non-controlling interest in PRL	-	-	154	-	154	(414)	(260)
At the end of the period	17,970	(157)	1,741	21,012	40,566	48,877	89,443

CI RESOURCES LIMITED

**Consolidated Statements of changes in Equity
For the half-year ended 31 December 2011**

2010 Consolidated	Contributed Equity \$'000s	Foreign currency translation Reserve \$'000s	Discount on acquisition of Non- controlling interest Reserve \$'000s	Retained earnings \$'000s	Owners of the Parent \$'000s	Non-controlling Interest \$'000s	Total \$'000s
At the beginning of the period	17,970	364	-	12,820	31,154	42,757	73,911
Profit for the period	-	-	-	2,332	2,332	3,252	5,584
Other comprehensive income	-	314	-	-	314	396	710
Total comprehensive income for the period	-	314	-	2,332	2,646	3,648	6,294
Transactions with owners in their capacity as owners							
Dividends paid	-	-	-	(1,457)	(1,457)	(556)	(2,013)
Acquisition of Non-controlling interest in PRL	-	-	968	-	968	(2,219)	(1,251)
At the end of the period	17,970	678	968	13,695	33,311	43,630	76,941

CI RESOURCES LIMITED

**Consolidated Statement of Cash Flows
For the half-year ended 31 December 2011**

	Notes	Consolidated	
		2011 \$'000s	2010 \$'000s
Cash flows from operating activities			
Receipts from customers		96,822	49,819
Payments to suppliers and employees (inclusive of goods and services tax)		(66,887)	(48,729)
Interest received		498	681
Interest paid		(487)	-
Income taxes paid		(6,780)	(5,625)
Net cash inflow/ (outflow) from operating activities		23,166	(3,854)
Cash flows from investing activities			
(Increase)/decrease in short term investments		(3,013)	7,781
Purchase of property and equipment		(1,586)	(2,239)
Net cash (outflow)/ inflow from investing activities		(4,599)	5,542
Cash flows from financing activities			
Receipts from borrowings		-	1,029
Repayment of borrowings		(4,830)	-
Finance lease principal payment		(637)	(580)
Acquisition of non-controlling interest		(1,286)	(1,251)
Dividends paid		(678)	(2,013)
Net cash (outflow) from financing activities		(7,431)	(2,815)
Net increase in cash and cash equivalents held		11,136	(1,127)
Cash and cash equivalents at the beginning of the financial year		30,523	28,522
Impact of foreign exchange		801	(2)
Cash and cash equivalents at the end of the period		42,460	27,393

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The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements
For the year ended 31 December 2011

1 Basis of Preparation and Accounting Policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2011 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of CI Resources Limited as at 30 June 2011.

Apart from the adoption of new or revised standards noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

From 30 June 2011 The Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on 1 July 2011. Adoption of these standards and interpretations did not have any significant effect on the financial position or performance of the Group.

- AASB 1054; AASB101-1 and AASB 2011-2: These standards remove many of the additional domestic disclosures previously required under standards to align requirements of accounting standards for publicly accountable for-profit entities in Australia and New Zealand
- AASB 2010-6 Disclosures on Transfer of financial assets: The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for financial assets that are not derecognised in their entirety

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

Notes to the financial statements
For the year ended 31 December 2011

	Consolidated	
	31.12.2011 \$000	31.12.2010 \$000
2 Revenue and Expenses		
(a) Revenue		
Phosphate sales	48,058	51,267
Palm oil sales	33,437	-
Oil sales	343	331
Stevedoring	893	951
Finance revenue – interest	498	602
Other	4,166	4,057
	87,395	57,208
(b) Cost of sales		
Cost of production:		
Production costs	47,039	27,724
Royalties	702	468
Insurance	891	923
	48,632	29,115
Shipping costs:		
Shipping charges	8,329	8,820
Port charges	895	751
Levy	617	638
Commission	69	120
	9,910	10,329
Depreciation:		
Plant and equipment	1,554	2,573
	1,554	2,573
Total cost of sales	60,096	42,017
(c) Other income		
Government grants	-	1
Foreign exchange gain	45	2,467
Other	446	109
	491	2,577

