



**IOI GROUP**

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

**Interim Report  
For The Financial Period Ended  
31 December 2015**

**Interim Report For The Financial Period Ended 31 December 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Profit or Loss**

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2015 RM'Million	31/12/2014 RM'Million	31/12/2015 RM'Million	31/12/2014 RM'Million
Revenue	<b>2,968.5</b>	2,857.2	<b>6,055.2</b>	5,850.6
<b>Operating profit</b>	<b>671.2</b>	376.6	<b>876.3</b>	715.1
Share of results of associates	<b>20.8</b>	40.1	<b>61.6</b>	62.1
Share of results of a joint venture	<b>(1.3)</b>	(1.2)	<b>(2.5)</b>	(1.7)
<b>Profit before interest and taxation</b>	<b>690.7</b>	415.5	<b>935.4</b>	775.5
Interest income	<b>12.6</b>	27.9	<b>24.9</b>	58.3
Finance costs	<b>(54.1)</b>	(75.2)	<b>(111.2)</b>	(145.1)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	<b>227.3</b>	(273.6)	<b>(626.6)</b>	(325.8)
<b>Profit before taxation</b>	<b>876.5</b>	94.6	<b>222.5</b>	362.9
Taxation	<b>(139.7)</b>	(69.0)	<b>(202.1)</b>	(156.8)
<b>Profit for the period</b>	<b>736.8</b>	25.6	<b>20.4</b>	206.1
<b>Profit attributable to:</b>				
Owners of the parent	<b>724.8</b>	19.6	<b>5.8</b>	196.2
Non-controlling interests	<b>12.0</b>	6.0	<b>14.6</b>	9.9
	<b>736.8</b>	25.6	<b>20.4</b>	206.1
<b>Earnings per share for profit attributable to owners of the parent (sen)</b>				
Basic	<b>11.51</b>	0.31	<b>0.09</b>	3.09
Diluted	<b>11.51</b>	0.31	<b>0.09</b>	3.08

(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 31 December 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Other Comprehensive Income**

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2015 RM'Million	31/12/2014 RM'Million	31/12/2015 RM'Million	31/12/2014 RM'Million
<b>Profit for the period</b>	<b>736.8</b>	<b>25.6</b>	<b>20.4</b>	<b>206.1</b>
<b>Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss when specific conditions are met</b>				
Exchange differences on translation of foreign operations	(99.5)	71.4	104.1	31.9
Share of other comprehensive loss of associates	(35.2)	(27.8)	(35.2)	(31.6)
Hedge of net investments in foreign operations	(5.1)	-	(1.3)	-
<b>Other comprehensive (loss)/income for the period</b>	<b>(139.8)</b>	<b>43.6</b>	<b>67.6</b>	<b>0.3</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>597.0</b>	<b>69.2</b>	<b>88.0</b>	<b>206.4</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	600.6	63.9	77.8	197.5
Non-controlling interests	(3.6)	5.3	10.2	8.9
	<b>597.0</b>	<b>69.2</b>	<b>88.0</b>	<b>206.4</b>

(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 31 December 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	<b>AS AT END OF CURRENT QUARTER 31/12/2015 RM'Million</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 30/06/2015 RM'Million</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,842.5	6,649.8
Prepaid lease payments	46.3	32.5
Investment properties	7.7	7.7
Goodwill on consolidation	458.4	458.4
Investments in associates	970.9	939.1
Interests in a joint venture	32.7	35.2
Derivative assets	90.4	138.7
Deferred tax assets	44.6	46.4
	<b>8,493.5</b>	<b>8,307.8</b>
<b>Current assets</b>		
Inventories	2,472.3	2,083.1
Receivables	1,190.4	1,106.2
Derivative assets	233.1	41.1
Other investments	106.5	107.2
Short term funds	1,074.8	1,088.9
Deposits with financial institutions	148.9	221.4
Cash and bank balances	499.8	478.2
	<b>5,725.8</b>	<b>5,126.1</b>
<b>TOTAL ASSETS</b>	<b>14,219.3</b>	<b>13,433.9</b>

