SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM million

	Note	Unaudited As at 31 March 2012	Audited As at 30 June 2011
Non-current assets			
Property, plant and equipment		**13,334.6**	12,656.1
Biological assets		**2,392.6**	2,429.7
Prepaid lease rentals		**1,088.6**	1,044.1
Investment properties		**313.8**	407.2
Land held for property development		**849.0**	893.7
Jointly controlled entities		**301.7**	295.5
Associates		**1,494.8**	685.8
Available-for-sale investments		**103.5**	125.5
Intangible assets		**858.8**	86.0
Deferred tax assets		**754.8**	632.2
Derivatives		**0.3**	–
Trade and other receivables		**400.3**	375.4
		21,892.8	19,631.2
Current assets			
Inventories		**8,768.7**	7,355.4
Property development costs		**2,041.4**	2,022.5
Trade and other receivables		**6,272.2**	4,930.1
Accrued billings and prepayments		**2,081.1**	2,047.4
Tax recoverable		**495.0**	390.0
Derivatives		**85.9**	175.9
Cash held under Housing Development Accounts		**601.6**	616.4
Bank balances, deposits and cash		**4,051.5**	4,911.3
		24,397.4	22,449.0
Non-current assets held for sale (note 1)		**31.5**	786.0
Total assets	A7	**46,321.7**	42,866.2
Equity			
Share capital		**3,004.7**	3,004.7
Reserves		**21,958.7**	21,025.6
Attributable to owners of the Company		**24,963.4**	24,030.3
Non-controlling interests		**831.8**	787.2
Total equity		**25,795.2**	24,817.5
Non-current liabilities			
Long-term borrowings	B9	**4,460.3**	4,007.5
Provisions		**69.0**	69.0
Retirement benefits		**158.8**	93.4
Deferred income		**181.0**	173.5
Deferred tax liabilities		**483.9**	492.2
Derivatives		**61.5**	22.1
		5,414.5	4,857.7
Current liabilities			
Trade and other payables		**8,077.3**	8,572.8
Progress billings and others		**63.7**	74.7
Short-term borrowings	B9	**4,972.5**	3,054.9
Provisions		**661.9**	617.0
Deferred income		**52.1**	77.6
Tax payable		**592.9**	694.5
Derivatives		**90.6**	77.2
Dividends payable		**601.0**	–
		15,112.0	13,168.7
Liabilities associated with assets held for sale (note 1)		**–**	22.3
Total liabilities		**20,526.5**	18,048.7
Total equity and liabilities		**46,321.7**	42,866.2

Unaudited Condensed Consolidated Statement of Financial Position (continued)
Amounts in RM million

	Note	Unaudited As at 31 March 2012	Audited As at 30 June 2011
Net assets per share attributable to owners of the Company (RM)		**4.15**	4.00

Note:

1. **Non-current assets held for sale**

	Unaudited As at 31 March 2012	Audited As at 30 June 2011
Property, plant and equipment	**0.5**	2.1
Investment properties	**1.0**	20.2
Associates	**23.5**	25.0
Disposal groups	**6.5**	738.7
	31.5	786.0

Liabilities associated with assets held for sale

Disposal groups	**–**	22.3

The reduction in Disposal groups is attributable to the sale of Dunlopillo Group and Teluk Ramunia and Pasir Gudang fabrication yards which were completed on 10 January 2012 and 31 March 2012 respectively.

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the year ended 30 June 2011.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM million

	Share capital	Share premium	Revaluation reserve	Capital reserve	Legal reserve	Hedging reserve	Available-for-sale reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
Three quarters ended 31 March 2012												
At 1 July 2011	**3,004.7**	**100.6**	**67.9**	**6,742.5**	**72.5**	**79.9**	**47.4**	**984.9**	**12,929.9**	**24,030.3**	**787.2**	**24,817.5**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**(14.9)**	**(8.4)**	**(110.2)**	**3,051.1**	**2,917.6**	**124.8**	**3,042.4**
Transfer between reserves	**–**	**–**	**–**	**–**	**5.4**	**–**	**–**	**–**	**(5.4)**	**–**	**–**	**–**
Acquisition of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(61.4)**	**(61.4)**	**(27.8)**	**(89.2)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,322.1)**	**(1,322.1)**	**(52.4)**	**(1,374.5)**
Dividends payable	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(601.0)**	**(601.0)**	**–**	**(601.0)**
At 31 March 2012	**3,004.7**	**100.6**	**67.9**	**6,742.5**	**77.9**	**65.0**	**39.0**	**874.7**	**13,991.1**	**24,963.4**	**831.8**	**25,795.2**
Three quarters ended 31 March 2011												
At 1 July 2010	3,004.7	100.6	67.9	6,736.3	65.8	(8.8)	68.4	414.5	9,921.2	20,370.6	680.8	21,051.4
Total comprehensive income for the period	–	–	–	4.8	–	72.8	6.7	326.0	2,351.9	2,762.2	98.5	2,860.7
Transfer between reserves	–	–	–	9.1	1.6	–	–	–	(10.7)	–	–	–
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	(7.3)	(7.3)
Dividends paid	–	–	–	–	–	–	–	–	(180.3)	(180.3)	(45.5)	(225.8)
Dividends payable	–	–	–	–	–	–	–	–	(480.7)	(480.7)	–	(480.7)
At 31 March 2011	3,004.7	100.6	67.9	6,750.2	67.4	64.0	75.1	740.5	11,601.4	22,471.8	726.5	23,198.3

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the year ended 30 June 2011.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM million

	Note	Three quarters ended 31 March 2012	2011
Profit after tax		**3,183.6**	2,467.9
Adjustments for:			
Gain on disposal of subsidiaries, a jointly controlled entity, an associate and other investments		**(30.0)**	(14.8)
Gain on disposal of properties		**(47.7)**	(10.6)
Share of results of jointly controlled entities and associates		**(67.3)**	(80.5)
Finance income		**(123.7)**	(108.8)
Finance costs		**262.5**	248.1
Depreciation and amortisation		**872.7**	771.1
Amortisation of prepaid lease rentals		**35.6**	32.9
Tax expense		**1,042.2**	980.0
Other non-cash items		**(20.7)**	168.5
		5,107.2	4,453.8
Changes in working capital:			
Inventories and rental assets		**(1,526.7)**	(1,510.5)
Property development costs		**(13.6)**	(280.2)
Land held for property development		**(1.4)**	(223.4)
Trade and other receivables and prepayments		**(979.1)**	(866.6)
Cash held under Housing Development Accounts		**14.8**	(34.6)
Trade and other payables and provisions		**(191.4)**	838.0
Cash generated from operations		**2,409.8**	2,376.5
Tax paid		**(1,360.4)**	(744.7)
Dividends received from jointly controlled entities and associates		**31.5**	38.6
Dividends from available-for-sale investments		**33.8**	5.3
Net cash from operating activities		**1,114.7**	1,675.7
Investing activities			
Finance income received		**138.3**	96.7
Purchase of property, plant and equipment		**(1,065.5)**	(1,208.0)
Purchase of subsidiaries and business	A11.2	**(1,157.7)**	(48.5)
Purchase/subscription of shares in a jointly controlled entity and associates		**(793.6)**	(48.7)
Cost incurred on biological assets		**(43.5)**	(58.5)
Net cash (outflow)/inflow from sale of subsidiaries	A11.1	**(20.1)**	0.2
Proceeds from sale of a jointly controlled entity and associates		**22.0**	9.5
Proceeds from sale of available-for-sale investments		**63.5**	7.3
Proceeds from sale of property, plant and equipment		**100.2**	68.9
Others		**30.6**	(7.8)
Net cash used in investing activities		**(2,725.8)**	(1,188.9)
Financing activities			
Finance costs paid		**(222.2)**	(183.4)
Long-term borrowings raised		**1,594.7**	7.1
Repayments of long-term borrowings		**(354.3)**	(184.7)
Revolving credits, trade facilities and other short-term borrowings (net)		**1,120.6**	(186.4)
Dividends paid		**(1,374.5)**	(225.8)
Net cash from/(used in) financing activities		**764.3**	(773.2)

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows (continued)
Amounts in RM million

	Note	Three quarters ended 31 March 2012	2011
Net decrease in cash and cash equivalents		**(846.8)**	(286.4)
Foreign exchange differences		**(36.4)**	(31.8)
Cash and cash equivalents at beginning of the period		**4,900.2**	4,440.7
Cash and cash equivalents at end of the period		**4,017.0**	4,122.5

For the purpose of the statement of cash flows, cash and cash equivalents comprised the following:

	Note	2012	2011
Bank balances, deposits and cash		**4,051.5**	4,165.3
Less:			
Bank overdrafts	B9	**(34.5)**	(42.8)
		4,017.0	4,122.5

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the year ended 30 June 2011.

