QUARTERLY REPORT
On consolidated results for the first quarter ended 30 September 2012

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Statement of Profit or Loss
Amounts in RM million

	Note	Quarter ended 30 September 2012	Quarter ended 30 September 2011	% +/(-)
Continuing operations				
Revenue	A7	**11,831.2**	11,063.6	6.9
Operating expenses		**(10,835.1)**	(9,777.1)	
Other operating income		**339.9**	193.3	
Operating profit	B6	**1,336.0**	1,479.8	(9.7)
Share of results of jointly controlled entities		**(6.4)**	(5.1)	
Share of results of associates		**26.4**	20.6	
Profit before interest and tax	A7	**1,356.0**	1,495.3	(9.3)
Finance income		**36.8**	40.7	
Finance costs	B6	**(104.2)**	(70.3)	
Profit before tax		**1,288.6**	1,465.7	(12.1)
Tax expense	B7	**(250.1)**	(356.2)	
Profit from continuing operations		**1,038.5**	1,109.5	(6.4)
Discontinued operations				
Loss from discontinued operations (see note)		–	(15.2)	
Profit for the period		**1,038.5**	1,094.3	(5.1)
Attributable to owners of:				
- the Company				
- from continuing operations		**990.3**	1,088.9	
- from discontinued operations		–	(15.2)	
		990.3	1,073.7	(7.8)
- non-controlling interests		**48.2**	20.6	134.0
Profit for the period		**1,038.5**	1,094.3	(5.1)
		Sen	**Sen**	
Basic and diluted earnings/(loss) per share attributable to owners of the Company	B13			
- from continuing operations		**16.48**	18.12	
- from discontinued operations		–	(0.25)	
		16.48	17.87	(7.8)

Note:
The discontinued operations was in relation to the oil and gas activities which were carried out in the Pasir Gudang and Teluk Ramunia fabrication yards under the Energy & Utilities Division.

The unaudited Condensed Consolidated Statement of Profit or Loss 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 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Comprehensive Income
Amounts in RM million

	Quarter ended 30 September		
	2012	**2011**	**% +/(-)**
Profit for the period	**1,038.5**	1,094.3	(5.1)
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit or loss:			
Currency translation differences:			
- subsidiaries	**(202.6)**	46.9	
- jointly controlled entities	**(9.6)**	2.2	
- associates	**(2.8)**	(3.8)	
Net changes in fair value of:			
- available-for-sale investments	**6.9**	26.1	
- cash flow hedges	**26.7**	(24.9)	
Reclassified to profit or loss:			
- changes in fair value of cash flow hedges	**34.0**	1.3	
Share of other comprehensive income of:			
- jointly controlled entities	**0.1**	–	
- associates	**2.5**	(2.2)	
Tax expense relating to components of other comprehensive income	**(7.5)**	3.6	
	(152.3)	49.2	
Total other comprehensive (loss)/income from continuing operations	**(152.3)**	49.2	(409.6)
Other comprehensive loss from discontinued operations	–	(43.2)	
Total comprehensive income for the period	**886.2**	1,100.3	(19.5)
Attributable to owners of:			
- the Company			
- from continuing operations	**853.0**	1,103.5	
- from discontinued operations	–	(58.4)	
	853.0	1,045.1	(18.4)
- non-controlling interests	**33.2**	55.2	(39.9)
Total comprehensive income for the period	**886.2**	1,100.3	(19.5)

The unaudited Condensed Consolidated Statement of Comprehensive Income 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 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM million

