



IOI GROUP

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

**Interim Report
For The Financial Period Ended
30 September 2015**

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/15 RM'Million	30/09/14 RM'Million	30/09/15 RM'Million	30/09/14 RM'Million
Revenue	3,086.7	2,993.4	3,086.7	2,993.4
Operating profit	205.1	338.4	205.1	338.4
Share of results of associates	40.8	22.0	40.8	22.0
Share of results of a joint venture	(1.2)	(0.5)	(1.2)	(0.5)
Profit before interest and taxation	244.7	359.9	244.7	359.9
Interest income	12.3	30.5	12.3	30.5
Finance costs	(57.1)	(69.9)	(57.1)	(69.9)
Net foreign currency translation loss on foreign currency denominated borrowings	(853.9)	(52.2)	(853.9)	(52.2)
(Loss)/profit before taxation	(654.0)	268.3	(654.0)	268.3
Taxation	(62.4)	(87.7)	(62.4)	(87.7)
(Loss)/profit for the period	(716.4)	180.6	(716.4)	180.6
(Loss)/profit attributable to:				
Owners of the parent	(719.0)	176.7	(719.0)	176.7
Non-controlling interests	2.6	3.9	2.6	3.9
	(716.4)	180.6	(716.4)	180.6
(Loss)/earnings per share for (loss)/profit attributable to owners of the parent (sen)				
Basic	(11.38)	2.78	(11.38)	2.78
Diluted	(11.37)	2.77	(11.37)	2.77

(The condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/15 RM'Million	30/09/14 RM'Million	30/09/15 RM'Million	30/09/14 RM'Million
(Loss)/profit for the period	(716.4)	180.6	(716.4)	180.6
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss when specific conditions are met				
Exchange differences on translation of foreign operations	203.6	(39.5)	203.6	(39.5)
Share of other comprehensive loss of associates	-	(3.8)	-	(3.8)
Hedge of net investments in foreign operations	3.8	-	3.8	-
Other comprehensive income/(loss) for the period	207.4	(43.3)	207.4	(43.3)
Total comprehensive (loss)/income for the period, net of tax	(509.0)	137.3	(509.0)	137.3
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(522.8)	133.7	(522.8)	133.7
Non-controlling interests	13.8	3.6	13.8	3.6
	(509.0)	137.3	(509.0)	137.3

(The condensed consolidated statement of other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 30/09/15 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/15 RM'Million
ASSETS		
Non-current assets		
Property, plant and equipment	6,928.0	6,649.8
Prepaid lease payments	32.4	32.5
Investment properties	7.7	7.7
Goodwill on consolidation	458.4	458.4
Investments in associates	980.2	939.1
Interests in a joint venture	34.0	35.2
Derivative assets	208.2	138.7
Deferred tax assets	49.4	46.4
	<u>8,698.3</u>	<u>8,307.8</u>
Current assets		
Inventories	2,320.6	2,083.1
Receivables	1,226.5	1,106.2
Derivative assets	132.5	41.1
Other investments	97.6	107.2
Short term funds	902.0	1,088.9
Deposits with financial institutions	117.4	221.4
Cash and bank balances	541.4	478.2
	<u>5,338.0</u>	<u>5,126.1</u>
TOTAL ASSETS	<u>14,036.3</u>	<u>13,433.9</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 2015 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 30/09/15 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/15 RM'Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	646.0	645.9
Share premium	66.6	64.4
Other reserves	154.5	(41.2)
Treasury shares	(710.4)	(620.2)
Retained earnings	4,007.6	5,010.2
	<u>4,164.3</u>	<u>5,059.1</u>
Non-controlling interests	203.1	189.3
Total equity	<u>4,367.4</u>	<u>5,248.4</u>
Non-current liabilities		
Borrowings	6,893.3	5,835.9
Derivative liabilities	38.5	29.9
Other long term liabilities	29.9	29.4
Deferred tax liabilities	418.9	425.0
	<u>7,380.6</u>	<u>6,320.2</u>
Current liabilities		
Payables	1,039.0	924.5
Derivative liabilities	418.5	123.8
Short term borrowings	802.8	812.5
Provision for taxation	28.0	4.5
	<u>2,288.3</u>	<u>1,865.3</u>
Total liabilities	<u>9,668.9</u>	<u>8,185.5</u>
TOTAL EQUITY AND LIABILITIES	<u>14,036.3</u>	<u>13,433.9</u>
Net assets per share attributable to owners of the parent (RM)	0.66	0.80