EXPLANATORY NOTES

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Financial Reporting Standard (FRS) No. 134 – Interim Financial Reporting and other FRS issued by the Malaysian Accounting Standards Board. The interim financial report is unaudited and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2011.

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

a) General
The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the year ended 30 June 2011.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued the Malaysian Financial Reporting Framework (MFRS Framework). This IFRS-compliant framework is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption by one year in view of potential changes on the horizon which may change current accounting treatments.

TEs are non-private entities within the scope of MFRS 141 - Agriculture and IC Interpretation 15 - Agreements for the Construction of Real Estate, including their parent, significant investor and venturer.

The Group being a TE, will adopt the MFRS Framework with effect from 1 July 2013.

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below. These adoptions will not result in any changes to the Group's accounting policies, results and financial position.

(i) Revision and amendments to standards that will be effective for annual periods beginning on or after 1 January 2012:

- **FRS 124 – Related Party Disclosures**
FRS 124 simplifies the definition of related party and provides partial exemption from disclosures for government-related entities instead of full exemption.

- **Amendments to FRS 7 – Financial Instruments : Disclosures**
Amendments to FRS 7 stipulates the disclosure requirements for all transferred financial assets that are not derecognised and also for any continuing involvement in a transferred financial asset.

- **Amendments to FRS 112 – Income Taxes**
Amendments to FRS 112 clarifies that deferred tax on investment property measured using fair value model should be based on the tax rate applicable to taxable amount derived from sale unless the objective is to consume substantially all of the economic benefits embodied in the investment property over time. If the objective is to consume the economic benefits over time, deferred tax should reflect the tax consequences of recovering the carrying amount of the investment property through usage.

A1. Basis of Preparation (continued)

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below. These adoptions will not result in any changes to the Group's accounting policies, results and financial position. (continued)

(ii) Amendments to standard that will be effective for annual periods beginning on or after 1 July 2012:

- **Amendments to FRS 101 – Presentation of Financial Statements**
  FRS 101 requires items of 'other comprehensive income' including their associated tax to be presented into two groupings which consists of those that would not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met.

(iii) New, revision and amendments to standards and interpretation that will be effective for annual periods beginning on or after 1 January 2013:

- **FRS 10 – Consolidated Financial Statements**
  FRS 10 replaces IC Interpretation 112 – Consolidation - Special Purpose Entities and the consolidation section in FRS 127 – Consolidated and Separate Financial Statements. It defines and sets out the principle of control to identify whether an investor controls an investee and establishes control as the basis for consolidation.

- **FRS 11 – Joint Arrangements**
  FRS 11 supersedes FRS 131 – Interests in Joint Ventures. It classifies joint arrangements into two types - joint operations and joint ventures by focusing on the rights and obligations of the arrangements. The option to proportionate consolidates joint venture's results and financial position in the venturer's financial statements is no longer allowed.

- **FRS 12 – Disclosure of Interests in Other Entities**
  FRS 12 provides disclosure requirements for all forms of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Disclosures include significant judgements and assumptions made in determining the nature of the entity's interest in another entity and the risks associated with those interests.

- **FRS 13 – Fair Value Measurement**
  FRS 13 defines fair value, sets out the measurement framework and stipulates the disclosure requirements. It merely explains how to measure fair value and does not change the measurement objective as established in existing FRSs.

- **FRS 119 – Employee Benefits**
  FRS 119 eliminates the limits of the "corridor approach" where only a portion of the actuarial gains and losses is recognised to profit or loss.

- **FRS 127 – Separate Financial Statements**
  The revised FRS 127 only deals with the accounting and disclosure requirements for investments in subsidiaries, associates and joint ventures in the separate financial statements of the parent.

A1. Basis of Preparation (continued)

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below. These adoptions will not result in any changes to the Group's accounting policies, results and financial position. (continued)

(iii) New, revision and amendments to standards and interpretation that will be effective for annual periods beginning on or after 1 January 2013: (continued)

- **FRS 128 – Investments in Associates and Joint Ventures**
  The revised FRS 128 prescribes the accounting for investment in associates as well as joint ventures where the equity method of accounting is required in accordance with FRS 11.

- **IC Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine**
  IC Interpretation 20 addresses the recognition and measurement on cost for removing mine waste materials ('overburden') to gain access to mineral ore deposits which is known as "stripping costs".

- **Amendments to FRS 7 – Financial Instruments: Disclosures**
  Amendments to FRS 7 sets out the additional disclosure requirements on the effects or potential effects including any rights of a netting arrangement of a financial asset and a financial liability.

(iv) Amendments to standard that will be effective for annual periods beginning on or after 1 January 2014:

- **Amendments to FRS 132 – Financial Instruments: Presentation**
  Amendments to FRS 132 offers additional guidance on the criterion and right to offset a financial asset and a financial liability following amendments made to FRS 7 - Financial Instruments: Disclosures.

(v) New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2015:

- **FRS 9 – Financial Instruments**
  FRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial instruments: amortised costs and fair value. All instruments are to be measured at fair value except for debt instruments that qualify for amortised cost accounting.

  It allows an option to present fair value changes in equity instruments in profit or loss or other comprehensive income and it is an irrevocable election on initial recognition.

  Reclassification of financial liability between fair value and amortised cost is prohibited while financial asset can only be reclassified when the entity changes its business model for managing the financial asset. Any difference between the carrying amount and fair value on reclassification is recognised in profit or loss.

- **Amendments to FRS 7 – Financial Instruments: Disclosures**
  Amendments to FRS 7 prescribes the disclosure requirements on the classifications and measurements of financial assets and liabilities in accordance with the requirement of FRS 9 upon initial application.

(vi) Interpretation issued but withdrawn subsequently

- **IC Interpretation 15 – Agreement for the Construction of Real Estate**
  IC Interpretation 15 addresses the accounting for revenue and associated expenses by entities that undertake the construction of real estate. This IC is withdrawn with effect from annual periods beginning on or after 1 January 2012.

A2. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except for the production of fresh fruit bunches in the Plantation Division which may be affected by the vagaries of weather and cropping patterns.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

A4. Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter under review.

A5. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

A6. Dividends Paid

The final single tier dividend of 22.0 sen per share for the financial year ended 30 June 2011 amounting to RM1,322.1 million was paid on 15 December 2011.

An interim single tier dividend of 10.0 sen per share for the financial year ending 30 June 2012 amounting to RM601.0 million was paid on 11 May 2012.

Amounts in RM million unless otherwise stated

A7. Segment Information

The Group has six reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. Each of the strategic business units are headed by an Executive Vice President and the President and Group Chief Executive Officer reviews the internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

	Continuing operations										
	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care	Others	Elimination/ Corporate expense	Total	Dis-continuing operations	Total
Three quarters ended 31 March 2012											
Segment revenue:											
External	9,463.5	1,398.5	9,561.4	11,721.3	956.6	256.7	122.2	–	33,480.2	715.3	34,195.5
Inter-segment	0.6	38.5	36.4	31.3	6.2	7.7	7.6	(128.3)	–	–	–
	9,464.1	1,437.0	9,597.8	11,752.6	962.8	264.4	129.8	(128.3)	33,480.2	715.3	34,195.5
Segment results:											
Operating profit/(loss)	2,414.9	278.9	965.8	455.7	275.2	18.1	15.8	(72.9)	4,351.5	(54.2)	4,297.3
Share of results of jointly controlled entities and associates	(19.0)	35.8	20.0	5.8	5.6	–	19.1	–	67.3	–	67.3
Profit/(loss) before interest and tax	2,395.9	314.7	985.8	461.5	280.8	18.1	34.9	(72.9)	4,418.8	(54.2)	4,364.6
										Note 1	