	Note	Unaudited As at 30 September 2012	Audited As at 30 June 2012
Non-current assets			
Property, plant and equipment		**13,995.6**	14,003.7
Biological assets		**2,384.2**	2,417.1
Prepaid lease rentals		**1,195.2**	1,115.9
Investment properties		**396.2**	374.8
Land held for property development		**820.8**	835.2
Jointly controlled entities		**690.1**	284.1
Associates		**1,530.9**	1,492.4
Available-for-sale investments		**118.8**	111.8
Intangible assets		**859.1**	864.5
Deferred tax assets		**819.5**	819.6
Tax recoverable		**315.5**	331.8
Derivatives		**5.1**	3.2
Receivables		**452.2**	442.2
		23,583.2	23,096.3
Current assets			
Inventories		**9,613.8**	9,491.9
Property development costs		**1,981.1**	1,764.3
Receivables		**6,215.9**	6,932.0
Accrued billings and others		**1,444.5**	1,561.6
Tax recoverable		**164.9**	128.7
Derivatives		**71.9**	28.6
Cash held under Housing Development Accounts		**484.3**	540.9
Bank balances, deposits and cash		**4,226.9**	4,564.7
		24,203.3	25,012.7
Non-current assets held for sale (see note)		**35.6**	42.2
Total assets	A7	**47,822.1**	48,151.2
Equity			
Share capital		**3,004.7**	3,004.7
Reserves		**23,864.4**	23,011.4
Attributable to owners of the Company		**26,869.1**	26,016.1
Non-controlling interests		**898.2**	873.8
Total equity		**27,767.3**	26,889.9
Non-current liabilities			
Borrowings	B9	**4,078.8**	3,930.8
Provisions		**86.9**	83.6
Retirement benefits		**141.0**	124.7
Deferred income		**191.0**	183.7
Deferred tax liabilities		**560.7**	537.1
Derivatives		**81.6**	52.7
		5,140.0	4,912.6
Current liabilities			
Payables		**8,999.7**	9,476.6
Progress billings and others		**34.7**	43.9
Borrowings	B9	**5,093.7**	5,872.6
Provisions		**288.0**	360.0
Deferred income		**43.4**	51.2
Tax payable		**391.9**	431.7
Derivatives		**63.4**	112.7
		14,914.8	16,348.7
Total liabilities		**20,054.8**	21,261.3
Total equity and liabilities		**47,822.1**	48,151.2

SIME DARBY BERHAD
(Company No: 752404-U)

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

	Note	Unaudited As at 30 September 2012	Audited As at 30 June 2012
Net assets per share attributable to owners of the Company (RM)		**4.47**	4.33

Note:
Non-current assets held for sale

	Unaudited As at 30 September 2012	Audited As at 30 June 2012
Property, plant and equipment	**2.8**	7.7
Prepaid lease rentals	**0.7**	0.7
Investment properties	**6.1**	7.0
Associates	**26.0**	26.8
	35.6	42.2

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 2012.

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
Quarter ended 30 September 2012												
At 1 July 2012	**3,004.7**	**100.6**	**67.9**	**6,748.9**	**74.8**	**(64.8)**	**45.1**	**983.5**	**15,055.4**	**26,016.1**	**873.8**	**26,889.9**
Total comprehensive income for the period	**–**	**–**	**–**	**2.5**	**–**	**53.2**	**6.9**	**(199.9)**	**990.3**	**853.0**	**33.2**	**886.2**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8.8)**	**(8.8)**
At 30 September 2012	**3,004.7**	**100.6**	**67.9**	**6,751.4**	**74.8**	**(11.6)**	**52.0**	**783.6**	**16,045.7**	**26,869.1**	**898.2**	**27,767.3**
Quarter ended 30 September 2011												
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	–	–	–	(0.6)	–	(54.5)	15.8	10.7	1,073.7	1,045.1	55.2	1,100.3
Dividends paid	–	–	–	–	–	–	–	–	–	–	(12.5)	(12.5)
At 30 September 2011	3,004.7	100.6	67.9	6,741.9	72.5	25.4	63.2	995.6	14,003.6	25,075.4	829.9	25,905.3

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 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM million

	Note	Quarter ended 30 September 2012	2011
Profit after tax		**1,038.5**	1,094.3
Adjustments for:			
Gain on disposal of properties		**(30.2)**	(26.7)
Share of results of jointly controlled entities and associates		**(20.0)**	(15.5)
Finance income		**(36.8)**	(40.9)
Finance costs		**104.2**	71.3
Depreciation and amortisation		**322.8**	278.7
Amortisation of prepaid lease rentals		**11.4**	11.8
Tax expense		**250.1**	364.5
Other non-cash items		**20.2**	27.7
		1,660.2	1,765.2
Changes in working capital:			
Inventories and rental assets		**(401.6)**	(367.7)
Property development costs		**(159.9)**	(34.8)
Land held for property development		**(9.1)**	(0.2)
Trade and other receivables and prepayments		**15.4**	151.3
Cash held under Housing Development Accounts		**56.6**	(33.4)
Trade and other payables and provisions		**(502.8)**	(388.8)
Cash generated from operations		**658.8**	1,091.6
Tax paid		**(330.1)**	(398.0)
Dividends received from jointly controlled entities and associates		**–**	2.3
Dividends from available-for-sale investments		**0.4**	8.5
Net cash from operating activities		**329.1**	704.4
Investing activities			
Finance income received		**47.0**	36.8
Purchase of property, plant and equipment		**(344.3)**	(376.5)
Purchase of subsidiary and business	A11.2	**(14.0)**	–
Purchase/subscription of shares in jointly controlled entities and an associate		**(430.1)**	(783.7)
Purchase of investment properties		**–**	(0.1)
Cost incurred on biological assets		**(24.9)**	(90.2)
Payment for prepaid lease rental		**(4.1)**	–
Proceeds from sale of property, plant and equipment		**704.5**	42.1
Proceeds from sale of investment properties		**1.2**	–
Others		**(4.4)**	48.7
Net cash used in investing activities		**(69.1)**	(1,122.9)
Financing activities			
Finance costs paid		**(56.9)**	(41.7)
Long-term borrowings raised		**340.0**	18.1
Repayments of long-term borrowings		**(168.5)**	(192.3)
Revolving credits, trade facilities and other short-term borrowings (net)		**(624.6)**	283.5
Dividends paid		**(8.8)**	(12.5)
Net cash (used in)/from financing activities		**(518.8)**	55.1