(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 31 December 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position (Continued)**

	AS AT END OF CURRENT QUARTER 31/12/2015 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2015 RM'Million
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	646.2	645.9
Share premium	73.3	64.4
Other reserves	(2.3)	(41.2)
Treasury shares	(710.7)	(620.2)
Retained earnings	4,763.3	5,010.2
	<b>4,769.8</b>	<b>5,059.1</b>
<b>Non-controlling interests</b>	<b>199.5</b>	<b>189.3</b>
<b>Total equity</b>	<b>4,969.3</b>	<b>5,248.4</b>
<b>Non-current liabilities</b>		
Borrowings	5,238.5	5,835.9
Derivative liabilities	18.7	29.9
Other long term liabilities	30.0	29.4
Deferred tax liabilities	449.3	425.0
	<b>5,736.5</b>	<b>6,320.2</b>
<b>Current liabilities</b>		
Payables	1,133.9	924.5
Derivative liabilities	129.2	123.8
Short term borrowings	2,195.6	812.5
Provision for taxation	54.8	4.5
	<b>3,513.5</b>	<b>1,865.3</b>
<b>Total liabilities</b>	<b>9,250.0</b>	<b>8,185.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,219.3</b>	<b>13,433.9</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>		
	<b>0.76</b>	<b>0.80</b>

(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 31 December 2015**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	<b>6 Months Ended 31/12/2015 RM'Million</b>	<b>6 Months Ended 31/12/2014 RM'Million</b>
<b>Operating Activities</b>		
Profit before taxation	222.5	362.9
Adjustments for:		
Depreciation	133.5	119.8
Other non-cash items	627.9	508.7
Operating profit before working capital changes	<u>983.9</u>	991.4
Increase in inventories	(250.1)	(152.8)
(Increase)/decrease in receivables and other assets	(47.5)	57.3
Increase/(decrease) in payables and other liabilities	<u>143.9</u>	(99.8)
Cash generated from operations	830.2	796.1
Other payments	(0.9)	(8.2)
Taxes paid	(124.3)	(189.4)
<b>Net cash inflow from operating activities</b>	<b><u>705.0</u></b>	<b>598.5</b>
<b>Investing Activities</b>		
Interest received	24.4	58.6
Proceeds from disposal of property, plant and equipment	3.1	0.5
Other receipts	2.0	6.5
Acquisition of additional interest in associates	(10.7)	(8.6)
Additions to prepaid lease payments	(14.7)	(1.5)
Additions to property, plant and equipment	(187.3)	(237.1)
Advances to a joint venture	-	(8.0)
Additions to other investments	-	(32.3)
<b>Net cash outflow from investing activities</b>	<b><u>(183.2)</u></b>	<b>(221.9)</b>
<b>Financing Activities</b>		
Issuance of shares	7.0	22.6
Repurchase of shares	(90.5)	(5.1)
(Repayment of)/proceeds from other borrowings	(113.0)	27.5
Payment of finance costs	(116.2)	(154.6)
Payment of dividends	(283.6)	(763.0)
<b>Net cash outflow from financing activities</b>	<b><u>(596.3)</u></b>	<b>(872.6)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(74.5)</b>	<b>(496.0)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,788.5</b>	<b>3,987.7</b>
<b>Effect of exchange rate changes</b>	<b>9.5</b>	<b>3.4</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>1,723.5</u></b>	<b><u>3,495.1</u></b>

(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.)