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations										
	Plantation	**Property**	**Industrial**	**Motors**	**Energy & Utilities**	**Health-care**	**Others**	**Elimination/ Corporate expense**	**Total**	**Dis-continuing operations**	**Total**
Three quarters ended 31 March 2011											
Segment revenue:											
External	9,143.6	1,233.5	6,987.0	10,237.3	803.2	234.5	160.7	–	28,799.8	864.2	29,664.0
Inter-segment	1.0	25.0	40.1	23.6	6.3	5.8	6.0	(107.8)	–	–	–
	9,144.6	1,258.5	7,027.1	10,260.9	809.5	240.3	166.7	(107.8)	28,799.8	864.2	29,664.0
Segment result:											
Operating profit/(loss)	1,994.2	185.5	682.8	433.9	166.8	19.1	0.4	(24.3)	3,458.4	48.3	3,506.7
Share of results of jointly controlled entities and associates	15.9	24.5	16.5	7.5	4.4	–	11.7	–	80.5	–	80.5
Profit/(loss) before interest and tax	2,010.1	210.0	699.3	441.4	171.2	19.1	12.1	(24.3)	3,538.9	48.3	3,587.2
										Note 1	

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations										
	Plantation	**Property**	**Industrial**	**Motors**	**Energy & Utilities**	**Health-care**	**Others**	**Corporate**	**Total**	**Dis-continuing operations**	**Total**
As at 31 March 2012											
Segment assets:											
Operating assets	14,966.9	6,590.9	10,048.0	5,885.7	4,171.0	490.0	150.8	940.6	43,243.9	–	43,243.9
Jointly controlled entities and associates	487.2	1,183.6	114.3	71.4	(116.8)	–	56.8	–	1,796.5	–	1,796.5
Non-current assets held for sale	–	24.5	0.5	3.0	–	–	3.5	–	31.5	–	31.5
	15,454.1	7,799.0	10,162.8	5,960.1	4,054.2	490.0	211.1	940.6	45,071.9	–	45,071.9
		Note 2	Note 3								
Tax assets											1,249.8
Total assets											46,321.7

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations										
	Plantation	**Property**	**Industrial**	**Motors**	**Energy & Utilities**	**Health-care**	**Others**	**Corporate**	**Total**	**Dis-continuing operations**	**Total**
As at 30 June 2011											
Segment assets:											
Operating assets	14,729.2	7,124.3	7,593.5	5,473.0	3,127.5	436.4	119.6	1,473.2	40,076.7	–	40,076.7
Jointly controlled entities and associates	488.4	392.8	118.7	66.8	(128.9)	–	43.5	–	981.3	–	981.3
Non-current assets held for sale	–	44.9	1.2	0.9	–	–	98.7	–	145.7	640.3	786.0
	15,217.6	7,562.0	7,713.4	5,540.7	2,998.6	436.4	261.8	1,473.2	41,203.7	640.3	41,844.0
Tax assets											1,022.2
Total assets											42,866.2

Note:

1. The discontinuing operation is in relation to the oil and gas operations under the Energy & Utilities Division, following the disposal of the Teluk Ramunia and Pasir Gudang fabrication yards.
2. The increase in jointly controlled entities and associates is due to the acquisition of shares and irredeemable convertible secured loan stocks in Eastern & Oriental Berhad, see Note A11.2(a) for details.
3. The increase in operating assets is largely due to the acquisition of Bucyrus business and related goodwill, see Note A11.2(b) for details.

Amounts in RM million unless otherwise stated

A8. Capital Commitments

Authorised capital expenditure not provided for in the interim financial report is as follows:

	As at 31 March 2012	As at 30 June 2011
Property, plant and equipment		
− contracted	**977.2**	691.6
− not contracted	**2,036.5**	2,426.9
	3,013.7	3,118.5
Other capital expenditure		
− contracted	**1.2**	–
− not contracted	**275.8**	110.7
	3,290.7	3,229.2

A9. Significant Related Party Transactions

Recurrent related party transactions conducted during the three quarters ended 31 March 2012 pursuant to a shareholders' mandate obtained at the last Annual General Meeting of the Company are as follows:

	Three quarters ended 31 March 2012	2011
Purchase of chemicals and fertilisers from Chemical Company of Malaysia Berhad and its subsidiaries (CCM group)*	**86.2**	51.9
Contract for the design and build as well as provision of certain service components by Brunsfield Engineering Sdn Bhd (BESB) for Sime Darby Brunsfield Holding Sdn Bhd (SDBH)'s property development projects^	**44.7**	–

* The substantial shareholder of the Company, namely Permodalan Nasional Berhad is a substantial shareholder of CCM group.

^ Dato' Dr Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders of SDBH and BESB.

Other significant related party transactions are as follows:

	Three quarters ended 31 March 2012	2011
a. Transactions with jointly controlled entities		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**14.0**	6.6
Sales and services to Terberg Tractors Malaysia Sdn Bhd	**27.0**	–
Purchase of terminal tractors from Terberg Tractors Malaysia Sdn Bhd	**2.4**	–
b. Transactions with associates		
Forwarding services by KN Sime Logistics Sdn Bhd	**1.8**	5.5
Purchase of natural latex from Muang Mai Guthrie Co Ltd	**–**	1.2
Rental of land from Seriemas Development Sdn Bhd	**–**	10.7
Purchase of paint materials from Sime Kansai Paints Sdn Bhd	**1.5**	0.4
Sale of land to Tesco Stores (M) Sdn Bhd	**35.7**	–

Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions (continued)

Other significant related party transactions are as follows: (continued)

	Three quarters ended 31 March	
	2012	**2011**
c. Transactions between subsidiaries and their significant owners of non-controlling interests		
Turnkey works rendered by BESB to SDBH and its subsidiaries	**57.9**	357.7
Sales of goods and provision of services to Gunnebo Holdings APS and its related companies, a shareholder of Chubb Malaysia Sendirian Berhad	**7.3**	7.3
Royalty payment to and procurement of Completely Knocked-Down (CKD) packs, Completely Built-Up cars, ancillary services and technical assistance fee from Hyundai Motor Company and its related companies, a shareholder of Inokom Corporation Sdn Bhd	**79.7**	63.3
Purchase of used vehicles from Mr Tan Kok Peng, a close family member of a shareholder of Performance Premium Selection Limited	**0.6**	2.3
Purchase of agricultural tractors, engines and parts from Kubota Corporation, a shareholder of Sime Kubota Sdn Bhd	**37.1**	23.9
Procurement of hotel operation management and technical advice from Hotel Equatorial Management Sdn Bhd	**1.6**	1.5
Contract assembly service provided to Bermaz Motor Sdn Bhd and Berjaya Brilliance Auto Sdn Bhd, subsidiaries of Berjaya Corporation Berhad, a shareholder of Inokom Corporation Sdn Bhd	**10.6**	1.3
d. Transactions between a subsidiary and a firm in which a director of the Company is a partner		
Provision of legal services by Kadir, Andri & Partners, a firm in which Dato' Sreesanthan Eliathamby is a partner	**0.4**	–
e. Transactions with directors and their close family members		
Sale of residential properties and cars	**6.7**	4.3
f. Transactions with key management personnel and their close family member		
Sale of residential properties and cars	**6.8**	–

Amounts in RM million unless otherwise stated

A10. Material Events Subsequent to the End of the Financial Period

On 16 May 2012, PT Minamas Gemilang acquired 3,800 ordinary shares of Rp1,000,000 each in PT Indo Sukses Lestari Makmur (PTISLM) representing 95% of the total issued and paid-up shares of PTISLM for a cash consideration of USD4.4 million. PTISLM is principally involved in the forestry business which includes the development of industrial plant forest and rubber tapping.

Save for the above, there was no material event subsequent to the end of the current quarter under review to 22 May 2012, being a date not earlier than 7 days from the date of issue of this quarterly report.

A11. Effect of Significant Changes in the Composition of the Group

1. Disposals

Disposals during the three quarters ended 31 March 2012 include the following:

a) On 24 November 2011, Sime Darby Allied Products Berhad completed the disposal of its entire 50% equity interest in KN Sime Logistics Sdn Bhd for a total consideration of RM250,000.

b) On 20 December 2011, Sime Darby Brunsfield Holding Sdn Bhd completed the disposal of its 100% equity interest in Sime Darby Brunsfield Resources Sdn Bhd for a total consideration of RM1,800.

c) On 21 December 2011, Sime Darby Brunsfield Holding Sdn Bhd completed the transfer of its 50% equity interest in Sime Darby Brunsfield Darby Hills Sdn Bhd (SDBDH) to Sime Darby Brunsfield Motorworld Sdn Bhd for RM1.00 and the disposal of the remaining 50% equity interest in SDBDH to IOI Properties Bhd for RM1.00.

d) On 23 December 2011, the Group disposed its 100% equity interest in Weifang Sime Darby Property Co. Ltd., see Note A11.3 for details.

e) On 27 December 2011, Sime Darby Industrial Sdn Bhd completed the disposal of its 40% equity interest in Caterpillar Financial Services Malaysia Sdn Bhd for a total consideration of RM21.95 million.

f) On 10 January 2012, Sime Darby Allied Products Berhad (SDAP) completed the disposal of its 100% equity interest in Dunlopillo Holdings Sdn Bhd (Dunlopillo) for a total provisional consideration of RM70.7 million. An additional RM6.0 million will be payable to SDAP upon the achievement of certain pre-agreed profit targets by Dunlopillo.