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	3 Months Ended 30/09/15 RM'Million	3 Months Ended 30/09/14 RM'Million
Operating Activities		
(Loss)/profit before taxation	(654.0)	268.3
Adjustments for:		
Depreciation	49.0	59.6
Other non-cash items	1,083.1	97.7
Operating profit before working capital changes	478.1	425.6
(Increase)/decrease in inventories	(14.4)	5.9
Decrease in receivables and other assets	8.6	29.0
Increase/(decrease) in payables and other liabilities	38.4	(10.1)
Cash generated from operations	510.7	450.4
Other payments	(0.4)	(3.1)
Taxes paid	(65.2)	(96.7)
Net cash inflow from operating activities	445.1	350.6
Investing Activities		
Interest received	12.0	31.0
Proceeds from disposal of property, plant and equipment	1.2	0.2
Dividends received	1.0	1.5
Additions to prepaid lease payments	(0.2)	(0.7)
Additions to property, plant and equipment	(153.6)	(121.2)
Advances to a joint venture	-	(8.0)
Additions to other investments	-	(15.8)
Net cash outflow from investing activities	(139.6)	(113.0)
Financing Activities		
Issuance of shares	1.8	21.6
Payment of finance costs	(42.3)	(80.3)
Repurchase of shares	(90.2)	-
(Repayment of)/proceeds from other borrowings	(135.6)	83.2
Payment of dividends	(283.6)	(763.0)
Net cash outflow from financing activities	(549.9)	(738.5)
Net decrease in cash and cash equivalents	(244.4)	(500.9)
Cash and cash equivalents at beginning of period	1,788.5	3,987.7
Effect of exchange rate changes	16.7	(5.7)
Cash and cash equivalents at end of period	1,560.8	3,481.1

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

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(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

(RM'Million)	Non-distributable						Distributable		Total equity	Non- controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			
As at 1 July 2015	645.9	64.4	105.1	(3.8)	-	(142.5)	(620.2)	5,010.2	5,059.1	189.3	5,248.4
Total comprehensive income/(loss)	-	-	-	-	3.8	192.4	-	(719.0)	(522.8)	13.8	(509.0)
Transactions with owners											
Dividends paid in respect of previous financial year	-	-	-	-	-	-	-	(283.6)	(283.6)	-	(283.6)
Issue of shares arising from exercise of share options	0.1	2.2	(0.5)	-	-	-	-	-	1.8	-	1.8
Repurchase of shares	-	-	-	-	-	-	(90.2)	-	(90.2)	-	(90.2)
As at 30 September 2015	646.0	66.6	104.6	(3.8)	3.8	49.9	(710.4)	4,007.6	4,164.3	203.1	4,367.4

(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 2015 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 (Continued)

(RM' Million)	Non-distributable					Distributable		Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total attributable to owners of the parent		
As at 1 July 2014	645.0	27.6	113.7	(215.1)	(441.0)	5,906.6	6,036.8	196.3	6,233.1
Total comprehensive (loss)/income	-	-	-	(43.0)	-	176.7	133.7	3.6	137.3
Transactions with owners									
Dividends paid in respect of previous financial year	-	-	-	-	-	(763.0)	(763.0)	-	(763.0)
Issue of shares arising from exercise of share options	0.7	27.0	(6.1)	-	-	-	21.6	-	21.6
As at 30 September 2014	645.7	54.6	107.6	(258.1)	(441.0)	5,320.3	5,429.1	199.9	5,629.0

(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 2015 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2015

(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 2015.