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(The figures have not been audited)

**Condensed Consolidated Statement of Changes In Equity**

(RM'Million)	Non-distributable						Distributable		Total attributable to owners of the parent	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			
<b>As at 1 July 2015</b>	<b>645.9</b>	<b>64.4</b>	<b>105.1</b>	<b>(3.8)</b>	<b>-</b>	<b>(142.5)</b>	<b>(620.2)</b>	<b>5,010.2</b>	<b>5,059.1</b>	<b>189.3</b>	<b>5,248.4</b>
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.5)</b>	<b>(1.3)</b>	<b>79.8</b>	<b>-</b>	<b>5.8</b>	<b>77.8</b>	<b>10.2</b>	<b>88.0</b>
<b>Transactions with owners</b>											
Dividends paid in respect of previous financial year	-	-	-	-	-	-	-	(283.6)	(283.6)	-	(283.6)
Issue of shares arising from exercise of share options	0.3	8.9	(2.2)	-	-	-	-	-	7.0	-	7.0
Repurchase of shares	-	-	-	-	-	-	(90.5)	-	(90.5)	-	(90.5)
Expiration of share options	-	-	(30.9)	-	-	-	-	30.9	-	-	-
<b>As at 31 December 2015</b>	<b>646.2</b>	<b>73.3</b>	<b>72.0</b>	<b>(10.3)</b>	<b>(1.3)</b>	<b>(62.7)</b>	<b>(710.7)</b>	<b>4,763.3</b>	<b>4,769.8</b>	<b>199.5</b>	<b>4,969.3</b>

(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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**Interim Report For The Financial Period Ended 31 December 2015**

(The figures have not been audited)

**Condensed Consolidated Statement Of Changes In Equity (Continued)**

(RM'Million)	Non-distributable						Distributable	Total attributable to owners of the parent	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			
<b>As at 1 July 2014</b>	645.0	27.6	113.7	-	(215.1)	(441.0)	5,906.6	6,036.8	196.3	6,233.1
<b>Total comprehensive (loss)/income</b>	-	-	-	(28.1)	29.4	-	196.2	197.5	8.9	206.4
<b>Transactions with owners</b>										
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	28.4	(6.5)	-	-	-	-	22.6	-	22.6
Repurchase of shares	-	-	-	-	-	(5.1)	-	(5.1)	-	(5.1)
<b>As at 31 December 2014</b>	<b>645.7</b>	<b>56.0</b>	<b>107.2</b>	<b>(28.1)</b>	<b>(185.7)</b>	<b>(446.1)</b>	<b>5,339.8</b>	<b>5,488.8</b>	<b>205.2</b>	<b>5,694.0</b>

(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 31 December 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 31 December 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:

- 1,260,800 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.
- 1,260,000 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 22,916,000 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**

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

**Interim Report For The Financial Period Ended 31 December 2015**

(The figures have not been audited)

**g) Segment Revenue & Results**

(RM'Million)	Plantation	Resource- based Manufacturing	Other Operations	Eliminations	Total
<b>6 Months Ended 31/12/15</b>					
<b>REVENUE</b>					
External Sales	80.4	5,968.1	6.7	-	6,055.2
Inter-segment sales	971.7	-	-	(971.7)	-
Total Revenue	<u>1,052.1</u>	<u>5,968.1</u>	<u>6.7</u>	<u>(971.7)</u>	<u>6,055.2</u>
<b>RESULT</b>					
Operating profit	541.0	284.4	4.1	-	829.5
Share of results of associates	41.6	20.0	-	-	61.6
Share of results of a joint venture	-	(2.5)	-	-	(2.5)
Segment results before fair value (loss)/gain on derivative financial instruments	<u>582.6</u>	<u>301.9</u>	<u>4.1</u>	<u>-</u>	<u>888.6</u>
Fair value (loss)/gain on derivative financial instruments	(0.2)	57.9	-	-	57.7
Segment results	<u>582.4</u>	<u>359.8</u>	<u>4.1</u>	<u>-</u>	<u>946.3</u>
<b>6 Months Ended 31/12/14</b>					
<b>REVENUE</b>					
External Sales	93.7	5,746.6	10.3	-	5,850.6
Inter-segment sales	989.7	-	-	(989.7)	-
Total Revenue	<u>1,083.4</u>	<u>5,746.6</u>	<u>10.3</u>	<u>(989.7)</u>	<u>5,850.6</u>
<b>RESULT</b>					
Operating profit/(loss)	528.1	337.5	(0.1)	-	865.5
Share of results of associates	50.2	11.9	-	-	62.1
Share of results of a joint venture	-	(1.7)	-	-	(1.7)
Segment results before fair value loss on derivative financial instruments	<u>578.3</u>	<u>347.7</u>	<u>(0.1)</u>	<u>-</u>	<u>925.9</u>
Fair value loss on derivative financial instruments	-	(129.3)	-	-	(129.3)
Segment results	<u>578.3</u>	<u>218.4</u>	<u>(0.1)</u>	<u>-</u>	<u>796.6</u>