Net cash outflow arising from the disposal of the subsidiaries is analysed as follows:

	Three quarters ended 31 March 2012
Intangible assets	**34.9**
Other non-current assets	**9.7**
Net current assets	**116.6**
Net assets disposed	**161.2**
Loss on disposal	**(2.8)**
Consideration from disposal of subsidiaries	**158.4**
Less: In exchange for the remaining 40% equity interest in Sime Darby China Oils & Fats Company Limited, see Note A11.3	**(89.2)**
Cash and cash equivalent in subsidiaries disposed	**(62.8)**
Deferred payment	**(26.5)**
Net cash outflow from disposal	**(20.1)**

Amounts in RM million unless otherwise stated

A11. Effect of Significant Changes in the Composition of the Group (continued)

2. Acquisitions

Acquisitions during the three quarters ended 31 March 2012 include the following:

a) On 9 September 2011, Sime Darby Nominees Sendirian Berhad acquired 273.0 million ordinary shares of RM1 each and 60.0 million 8% Irredeemable Convertible Secured Loan Stocks of RM0.65 each in Eastern & Oriental Berhad (E&O) representing 30% of the fully diluted equity interest in E&O for RM765.9 million and a further 5.1 million ordinary shares of RM1 each for RM8.0 million on the open market. The principal activities of E&O and its subsidiaries include investment holding, hotel ownership and management, property development, property investment and cafe and restaurant operations.

b) On 14 December 2011, Hastings Deering (Australia) Limited, Societe Caledonienne Des Tracteurs S.A.S (also known as Caltrac SAS) and Hastings Deering (PNG) Limited completed the acquisition of the assets used in the former Bucyrus distribution business in Sime Darby Group's Caterpillar dealership service territories in Queensland and the Northern Territory of Australia, Papua New Guinea and New Caledonia for a total consideration of US$360 million (approximately RM1.2 billion). Bucyrus products are used for surface mining and underground mining which includes draglines, rope shovels and mining trucks.

Details of the assets and net cash outflow arising from the acquisition of the business are as follows:

	Book value	Fair value
Property, plant and equipment	**37.5**	**37.5**
Current assets	**318.4**	**318.4**
Net assets acquired	**355.9**	**355.9**
Provisional goodwill on acquisition		**801.8**
Net cash outflow on acquisition of business		**1,157.7**

3. Acquisitions of non-controlling interest

On 13 December 2011, Sime Darby Hong Kong Nominees Ltd (SDHKN) and several subsidiaries of the Group had entered into an agreement to inter alia acquire the remaining 40% equity interest in Sime Darby China Oils & Fats Company Limited from China Team Investment Limited (CTIL). In exchange, SDHKN will cause 100% of the equity interest in Weifang Sime Darby Property Co. Ltd, which is held by three subsidiaries of the Group to be transferred to Gold Waterway Success Corp (GWSC), a party nominated by CTIL.

4. Establishment of new companies

Companies established during the three quarters ended 31 March 2012 include the following:

a) On 2 August 2011, Weifang Sime Darby Property Management Co. Ltd (WSDPM) was established in the People's Republic of China. The entire registered share capital of WSDPM of RMB3 million is held by Weifang Sime Darby Property Co. Ltd. The principal activity of WSDPM is property management services.

b) On 22 September 2011, Foshan Sime Darby Elco Power Equipment Limited (FSDEPEL) was established in the People's Republic of China with a registered capital of RMB5 million wholly held by The China Engineers (South China) Limited. The principal activities of FSDEPEL will be the wholesale of diesel generators and spare parts, import & export and commission agent, provision of after-sales services, maintenance services and consulting services.

Amounts in RM million unless otherwise stated

A11. Effect of Significant Changes in the Composition of the Group (continued)

4. Establishment of new companies (continued)

Companies established during the three quarters ended 31 March 2012 include the following: (continued)

c) On 10 October 2011, Sime Darby Industrial Australia Pty Ltd (SDIAPL) was established in Australia with a paid-up capital of AUD2.00 wholly held by Sime Darby Eastern Investment Private Limited. The principal activity of SDIAPL is investment holding.

d) On 20 October 2011, Sime Darby Plantation Cameroon Ltd (SDPCL) was established in the Republic of Cameroon. The entire registered share capital of SDPCL of 10 million Francs CFA is divided into 1,000 ordinary shares of 10,000 Francs CFA each of which 980 shares are held by Sime Darby Plantation Investment (Cameroon) Sdn Bhd (formerly known as Kumpulan Ladang-Ladang Rajawali Sdn Bhd) and the remaining 20 shares are held equally by Mr. Franki Anthony Dass, Executive Vice President of the Group's Plantation Division and Ms. Renaka Ramachandran, Chief Financial Officer of the Group's Plantation Division, in trust for the Group. The principal activities of SDPCL are the cultivation of oil palm and/or rubber.

e) On 28 December 2011, Chongqing Bow Chuang Motor Sales & Services Co. Ltd (CQBC) was established in the People's Republic of China. The entire registered share capital of CQBC of RMB35 million is held by B.M.W Concessionaires (H.K.) Ltd. The principal activities of CQBC are the display of motor vehicles, provision of technical and marketing consultancy services for motor vehicles, and sales of parts of motor vehicles and motorcycles.

f) On 5 January 2012, Nanjing Sime Darby Motors Sales & Services Company Limited (NSDM) was established in the People's Republic of China. The entire registered share capital of NSDM of RMB5 million is held by Shanghai Sime Darby Motor Commerce Company Limited. The principal activities of NSDM are sales of motor vehicles, display of motor vehicles and provision of technical consultancy services for motor vehicles.

5. Discontinuing operations

On 31 March 2012, Sime Darby Engineering Sdn Bhd completed the disposal of Teluk Ramunia and Pasir Gudang fabrication yards which were an integral part of the Group's oil and gas business to Petronas Assets Sdn Bhd and Malaysia Marine and Heavy Engineering Sdn Bhd respectively for a total consideration of RM689.4 million.

Net cash inflow arising from the disposal of the business is analysed as follows:

	Three quarters ended 31 March 2012
Property, plant and equipment	**657.0**
Net current assets	**47.5**
Net assets disposed	**704.5**
Loss on disposal	**(15.1)**
Consideration from disposal of business	**689.4**
Less : Receivable within 12 months	**(654.9)**
Received to-date	**34.5**

Amounts in RM million unless otherwise stated

A12. Contingent Liabilities – unsecured

a) Guarantees

In the ordinary course of business, the Group may issue surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. A liability from the performance guarantees would only arise in the event the Group fails to fulfil its contractual obligations.

The performance guarantees and financial guarantees are as follows:

	As at 22 May 2012	**As at 30 June 2011**
Performance guarantees and advance payment guarantees to customers of:		
- a jointly controlled entity	**2,788.0**	2,788.0
- the Group	**5,762.4**	6,841.5
Guarantees in respect of credit facilities granted to:		
- certain associates and a jointly controlled entity	**50.5**	49.1
- plasma stakeholders	**92.9**	104.2
	8,693.8	9,782.8

In cases where the Group is required to issue a surety bond or letter of credit for the entire contract despite holding partial interest in a venture, the Group will seek counter-indemnity from the other venture partners. As at 22 May 2012, the Group received counter-indemnities amounting to RM1,603.7 million (30 June 2011: RM1,603.7 million).

b) Claims

	As at 22 May 2012	**As at 30 June 2011**
Claims pending against the Group	**84.6**	180.0

The claims include disputed taxes, supply of goods and services and compensation for dispute over land and breach of contracts.

