

PRESS RELEASE

For Immediate Release
Wednesday, 30 May 2012

Sime Darby Berhad Reports Pre-Tax Profit of RM4.3 Billion for the Nine Months Ended 31 March 2012

Strong performances across all divisions

Kuala Lumpur, 30 May 2012 – Sime Darby Berhad's **pre-tax profit grew by 26 percent to RM4.3 billion** for the nine months ended 31 March 2012, compared to RM3.4 billion in the corresponding period in the previous financial year. The Group's net profit for the first nine months **rose by 30 percent to RM3.1 billion** from RM2.4 billion in the same period last year following commendable results from the Plantation, Industrial and Property Divisions.

For the period under review, the **Plantation Division** achieved a profit before interest and tax (PBIT) of RM2.4 billion, an increase of 20 percent compared to RM2.0 billion in the same period last year. The higher PBIT was attributable to higher crude palm oil (CPO) prices realised as well as sustained improvements in operational efficiencies. The Division had realised an average CPO price of RM2,881 per metric tonne for the first nine months of the financial year, representing an improvement of 2 percent from RM2,828 in the corresponding period last year.

CPO production in the reporting period had improved by 5 percent due to the improvement in the oil extraction rate (OER) to 21.8 percent from 21.3 percent in the same period last year. In addition, fresh fruit bunch (FFB) production had also risen, increasing by 1 percent to 7.5 million metric tonnes (MT) for the first nine months of the financial year. For the period under review, Malaysia's FFB yield per mature hectare increased by 7 percent, partially offsetting the 11 percent decline in Indonesia's FFB yield per mature hectare due to a shift in crop pattern experienced, particularly in the Kalimantan region. As a result, FFB yield per mature hectare for the Group declined by a marginal 0.2 percent.

The midstream and downstream segments reported a loss of RM65 million for the three quarters ended March 2012 as it continued to be adversely affected by negative margins due to higher feedstock costs, lower demand for refined products in Europe and higher competition from other downstream players in Indonesia.

The **Industrial Division** continues to outperform on the back of strong mining, logging and construction activities in Australasia and Malaysia. The Division recorded a PBIT of RM986 million, an increase of 41 percent, for the first nine months of the financial year, compared to RM699 million in the corresponding period last year. The PBIT of the Australasia operations surged by 53 percent compared to the same period last year as a result of higher sales of new mining equipment and higher revenue from the parts and services business. The PBIT of the Singapore operations rose by 51 percent as a result of stronger demand for engines and higher delivery of heavy equipment. In addition, the Malaysia operations registered a higher PBIT of 27 percent attributable to higher sales of equipment and product support services for the logging and construction sectors.

The PBIT of the **Motors Division** rose at a steady pace with the strong profit growth in the Malaysia and Singapore operations offset by a more moderate performance for the China, Hong Kong and Macau operations. The Division recorded a PBIT of RM462 million for the first nine months of the financial year, an increase of 5 percent from RM441 million in the same period last year. In the period under review, the PBIT of the Malaysia and Singapore operations grew by 90 percent and 44 percent, respectively, driven by strong sales growth from BMW, Hyundai, Porsche and Ford. The PBIT of the China, Hong Kong and Macau operations declined by 39 percent, partly due to an increasingly competitive business environment.

The **Property Division** showed a significant increase of 50 percent in its PBIT to RM315 million in the first nine months of the financial year, from RM210 million in the same period last year. Higher sales contribution from various townships including Bandar Bukit Raja, USJ Heights and Ara Damansara had contributed to the commendable results in the reporting period. Profit contribution from associate companies had also elevated the profitability of the Property Division.

The **Energy & Utilities Division** registered a PBIT of RM281 million in the first nine months of the financial year, representing an increase of 64 percent compared to RM171 million in the same period in the previous financial year. The increase in profit contribution from the Malaysian power plant operations was offset by a lower profit contribution from the China Utilities operations. The PBIT of the China Utilities operations declined by 13 percent due to lower port throughput and higher pre-operating costs.

Healthcare and Others posted a PBIT of RM53 million, a 70 percent increase compared to RM31 million in the same period in the preceding year. This was underpinned by the higher profit contribution from an associate company, Tesco, with a PBIT increment of 62 percent. On the other hand, the PBIT of the Healthcare Division declined by 5 percent in the reporting period due to higher start-up costs incurred for the Sime Darby Medical Centre Ara Damansara, which had been officially launched on 20th March 2012.

Comments from President/CEO

Commenting on the results, Sime Darby President and Group Chief Executive, Dato' Mohd Bakke Salleh said, "These excellent results reinforce our confidence that Sime Darby is on track not only to achieve the targets set in our strategy blueprint but also to exceed the Group's net profit KPI of RM3.3billion for FY2011/2012."

He added, "I am especially gratified that this performance has been achieved notwithstanding the many challenges which have arisen from continuing uncertainties in global economic conditions. These results are a true testament to the inherent strength of the Group's diversified portfolio and more importantly, to the dedication and efforts of the Group's employees in meeting those challenges head-on and driving improvements across all Divisions. The strength of our human capital coupled with that of the Group's diversified portfolio will enable us to meet and overcome these challenges from a position of leadership."

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 RM57.21bn (USD18.18bn) as of 28 May 2012.