**Interim Report For The Financial Period Ended 31 December 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:

	<b>6 Months Ended 31/12/2015 RM'Million</b>	<b>6 Months Ended 31/12/2014 RM'Million</b>
Segment results	<b>946.3</b>	796.6
Unallocated corporate net expenses	<b>(10.9)</b>	(21.1)
Profit before interest and taxation	<b>935.4</b>	775.5
Finance costs	<b>(111.2)</b>	(145.1)
Interest income	<b>24.9</b>	58.3
Net foreign currency translation loss on foreign currency denominated borrowings	<b>(626.6)</b>	(325.8)
Profit before taxation	<b>222.5</b>	362.9
Taxation	<b>(202.1)</b>	(156.8)
Profit for the period	<b>20.4</b>	206.1

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 31 December 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 31 December 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 31 December 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**

**a) Q2 FY2016 vs. Q2 FY2015**

For Q2 FY2016, the Group reported a profit before taxation (“PBT”) of RM876.5 million as compared to the PBT of RM94.6 million reported for Q2 FY2015. The higher PBT is driven by higher contribution from all segments and net foreign currency translation gain on foreign currency denominated borrowings. Excluding the net foreign currency translation gain of RM227.3 million (Q2 FY2015 – loss of RM273.6 million) on foreign currency denominated borrowings, the underlying PBT of RM649.2 million for Q2 FY2016 is 76% higher than the underlying PBT of RM368.2 million for Q2 FY2015.

**Plantation**

The plantation profit increased by 9% to RM324.4 million for Q2 FY2016 as compared to RM297.3 million reported for Q2 FY2015. The higher profit reported is due mainly to improved performance of the Indonesia plantation business as well as higher PK price realised which is offset by lower FFB production. Average PK price realised for Q2 FY2016 was RM1,631/MT as compared to RM1,416/MT for Q2 FY2015.

**Resource-based Manufacturing**

The resource-based manufacturing profit of RM368.6 million for Q2 FY2016 is 236% higher than profit of RM109.6 million reported for Q2 FY2015. The higher profit is due mainly to fair value gain on derivative financial instruments of RM256.4 million (Q2 FY2015 – loss of RM118.6 million). Excluding the fair value gain/loss on derivative financial instruments, the underlying profit for resource-based manufacturing of RM112.2 million for Q2 FY2016 is 50% lower than the underlying profit of RM228.2 million for Q2 FY2015. This is mainly due to lower sales volume and lower margin from the oleochemicals and the refining sub-segments.

**Interim Report For The Financial Period Ended 31 December 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 (Continued)**
- b) **Q2 YTD FY2016 vs. Q2 YTD FY2015**

For Q2 YTD FY2016, the Group reported a PBT of RM222.5 million as compared to the PBT of RM362.9 million reported for Q2 YTD FY2015. The lower PBT is due mainly to higher net foreign currency translation loss on foreign currency denominated borrowings which is mitigated by higher contribution from all segments. Excluding the net foreign currency translation loss of RM626.6 million (Q2 YTD FY2015 – loss of RM325.8 million) on foreign currency denominated borrowings, the underlying PBT of RM849.1 million for Q2 YTD FY2016 is 23% higher than the underlying PBT of RM688.7 million for Q2 YTD FY2015.