Amounts in RM million unless otherwise stated

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	Three quarters ended 31 March 2012	2011	% +/(-)
Revenue	**33,480.2**	28,799.8	16.3
Plantation	**2,395.9**	2,010.1	19.2
Property	**314.7**	210.0	49.9
Industrial	**985.8**	699.3	41.0
Motors	**461.5**	441.4	4.6
Energy & Utilities	**280.8**	171.2	64.0
Healthcare	**18.1**	19.1	(5.2)
Others	**34.9**	12.1	188.4
Segment results	**4,491.7**	3,563.2	26.1
Exchange gain/(loss):			
Unrealised	**(17.4)**	41.2	
Realised	**(0.5)**	2.7	
Corporate expense and elimination	**(55.0)**	(68.2)	
Profit before interest and tax	**4,418.8**	3,538.9	24.9
Finance income	**123.3**	107.5	
Finance costs	**(261.0)**	(241.8)	
Profit before tax	**4,281.1**	3,404.6	25.7
Tax expense	**(1,031.3)**	(959.6)	
Profit from continuing operations	**3,249.8**	2,445.0	32.9
(Loss)/Profit from discontinuing operations	**(66.2)**	22.9	
Profit for the period	**3,183.6**	2,467.9	29.0
Non-controlling interests	**(132.5)**	(116.0)	
Profit after tax and non-controlling interests	**3,051.1**	2,351.9	29.7

The pre-tax profit of the Group for the nine months ended 31 March 2012 increased by 25.7% to RM4,281.1 million as compared against the previous year's corresponding period of RM3,404.6 million. This increase was attributed largely to higher revenue by 16.3%. Overall all business segments, except Healthcare, registered improved earnings. Net earnings at RM3,051.1 million was up by 29.7% over that of the previous period.

a) Plantation

Earnings from Plantation rose by 19.2% largely due to the higher average crude palm oil (CPO) price realised of RM2,881 per tonne as against RM2,828 per tonne in the previous period coupled with higher production of fresh fruit bunch (FFB). Midstream and downstream activities continued to suffer losses.

Higher FFB production in Malaysia, up by 5.3% over the prior period, mitigated the decline of 7.0% in Indonesia's production. Overall Group FFB production improved marginally by 0.7%. Oil extraction rate (OER) was also higher at 21.8% as compared to 21.3% for the equivalent prior period.

The midstream and downstream operations continued to record weak margins and high feedstock costs, compounded by low refinery utilisation, which have resulted in a year to date loss of RM65.4 million.

B1. Review of Group Performance (continued)

b) Property

Contribution from Property increased by 49.9% from RM210.0 million in the previous period to RM314.7 million mainly due to an increase in property development works completed in the various townships including USJ Heights, Bandar Bukit Raja and Ara Damansara.

c) Industrial

The performance of Industrial division continued to surge ahead with a 41.0% increase in profit to RM985.8 million. All regions recorded exceptional results except for China/Hong Kong which have been impacted by the contraction of the construction sector mainly as a result of local government fiscal policies. Higher revenues in Australasia, Malaysia and Singapore were underpinned by the continued strong demand in the mining, logging and construction sectors.

d) Motors

Motors division maintained its strong performance albeit at a reduced pace, reporting a 4.6% increase in profit compared to the corresponding period in the previous year. The lower growth rate is attributable mainly to the weaker demand in Hong Kong/China and a forward contract loss of RM27.5 million against a gain of RM40.9 million a year ago. All other regions registered improved contributions. Results also improved owing to the receipt of higher dividend income from an investment of RM22.6 million against RM3.5 million in the previous period.

e) Energy & Utilities

Energy & Utilities registered a 64.0% increase in profit to RM280.8 million compared to the prior period largely due to the recognition of deferred revenue of RM99.4 million from its power plant in Malaysia. Profit from port operations in China declined by 7.1% compared to the prior period, affected primarily by the competition from other port operators and higher overhead costs including the pre-operating expenses for Jining South Port.

f) Healthcare

Profit from Healthcare was down marginally by 5.2% to RM18.1 million in part due to start-up expenses for the new hospital in Ara Damansara which was officially launched on 20 March 2012. Contribution from healthcare education, affected by the continued uncertainty in the nursing education sector, dropped by 66.7%.

g) Others

Other businesses recorded a profit of RM34.9 million, an increase of 188.4% against the prior period profit of RM12.1 million. This was primarily as a result of the improved contribution from Tesco in the current period as against the impairment of an available for sale investment of RM24.3 million in the previous period.

Amounts in RM million unless otherwise stated

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter

	Quarter ended		
	31 March 2012	**31 December 2011**	**% +/(-)**
Revenue	**11,027.3**	11,389.3	(3.2)
Plantation	**562.6**	900.3	(37.5)
Property	**121.3**	132.9	(8.7)
Industrial	**358.1**	297.7	20.3
Motors	**153.4**	153.4	–
Energy & Utilities	**64.0**	169.5	(62.2)
Healthcare	**4.3**	7.0	(38.6)
Others	**15.5**	14.3	8.4
Segment results	**1,279.2**	1,675.1	(23.6)
Exchange gain/(loss):			
Unrealised	**2.9**	5.8	
Realised	**(1.0)**	0.5	
Corporate expense and elimination	**(15.0)**	(24.0)	
Profit before interest and tax	**1,266.1**	1,657.4	(23.6)
Finance income	**34.5**	48.1	
Finance costs	**(108.7)**	(82.0)	
Profit before tax	**1,191.9**	1,623.5	(26.6)
Tax expense	**(260.8)**	(414.3)	
Profit from continuing operations	**931.1**	1,209.2	(23.0)
Loss from discontinuing operations	**(2.7)**	(48.3)	
Profit for the period	**928.4**	1,160.9	(20.0)
Non-controlling interests	**(52.4)**	(59.5)	
Profit after tax and non-controlling interests	**876.0**	1,101.4	(20.5)

The Group's profit before tax of RM1,191.9 million for the third quarter of this year registered a 26.6% decline over the preceding quarter. This was largely due to the performance of Plantation which fell by 37.5% as a result of the lower than expected FFB production in the quarter. Correspondingly, net earnings of the Group fell by 20.5% to RM876.0 million.

a) Plantation

Contribution from Plantation fell by 37.5% to RM562.6 million mainly due to the sharp seasonal decline in FFB production by 21.8% in spite of the higher average CPO price realised of RM2,903 per tonne as against RM2,804 per tonne in the preceding quarter.

The midstream and downstream operations continued to be adversely affected by poor refining margins and high feedstock costs resulting in a loss of RM28.8 million against a profit of RM1.6 million in the preceding quarter.

b) Property

Profit from Property declined by RM11.6 million (8.7%) in the current quarter despite the higher contribution from sales of residential properties, largely due to the net gain of RM12.8 million from the sale of an industrial land in Klang reported in the preceding quarter.

c) Industrial

Industrial division's profit was higher by 20.3% as against the previous quarter due to continued robust demand for its products in all its territories, except China/Hong Kong which continued to be affected by a slowdown in the construction sector. The results include a maiden contribution of RM6.1 million from the newly acquired Bucyrus business.

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (continued)

d) Motors

Motors performance for the current quarter was flat at RM153.4 million when compared against the preceding quarter. The stronger results recorded in New Zealand, driven mainly by commercial vehicles and South East Asia, from the better performance of BMW marque were offset by the lower performance in China/Hong Kong due to stiff competition and pressure on margins.

e) Energy & Utilities

Contribution from Energy & Utilities was lower by 62.2% due to the recognition of the deferred revenue of RM99.4 million in the power operations in the preceding quarter. In addition, the port operations in China in this quarter recorded lower profits by 67.0% due to the lower cargo handling throughput and higher operational costs.

f) Healthcare

Earnings from Healthcare was down by RM2.7 million against the preceding quarter mainly due to the start-up costs for its new hospital in Ara Damansara.

g) Others

Profit from other businesses increased marginally by 8.4% for this quarter mainly as a result of the higher share of profit from an associate which registered a profit of RM8.8 million compared to RM4.0 million in the preceding quarter.

B3. Prospects

The continued worsening and prolonged Eurozone debt crisis, coupled with the uncertainty over the outlook of the US economy are likely to result in a much slower global economic growth. With increasing uncertainty and volatility in global economic conditions, the strength and pace of Asian economic growth is also likely to be negatively impacted.

Whilst the outlook for the market segments in which the Group operates remains relatively positive, the Group recognises that the business environment has become significantly more challenging. In some key markets, credit policies remain stringent and the impact from the continuing unwinding of tight fiscal and monetary policies is yet to be fully realised.

