

CI Resources Limited
ACN 006 788 754

Appendix 4D
Half-yearly Report

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This preliminary report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

This information should be read in conjunction with the 30 June 2010 annual financial report.

Current reporting period: 31 December 2010

Previous corresponding period: 31 December 2009

For and on behalf of the directors:



Janelle Burns
Joint Company Secretary

Dated: 28 February 2011

Results for announcement to the market		AUD \$'000's
Revenue from continuing operations	up 54,383% to	57,208
Profit/(Loss) from ordinary activities after tax attributable to members	up 208% to	8,415
Net profit/(loss) for the period Attributable to members	up 132% to	6,294

Dividends

On 24 September 2010 a final dividend of 2 cents per share was paid to all shareholders holding shares on the record date of 9 September 2010. The directors do not recommend the payment of a dividend in respect of the interim period.

CI Resources Limited
ACN 006 788 754

Appendix 4D
Half-yearly Report

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Net Tangible Asset Backing

	31 December 2010 \$'000's	31 December 2009 \$'000's
Net assets	76,941	34,427
Less intangible assets	-	-
Net tangible assets of the Company	76,941	34,427
Fully paid ordinary shares on issue at balance date	72,874,012	72,874,012
Net tangible asset backing per issued ordinary share as at balance date	\$1.05	\$0.47

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.

Details of associates

Associate	Percentage Holding		Aggregate Share of Profit/(Loss)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Phosphate Resources Ltd	-	41.74%	-	2,986

Phosphate Resources Limited ("PRL") is no longer considered an associate for accounting purposes. PRL's results are now consolidated in the financial statements as the Company now holds 47.71% of that company.

CI Resources Limited

Half Year Report

For the half-year ended 31 December 2010

CI Resources Limited ACN 006 788 754

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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 ("CII" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2010.

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 (elected 30 May 2008)

Mr Phua Siak Yeong (elected 28 November 2008)

Prof. Anthony Brennan (appointed 29 January 2010)

Dividends

On 24 September 2010 a final dividend of 2 cents per share was paid to all shareholders holding shares on the record date of 9 September 2010.

Review of operations

Financial Position

At the end of the financial period the consolidated entity had net cash balances of \$27.400M (2009: \$7.800M) and net assets of \$76.900M (2009: \$34.400M).

Total liabilities amounted to \$32.700M, 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 October 2010 CI Resources acquired a further 102,150 shares under the Creep provisions of the Corporations Act 2001, and as at 31 December 2010 was the largest shareholder in PRL holding a shareholding of 47.71%.

The Company is represented on the Board of PRL by Mr Tee Lip Sin, Mr Phuar Kong Seng and Mr Phua Siak Yeong.

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

The Consolidated Entity is reporting a profit attributable to members of \$ 5.410M for the half-year ended 31 December 2010.

Earnings per share

**December
2010
Cents**

Basic earnings per share

7.66

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 18.

CI RESOURCES LIMITED

Directors' report

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

28 February 2011

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 2010, 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.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young


A handwritten signature in black ink, appearing to be 'R J Curtin'.

R J Curtin

Partner
Perth
28 February 2011

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Ernst & Young

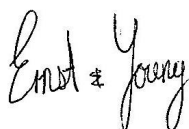
A handwritten signature in black ink, appearing to be 'R J Curtin'.

R J Curtin

Partner
Perth
28 February 2011

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Ernst & Young

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R J Curtin

Partner
Perth
28 February 2011

CI RESOURCES LIMITED

**Consolidated Statement Comprehensive Income
For the half-year ended 31 December 2010**

	Notes	Consolidated 2010 \$'000s	2009 \$'000s
Revenue from continuing operations	2a	57,208	105
Cost of sales	2b	(42,017)	-
Gross Profit		15,191	105
Other income	2c	2,577	-
Share of net profits in associate		-	2,986
Other expenses		(9,353)	(358)
Profit before income tax		8,415	2,733
Income tax expense		(2,831)	-
Net profit for the period		5,584	2,733
Other comprehensive income			
Exchange differences on translation of foreign operations		710	(15)
Total comprehensive income for the period		6,294	2,718
Net profit for the period is attributable to:			
Non controlling interest		3,252	-
Owners of the parent		2,332	2,718
		5,584	2,718
Total comprehensive income for the period is attributable to:			
Non controlling interest		3,648	-
Owners of the parent		2,646	2,718
		6,294	2,718
		Cents	Cents
Basic and diluted earnings/(loss) per share		7.66	3.15