**Plantation**

The plantation profit of RM582.4 million for Q2 YTD FY2016 is marginally higher than the profit reported for Q2 YTD FY2015 of RM578.3 million. There is an improvement in oil extraction rate of 21.90% as compared to 21.54% for Q2 YTD FY2015 which is offset by lower share of results of associates.

**Resource-based Manufacturing**

The resource-based manufacturing profit of RM359.8 million for Q2 YTD FY2016 is 65% higher than profit of RM218.4 million reported for Q2 YTD FY2015. The higher profit is due mainly to fair value gain on derivative financial instruments of RM57.9 million (Q2 YTD FY2015 – loss of RM129.3 million). Excluding the fair value gain/loss on derivative financial instruments, the underlying profit for resource-based manufacturing of RM301.9 million for Q2 YTD FY2016 is 13% lower than the underlying profit of RM347.7 million for Q2 YTD FY2015. This is mainly due to lower margin from the refining and the specialty oils and fats sub-segments.

**Interim Report For The Financial Period Ended 31 December 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 PBT of RM876.5 million for Q2 FY2016 as compared to a loss before taxation of RM654.0 million for Q1 FY2016. The higher PBT is driven by higher contribution from all segments and net foreign currency translation gain on foreign currency denominated borrowings. Excluding the net foreign currency translation gain of RM227.3 million (Q1 FY2016 – loss of RM853.9 million) on foreign currency denominated borrowings, the underlying PBT of RM649.2 million for Q2 FY2016 is 225% higher than the underlying PBT of RM199.9 million for Q1 FY2016.

Details of the segmental results are as follows:

**Plantation**

The plantation profit increased by 26% to RM324.4 million for Q2 FY2016 as compared to RM258.0 million for Q1 FY2016, attributable mainly to higher CPO and PK prices realised which is offset by lower FFB production.

**Resource-based Manufacturing**

The resource-based manufacturing profit of RM368.6 million for Q2 FY2016 is higher than loss of RM8.8 million reported for Q1 FY2016. The higher profit is due mainly to fair value gain on derivative financial instruments of RM256.4 million (Q1 FY2016 – loss of RM198.5 million). Excluding the fair value gain/loss on derivative financial instruments, the underlying profit for resource-based manufacturing of RM112.2 million for Q2 FY2016 is 41% lower than the underlying profit of RM189.7 million for Q1 FY2016. This is mainly due to lower margin from the oleochemicals and the specialty oils and fats sub-segments.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM'Million	PRECEDING QUARTER RM'Million	DIFFERENCE RM'Million
Plantation	324.4	258.0	66.4
Resource-based manufacturing before fair value gain/(loss) on derivative financial instruments	112.2	189.7	(77.5)
Fair value gain/(loss) on derivative financial instruments	256.4	(198.5)	454.9
Resource-based manufacturing	368.6	(8.8)	377.4
Other operations	5.0	(0.9)	5.9
Segment results	698.0	248.3	449.7
Unallocated corporate net expenses	(7.3)	(3.6)	(3.7)
Profit before interest and taxation	690.7	244.7	446.0
Finance costs	(54.1)	(57.1)	3.0
Interest income	12.6	12.3	0.3
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	227.3	(853.9)	1,081.2
Profit/(loss) before taxation	876.5	(654.0)	1,530.5

**Interim Report For The Financial Period Ended 31 December 2015**

(The figures have not been audited)

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

**3) Prospects**

With the effect of El Nino on oil palm fruits production and the lower palm oil stock, palm oil price has been trending upward and is expected to remain firm. As such, we expect our plantation segment to perform satisfactorily in the remaining two quarters of this financial year.

