

APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2012

CI RESOURCES LIMITED AND ITS CONTROLLED ENTITIES ACN 006 788 754

Reporting Period

This information should be read in conjunction with the 30 June 2012 annual financial report.

Current reporting period: 31 December 2012

Previous corresponding period: 31 December 2011

Results for announcement to the market

	31 Dec 2012 \$'000's	31 Dec 2011 \$'000's	% Change
Revenue from continuing operations	95,045	87,395	9%
Profit from ordinary activities after tax attributable to members	10,757	7,016	53%
Net profit for the period Attributable to members	11,093	6,773	63%

Earnings Per Share

	31 Dec 2012	31 Dec 2011
Basic and Diluted	14.76 cents	9.63 cents

Dividends

A final dividend of 1.0 cent per share fully franked was declared in the period and paid in January 2013.

Entities Acquired and Disposed During the Period

The company deregistered its Singaporean registered company during the period, this company was dormant during the period.

APPENDIX 4D – HALF YEAR REPORT (Continued)

PERIOD ENDED 31 DECEMBER 2012

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

Net Tangible Asset Backing Per Security

	31 Dec 2012	31 Dec 2011
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	83 cents	55 cents

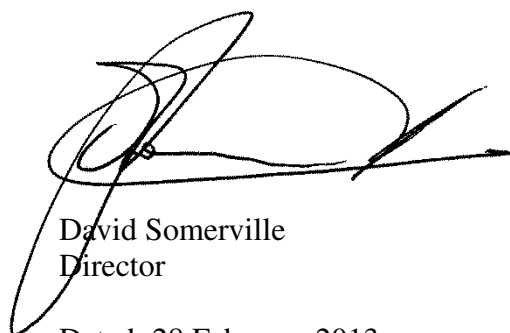
Significant changes in the state of affairs of the Company

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

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: 28 February 2013

CI Resources Limited

Half Year Report

For the half-year ended 31 December 2012

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 ("CI" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

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

Mr Tee Lip Sin

Mr Tee Lip Jen

Adrian Gurgone

Mr Kelvin Tan Keh Feng

Mr Dato' Kamaruddin (appointed 17 January 2013)

Prof. Anthony Brennan (resigned 13 December 2012)

Dividends

Dividends totaling 1.0 cents per share have been declared during the half year ended 31 December 2012 and paid in January 2013.

Review of operations

Financial Position

At the end of the financial period the consolidated entity had net cash balances of \$44.093M (30 June 2012: \$36.606M) and net assets of \$114.099M (30 June 2012: \$97.137M).

Total liabilities amounted to \$63.229M (30 June 2012: \$64.306M), being trade and other creditors, borrowings and taxation liabilities.

CI Resources Limited

During the half year CI Resources continued to acquire shares in Phosphate Resources Limited (PRL). During September 2012 CI Resources acquired a further 100,000 shares under the Creep provisions of the Corporations Act 2001, and as at 31 December 2012 was the largest shareholder in PRL holding a shareholding of 53.41%.

The Company is represented on the Board of PRL by Mr Tee Lip Sin and Mr Dato' Kamaruddin

PRL reported a post-tax profit of \$19.394M for the half-year ended 31 December 2012 (31 December 2011: \$14.263M), and has paid one dividend during this period. The Company received a total dividend from PRL of \$1.097M (2011: \$0.691M) during the half-year.

The Consolidated Entity is reporting a profit attributable to members of \$10.757M for the half-year ended 31 December 2012 (31 December 2011: \$7.016M).

Earnings per share

	December 2012 Cents	December 2011 Cents
Basic earnings per share	14.76	9.63

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.

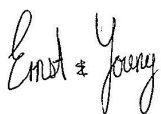
A handwritten signature in black ink, appearing to read 'D Somerville', with a large, stylized flourish extending from the end of the signature.

D Somerville
Chairman
Perth, Western Australia

28 February 2013

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 2012, 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 stylized signature of R J Curtin, written in a cursive script.

R J Curtin
Partner
Perth
28 February 2013

CI RESOURCES LIMITED
**Consolidated Statement of Comprehensive Income
As at 31 December 2012**

	Notes	Consolidated	
		2012	2011
		\$'000s	\$'000s
Revenue from continuing operations	2a	95,045	87,395
Cost of sales	2b	(55,501)	(60,096)
Gross Profit		39,544	27,299
Other income	2c	683	491
Finance Costs		(553)	(787)
Other expenses	2d	(9,893)	(6,665)
Profit before income tax		29,781	20,338
Income tax expense		(9,990)	(6,260)
Net profit for the period		19,791	14,078
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		556	(481)
Total comprehensive income for the period		20,347	13,597
Net profit for the period is attributable to:			
Non-controlling interest		9,034	7,062
Owners of the parent		10,757	7,016
		19,791	14,078
Total comprehensive income for the period is attributable to:			
Non-controlling interest		9,254	6,824
Owners of the parent		11,093	6,773
		20,347	13,597
		Cents	Cents
Basic and diluted earnings/(loss) per share		14.76	9.63