**Notes to the financial statements
For the year ended 31 December 2011**

		Consolidated	
		31.12.2011	31.12.2010
		\$000	\$000
2	Revenue and Expenses (continued)		
(d)	Other expenses		
	Redundancy expense	248	941
	Depreciation	16	17
	Administration and other	6,809	7,574
	Accretion on asset retirement obligations	300	300
	Other	79	521
		7,452	9,353
		7,452	9,353
3	Reconciliation of Cash and Cash Equivalents		
		31.12.2011	30.06.2011
		\$000	\$000
	Cash at bank	42,460	30,523
		42,460	30,523
4	Dividends Paid and Proposed		
	Franked dividends declared and paid during the half-year on ordinary shares to the owners of the parent: \$0 (2010: \$0.02)	-	1,457
	Dividends proposed and not yet recognised as a liability	-	-
		-	-
		-	1,457
5	Commitments and Contingencies		
	As at balance sheet date the consolidated entity had no expenditure commitments.		
	Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.		

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**Notes to the financial statements
For the year ended 31 December 2011**

	31.12.2011 \$'000s	30.06.2011 \$'000s
6 Biological Assets		
Carrying amount on acquisition of subsidiary	12,332	12,332
Harvest/Amortisation	(515)	-
Fair value adjustment/effect of foreign exchange	10	-
Carrying amount at end	11,827	12,332

Biological assets consist of mature oil palm trees.

The Group grows oil palm trees to produce palm oil. The plantation is located in Malaysia.

A valuation was conducted by Jones Lang Wootton, an independent professional valuer, on a subsidiary's oil palm estate development comprising land, ancillary facilities and biological assets, for the purposes of acquisition of the subsidiary by Phosphate Resources Limited on 30 April 2011.

The valuer had confirmed that there have been no significant changes in the value of biological assets between 30 April 2011 and 30 June 2011.

At 31 December 2011, there has been no material change in the fair value of biological assets compared to 30 June 2011.

The Group is exposed to risks in respect of agricultural activity. The agricultural activity of the Group consists of the plantation development and cultivation of palm products.

The primary risk associated with this activity occurs due to the length of time between expending cash on the purchase of planting and maintenance of oil palm plantation and in harvesting, and ultimately receiving cash from sale of palm oil to third parties. The Group's strategy to manage this risk is to stage the replanting (20-30 year replanting cycle) to reduce the effect on the cash flow and also to obtain adequate insurance coverage on existing biological assets.

7 Interest bearing loans and borrowings

On 29 April 2011, the Group borrowed US\$30,000,000 from a bank, repayable over 5 years. On 5 August 2011, the Group repaid US\$5,000,000 (A\$4,772,814).

8 Events after the Balance Sheet Date

On the 8th January 2012 the MV Tycoon foundered in the crane loading berth at Christmas Island and eventually broke up and sank at that berth. It may be a few months before the wreck is finally removed and the crane berth is operating normally. Despite some ongoing interruption, difficulties and delays in dust shipments it is not anticipated that the incident will have any material impact on budgeted annual production and returns.

No other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect, the operations of CI Resources Limited and its controlled entities, or the state of affairs of CI Resources Limited and its controlled entities in subsequent periods.

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Notes to the financial statements
For the year ended 31 December 2011

9 Segment Reporting

Segment Reporting for the half-year ended 31 December 2011

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operation decision makers) in assessing performance and in determining the allocation of resource.

The Group has identified its operating segments to be Mining and Farming based on the different operating businesses within the Group. Discrete financial information about each of these operating segments is reported to the chief operation decision makers on a monthly basis.

Mining operating segment primarily involves mining, processing and sale of phosphate rock, phosphate dust and chalk

Farming operating segment primarily involves oil palm cultivation and palm oil processing

For the year ended 30 June 2011, management identified Phosphate Sales and Stevedoring as operating segments. Changes to how the financial and operating results of the Group are monitored and presented internally during the half-year ended 31 December 2011 have resulted in revised operating segments including Phosphate Sales and Palm Oil Sales.