The Plantation and Industrial divisions are expected to continue their strong performance underpinned by the current favourable CPO prices and robust demand in the mining, logging and construction sectors. Nonetheless, there are lingering concerns over short-term volatility in commodity prices as well as the extent of the softening construction sector in China. Property and Motors divisions are expected to be affected by the broader market slowdown leading to softer demand for our products. However, new and innovative product launches are expected to cushion the impact. The performance of the Energy and Utilities division will continue to be anchored to the Power business whilst the Port operations in China will be driven by their increased capacity, greater productivity efficiency and added market outreach. The Healthcare division, following the opening of the new hospital in Ara Damansara, is expected to generate revenue growth.

Barring any unforeseen circumstances, the Board is of the opinion that the Group’s performance for the current financial year ending 30 June 2012 will be better than that of the previous year.

B4. Statement by Board of Directors on Internal Targets

The Group's key performance indicators (KPI) for the financial year ending 30 June 2012 as approved by the Board of Directors on 24 November 2011 and the achievement for the three quarters ended 31 March 2012 are as follows:

	Actual Three quarters ended 31 March 2012	**Target Year ending 30 June 2012**
Profit attributable to owners of the Company (RM million)	3,051.1	3,300
Return on average shareholders' equity (%)	12.5	13.3

For the three quarters ended 31 March 2012, the profit attributable to ordinary equity holders and the return on average shareholders' equity achieved by the Group are approximately 92.5% and 94.0% respectively of its targets. Barring any unforeseen circumstances, the Group expects to surpass these internal targets for the financial year ending 30 June 2012.

B5. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B6. Operating Profit and Finance Costs

	Quarter ended 31 March		**Three quarters ended 31 March**	
	2012	**2011**	**2012**	**2011**
Included in operating profit are:				
Depreciation and amortisation	**(307.9)**	(264.1)	**(872.7)**	(771.1)
Amortisation of prepaid lease rentals	**(11.9)**	(6.8)	**(35.6)**	(32.9)
Reversal of impairment/(Impairment) of				
- property, plant and equipment	**1.2**	(76.4)	**0.7**	(113.7)
- investment properties	**0.1**	–	**3.2**	–
- available-for-sale investments	**–**	–	**–**	(24.3)
- receivables	**–**	(55.8)	**39.5**	(74.8)
Write down of inventories	**(1.6)**	(27.2)	**(3.9)**	(51.6)
Gain/(loss) on disposal of				
- subsidiaries	**(2.8)**	–	**(2.8)**	*
- jointly controlled entity	**–**	–	**–**	*
- an associate	*****	–	*****	9.3
- quoted available-for-sale investment	**–**	–	**32.8**	5.5
- properties	**(6.4)**	5.9	**47.7**	10.6
Net foreign exchange (loss)/gain	**(28.4)**	57.4	**18.9**	120.2
Gain/(loss) on cross currency swap	**4.9**	–	**(27.4)**	–
(Loss)/Gain on forward foreign exchange contracts	**(19.3)**	37.7	**(52.6)**	70.9
Included in finance costs is:				
Gain on interest rate swap contracts	**5.6**	16.0	**25.1**	30.3

* Less than RM0.1 million

Amounts in RM million unless otherwise stated

B7. Tax Expense

	Quarter ended 31 March		Three quarters ended 31 March	
	2012	**2011**	**2012**	**2011**
Continuing operations				
In respect of the current period:				
- current tax	**356.7**	349.9	**1,191.3**	943.8
- deferred tax	**(78.5)**	(13.9)	**(129.5)**	(41.5)
	278.2	336.0	**1,061.8**	902.3
In respect of prior years:				
- current tax	**(18.7)**	20.9	**(57.1)**	22.8
- deferred tax	**1.3**	34.5	**26.6**	34.5
	260.8	391.4	**1,031.3**	959.6
Discontinuing operations	**3.4**	17.8	**10.9**	20.4
	264.2	409.2	**1,042.2**	980.0

The effective tax rates for the current quarter and the three quarters ended 31 March 2012 are lower than the Malaysian income tax rate of 25% due mainly to the lower tax rates in certain jurisdictions where the Group operates and the overprovision in prior years.

B8. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at 22 May 2012, being a date not earlier than 7 days from the date of issue of this quarterly report.

Amounts in RM million unless otherwise stated

B9. Group Borrowings

	As at 31 March 2012		
Long-term borrowings	**Secured**	**Unsecured**	**Total**
Term loans	**110.0**	**2,650.3**	**2,760.3**
Islamic Medium Term Notes	–	**1,700.0**	**1,700.0**
	110.0	**4,350.3**	**4,460.3**
Short-term borrowings			
Bank overdrafts	–	**34.5**	**34.5**
Portion of term loans due within one year	–	**812.9**	**812.9**
Portion of Islamic Medium Term Notes due within one year	–	**300.0**	**300.0**
Revolving credits, trade facilities and other short-term borrowings	**505.0**	**3,320.1**	**3,825.1**
	505.0	**4,467.5**	**4,972.5**
Total borrowings	**615.0**	**8,817.8**	**9,432.8**

The Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	Long-term Borrowings	**Short-term Borrowings**	**Total**
Ringgit Malaysia	**2,200.3**	**2,675.2**	**4,875.5**
Australian dollar	**160.1**	**311.0**	**471.1**
Chinese renminbi	–	**575.1**	**575.1**
Hong Kong dollar	–	**166.2**	**166.2**
New Zealand dollar	–	**106.7**	**106.7**
Pacific franc	**6.9**	**0.1**	**7.0**
Singapore dollar	–	**3.2**	**3.2**
Thailand baht	–	**30.4**	**30.4**
United States dollar	**2,093.0**	**1,104.6**	**3,197.6**
Total borrowings	**4,460.3**	**4,972.5**	**9,432.8**

The borrowings are secured by fixed and floating charges over investment property, property development projects and other assets of certain subsidiaries.

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses

a) Derivatives

The Group uses forward foreign exchange contracts, interest rate swap contracts, currency swap contract and commodity contracts to manage its exposure to various financial risks. The fair values of these derivatives as at 31 March 2012 are as follows:

	Classification in Statement of Financial Position				
	Assets		**Liabilities**		
	Non-current	**Current**	**Non-current**	**Current**	**Net Fair Value**
Forward foreign exchange contracts	**0.3**	**85.9**	**(0.1)**	**(38.1)**	**48.0**
Interest rate swap contracts	–	–	–	**(51.5)**	**(51.5)**
Cross currency swap contract	–	–	**(61.4)**	–	**(61.4)**
Commodity future contracts	–	–	–	**(1.0)**	**(1.0)**
	0.3	**85.9**	**(61.5)**	**(90.6)**	**(65.9)**

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 30 June 2011 except for the cross currency swap contract entered into to swap a subsidiary's USD borrowings for AUD, being its functional currency.

The description, notional amount and maturity profile of each derivative are shown below:

<u>Forward foreign exchange contracts</u>

Forward foreign exchange contracts were entered into by subsidiaries in currencies other than their functional currency in order to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

The forward foreign currency contracts are stated at fair value, using the prevailing market rates. All changes in fair value of the forward foreign currency contracts are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 31 March 2012, the notional amount, fair value and maturity periods of the forward foreign exchange contracts are as follows:

	Notional Amount	**Fair Value Assets/ (Liabilities)**
- less than 1 year	**4,116.9**	**47.8**
- 1 year to 2 years	**18.7**	**0.2**
	4,135.6	**48.0**

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses (continued)

a) Derivatives (continued)

Interest rate swap contracts

The Group has entered into interest rate swap contracts to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amounts were exchanged at periodic intervals. All changes in fair value during the period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

The outstanding interest rate swap contracts as at 31 March 2012 are as follows:

Interest Rate Swap	Notional Amount	Expiry Date	Weighted Average Swap Rate
LIBOR Range Accrual	USD 26.2 million	29 August 2012	4.70% - 4.80%
Plain Vanilla	USD 498.8 million	up to 27 December 2012	3.20% - 4.72%

As at 31 March 2012, the notional amount, fair value and maturity periods of the interest rate swap contracts are as follows:

	Notional Amount	Fair Value Liabilities
- less than 1 year	**1,616.0**	**(51.5)**

Cross currency swap contract

The Group has entered into a cross currency swap contract to exchange the principal payments and future interest costs of a foreign currency denominated loan into another currency to reduce the Group's exposure from adverse fluctuations in foreign currency exchange rate. All changes in fair value during the period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 31 March 2012, the notional amount and fair value liability of the cross currency swap contract amounted to RM1,640.6 million and RM61.4 million respectively and the contract has a maturity period of 7 years.

