

PRESS RELEASE

For Immediate Release
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Sime Darby Berhad Delivers Pre-Tax Profit of RM1.3 billion for 1Q FY2012/2013

*The Group targets a net profit after tax and non-controlling interests of RM3.2 billion
and a Return on Average Shareholders' Funds of 12 percent for FY2012/2013*

Kuala Lumpur, 27 November 2012 – Sime Darby Berhad reported a pre-tax profit of RM1.3 billion and a net profit of RM990 million for the first quarter ended 30 September 2012 (1QFY2013). The Group's pre-tax profit and net profit for 1QFY2013 declined by 12 percent and 8 percent respectively compared to the corresponding quarter of the previous year.

The Group registered a lower pre-tax profit for 1QFY2013 due to lower profit contribution from the Plantation Division, which however was offset by stronger performances in the Industrial, Property, Motors and Energy & Utilities Divisions.

"The Plantation Division's profit declined mainly due to lower crude palm oil (CPO) price realized during the period under review. On a positive note, the Division's fresh fruit bunch (FFB) production had registered a 6 percent growth in 1QFY2013 compared to the same period last year." Sime Darby President & Group Chief Executive, Dato' Mohd Bakke Salleh said.

"We remain positive on the performance of the Plantation Division in view of the improving productivity and effective cost management. This, coupled with the resilient performances of the Industrial, Property, Motors and Energy & Utilities Divisions, reflects the effective execution of our strategy and the inherent strength of the Group's diversified portfolio of businesses. We are confident of achieving the long-term goals established in the Strategy Blueprint." Mohd Bakke added.

In the period under review, the **Plantation Division** achieved a profit before interest and tax (PBIT) of RM671.9 million, a decrease of 28 percent compared to RM933.0 million in the same period last year. The Division's PBIT declined due to lower CPO price realized of RM2,707/MT against RM2,946/MT in the previous corresponding period. However, the Division saw an increase in FFB production by 6 percent to 2.94 million MT from 2.78 million MT in the same period last year.

The midstream and downstream segments reported a loss of RM24.9 million for 1QFY2013 compared to a loss of RM38.2 million in the previous corresponding period. This segment was adversely affected by low utilization due to competition from Indonesian refined products benefiting from a favourable tax structure and weak demand for refined products in Europe.

The **Industrial Division** reported a higher PBIT of RM382.4 million compared to RM330.0 million in the same period last year. The Division's PBIT grew 16 percent mainly due to the strong performance of the Australasia and Singapore operations on the back of higher sales from the mining and oil & gas sectors. The PBIT of the Australasia operations surged by 25 percent compared to the same period last year as a result of

higher revenue from new equipment sales as well as the parts and services businesses and a strong PBIT contribution from Bucyrus of RM38 million. The PBIT of the Singapore operations rose by 68 percent due to higher delivery of equipment for the Oil & Gas sector. Meanwhile, the PBIT of the China operations reported a decline of 68 percent against the same period last year due to the slowdown in construction activities following the tightening credit policies by the government. Despite the decline in profit, the China operations registered an increase in market share of construction equipment sales.

The performance of the **Motors Division** remained resilient, recording a 4 percent growth in PBIT to RM161.3 million from RM154.7 million in the same period last year. The Malaysia and Australia/New Zealand operations grew by 27 percent and 93 percent respectively due to strong sales growth from new models launched. However, the PBIT of China, Hong Kong and Macau operations declined by 39 percent, mainly due to an increasingly competitive business environment as well as the economic slowdown in China.

The **Property Division** showed an improvement of 15 percent in its PBIT to RM69.5 million in the first quarter of the financial year, from RM60.5 million recorded in the previous corresponding period. Higher sales contributions from various townships, including Bandar Bukit Raja and Denai Alam, larger contribution from associate companies and better cost management had contributed to the favourable results in the reporting period under review.

The PBIT of the **Energy & Utilities Division** rose from RM47.3 million in 1QFY2012 to RM58.2 million in 1QFY2013, representing an increase of 23 percent. Higher profit contribution from the power business, mainly from the Thailand operations, was offset by a lower profit contribution from the China Utilities operations due to higher depreciation charge on the new facilities.

The **Healthcare Division** posted a lower PBIT RM5.4 million, a 21 percent decrease compared to RM6.8 million PBIT in the same period in the preceding year. The Division incurred higher overhead costs as a result of start-up expenses for the new Ara Damansara hospital and overhead costs in preparation for the opening of the Sime Darby Medical Centre Desa Park City, targeted for early 2013.

Headline Key Performance Indicators (KPIs)

The Group also announced its KPIs for the financial year ending 30 June 2013 (FY2013), with a target net profit after tax and non-controlling interests of RM3.2 billion and a Return on Average Shareholder's Funds of 12 percent.

On the Group's KPIs for FY2013, Mohd Bakke said, "While we remain positive on the long-term fundamentals of the Group, we are cautious on the outlook for the rest of the financial year. We have been prudent in setting our KPIs given the continuing uncertainties in the global economic environment and the volatility in commodity prices. As such, our profit guidance was derived from conservative assumptions on the CPO price to be realized and the profit growth of the divisions for FY2013."

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 RM57.3bn (USD18.8bn) as of 26 November 2012.