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 2015.

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 2015. However, certain comparative figures have been re-presented to conform with the current year’s presentation.

As stated in our audited financial statements for the financial year ended 30 June 2015, the Group has yet to adopt the Malaysian Financial Reporting Standards (“MFRS”) framework, and has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2019.

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 period 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.

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

e) Details of Changes in Debt and Equity Securities

i. During the current financial period-to-date, the Company issued:

- 284,600 shares of RM0.10 each for cash at RM2.03 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.
- 341,400 shares of RM0.10 each for cash at RM3.49 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 22,866,000 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM3.95 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act, 1965.

f) Dividends Paid

	CURRENT YEAR TO DATE RM'Million	PRECEDING YEAR CORRESPONDING PERIOD RM'Million
Second interim single tier dividend in respect of financial year ended 30 June 2015		
- 4.5 sen per ordinary share of RM0.10 each	283.6	-
Second interim single tier dividend in respect of financial year ended 30 June 2014		
- 12.0 sen per ordinary share of RM0.10 each	-	763.0
	283.6	763.0



Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

g) Segment Revenue & Results

(RM'Million)	Plantation	Resource-based Manufacturing	Other Operations	Eliminations	Total
3 Months Ended 30/09/15					
REVENUE					
External Sales	30.5	3,052.8	3.4	-	3,086.7
Inter-segment sales	465.3	-	-	(465.3)	-
Total Revenue	<u>495.8</u>	<u>3,052.8</u>	<u>3.4</u>	<u>(465.3)</u>	<u>3,086.7</u>
RESULT					
Operating profit/(loss)	239.3	173.1	(0.9)	-	411.5
Share of results of associates	23.0	17.8	-	-	40.8
Share of results of a joint venture	-	(1.2)	-	-	(1.2)
Segment results before fair value loss on derivative financial instruments	<u>262.3</u>	<u>189.7</u>	<u>(0.9)</u>	<u>-</u>	<u>451.1</u>
Fair value loss on derivative financial instruments	(4.3)	(198.5) ¹	-	-	(202.8)
Segment results	<u>258.0</u>	<u>(8.8)</u>	<u>(0.9)</u>	<u>-</u>	<u>248.3</u>
3 Months Ended 30/09/14					
REVENUE					
External Sales	49.6	2,938.1	5.7	-	2,993.4
Inter-segment sales	483.3	-	-	(483.3)	-
Total Revenue	<u>532.9</u>	<u>2,938.1</u>	<u>5.7</u>	<u>(483.3)</u>	<u>2,993.4</u>
RESULT					
Operating profit/(loss)	263.0	116.1	(0.2)	-	378.9
Share of results of associates	18.0	4.0	-	-	22.0
Share of results of a joint venture	-	(0.5)	-	-	(0.5)
Segment results before fair value loss on derivative financial instruments	<u>281.0</u>	<u>119.6</u>	<u>(0.2)</u>	<u>-</u>	<u>400.4</u>
Fair value loss on derivative financial instruments	-	(10.8) ¹	-	-	(10.8)
Segment results	<u>281.0</u>	<u>108.8</u>	<u>(0.2)</u>	<u>-</u>	<u>389.6</u>

¹ The fair value loss on derivative financial instruments for resource-based manufacturing segment includes a non-cash flow unrealised fair value loss in foreign currency forward exchange contracts arising from weaker Ringgit amounting to RM198.1 million (Q1 FY2015 - RM18.4 million). The aforesaid foreign currency forward exchange contracts were entered into as a hedge to protect the Ringgit denominated margin of our manufacturing business.