As for the Group's resource-based manufacturing segment, we expect the oleochemicals and specialty oils and fats sub-segments to achieve sustained satisfactory performance in this financial year given their strong sales and distribution networks and the geographical spread of their customers across the globe. The refining sub-segment remains challenging as the Malaysian refineries' margins turn negative again from the small positive recorded earlier.

The volatility of Dollar Ringgit exchange rate has been impacting the non-cash flow forex translation gain/loss arising from our medium to long dated US Dollar denominated borrowings. Since the fourth quarter of year 2015 when the Ringgit had weakened to RM4.40 against the US Dollar, the Ringgit has reversed the slide and gained strength in year 2016 to date.

Overall, 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 (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'Million	RM'Million	RM'Million	RM'Million
The tax expense comprises the following:				
Current taxation				
- Current year	95.3	93.3	185.8	175.5
- Prior years	(0.2)	(18.5)	-	(18.3)
Deferred taxation				
- Current year	42.6	(6.3)	15.5	(1.8)
- Prior years	2.0	0.5	0.8	1.4
	<b>139.7</b>	<b>69.0</b>	<b>202.1</b>	<b>156.8</b>

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due principally to the non-taxable income.



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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**

**Acquisition**

Proposal	On 9 September 2015, IOI Oleo GmbH (formerly known as Alstersee 217. V V GmbH) (“IOI Oleo”), an indirect wholly owned subsidiary of IOI Corporation Berhad had entered into a conditional asset purchase agreement with Cremer Oleo GmbH & Co KG (“Cremer Oleo”) to acquire Cremer Oleo’s entire oleochemicals business in Germany for a total purchase consideration of EUR89.4 million (equivalent to approximately RM433.3 million based on the exchange rate of RM4.8459 : EUR1.00) (“Proposed Acquisition”).
Status	The Proposed Acquisition was completed on 15 February 2016.

**8) Group Borrowings and Debts Securities**

Group borrowings and debt securities as at 31 December 2015 are as follows:

	RM'Million
<b>a) Short term borrowings</b>	
Unsecured	
Denominated in RM	44.0
Denominated in USD (USD414.4 million)	1,780.7
Denominated in EUR (EUR79.0 million)	370.9
Total Short Term Borrowings	<u>2,195.6</u>
<b>b) Long term borrowings</b>	
Unsecured	
Denominated in JPY (JPY21,000.0 million)	748.6
Denominated in USD (USD1,045.6 million)	4,489.9
Total Long Term Borrowings	<u>5,238.5</u>
Total Borrowings	<u>7,434.1</u>

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(The figures have not been audited)

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

**9) Derivative Financial Instruments**

a) The outstanding forward foreign exchange contracts as at 31 December 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
<b>Vanilla Contracts</b>									
USD/RM	USD	(507.1)	(8.6)	-	(515.7)	(57.5)	(1.6)	-	(59.1)
EUR/RM	EUR	(20.8)	-	-	(20.8)	(1.7)	-	-	(1.7)
USD/EUR	USD	214.0	-	-	214.0	11.7	-	-	11.7
EUR/GBP	GBP	(6.5)	-	-	(6.5)	1.0	-	-	1.0
EUR/CAD	CAD	(4.1)	-	-	(4.1)	-	-	-	-
EUR/CHF	CHF	(0.2)	-	-	(0.2)	-	-	-	-
USD/RMB	USD	(0.5)	-	-	(0.5)	-	-	-	-
JPY/RM	JPY	(886.2)	-	-	(886.2)	(0.4)	-	-	(0.4)
GBP/RM	GBP	(1.9)	-	-	(1.9)	0.1	-	-	0.1
EUR/RM	RM	(48.7)	-	-	(48.7)	2.5	-	-	2.5
SGD/RM	SGD	0.5	-	-	0.5	-	-	-	-
USD/CAD	CAD	(0.2)	-	-	(0.2)	0.1	-	-	0.1
CAD/USD	USD	2.2	-	-	2.2	-	-	-	-
RM/RMB	RMB	(96.1)	-	-	(96.1)	(1.0)	-	-	(1.0)
						(45.2)	(1.6)	-	(46.8)

The above contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and liabilities.