SIME DARBY BERHAD
(Company No: 752404-U)

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

	Quarter ended 30 September	
	2012	**2011**
Net changes in cash and cash equivalents	**(258.8)**	(363.4)
Foreign exchange differences	**(103.4)**	30.6
Cash and cash equivalents at beginning of the period	**4,536.9**	4,900.2
Cash and cash equivalents at end of the period	**4,174.7**	4,567.4
For the purpose of the statement of cash flows, cash and cash equivalents comprised the following:		
Bank balances, deposits and cash	**4,226.9**	4,600.7
Less:		
Bank overdrafts (Note B9)	**(52.2)**	(33.3)
	4,174.7	4,567.4

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 2012.

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 audited annual financial statements for the financial year ended 30 June 2012.

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 audited annual financial statements for the financial year ended 30 June 2012, other than disclosed below:

- **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 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.

The adoption of the revised standards and subsequent amendments to the standards did not have any significant impact to the Group during the financial period to date. In respect of FRS 124, the Group has disclosed known significant transactions with a group of companies where Permodalan Nasional Berhad has substantial interests. The application and additional disclosure under the revised FRS 124 are in the process of being assessed to ensure comparability and consistency of the information disclosed.

The Malaysian Financial Reporting Standards Framework (MFRS Framework) is a fully IFRS-compliant framework which 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 two years 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 2014.

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.

(i) New standards 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 proportionately consolidate 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 explains how to measure fair value and does not change the measurement objective as established in existing FRSs.

- **FRS 101 – Presentation of Financial Statements**
  FRS 101 clarifies that an entity is required to present a third statement of financial position only if a retrospective application, retrospective restatement or reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. Nevertheless, an entity may present comparative information in addition to the minimum comparative financial statements as long as that information is prepared in accordance with 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.

- **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.

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)

(i) New standards that will be effective for annual periods beginning on or after 1 January 2013: (continued)

- **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.

- **Amendments to FRS 116 – Property, Plant and Equipment**
  Amendments to FRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

- **Amendments to FRS 132 – Financial Instruments: Presentation**
  Amendments to FRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with FRS 112 Income Taxes.

- **Amendments to FRS 134 – Interim Financial Reporting**
  Amendments to FRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

(ii) 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.

(iii) 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.

A2. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except for the fresh fruit bunch production 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 previous financial year 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

No dividend has been paid during the quarter ended 30 September 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Explanatory Notes on the Quarterly Report – 30 September 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-continued operations	Total
Quarter ended 30 September 2012											
Segment revenue:											
External	2,943.1	370.8	4,037.9	4,071.1	300.5	89.3	18.5	–	11,831.2	–	11,831.2
Inter-segment	0.1	8.6	10.3	10.2	0.3	2.4	2.4	(34.3)	–	–	–
	2,943.2	379.4	4,048.2	4,081.3	300.8	91.7	20.9	(34.3)	11,831.2	–	11,831.2
Segment results:											
Operating profit/(loss)	674.7	59.2	379.4	158.5	57.2	5.4	5.4	(3.8)	1,336.0	–	1,336.0
Share of results of jointly controlled entities and associates	(2.8)	10.3	3.0	2.8	1.0	–	5.7	–	20.0	–	20.0
Profit/(loss) before interest and tax	671.9	69.5	382.4	161.3	58.2	5.4	11.1	(3.8)	1,356.0	–	1,356.0

SIME DARBY BERHAD
(Company No: 752404-U)