Commodity future contracts

Commodity future contracts were entered into by subsidiaries to manage exposure to adverse movements in vegetable oil prices. These contracts were entered into and continue to be held for the purpose of receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale and usage requirements, except for those contracts shown below.

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses (continued)

a) Derivatives (continued)

Commodity future contracts (continued)

The outstanding commodity contracts as at 31 March 2012 that are not held for the purpose of physical delivery are as follows:

	Quantity (mt)	Notional Amount	Fair Value Assets/ (Liabilities)
Purchase contracts	**15,441**	**51,304**	**1.9**
Sales contracts	**15,125**	**49,380**	**(2.9)**
			(1.0)

All contracts mature within one year.

b) Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

c) Realised and Unrealised Profits or Losses

The breakdowns of realised and unrealised retained profits of the Group are as follows:

	As at 31 March 2012	As at 30 June 2011
Total retained profits of the Company and its subsidiaries		
- realised	**21,974.2**	20,671.3
- unrealised	**(678.4)**	(527.8)
	21,295.8	20,143.5
Total share of retained profits from jointly controlled entities		
- realised	**42.4**	77.8
- unrealised	**(41.1)**	(53.4)
	1.3	24.4
Total share of retained profits from associates		
- realised	**260.3**	158.7
- unrealised	**(9.9)**	2.2
	250.4	160.9
Less: consolidation adjustments	**(7,556.4)**	(7,398.9)
Total retained profits of the Group	**13,991.1**	12,929.9

The unrealised profits are determined in accordance with the Guidance on Special Matter No. 1 (GSM1) issued by the Malaysian Institute of Accountants. In arriving at the unrealised profits, we have also included the following which are deemed in the GSM1 as unrealised:

i) Credits or charges relating to the recognition of deferred tax,
ii) Cumulative net gains (but not net losses) from the remeasurement of assets or liabilities at fair value through profit or loss,
iii) Provision of liabilities in respect of present obligations where resources are only consumed upon settlement of the obligation, and
iv) Translation gains or losses of monetary items denominated in a currency other than the functional currency.

B11. Material Litigations

Changes in material litigations since the date of the last annual statement of financial position up to 22 May 2012 are as follows:

1. PT Adhiyasa Saranamas (PTAS) commenced a legal suit on 17 September 2003 against Kumpulan Guthrie Berhad (KGB) and 6 of its Indonesian subsidiaries for an alleged breach of contract with regards to the provision of consultancy services in connection with the acquisition of subsidiaries in Indonesia.

   On 4 March 2008, the Decision on Further Review partially approved PTAS' claim and ordered KGB to pay the amount of USD25.76 million together with interest at the rate of 6% per year thereon as of the date of the registration of PTAS' claim at the District Court of South Jakarta until full payment.

   On 27 May 2009, KGB requested the postponement of the implementation of the said decision until corresponding legal proceedings in Malaysia were concluded. KGB's request was however rejected and on 10 June 2009, the District Court of South Jakarta issued an order of execution against four land titles (assets) of PT Aneka Intipersada (PTAI), PT Kridatama Lancar (PTKL), PT Teguh Sempurna (PTTS) and PT Ladangrumpun Suburabadi (PTLS), 4 subsidiaries of the Group in Indonesia and requested for assistance from the relevant/respective district courts in which jurisdiction the assets are located to effect the executorial attachment orders.

   The parties have now amicably settled the above legal actions instituted in Indonesia, including the removal of the executorial attachment orders (Attachment Orders). The Attachment Orders were removed on 23 November 2011 (in the Sampit District Court and the land registry), 24 November 2011 (in the Kotabaru District Court and the land registry) and 6 December 2011 (in the Siak Sri Indrapura District Court and the land registry) and accordingly the legal suit is considered closed.

   In Malaysia, PTAS had on 11 March 2008 commenced legal proceedings against KGB to enforce the Decision on Further Review.

   Given the settlement of the legal actions in Indonesia, KGB had, on 31 January 2012, applied to strike out the Malaysian proceedings on the ground that the Decision on Further Review on which the present action is based has been compromised/settled in accordance with the laws of Indonesia (as advised by Indonesian solicitors) and on that basis, the continued maintenance of the legal action in Malaysia is frivolous, vexatious and an abuse of the process of court.

   At the case management on 2 March 2012, the Judge directed that the matter proceed to trial and fixed the same for trial on 7 to 10 May 2012

   In light of the recent development relating to the settlement of legal actions in Indonesia and the pre-trial directions handed down, the 1st Defendant applied to amend the 1st Defendant's Amended Defence, which application was allowed by the Court on 27 March 2012.

   At the final case management of 4 May 2012, the Judge vacated the trial dates on 7 and 8 May 2012 and asked the parties to commence the trial on 9 May 2012.The trial concluded on 10 May 2012 and the matter is now fixed for decision on 14 June 2012.

2. On 23 December 2010, Sime Darby Berhad, Sime Darby Engineering Sdn Bhd, Sime Darby Energy Sdn Bhd, Sime Darby Marine Sdn Bhd and Sime Darby Marine (Hong Kong) Pte Ltd (Plaintiffs) filed a civil suit in the High Court of Malaya at Kuala Lumpur (Civil Suit No. D – 22NCC – 2379 – 2010) against Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Hj Murshid, Dato' Mohamad Shukri bin Baharom, Abdul Rahim bin Ismail, Abdul Kadir Alias and Mohd Zaki bin Othman (Defendants) claiming, inter alia, damages in connection with the aforementioned Defendants' negligence and breaches of duty in relation to the Qatar Petroleum Project (QP Project), the Maersk Oil Qatar Project (MOQ Project) and the project relating to the construction of marine vessels known as the Marine Project.

   The Writ of Summons and Statement of Claim have been served on all the Defendants. All the Defendants have filed their respective Defences.

B11. Material Litigations (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 May 2012 are as follows: (continued)

Dato' Seri Ahmad Zubair, the 1st Defendant, thereafter filed third party notices dated 8 March 2011 against 22 individuals (Zubir's Third Party Notices). These 22 individuals include some current members of the board of Sime Darby Berhad. Pursuant to Zubir's Third Party Notices, the 1st Defendant is seeking for indemnity and/or contribution from the 22 individuals in the event the 1st Defendant is found liable to the Plaintiffs.

Dato' Mohamad Shukri, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 12 individuals and Sime Darby Holdings Berhad (Shukri's Third Party Notices). These 12 individuals comprise former management and former members of the board of Sime Darby Berhad, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of Sime Darby Berhad's Energy & Utilities Division. Pursuant to Shukri's Third Party Notices, the 2nd Defendant is seeking an indemnity and/or contribution from the third parties in the event the 2nd Defendant is found liable to the Plaintiffs.

Solicitors have been engaged to defend all the third parties in the 1st and 2nd Defendants' third party proceedings.

The 1st Defendant had on 2 June 2011 and 8 June 2011 discontinued its third party proceedings against 5 individuals out of the 22 it had originally named.

The remaining third parties have applied to strike out third party proceedings instituted against them by the 1st and the 2nd Defendants. The High Court had, on 13 December 2011, allowed the applications by the third parties and struck out the 1st and the 2nd Defendants' third party statements of claim, set aside the third party notices and dismissed the third party proceedings on the basis, amongst others, that the 1st and the 2nd Defendants' third party proceedings were frivolous and vexatious ("High Court Decision").

On 11 January 2012, the 1st and the 2nd Defendants filed their respective Appeals against the High Court Decision ("Appeals"). At the case management on 7 May 2012, the Court of Appeal fixed the Appeals for hearing on 1 August 2012.

At the case management of the main suit on 19 January 2012, the High Court had directed the parties to complete the discovery process by the next case management date on 20 March 2012.

On 20 March 2012, the Plaintiffs' solicitors updated the Court on the progress of the discovery and inspection process that the Plaintiffs' solicitors had provided the list for all the documents under prayer 1 (general discovery) and that the Plaintiffs' solicitors had addressed prayer 2 (specific discovery) of the 1st Defendant's discovery application. The Judge then directed the parties:-

(i) to appear for case management on 26 April 2012 to update the Court on the discovery process;
(ii) that affidavits be filed if the parties cannot by mutual consent agree to prayer 2 of the 1st Defendant's discovery application and that the exchange of affidavits be concluded by 23 April 2012;
(iii) thereafter on 26 April 2012, the Court will hear the parties' arguments on prayer 2; and
(iv) the Plaintiffs to file an affidavit verifying the list of all documents that have been served on the Defendants.