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 2012**

	Notes	Consolidated 31 December 2012 \$'000s	30 June 2012 \$'000s
Current assets			
Cash and cash equivalents	3	44,093	36,606
Trade and other receivables		34,563	29,486
Derivative financial asset		331	384
Inventories		11,214	12,106
Total current assets		90,201	78,582
Non-current assets			
Other Financial Asset		14,220	13,016
Plant & equipment		48,356	45,003
Goodwill		7,238	7,158
Biological assets	6	11,333	11,135
Deferred tax assets		5,980	6,549
Total non-current assets		87,127	82,861
Total assets		177,328	161,443
Current liabilities			
Trade and other payables		9,064	10,137
Borrowings		5,731	5,599
Tax liability		5,936	6,307
Provisions		4,231	5,814
Total current liabilities		24,962	27,857
Non-current liabilities			
Borrowings		9,682	9,863
Deferred tax liability		10,181	10,424
Provisions		18,404	16,162
Total non-current liabilities		38,267	36,449
Total liabilities		63,229	64,306
Net assets		114,099	97,137
Equity			
Contributed equity		17,970	17,970
Reserves		3,061	1,653
Accumulated profits		39,209	29,181
Parent Interests		60,241	48,804
Non-controlling interests		53,858	48,333
Total equity		114,099	97,137

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 2012**

2012 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	(87)	1,740	29,181	48,804	48,333	97,137
Profit for the period	-	-	-	10,757	10,757	9,034	19,791
Other comprehensive income	-	336	-	-	336	220	556
Total comprehensive income for the period	-	336	-	10,757	11,093	9,254	20,347
Transactions with owners in their capacity as owners							
Dividends paid	-	-	-	(729)	(729)	(956)	(1,685)
Acquisition of Non-controlling interest in PRL	-	-	1,072	-	1,072	(2,772)	(1,700)
At the end of the period	17,970	249	2,812	39,209	60,240	53,858	114,099

CI RESOURCES LIMITED
**Consolidated Statements of changes in Equity
For the half-year ended 31 December 2012**

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 Statement of Cash Flows
For the half-year ended 31 December 2012

	Notes	Consolidated	
		2012 \$'000s	2011 \$'000s
Cash flows from operating activities			
Receipts from customers		91,888	96,822
Payments to suppliers and employees (inclusive of goods and services tax)		(68,225)	(66,887)
Interest received		410	498
Interest paid		(253)	(487)
Income taxes paid		(7,081)	(6,780)
Net cash inflow/ (outflow) from operating activities		16,739	23,166
Cash flows from investing activities			
(Increase)/decrease in short term investments		(1,205)	(3,013)
Purchase of property and equipment		(4,377)	(1,586)
Net cash (outflow)/ inflow from investing activities		(5,582)	(4,599)
Cash flows from financing activities			
Repayment of borrowings		-	(4,830)
Proceeds/ (payment) for finance lease		(692)	(637)
Acquisition of non-controlling interest		(1,700)	(1,286)
Dividends paid		(946)	(678)
Net cash (outflow) from financing activities		(3,338)	(7,431)
Net increase in cash and cash equivalents held		7,819	11,136
Cash and cash equivalents at the beginning of the financial year		36,606	30,523
Impact of foreign exchange		(332)	801
Cash and cash equivalents at the end of the period	3	44,093	42,460

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 2012

1 Basis of Preparation and Accounting Policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2012 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 2012.

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 2012 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on 1 July 2012. Adoption of these standards and interpretations did not have any significant effect on the financial position or performance of the Group.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income: Makes a number of changes to the presentation of other comprehensive income including presenting separately those items that would be reclassified to profit or loss in the future and those that would never be reclassified to profit or loss and the impact of tax on those items.

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 2012

Consolidated
31.12.2012 31.12.2011
\$000 \$000

2 Revenue and Expenses

(a) Revenue

Phosphate sales	66,631	48,058
Palm oil sales	23,103	33,437
Oil sales	366	343
Stevedoring	1,002	893
Finance revenue – interest	410	498
Other	3,533	4,166
	95,045	87,395

(b) Cost of sales

Cost of production:

Production costs	38,845	47,039
Royalties	1,028	702
Insurance	920	891
	40,793	48,632

Shipping costs:

Shipping charges	11,777	8,329
Port charges	316	895
Levy	888	617
Commission	-	69
	12,981	9,910

Depreciation:

Plant and equipment	1,727	1,554
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Total cost of sales

55,501	60,096
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(c) Other income

Foreign exchange gain	673	45
Other	10	446
	683	491

Foreign exchange gain includes \$0.647 million relating to the accumulated foreign currency translation reserve which was transferred to statement of comprehensive income as a result of de-registration of Xi Feng International Pte Ltd, a subsidiary of the Group, during the half year ended 31 December 2012.