Explanatory Notes on the Quarterly Report – 30 September 2012
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-continued operations**	**Total**
Quarter ended 30 September 2011											
Segment revenue:											
External	3,212.5	418.9	3,160.7	3,885.0	256.5	84.3	45.7	–	11,063.6	260.6	11,324.2
Inter-segment	0.3	8.7	13.2	9.1	3.9	2.4	1.4	(39.0)	–	–	–
	3,212.8	427.6	3,173.9	3,894.1	260.4	86.7	47.1	(39.0)	11,063.6	260.6	11,324.2
Segment result:											
Operating profit/(loss)	938.3	53.2	324.2	153.6	46.8	6.8	(1.0)	(42.1)	1,479.8	(6.1)	1,473.7
Share of results of jointly controlled entities and associates	(5.3)	7.3	5.8	1.1	0.5	–	6.1	–	15.5	–	15.5
Profit/(loss) before interest and tax	933.0	60.5	330.0	154.7	47.3	6.8	5.1	(42.1)	1,495.3	(6.1)	1,489.2

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations								
	Plantation	**Property**	**Industrial**	**Motors**	**Energy & Utilities**	**Health-care**	**Others**	**Corporate**	**Total**
As at 30 September 2012									
Segment assets:									
Operating assets	**15,739.7**	**6,597.4**	**11,136.9**	**6,264.2**	**2,942.8**	**485.2**	**159.7**	**939.7**	**44,265.6**
Jointly controlled entities and associates	**457.0**	**1,617.7**	**121.7**	**71.6**	**(114.8)**	**–**	**67.8**	**–**	**2,221.0**
Non-current assets held for sale	**3.9**	**28.1**	–	–	–	**–**	**3.6**	**–**	**35.6**
	16,200.6	**8,243.2**	**11,258.6**	**6,335.8**	**2,828.0**	**485.2**	**231.1**	**939.7**	**46,522.2**
Tax assets									**1,299.9**
Total assets									**47,822.1**
As at 30 June 2012									
Segment assets:									
Operating assets	15,121.2	6,607.6	11,164.9	6,219.1	3,926.4	486.4	153.6	1,373.2	45,052.4
Jointly controlled entities and associates	462.0	1,189.8	113.4	64.8	(111.2)	–	57.7	–	1,776.5
Non-current assets held for sale	2.0	33.5	–	3.1	–	–	3.6	–	42.2
	15,585.2	7,830.9	11,278.3	6,287.0	3,815.2	486.4	214.9	1,373.2	46,871.1
Tax assets									1,280.1
Total assets									48,151.2

Amounts in RM million unless otherwise stated

A8. Capital Commitments

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

	As at 30 September 2012	As at 30 June 2012
Property, plant and equipment		
− contracted	**508.3**	1,193.4
− not contracted	**2,765.6**	2,521.8
	3,273.9	3,715.2
Other capital expenditure		
− contracted	**46.8**	58.8
− not contracted	**1,621.4**	2,193.1
	4,942.1	5,967.1

A9. Significant Related Party Transactions

Related party transactions conducted during the first quarter ended 30 September are as follows:

	Quarter ended 30 September 2012	2011
a. Transactions with jointly controlled entities		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**23.6**	5.6
Sales and services to Terberg Tractors Malaysia Sdn Bhd (TTMSB)	**11.1**	0.3
Purchase of terminal tractors from TTMSB	**–**	1.1
b. Transactions with associates		
Provision of services by Sitech Construction Systems Pty Ltd	**2.3**	–
c. Transactions between companies in which Permodalan Nasional Berhad is the major shareholder		
Purchase of chemicals and fertilizers from Chemical Company of Malaysia Berhad and its subsidiaries	**22.4**	21.5
d. Transactions between subsidiaries and their significant owners of non-controlling interests		
Turnkey works rendered by Brunsfield Engineering Sdn Bhd to Sime Darby Brunsfield Holding Sdn Bhd (SDBH) group, companies in which Dato' Ir Gan Thian Leong (Dato' Gan) and Encik Mohamad Hassan Zakaria (Encik Hassan) are substantial shareholders	**23.8**	40.2
Sales of goods and provision of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	**1.9**	2.1
Sales of properties by SDBH to Brunsfield OASIS Square Sdn Bhd, companies in which Dato' Gan and Encik Hassan are substantial shareholders	**82.5**	–
Royalty payment to and procurement of cars, ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company and its related companies	**28.0**	20.0

Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions (continued)

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

	Quarter ended 30 September 2012	2011
d. Transactions between subsidiaries and their significant owners of non-controlling interests (continued)		
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	**13.5**	14.4
Contract assembly service provided by ICSB to Berjaya Corporation Berhad group	**3.8**	2.1
e. Transactions with 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 (Dato' Sreesanthan has since retired from the Board of Directors on 8 November 2012)	**0.1**	0.4
f. Transactions with Directors and their close family members		
Sales of properties and cars	**0.2**	–
g. Transactions with key management personnel and their close family members		
Sales of cars	**0.6**	–

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

Other than stated below, and as disclosed in Note B8, there was no material event subsequent to the end of the current quarter under review to 19 November 2012, being a date not earlier than 7 days from the date of issue of the quarterly report.

