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Developing Sustainable Futures

PRESS RELEASE

For Immediate Release
Friday, 25 November 2011

Sime Darby Berhad Registers Pre-Tax Profit of RM1.5 Billion for 1Q FY2011/2012

The Group targets a net profit after tax and non-controlling interests of RM3.3 billion and a Return on Average Shareholders' Funds of 13.3 percent for FY2011/2012

Kuala Lumpur, 25 November 2011 – Sime Darby Berhad reported a pre-tax profit of RM1.5 billion and a net profit of RM1.1 billion for the first quarter ended 30 September 2011, boosted by stronger results of the Plantation and Industrial Divisions. This was an increase of 53 percent and 64 percent respectively over that of the corresponding quarter of the previous year.

The **Plantation Division** saw a 90 percent jump in its operating profit to RM933 million for the quarter, attributed primarily to higher realised crude palm oil (CPO) prices as well as marked improvements in fresh fruit bunch (FFB) production and oil extraction rate (OER). For the first quarter period, the Division achieved an average CPO price of RM2,946/MT against RM2,511/MT in the first quarter of FY2010/2011. FFB production increased by 8 percent to 2.8 million MT, driven by higher production in Malaysia and Indonesia by 7 percent and 10 percent respectively.

FFB yield per mature hectare increased by 8 percent and 6 percent in Malaysia and Indonesia, respectively, while the OER rose by 0.4 percent to 21.4 percent in Malaysia and by 1.5 percent to 22.9 percent in Indonesia.

For the **Industrial Division**, on-going strong demand for heavy equipment in Australia and Malaysia continued to drive its performance. The Division reported an operating profit of RM330 million in the first quarter, an increase of 42 percent compared to the first quarter of FY2010/2011.

The strong mining sector boosted the Division's Australian operations, while the logging and construction sectors provided support to its Malaysian operations. Operations in China and Hong Kong, however, were affected by the slowdown in the construction sector as a result of tightening of credits by banks and local government policies.

In spite of the difficult environment for consumer related businesses in China, the **Motors Division**'s performance remained resilient. This was mainly driven by strong demand for all marques and the receipt of dividend from its investment in BMW Malaysia.

The Division registered a marginal increase of 2 percent in its operating profit to RM155 million, which included a loss of RM36 million on fair valuation of forward foreign exchange contracts.

The **Property Division** showed a slight improvement of 3 percent in its operating profit to RM61 million in the first quarter, compared to the RM59 million recorded in the previous corresponding period. This was mainly attributable to the higher percentage of property development works completed and improved sales in the Group's property development townships of USJ Heights and Denai Alam.

The **Energy & Utilities Division**, meanwhile, reported a lower operating profit of RM47 million (excluding discontinuing operations), a decline of 6 percent compared to the first quarter of FY2010/2011. The Power segment recorded a lower operating profit mainly due to the downtime of one of its power plants in Thailand. Meanwhile, the China Utilities segment experienced a slowdown in operations as a result of harsh weather conditions, thus affecting the port operations.

The **Healthcare Division** also posted a lower operating profit of RM7 million, a 7 percent decrease compared to the previous corresponding period. The Division incurred higher overhead costs in preparation for the opening of the Sime Darby Medical Centre Ara Damansara, targeted in early 2012.

Headline Key Performance Indicators (KPIs)

The Group also announced its KPIs for the financial year ending 30 June 2012, with a target net earnings of RM3.3 billion and a Return on Average Shareholders' Funds of 13.3 percent.

President/CEO's Summary

Commenting on the overall results, Sime Darby President and Group Chief Executive, Dato' Mohd Bakke Salleh said that the Group had produced a satisfactory performance even though CPO prices during the quarter were lower than the preceding quarter.

"The strong performance by the Plantation Division is testament to the initiatives that have been put in place to enhance operational efficiencies in the estates and mills. I am very pleased that all these efforts and hard work of the Plantation team have started to bear fruit."

On the Group's KPIs for FY2011/2012, Mohd Bakke said the next nine months of the FY2011/2012 is expected to be challenging for the Group in view of uncertainties in the current economic environment.

"While we remain positive for the long-term fundamentals of the Group, we are cautious on the outlook for the rest of the financial year. It is crucial, now more than ever, for us to intensify our efforts to enhance efficiency as well as reduce costs in order to remain competitive and continue to deliver long-term returns to our shareholders regardless of the uncertainty in the global economy," he added.

About Sime Darby

Sime Darby is a Malaysia-based diversified multinational involved in key growth sectors, namely, plantations, property, motors, industrial equipment, energy & utilities and healthcare. Founded in 1910, its business divisions seek to create positive benefits in the economy, environment and society where it has a presence.

With a workforce of over 100,000 employees in over 20 countries, Sime Darby is committed to building a sustainable future for all its stakeholders. It is one of the largest companies on Bursa Malaysia with a market capitalisation of RM53.36bn (USD16.73bn) as of 24 November 2011.