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

The reconciliation of reportable segment results to the Group's corresponding amounts is as follows:

	3 Months Ended 30/09/15 RM'Million	3 Months Ended 30/09/14 RM'Million
Segment results before fair value loss on derivative financial instruments	451.1	400.4
Fair value loss on derivative financial instruments	<u>(202.8)</u>	<u>(10.8)</u>
Segment results	248.3	389.6
Unallocated corporate net expenses	<u>(3.6)</u>	<u>(29.7)</u>
Profit before interest and taxation	244.7	359.9
Finance costs	(57.1)	(69.9)
Interest income	12.3	30.5
Net foreign currency translation loss on foreign currency denominated borrowings	<u>(853.9)</u>	<u>(52.2)</u>
(Loss)/profit before taxation	(654.0)	268.3
Taxation	<u>(62.4)</u>	<u>(87.7)</u>
(Loss)/profit for the period	<u>(716.4)</u>	<u>180.6</u>

The basis of segmentation and measurement of segment profit or loss is consistent with the basis adopted in the last audited annual financial statements. 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 were no material events subsequent to 30 September 2015 that have 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 30 September 2015.

j) Contingent Liabilities

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

Interim Report For The Financial Period Ended 30 September 2015

(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

Q1 FY2016 vs. Q1 FY2015

For Q1 FY2016, the Group reported a segmental profit before fair value loss on derivative financial instruments (“underlying segmental profit”) of RM451.1 million, which is 13% higher than the underlying segmental profit of RM400.4 million reported for Q1 FY2015. The higher underlying segmental profit is due to better performance from the resource-based manufacturing segment which is moderated by lower contribution from the plantation segment.

Plantation

The plantation profit decreased by 8% to RM258.0 million for Q1 FY2016 as compared to RM281.0 million reported for Q1 FY2015. The lower profit reported is due mainly to lower CPO price realised of which the average CPO price realised for Q1 FY2016 was RM2,119/MT as compared to RM2,258/MT for Q1 FY2015.

Resource-based Manufacturing

The resource-based manufacturing segment results before fair value loss on derivative financial instruments of RM189.7 million for Q1 FY2016 is 59% higher than RM119.6 million for Q1 FY2015. This is mainly due to improved margin as well as higher sales volume from the oleochemicals and the refining sub-segments.

During Q1 FY2016, US Dollar (“USD”) strengthened against the Ringgit by 18% with the USD/Ringgit exchange rate closed at a high of 4.4475 as at end September 2015. The Ringgit depreciation has resulted in a non-cash flow net foreign currency translation loss of RM853.9 million (Q1 FY2015 – RM52.2 million) on our foreign currency denominated borrowings. Excluding the aforesaid net foreign currency translation loss and the fair value loss on derivative financial instruments of RM202.8 million (Q1 FY2015 – RM10.8 million), the underlying pre-tax profit of RM402.7 million for Q1 FY2016 is 22% higher than the underlying pre-tax profit of RM331.3 million for Q1 FY2015, which is attributed mainly to improved performance from our resource-based manufacturing segment.

Interim Report For The Financial Period Ended 30 September 2015

(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 segmental profit before fair value loss/gain on derivative financial instruments of RM446.8 million, which is 41% higher than Q4 FY2015 of RM316.1 million.

Details of the segmental results are as follows:

Plantation

The plantation profit increased by 9% to RM258.0 million for Q1 FY2016 as compared to RM235.8 million for Q4 FY2015, attributable mainly to higher FFB production of 967,612 MT (Q4 FY2015 – 888,498 MT) or an increase of 9%.

Resource-based Manufacturing

The resource-based manufacturing segment results before fair value loss on derivative financial instruments of RM189.7 million for Q1 FY2016 is 127% higher than RM83.6 million for Q4 FY2015. This is mainly due to improved performance from the oleochemicals and the refining sub-segments.