There is minimal credit risk as the contracts were entered into with reputable banks.

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(The figures have not been audited)

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

**9) Derivative Financial Instruments (Continued)**

b) The outstanding commodity contracts as at 31 December 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	(69.0)	-	-	(69.0)	21.6	-	-	21.6
	RM	147.1	-	-	147.1	3.8	-	-	3.8
						<b>25.4</b>	-	-	<b>25.4</b>
Futures	USD	2.7	-	-	2.7	(2.2)	-	-	(2.2)
	RM	(63.1)	-	-	(63.1)	(2.8)	-	-	(2.8)
						<b>(5.0)</b>	-	-	<b>(5.0)</b>

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 31 December 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 <sup>1</sup>	JPY	-	-	15,000.0	15,000.0	-	-	59.1	59.1
JPY liability to USD liability <sup>2</sup>	JPY	-	-	6,000.0	6,000.0	-	-	22.9	22.9
Fixed rate USD liability to fixed rate EUR liability <sup>3</sup>	USD	-	-	100.0	100.0	-	-	8.4	8.4
Floating rate USD liability to fixed rate RM liability <sup>4</sup>	USD	100.0	-	-	100.0	130.3	-	-	130.3

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> The contracts effectively swapped the Group's floating rate USD100 million Term Loan into fixed rate RM302 million liability and serve as a cashflow hedge for the Group's principal repayment for the USD loan obtained.

There is minimal credit risk as the swaps were entered into with reputable banks.

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(The figures have not been audited)

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

**9) Derivative Financial Instruments (Continued)**

d) The outstanding interest rate swap contracts as at 31 December 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 <sup>1</sup>	<b>USD</b>	74.0	300.0	-	<b>374.0</b>	(1.6)	(17.1)	-	<b>(18.7)</b>

<sup>1</sup> 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.



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(The figures have not been audited)

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

**10) Fair Value Changes of Financial Liabilities**

Type of Financial Liability	Fair Value Gain/(loss)		Basis of Fair Value Measurement	Reason for gain/(loss)
	Current Quarter	Current Year To Date		
	RM'Million	RM'Million		
<b>Forward foreign exchange contracts</b>	232.8	19.2	The difference between the contracted rates and the market forward rates	The exchange rates have moved favourably for the Group from the last measurement date
<b>Commodity futures</b>	8.7	(1.5)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved favourably for/ (unfavourably against) the Group from the last measurement date
<b>Commodity forward contracts</b>	53.6	(22.8)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved favourably for/ (unfavourably against) the Group from the last measurement date
<b>Interest rate swap contracts</b>	14.0	10.9	The difference between fixed and floating interest rates	The floating interest rate has moved favourably for the Group from the last measurement date

**Interim Report For The Financial Period Ended 31 December 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
<b>Total retained profits of IOI Corporation Berhad and its subsidiaries:</b>	
- Realised	9,451.9
- Unrealised	(706.6)
	8,745.3
<b>Total share of retained profits from associated companies:</b>	
- Realised	384.7
- Unrealised	69.6
	454.3
<b>Total share of accumulated losses from joint venture:</b>	
- Realised	(10.7)
- Unrealised	-
	(10.7)
	9,188.9
<b>Less: Consolidation adjustments</b>	(4,425.6)
<b>Total Group retained profits</b>	4,763.3