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

CI RESOURCES LIMITED

**Consolidated Statement of Financial Position
As at 31 December 2010**

	Notes	Consolidated	
		December	30 June 2010
		2010	
		\$'000s	\$'000s
Current assets			
Cash and cash equivalents	3	27,393	28,522
Trade and other receivables		26,435	19,304
Income tax receivable		1,174	-
Derivative financial asset		9,191	5,556
Inventories		9,246	10,166
Total current assets		73,439	63,548
Non-current assets			
Term deposits held to maturity		14,701	22,482
Deferred tax assets		7,736	6,515
Plant & equipment		10,509	10,860
Mine properties	4	4,488	5,347
Total non-current assets		37,434	45,204
Total assets		110,873	108,752
Current liabilities			
Trade and other payables		5,956	5,558
Interest bearing loans and borrowings		2,786	1,711
Income tax liability		-	4,074
Provisions		2,218	2,374
Total current liabilities		10,960	13,717
Non-current liabilities			
Payables		44	48
Borrowings		1,328	1,954
Deferred tax liability		5,768	4,705
Provisions		15,832	14,417
Total non-current liabilities		22,972	21,124
Total liabilities		33,932	34,841
Net assets		76,941	73,911
Equity			
Contributed equity		17,970	17,970
Reserves		1,646	364
Retained earnings	5	13,695	12,820
Parent Interests		33,311	31,154
Non-controlling interests		43,630	42,757
Total equity		76,941	73,911

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 2010**

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 Statements of changes in Equity
For the half-year ended 31 December 2010

2009 Consolidated	Contributed Equity \$'000s	Foreign currency translation Reserve \$'000s	Retained earnings \$'000s	Total \$'000s
At the beginning of the period	17,970	364	13,374	31,708
Other comprehensive income	-	(15)	-	(15)
(Loss)/ Profit for the period	-	-	2,734	2,734
Total comprehensive income for the period	-	(15)	2,734	2,719
At the end of the period	17,970	349	16,108	34,427

CI RESOURCES LIMITED

**Consolidated Statement of Cash Flows
For the half-year ended 31 December 2010**

	Notes	Consolidated	
		2010 \$'000s	2009 \$'000s
Cash flows from operating activities			
Receipts from customers		49,819	-
Payments to suppliers and employees (inclusive of goods and services tax)		(48,729)	(387)
Interest received		681	105
Income taxes paid		(5,625)	-
Dividends received		-	1,429
Net cash inflow/ (outflow) from operating activities		(3,854)	1,147
Cash flows from investing activities			
Decrease in short term investments		7,781	-
Purchase of property and equipment		(2,239)	-
Net cash (outflow)/ inflow from investing activities		5,542	-
Cash flows from financing activities			
Borrowings		1,029	-
Finance lease principal payment		(580)	-
Acquisition of non-controlling interest		(1,251)	-
Dividends paid		(2,013)	-
Net cash (outflow) from financing activities		(2,815)	-
Net increase in cash and cash equivalents held		(1,127)	1,147
Cash and cash equivalents at the beginning of the financial year		28,522	6,738
Impact of foreign exchange		(2)	-
Cash and cash equivalents at the end of the period		27,393	7,885

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

**Notes to the financial statements
For the year ended 31 December 2010**

1 Basis of Preparation and Accounting Policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2010 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 2010.

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 2010 The Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on 1 July 2010. Adoption of these standards and interpretations did not have any significant effect on the financial position or performance of the Group.

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]
- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]
- Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

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

	Consolidated	
	31.12.2010	31.12.2009
	\$000	\$000

2 Revenue and Expenses

(a) Revenue

Phosphate sales	51,267	-
Oil sales	331	-
Stevedoring	951	-
Finance revenue – interest	602	-
Other	4,057	105
	57,208	105

(b) Cost of sales

Cost of production:		
Production costs	27,724	-
Royalties	468	-
Insurance	923	-
	29,115	-

Shipping costs:

CI RESOURCES LIMITED**Notes to the financial statements
For the year ended 31 December 2010**

Shipping charges	8,820	-
Port charges	751	-
Levy	638	-
Commission	120	-
	<u>10,329</u>	<u>-</u>
Depreciation:		
Plant and equipment	2,573	-
	<u>42,017</u>	<u>-</u>

(c) Other income

Government grants	1	-
Foreign exchange gain	2,467	-
Other	109	-
	<u>2,577</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS

Consolidated

	31.12.2010 \$000	31.12.2009 \$000
2. Revenue and Expenses (continued)		
(d) Other expenses		
Redundancy expense	941	-
Depreciation	17	-
Administration and other	7,574	-
Accretion on asset retirement obligations	300	-
Other	521	358
	9,353	358

3 Reconciliation of Cash and Cash Equivalents

	31.12.2010 \$000	30.06.2010 \$000
Cash at bank	27,393	28,522

4 Mine Properties

Chinese Mines:

The Chinese government have ordered consolidation with an adjacent mine, with the final operating arrangements contingent on ore reserve estimates being agreed after the completion of a Chinese government directed drilling programme currently in progress. Until this is finalised the ongoing profitability of the investment will remain in doubt.

The mining license has been extended until 30 April 2011 in order to allow the completion of the required drilling programme. The Directors have no reason to doubt the advice of the Chinese Government officials that the mining license and resource rights will be issued.

During the year ended 30 June 2010 the mine property was written down to fair value less cost to sale, which was computed on the basis of the sale of shares of a minority shareholder in Phosphate Resources (HuaLi) Ltd the company holding the mine properties.

**Notes to the financial statements
For the year ended 31 December 2010**

NOTES TO THE FINANCIAL STATEMENTS

5 Dividends Paid and Proposed

Franked dividends declared and paid during the half-year on ordinary shares to the owners of the parent: \$0.02 (2009: \$1.00)

Dividends proposed and not yet recognised as a liability

1,457	6,300
-	-
1,457	6,300
1,457	6,300

6 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.