During Q1 FY2016, US Dollar (“USD”) strengthened against the Ringgit by 18% with the USD/Ringgit exchange rate closed at a high of 4.4475 as at end September 2015. The Ringgit depreciation has resulted in a non-cash flow net foreign currency translation loss of RM853.9 million (Q4 FY2015 – RM76.8 million) on our foreign currency denominated borrowings. Excluding the aforesaid net foreign currency translation loss and the fair value loss on derivative financial instruments, the underlying pre-tax profit of RM402.7 million for Q1 FY2016 is 52% higher than the underlying pre-tax profit of RM264.6 million for Q4 FY2015, which is attributed mainly to improved performance from our resource-based manufacturing segment.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'Million	PRECEDING QUARTER RM'Million	DIFFERENCE RM'Million	
Plantation	258.0	235.8	22.2	9%
Resource-based manufacturing before fair value (loss)/ gain on derivative financial instruments	189.7	83.6	106.1	127%
Fair value (loss)/ gain on derivative financial instruments	(198.5)	15.5	(214.0)	(1381%)
Resource-based manufacturing	(8.8)	99.1	(107.9)	(109%)
Other operations	(0.9)	(3.3)	2.4	73%
Segment results	248.3	331.6	(83.3)	(25%)
Unallocated corporate net expenses	(3.6)	(7.0)	3.4	50%
Profit before interest and taxation	244.7	324.6	(79.9)	(25%)
Finance costs	(57.1)	(57.0)	(0.1)	0%
Interest income	12.3	12.5	(0.2)	(2%)
Net foreign currency translation loss on foreign currency denominated borrowings	(853.9)	(76.8)	(777.1)	(1012%)
(Loss)/profit before taxation	(654.0)	203.3	(857.3)	(422%)

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(The figures have not been audited)

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

3) Prospects

Despite the current high inventory level, palm oil fundamentals are positive with crude palm oil prices likely to sustain at the prevailing level and possibly moving higher during the low seasonal production months in first quarter of calendar year 2016. Overall, our plantation segment is expected to perform satisfactorily in the remaining quarters of this financial year.

As for our resource-based manufacturing segment, the Group expects its oleochemicals sub-segment to perform well given the relatively low feedstock costs and higher glycerine price. Our specialty oils and fats sub-segment is also expected to perform satisfactorily in view of the resilient demand from the food sector and the diversified locations of our production plants in USA and Europe. Overall, we expect our resource-based manufacturing segment to perform better as a high proportion of its revenue is denominated in US Dollar.

The volatility of Dollar Ringgit exchange rate will continue to impact the non-cash flow forex translation gain/loss arising from our medium to long dated US Dollar denominated borrowings.

Despite the current challenging economic environment, the Group expects its underlying operating performance for the remaining quarters to be satisfactory.

4) Achievability of Forecast Results

Not applicable.

5) Variance of Actual Profit from Forecast Results or Profit Guarantee

Not applicable.

6) Taxation

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER RM'Million	PRECEDING YEAR CORRESPONDING QUARTER RM'Million	CURRENT YEAR TO DATE RM'Million	PRECEDING YEAR CORRESPONDING PERIOD RM'Million
The tax expense comprises the following:				
Current taxation				
- Current year	90.5	82.2	90.5	82.2
- Prior years	0.1	0.1	0.1	0.1
Deferred taxation				
- Current year	(27.0)	4.5	(27.0)	4.5
- Prior years	(1.2)	0.9	(1.2)	0.9
	62.4	87.7	62.4	87.7

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate due principally to the non-allowable unrealised foreign exchange losses and other non-allowable expenses incurred by the Group.