At the case management on 26 April 2012, the Defendants' solicitors updated the Court that 30% of the discovery process has been completed. The Judge fixed another case management on 29 June 2012 when the entire inspection process is anticipated to be completed.

B11. Material Litigations (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 May 2012 are as follows: (continued)

3. On 24 December 2010, Sime Darby Berhad, Sime Engineering Sdn Bhd, Sime Darby Holdings Berhad and Sime Darby Energy Sdn Bhd (Plaintiffs) filed a civil suit in the High Court of Malaya at Kuala Lumpur (Civil Suit No. D – 22NCC – 2391 – 2010) against Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Hj Murshid, Dato' Mohamad Shukri bin Baharom and Abdul Rahim bin Ismail (Defendants) claiming, inter alia, damages in connection with the aforementioned Defendants' negligence and breaches of duty in relation to the Package CW2-Main Civil Works for the Bakun Hydroelectric Project (Bakun Project) and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 (Indemnity Agreement) given to Dato' Mohamad Shukri bin Baharom.

   The Writ of Summons and Statement of Claim have been served on all the Defendants. All the Defendants have filed their respective Defences.

   Dato' Seri Ahmad Zubair, the 1st Defendant, therefore filed third party notices dated 8 March 2011 against 22 individuals (Zubir's Third Party Notices). These 22 individuals include some current members of the board of Sime Darby Berhad. Pursuant to Zubir's Third Party Notices, the 1st Defendant is seeking an indemnity and/or contribution from the 22 individuals in the event the 1st Defendant is found liable to the Plaintiffs.

   Dato' Mohamad Shukri, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 11 individuals, Sime Engineering Sdn Bhd and Sime Darby Holdings Berhad (Shukri's Third Party Notices). These 11 individuals comprise former members of the board of Sime Darby Berhad, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of Sime Darby Berhad's Energy & Utilities Division. Pursuant to Shukri's Third Party Notices, the 2nd Defendant is seeking an indemnity and/or contribution from the third parties in the event the 2nd Defendant is found liable to the Plaintiffs.

   Solicitors have been engaged to defend all the third parties in the 1st and 2nd Defendants' third party proceedings.

   The 1st Defendant had on 2 June 2011 and 8 June 2011 discontinued its third party proceedings against 5 individuals out of the 22 it had originally named.

   The remaining third parties have applied to strike out third party proceedings instituted against them by the 1st and the 2nd Defendants. The High Court had, on 13 December 2011 allowed the applications by all the third parties and struck out the 1st and the 2nd Defendants' third party statements of claim, set aside the third party notices and dismissed the third party proceedings on the basis, amongst others, that the 1st and the 2nd Defendants' third party proceedings were frivolous and vexatious ("High Court Decision").

   On 11 January 2012, the 1st and the 2nd Defendants filed their respective Appeals against the High Court Decision ("Appeals"). At the case management on 7 May 2012, the Court of Appeal fixed the Appeals for hearing on 1 August 2012.

   At the case management of the main suit on 19 January 2012, the High Court had directed the parties to complete the discovery process by the next case management date on 20 March 2012.

   On 20 March 2012, the Plaintiffs' solicitors updated the Court on the progress of the discovery and inspection process, that the Plaintiffs' solicitors had provided the list for all the documents under prayer 1 (general discovery) and that the Plaintiffs' solicitors had addressed prayer 2 (specific discovery) of the 1st Defendant's discovery application. The Judge then directed the parties:-

   (i) to appear for case management on 26 April 2012 to update the Court on the discovery process;
   (ii) that affidavits be filed if the parties cannot by mutual consent agree to prayer 2 of the 1st Defendant's discovery application and that the exchange of affidavits be concluded by 23 April 2012;
   (iii) thereafter, on 26 April 2012, the Court will hear the parties' arguments on prayer 2; and
   (iv) the Plaintiffs to file an affidavit verifying the list of all documents that have been served on the Defendants.

B11. Material Litigations (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 May 2012 are as follows: (continued)

At the case management on 26 April 2012, the Defendants' solicitors updated the Court that 30% of the discovery process has been completed. The Judge fixed another case management on 29 June 2012 when the entire inspection process is anticipated to be completed.

4. Emirates International Energy Services (EMAS) had, on 13 January 2011, filed a suit in the Plenary Commercial Court in Abu Dhabi against Sime Darby Engineering Sdn Bhd (SDE) claiming payment of USD178.2 million ("First Suit"). This amount comprises a payment of USD128.2 million and USD50.0 million for commissions and "morale compensation" respectively. At the case management on 14 August 2011, SDE (through its local counsel) filed its Statement of Defence and Counter Claim against EMAS for the sum of AED100 million.

   On 22 August 2011, the Court dismissed EMAS's claim based on SDE's request for the matter to be referred to arbitration. As at 21 September 2011, SDE's solicitors have not received any notification of an appeal by EMAS and accordingly the First Suit was then considered closed.

   EMAS had, on 11 December 2011, submitted a request for arbitration to the Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC). By way of a notice dated 26 December 2011 (Notice) which SDE received on 17 January 2012, SDE was informed that the matter has been registered for arbitration. SDE's local counsel had on 14 February 2012 filed and submitted the response to the Notice to ADCCAC. Currently waiting for ADCCAC to receive a response from EMAS.

   The quantum of the claim was not stated in the Notice.

   On 31 March 2012, EMAS filed another suit against SDE at the Judicial Department of Abu Dhabi. The claim of USD178.2 million by EMAS is based on the same facts and grounds as the First Suit. SDE has been advised by its local counsel that the commencement of another legal suit by EMAS at the Abu Dhabi Court is an abuse of the court process. At the case management on 19 April 2012, SDE's local counsel argued for the suit to be dismissed.

   The Court has at the subsequent case management on 25 April 2012 fixed the hearing on 30 May 2012 for the parties to submit their case.

5. On 18 November 2011, Micheal Chow Keat Thye (the Applicant) filed an application pursuant to Order 53 rule 3(2) of the Rules of the High Court for judicial review against the Securities Commission of Malaysia (SC) to quash the decision made by the SC on 11 October 2011 in ruling that the acquisition of the equity interest in Eastern & Oriental Berhad (E&O) by Sime Darby Nominees Sdn Bhd (SD Nominees) has not given rise to a mandatory offer obligation and seek for an Order of the Court to compel SD Nominees to make a mandatory offer at the price of RM2.30 per share.

   On 8 December 2011, the Court granted leave to the Applicant to apply for judicial review. On 5 January 2012, SD Nominees filed an application to be added as a party in the judicial review proceedings and obtained leave to be added as 2nd Respondent on 11 January 2012.

   On 25 January 2012, SC filed an application to recuse the learned Judge.

   On 31 January 2012, SD Nominees filed an application to expunge that part of the Applicant's Affidavit and the exhibit (JP Morgan's press interview) which alleged that SD Nominees had admitted to having obtained majority control in E&O on the basis that it constitute hearsay statements and are inadmissible.

   On 2 April 2012, the Learned Judge dismissed the recusal application with costs of RM3,000.00 to be paid by SC to the Applicant. The SC filed a notice to appeal to the Court of Appeal against the decision of the High Court to dismiss the recusal application on 2 May 2012.

   On 9 April 2012, the Registrar fixed the application to expunge for Hearing on 24 July 2012. The substantive judicial review is fixed for Mention on the same day.

B12. Dividend

No dividend has been declared for the current quarter under review.

B13. Basic Earnings/(Loss) Per Share

	Quarter ended 31 March		Three quarters ended 31 March	
	2012	**2011**	**2012**	**2011**
Basic earnings/(loss) per share are computed as follows:				
Profit/(loss) for the period attributable to owners of the Company				
- from continuing operations	**878.7**	768.5	**3,117.3**	2,329.0
- from discontinuing operations	**(2.7)**	51.6	**(66.2)**	22.9
	876.0	820.1	**3,051.1**	2,351.9
Weighted average number of ordinary shares in issue (million)	**6,009.5**	6,009.5	**6,009.5**	6,009.5
Basic earnings/(loss) per share (sen)				
- from continuing operations	**14.62**	12.79	**51.87**	38.76
- from discontinuing operations	**(0.04)**	0.86	**(1.10)**	0.38
	14.58	13.65	**50.77**	39.14

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
29 May 2012