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PRESS RELEASE

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Sime Darby Berhad Registers Record Earnings

The Group posts a pre-tax profit of RM5.7 billion and a net profit of RM4.2 billion for the financial year ended 30 June 2012

Kuala Lumpur, 29 August 2012 – Sime Darby Berhad's pre-tax profit grew by 6 percent to RM5.7 billion for the financial year ended 30 June 2012 (FY2011/2012), compared to RM5.4 billion in the previous financial year. The **Group's net profit** for FY2011/2012 **rose by 13 percent to RM4.2 billion** from RM3.7 billion in the same period last year.

The Group registered a record pre-tax profit for FY2011/2012 despite lower profit contributions from the Plantation Division. However, the marginal decline in the Plantation Division's earnings was more than offset by strong performances in the Industrial and Motors Divisions.

The Group's net profit of RM4.2 billion surpassed its FY2011/2012 net profit Key Performance Index (KPI) of RM3.3 billion by 27 percent. Return on Average Shareholders' Funds improved to 16.6 percent, against the KPI target of 13.3 percent. This is the second consecutive year that the Group has exceeded its KPI targets.

"This is an excellent set of results and a record for the Sime Darby Group," Sime Darby President & Group Chief Executive, Dato' Mohd Bakke Salleh said. "It suggests that we are well on track to realise the long-term targets outlined in our five-year strategy blueprint. I want to record my appreciation to all our employees, who have worked extremely hard, shown tremendous determination and dedication over the last 12 months. It is because of their strong performance that we are able to announce these results today," Mohd Bakke added.

In the financial year under review, the **Plantation Division** achieved a profit before interest and tax (PBIT) of RM3.2 billion, a moderate decrease of 3 percent compared to RM3.3 billion in the preceding year. The Division's PBIT was lower due to the reduction in fresh fruit bunch (FFB) production which had declined by 3 percent to 9.8 million metric tonnes, compared to 10.1 million metric tonnes in the same period last year. In particular, the estates in the Kalimantan region, saw a decline in FFB production by 11.4% percent due to the impact of the prolonged periods of dry spell in 2009 and 2011. However, on a Group basis, the decline in FFB production was mitigated by higher average crude palm oil (CPO) price realised and the improvement in the oil extraction rate (OER). The Division had realised an average CPO price of RM2,925 per metric tonne for FY2011/2012, compared to RM2,906 per metric tonne in the corresponding period last year. The OER had also improved from 21.4 percent in FY2010/2011 to 21.8 percent in FY2011/2012.

The midstream and downstream segments reported a lower loss of RM62 million for FY2011/2012 compared to a loss of RM75 million in FY2010/2011. This segment was adversely affected by lower utilisation and tight margins as a result of Indonesia's new export tax structure.

The **Industrial Division** had its strongest showing yet with a PBIT of RM1.4 billion compared to RM1.1 billion in the same period last year, an increase of 27 percent over the preceding financial year. This was mainly attributable to the strong performance of the Australasia, Malaysia and Singapore operations on the back of higher sales of new mining equipment and higher revenue from the parts and services businesses. This accomplishment includes a maiden contribution from the newly acquired Bucyrus business.

The **Motors Division** exceeded expectations by recording an 11 percent growth in PBIT to RM702 million from RM633 million in the same period last year. This was mainly due to the strong performances from Malaysia and Singapore which grew by 71 percent and 26 percent, respectively. The excellent results were driven by strong sales growth from all brands.

Higher sales contribution from various townships including Bandar Bukit Raja and Denai Alam had contributed to the **Property Division's** improved performance. PBIT rose by 2 percent to RM467 million in FY2011/2012, from RM456 million in the same period last year. Profit contributions from associate companies of RM36 million had also elevated the profitability of the Property Division.

The **Energy & Utilities Division** registered a PBIT of RM335 million in the period under review, an increase of 36 percent compared to RM246 million in the previous financial year. The profit improvement was mainly attributable to the recognition of the deferred revenue from the Malaysian power plant and higher contribution from the ports operations in China due to the increased cargo handling throughput at Weifang Port.

The **Healthcare Division's** PBIT was maintained at RM26 million as the impact from higher patient volume was moderated by the slower nursing education sector and start-up expenses for the new Ara Damansara hospital.

In reviewing the Group's results, Mohd Bakke said: "I am particularly pleased that the results reflect the meticulous implementation of the key strategic thrusts to ensure that the Group has a strong portfolio of winning businesses."

He highlighted: "We have also made significant strides towards achieving our strategic growth initiatives. The last financial year witnessed several milestones achieved at the various Divisions. The Plantation Division achieved steady growth in new planting in Liberia. The Battersea Power Station project offers an exciting new opportunity for high-growth property development overseas, while Bucyrus continues its integration into the CAT framework. In the Motors Division, we opened four new showrooms and secured new distributorships and dealerships across the region. We also completed the disposal of the oil and gas fabrication yards, thus marking the Group's exit from the Oil & Gas business. We have also strengthened our commitment towards the ports business in China. Finally, the launch of Sime Darby Medical Centre Ara Damansara adds yet another feather in our cap."

Despite the group's strong performance for the year just ended, Mohd Bakke struck a more cautious note for the immediate future. "Notwithstanding the encouraging results, we remain mindful of the uncertainties in the business environment as we move ahead amidst volatility in the global economy. However, given our strong balance sheet position, diverse portfolio of businesses and unrelenting focus on execution and prudent cost management, I am confident that we will be able to withstand these challenges and continue to deliver solid returns."

Dividend

The Group proposed a final dividend of 25 sen per share for FY2011/2012. Together with the earlier interim dividend of 10 sen per share, total dividend for the year is 35 sen per share.

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 RM58.89bn (USD18.88bn) as at 28 August 2012.