**Notes to the financial statements
For the year ended 31 December 2012**

Consolidated

31.12.2012	31.12.2011
\$000	\$000

2 Revenue and Expenses (continued)

(d) Other expenses

Redundancy expense

112	248
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Depreciation

26	16
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Administration and other

9,755	6,322
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Sundry expenses

-	79
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9,893	6,665
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3 Reconciliation of Cash and Cash Equivalents

31.12.2012	30.06.2011
\$000	\$000

Cash at bank

44,093	42,460
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4 Dividends Paid and Proposed

Franked dividends declared and payable during the half-year on ordinary shares to the owners of the parent: \$0.01 (2011: \$0.00)

(729)	-
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Dividends proposed and not yet recognised as a liability

-	-
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(729)	-
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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.

Notes to the financial statements
For the year ended 31 December 2012

	31.12.2012 \$'000s	30.06.2012 \$'000s
6 Biological Assets		
Carrying amount on acquisition of subsidiary	11,135	12,332
Harvest/Amortisation	-	(88)
Effect of foreign exchange	198	(50)
Fair value adjustment	-	(1,059)
Carrying amount at end	11,333	11,135

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 revaluing the biological assets of the subsidiary as at 30 June 2012.

At 31 December 2012, there has been no material change in the fair value of biological assets compared to 30 June 2012.

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 planting and trees reaching production so that cash can be received from the 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.

7 Events after the Balance Sheet Date

No matter or circumstance has arisen since 31 December 2012 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.

Notes to the financial statements
For the year ended 31 December 2012

8 Segment Reporting

Segment Reporting for the half-year ended 31 December 2012

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

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 30 June 2012 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 2012			
	Mining	Farming	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Revenue				
Revenue from external customers	66,631	23,103	-	89,734
Interest income	286	-	124	410
Stevedoring	-	-	1,002	1,002
Rendering of services	-	-	3,533	3,533
Oil sales	-	-	366	366
Total segment revenue	66,917	23,103	5,025	95,045
Result				
Segment net operating profit after tax (attributable to parent)	16,065	2,150	1,576	19,791
Depreciation and amortisation	1,142	534	51	1,727
Income tax expense	8,862	798	330	9,990
Assets and Liabilities				
Segment assets	100,654	64,656	12,018	177,328
Segment liabilities	47,984	11,822	3,423	63,229

Notes to the financial statements
For the year ended 31 December 2012

9 Segment reporting (continued)

Segment Reporting for the half-year ended 31 December 2011

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 2011			
	Mining	Farming	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

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 2012 to 31 December 2012 '000	1 July 2011 to 31 December 2011 '000
Australia	27	570
Malaysia	23,103	33,437
Other foreign countries	71,915	53,388
	95,045	87,395

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 2012 and 2011.

Notes to the financial statements
For the year ended 31 December 2012

9 Segment reporting (continued)

Non-Current Assets by geographical regions:

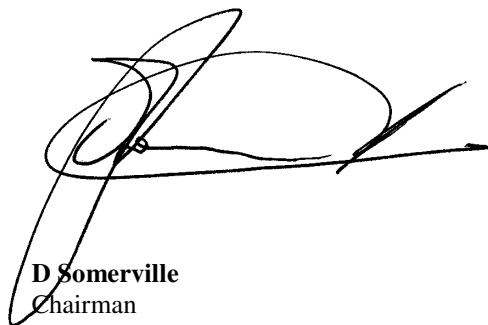
	31 December	30 June
	2012	2012
	'000	'000
Australia	29,341	27,812
Malaysia	54,279	53,124
Other foreign countries	3,507	1,924
	87,127	82,860

Directors' declaration
For the year ended 31 December 2012

In the directors' opinion:

- (a) The financial statements comprising the Statement of Comprehensive Income, 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 Standard AASB 134: Interim Financial Reporting, 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 2012 and of their performance, for the half-year ended on that date; and
- (b) 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

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



D Somerville
Chairman

Perth
28 February 2013

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 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 of the 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 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 2012 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.

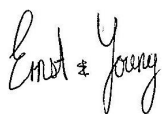
Independence

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 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 2012 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*.

A stylized, handwritten signature of the Ernst & Young firm.

Ernst & Young

A handwritten signature of R J Curtin.

R J Curtin
Partner
Perth
28 February 2013