7 Events after the Balance Sheet Date

Acquisition of Cheekah Kemayan Plantations Sdn Bhd

On the 8th February 2011, the Board of PRL approved the acquisition of Cheekah Kemayan Plantations Sdn Bhd which operates a 4,060 acre producing palm oil plantation and mill in Pahang, peninsular Malaysia for RM 145 million (A\$ 47 million).

Settlement is scheduled for 31 March 2011 but remains conditional on the finalization of some 60% financing with OCBC Bank (Malaysia) Sdn Bhd on satisfactory terms and the approval of the transaction, in accordance with the requirements of ASX listing Rule 10, by the shareholders of the PRL controlling entity, CI Resources Ltd.

No other matter or circumstance has arisen since 31 December 2010 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.

8 Segment Reporting

Segment Reporting for the year ended 31 December 2010

The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments have been identified by management based on the manner in which the product is sold or service provided.

Subsequent to acquisition of control by the Company over Phosphate Resources Limited during the six months ended 30 June 2010, the Company has concluded that there are three operating segments, that being the Sale of Phosphate, Stevedoring Services and Other.

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

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 to the latest audited financial statements.

Corporate charges

Notes to the financial statements
For the year ended 31 December 2010

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis linked to segment revenue so as to determine segmental results.

Income tax expense

Income tax expense is calculated based on the segment operating net profit using the notional charge of 30% (2009: 30%). No effect is given for taxable or deductible temporary differences.

	Half Year ended 31 December 2010			
	Phosphate	Stevedoring	Other	Total
	\$'000	\$'000	\$'000	\$'000
Revenue				
Sales to external customer	48,217	973	6,891	56,081
Other revenue from external customer	1,112	15	-	1,127
Total segment revenue	49,329	988	6,891	57,208
Segment net operation profit/(loss) after tax	5,173	77	334	5,584
Segment assets	97,427	998	12,448	110,873
Segment Liabilities	27,787	272	5,873	33,932

**Notes to the financial statements
For the year ended 31 December 2010**

8 Segment reporting (continued)

Segment Reporting for the half-year ended 31 December 2009

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. There were two reportable segments being Australia and Singapore.

The principle activity of the Australia segment consisted of investment in the phosphate industry and the Singapore segment consisted of investments in the fertilizer industry.

Investment in associated

Investments in associates are accounted for at cost and dividends recognised revenue when the right to receive payment is established.

Segment Results

Half Year ended 31 December 2009

	Australia '000	Singapore '000	Total '000
Total Segment Revenue	1,429	-	1,429
Segment Results	1,056	(6)	1,051

Total Segment Assets

30 June 2010

	Phosphate '000	Stevedoring '000	Other '000	Total '000
Segment assets				
Post Acquisition changes in the Group's share of net assets of associates	101,829	5,843	1,080	108,752
Total consolidated assets				<u>108,752</u>

Total Segment Liabilities

30 June 2010

	Phosphate '000	Stevedoring '000	Other '000	Total '000
Segment liabilities	43,799	2,616	(11,574)	34,841
Post Acquisition changes in the Group's share of net assets of associates				
Total consolidated liabilities				<u>34,841</u>

Reconciliation of segment revenue to revenue presented on the Consolidated statement of Comprehensive Income as follows:

	Consolidated 2009 '000
Segment Revenue	1,429,180
Unallocated interest revenue	105,119
Dividend income on equity accounted investments	<u>(1,429,180)</u>
Profit before income tax from continuing operations	<u>(105,119)</u>

**Notes to the financial statements
For the year ended 31 December 2010**

8 Segment reporting (continued)

Reconciliation of segment result to profit before income tax is as follows:

1 July 2009 to 31 December 2009

	Consolidated
	'000
Segment Result	1,051
Dividend income on equity accounted investments	(1,429)
Unallocated results	20
Unallocated interest revenue	105
Share of profit of associated	2,986
Profit before income tax from continuing operations	<u>2,733</u>

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 2010 to 31 December 2010	1 July 2009 to 31 December 2009
	'000	'000
Australia	988	105
China	14,302	-
Other foreign countries	41,918	-
	<u>57,208</u>	<u>105</u>

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 2010 and 2009.

Non-Current Assets by geographical regions:

	31 December 2010	30 June 2010
	'000	'000
Australia	106,386	38,107
China	4,488	7,097
Other foreign countries	-	-
	<u>110,874</u>	<u>45,205</u>

Directors' declaration
For the year ended 31 December 2010

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 2010 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
28 February 2011

To the members of CI Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of CI Resources Limited which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes 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 Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 2010 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 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.

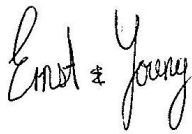
Independence

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, a copy of which is included in the Directors' Report.

Conclusion

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A stylized, handwritten-style logo for Ernst & Young, with the letters 'Ernst & Young' written in a cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to be 'R J Curtin', written over a faint, illegible background.

R J Curtin
Partner
Perth
28 February 2011