Accounting policies and inter-segment transactions

The accounting policy used by the Group in reporting segments internally are the same as those contained in Note 2 to the accounts.

Deferred tax assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment.

	Half-Year ended 31 December 2011			
	Phosphate Sale	Palm Oil Sale	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Revenue				
Revenue from external customers	48,058	33,437	-	81,495
Interest income	334	-	104	438
Stevedoring	-	-	843	843
Rendering of services	-	-	4,166	4,166
Other services	-	-	661	661
Total segment revenue	48,392	33,437	5,774	87,395
Result				
Segment net operating profit after tax (attributable to parent)	11,455	2,052	571	14,078
Depreciation and amortisation	1,037	304	213	1,554
Income tax expense	5,248	734	278	6,260
Assets and Liabilities				
Segment assets	85,506	63,840	10,314	159,660
Segment liabilities	55,080	13,216	1,921	70,217

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Notes to the financial statements
For the year ended 31 December 2011

9 Segment reporting (continued)

Segment Reporting for the half-year ended 31 December 2010

In the prior year, management had determined the operating segments based on reports reviewed by the Board (Chief Operations Decision Makers) for making strategic decisions. The company had three operating segments, that being the Sale of Phosphate, Stevedoring Services and Other.

The Other segment consists of the Oil, Australia and Singaporean operations.

	Half-Year ended 31 December 2010			
	Phosphate	Palm Oil Sale	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Revenue				
Sales to external customer	49,205		2,062	51,267
Stevedoring			4,028	4,028
Other revenue from external customer	1,112	-	5,354	6,466
Inter-segment sales	-	-	(4,553)	(4,553)
Total segment revenue	50,317	-	6,891	57,208
Segment net operation profit/(loss) after tax	6,536	-	(952)	5,584
Depreciation and amortization	2,005	-	585	2,590
Income tax expense	2,335	-	496	2,831
Assets and Liabilities	Year ended 30 June 2011			
Segment assets	73,027	62,451	18,189	153,667
Segment liabilities	52,674	13,470	10,640	76,784

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographic location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown:

	1 July 2011 to 31 December 2011	1 July 2010 to 31 December 2010
	'000	'000
Australia	570	988
China	-	14,302
Malaysia	33,437	-
Other foreign countries	53,388	40,918
	87,395	57,208

Major customers

The Group has number of customers to which it provides the products. There are no customers of the Group who account for more than 10% of total external revenue in 2011 and 2010.

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CI RESOURCES LIMITED

Notes to the financial statements
For the year ended 31 December 2011

9 Segment reporting (continued)

Non-Current Assets by geographical regions:

	31 December 2011 '000	30 June 2011 '000
Australia	26,995	24,080
China	-	56,242
Malaysia	56,051	-
Other foreign countries	41	1,281
	<u>83,087</u>	<u>81,603</u>

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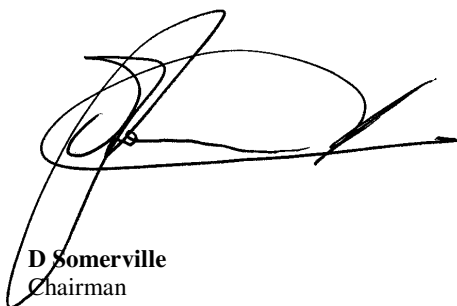
Directors' declaration
For the year ended 31 December 2011

In the directors' opinion:

- (a) The financial statements comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company and the consolidated entity's financial position as at 31 December 2011 and of their performance, for the year ended on that date; and
- (a) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations by the chief executive officer and the chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



D Somerville
Chairman

Perth
29 February 2012

To the members of CI Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of CI Resources Limited, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Condensed Half-Year Financial Report

The directors of the company are responsible for the preparation of the consolidated half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the condensed half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CI Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a condensed half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

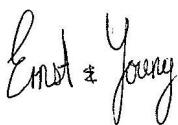
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed half-year financial report of CI Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



R J Curtin
Partner
Perth
29 February 2012