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(The figures have not been audited)

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

7) Corporate Proposal

There were no corporate proposals announced by the Group but not completed as at 9 November 2015 (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 30 September 2015 are as follows:

	RM'Million
a) Short term borrowings	
Unsecured	
Denominated in RM	65.3
Denominated in USD (USD68.4 million)	304.4
Denominated in EUR (EUR86.5 million)	433.1
Total Short Term Borrowings	<u>802.8</u>
b) Long term borrowings	
Unsecured	
Denominated in JPY (JPY21,000.0 million)	779.0
Denominated in USD (USD1,374.8 million)	6,114.3
Total Long Term Borrowings	<u>6,893.3</u>
Total Borrowings	<u>7,696.1</u>

Interim Report For The Financial Period Ended 30 September 2015

(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 30 September 2015 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value – assets/(liabilities) (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	(569.1)	(10.8)	-	(579.9)	(256.3)	(5.9)	-	(262.2)
EUR/RM	EUR	(19.4)	-	-	(19.4)	(10.1)	-	-	(10.1)
USD/EUR	USD	194.1	-	-	194.1	(12.6)	-	-	(12.6)
EUR/GBP	GBP	(4.6)	-	-	(4.6)	0.7	-	-	0.7
EUR/CAD	CAD	(4.3)	-	-	(4.3)	0.1	-	-	0.1
EUR/CHF	CHF	(0.2)	-	-	(0.2)	-	-	-	-
USD/RMB	USD	(0.3)	-	-	(0.3)	-	-	-	-
JPY/RM	JPY	(702.4)	-	-	(702.4)	(2.2)	-	-	(2.2)
GBP/RM	GBP	(1.5)	-	-	(1.5)	(0.7)	-	-	(0.7)
EUR/RM	RM	(18.0)	-	-	(18.0)	4.6	-	-	4.6
SGD/RM	SGD	0.4	-	-	0.4	0.1	-	-	0.1
USD/CAD	CAD	(0.1)	-	-	(0.1)	0.1	-	-	0.1
CAD/USD	USD	(1.6)	-	-	(1.6)	(0.6)	-	-	(0.6)
RM/RMB	RMB	(114.3)	-	-	(114.3)	(8.7)	-	-	(8.7)
						(285.6)	(5.9)	-	(291.5)

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.

Interim Report For The Financial Period Ended 30 September 2015

(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 30 September 2015 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value – assets/(liabilities) (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	USD	20.8	-	-	20.8	(16.3)	-	-	(16.3)
	RM	160.7	-	-	160.7	29.0	-	-	29.0
						12.7	-	-	12.7
Futures	USD	5.7	-	-	5.7	(4.9)	-	-	(4.9)
	RM	(29.3)	-	-	(29.3)	(8.2)	-	-	(8.2)
						(13.1)	-	-	(13.1)

The above 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 30 September 2015 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (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
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	48.5	48.5
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	18.2	18.2
Fixed rate USD liability to fixed rate EUR liability ³	USD	-	-	100.0	100.0	-	-	0.4	0.4
Floating rate USD liability to fixed rate RM liability ⁴	USD	-	100.0	-	100.0	-	141.1	-	141.1

¹ 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.

² 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.

³ The contracts effectively swapped part of the Group's USD600 million 4.375% Guaranteed Notes due 2022 into fixed rate EUR liability and serve as a net investments hedge against the Group's Euro denominated assets.

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.

Interim Report For The Financial Period Ended 30 September 2015

(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 30 September 2015 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (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	-	524.0	-	524.0	-	(32.6)	-	(32.6)

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 were initially recognised at fair value on the date the derivative contracts were entered into. The derivatives except for the cross currency swap contract which swapped a fixed rate USD100.0 million liability to a fixed rate EUR90.9 million liability ("USDEUR CCS") were subsequently remeasured at fair value through profit or loss, where the resulting gains or losses from the remeasurement were recognised in the profit or loss. The changes in fair value of the USDEUR CCS were recognised in the other comprehensive income.