**Interim Report For The Financial Period Ended 31 December 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**

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

	<b>CURRENT YEAR QUARTER  31/12/2015 RM'Million</b>	<b>CURRENT YEAR TO DATE  31/12/2015 RM'Million</b>
Interest income	<b>(12.6)</b>	<b>(24.9)</b>
Other income including investment income		
- Dividend income	<b>(1.0)</b>	<b>(2.0)</b>
Finance costs	<b>54.1</b>	<b>111.2</b>
Depreciation and amortisation	<b>84.5</b>	<b>133.5</b>
Provision for and write off/(written back) of receivables	<b>0.2</b>	<b>(0.1)</b>
Net inventories written back	<b>(5.3)</b>	<b>(6.1)</b>
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings	<b>(227.3)</b>	<b>626.6</b>
Foreign currency exchange loss	<b>36.8</b>	<b>151.7</b>
Gain on derivatives	<b>(260.5)</b>	<b>(57.7)</b>

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.



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(The figures have not been audited)

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

**14) Dividend**

The Board has declared an interim single tier dividend of 35% or 3.5 sen (31 December 2014: 45% or 4.5 sen) per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2016 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967.

The dividend will be payable on 18 March 2016 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 8 March 2016.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 March 2016 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 4 March 2016 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total cash dividend declared to date for the current financial year is a single tier dividend of 3.5 sen (31 December 2014: 4.5 sen) per ordinary share of RM0.10 each.



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(The figures have not been audited)

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

**15) Earnings per Share**

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'Million	RM'Million	RM'Million	RM'Million
<b>a) Basic earnings per share</b>				
Profit for the period attributable to owners of the parent	<b>724.8</b>	19.6	<b>5.8</b>	196.2
Weighted average number of ordinary shares in issue ('Million)	<b>6,299.3</b>	6,361.7	<b>6,307.9</b>	6,360.2
Basic (sen)	<b>11.51</b>	0.31	<b>0.09</b>	3.09
<b>b) Diluted earnings per share</b>				
Adjusted profit for the period attributable to owners of the parent :				
Profit for the period attributable to owners of the parent	<b>724.8</b>	19.6	<b>5.8</b>	196.2
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	<b>6,299.3</b>	6,361.7	<b>6,307.9</b>	6,360.2
Assumed exercise of Executive Share Options at beginning of period	-	9.5	-	10.4
	<b>6,299.3</b>	6,371.2	<b>6,307.9</b>	6,370.6
Diluted (sen)	<b>11.51</b>	0.31	<b>0.09</b>	3.08

**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  
19 February 2016



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(The figures have not been audited)

**Group Plantation Statistics**

		<b>As At 31/12/2015</b>	<b>As At 31/12/2014</b>
<b>Planted Area</b>			
Oil palm			
Mature	<i>(hectares)</i>	<b>147,593</b>	148,864
Total planted	<i>(hectares)</i>	<b>179,327</b>	176,237
Rubber			
Mature	<i>(hectares)</i>	<b>282</b>	-
Total planted	<i>(hectares)</i>	<b>470</b>	470
<b>Total Titled Area</b>	<i>(hectares)</i>	<b>217,918</b>	207,121

		<b>31/12/2015 (6 months)</b>	<b>31/12/2014 (6 months)</b>
<b>Average Mature Area</b>			
Oil Palm	<i>(hectares)</i>	<b>147,908</b>	147,812
<b>Production</b>			
Oil Palm			
FFB production	<i>(tonnes)</i>	<b>1,902,552</b>	1,970,006
Yield per mature hectare	<i>(tonnes)</i>	<b>12.86</b>	13.33
FFB processed	<i>(tonnes)</i>	<b>1,952,979</b>	2,003,352
Crude palm oil production	<i>(tonnes)</i>	<b>427,689</b>	431,497
Palm kernel production	<i>(tonnes)</i>	<b>100,955</b>	105,595
Crude palm oil extraction rate	<i>(%)</i>	<b>21.90%</b>	21.54%
Palm kernel extraction rate	<i>(%)</i>	<b>5.17%</b>	5.27%
<b>Average Selling Price Realised</b>			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	<b>2,128</b>	2,221
Palm kernel	<i>(RM/tonne)</i>	<b>1,490</b>	1,461