Interim Report For The Financial Period Ended 30 September 2015

(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 Loss		Basis of Fair Value Measurement	Reason for loss
	Current Quarter	Current Year To Date		
	RM'Million	RM'Million		
Forward foreign exchange contracts	(213.6)	(213.6)	The difference between the contracted rates and the market forward rates	The exchange rates have moved unfavourably against the Group from the last measurement date
Commodity futures	(10.2)	(10.2)	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	(76.4)	(76.4)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved unfavourably against the Group from the last measurement date
Interest rate swap contracts	(3.1)	(3.1)	The difference between fixed and floating interest rates	The floating interest rate has moved unfavourably against the Group from the last measurement date

Interim Report For The Financial Period Ended 30 September 2015

(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'Million
Total retained profits of IOI Corporation Berhad and its subsidiaries:	
- Realised	8,671.6
- Unrealised	(719.8)
	7,951.8
Total share of retained profits from associated companies:	
- Realised	371.2
- Unrealised	104.8
	476.0
Total share of accumulated losses from joint venture:	
- Realised	(7.9)
- Unrealised	-
	(7.9)
	8,419.9
Less: Consolidation adjustments	(4,412.3)
Total Group retained profits	4,007.6

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

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

12) Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	CURRENT YEAR QUARTER 30/09/15 RM'Million	CURRENT YEAR TO DATE 30/09/15 RM'Million
Interest income	(12.3)	(12.3)
Other income including investment income		
- Dividend income	(1.0)	(1.0)
Finance costs	57.1	57.1
Depreciation and amortisation	49.0	49.0
Reversal of write off of receivables	(0.3)	(0.3)
Net inventories written back	(0.8)	(0.8)
Foreign currency exchange loss	968.8	968.8
Loss on derivatives	147.1	147.1

Other than as per disclosed above, the group does not have other material items that recognised as profit/loss in the statement of profit or loss and statement of other comprehensive income.

13) Material Litigation

There is no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2015.

14) Dividend

No dividend has been proposed for the quarter under review (30 September 2014: Nil).

Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

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

15) (Loss)/earnings per Share

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'Million	RM'Million	RM'Million	RM'Million
a) Basic (loss)/earnings per share				
(Loss)/profit for the period attributable to owners of the parent	(719.0)	176.7	(719.0)	176.7
Weighted average number of ordinary shares in issue ('Million)	6,316.6	6,358.8	6,316.6	6,358.8
Basic (sen)	(11.38)	2.78	(11.38)	2.78
b) Diluted (loss)/earnings per share				
Adjusted (loss)/profit for the period attributable to owners of the parent :				
(Loss)/profit for the period attributable to owners of the parent	(719.0)	176.7	(719.0)	176.7
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,316.6	6,358.8	6,316.6	6,358.8
Assumed exercise of Executive Share Options at beginning of period	4.3	11.4	4.3	11.4
	6,320.9	6,370.2	6,320.9	6,370.2
Diluted (sen)	(11.37)	2.77	(11.37)	2.77

16) Audit Qualification

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

Chee Ban Tuck
Company Secretary

Putrajaya
16 November 2015



Interim Report For The Financial Period Ended 30 September 2015

(The figures have not been audited)

Group Plantation Statistics

		As At 30/09/15	As At 30/09/14
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	150,771	151,076
Total planted	<i>(hectares)</i>	179,131	179,190
Rubber			
Mature	<i>(hectares)</i>	176	-
Total planted	<i>(hectares)</i>	470	465
Total Titled Area	<i>(hectares)</i>	217,918	207,121

		30/09/15 (3 months)	30/09/14 (3 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	148,931	148,289
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	967,612	967,202
Yield per mature hectare	<i>(tonnes)</i>	6.50	6.52
FFB processed	<i>(tonnes)</i>	998,661	988,221
Crude palm oil production	<i>(tonnes)</i>	217,357	213,108
Palm kernel production	<i>(tonnes)</i>	51,775	51,422
Crude palm oil extraction rate	<i>(%)</i>	21.76%	21.56%
Palm kernel extraction rate	<i>(%)</i>	5.18%	5.20%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,119	2,258
Palm kernel	<i>(RM/tonne)</i>	1,350	1,517