On 6 November 2012, Sime Darby Johor Development Sdn Bhd (SDJD), Tunas Selatan Pagoh Sdn Bhd (TSP) and Sime Darby Property Selatan Sdn Bhd (SDPS) entered into a Shareholders' Agreement to regulate the relationship between SDJD and TSP as shareholders of SDPS for the development of the Pagoh Education Hub.

On 7 November 2012, Sime Darby Pagoh Development Sdn Bhd entered into a Sale and Purchase Agreement to dispose 5 parcels of leasehold land measuring approximately 506.07 acres in Pagoh, Muar, Johor Darul Takzim to Pesuruhjaya Tanah Persekutuan for a total cash consideration of RM50.6 million for the development of the Pagoh Education Hub.

Further to the above, SDPS, via four wholly-owned subsidiaries, had on 7 November 2012 also entered into four separate concession agreements (CAs) with Universiti Tun Hussein Onn Malaysia, International Islamic University Malaysia , Universiti Teknologi Malaysia and the Government of Malaysia to undertake the planning, design, financing, construction, landscaping, equipping, installation, completion, testing and commissioning of facilities and infrastructures, and carry out the asset management services for the respective universities and Pagoh Polytechnic and the Shared Facilities; collectively known as the Pagoh Education Hub on a Private Finance Initiative basis under the concept of "Build-Lease-Maintain-Transfer".

The concession period of the CAs is twenty three years, including the construction period of three years.

Amounts in RM million unless otherwise stated

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

1. Acquisitions

Acquisitions during the first quarter ended 30 September 2012 include the following:

a) On 3 July 2012, Sime Darby Motors Group (Australia) Pty Limited acquired 2 ordinary shares of AUD1.00 each in Sime Darby Motors Retail Australia Pty Limited (SDMRA), representing the entire issued and paid-up shares of SDMRA at par for cash. The principal activity of SDMRA is to operate motor dealerships in Australia. On 6 July 2012, SDMRA completed the acquisition of Porsche Centre Parramatta for a cash consideration of AUD4.3 million.

b) On 9 July 2012, Hastings Deering (Australia) Ltd acquired 31.67% of the issued share capital of Nova Power Pty Ltd (Nova Power) for a cash consideration of AUD1.9 million. The principal activities of Nova Power are the development and operation of electricity network support power generation assets.

Details of the assets and net cash outflow arising from the acquisitions of subsidiary are as follows:

	Book value	Fair value
Property, plant and equipment	**0.5**	**0.5**
Current assets	**7.1**	**7.1**
Net assets acquired	**7.6**	**7.6**
Goodwill		**6.4**
Net cash outflow on acquisition of subsidiary		**14.0**

2. Establishment of new companies

Companies established during the first quarter ended 30 September 2012 include the following:

a) On 4 July 2012, Sime Darby Berhad, SP Setia Berhad and Kwasa Global (Jersey) Limited entered into a Subscription and Shareholders' Agreement to regulate their participation in Battersea Project Holding Company Limited (BPHC) a company established in Jersey in the agreed proportion of 40%, 40% and 20%, respectively. BPHC via its subsidiary, Battersea Project Land Company Limited, completed the acquisition of the Battersea Power Station site in London, United Kingdom on 4 September 2012.

b) On 3 August 2012, Hangzhou Sime Darby Trading Company Limited (HZSDT) was established in the People's Republic of China with a registered share capital of RMB6 million wholly held by Shanghai Sime Darby Motor Commerce Company Limited. The principal activities of HZSDT will be wholesale, retail, import and export of vehicles parts and accessories, lubricating oil, hardware tools, and electrical equipment parts; vehicles technology consultancy services, management and investment consultancy services.

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 19 November 2012	**As at 30 June 2012**
Performance guarantees and advance payment guarantees to customers of:		
- a jointly controlled entity	**1,788.0**	2,788.0
- the Group	**3,035.8**	3,837.5
Guarantees in respect of credit facilities granted to:		
- certain associates and a jointly controlled entity	**27.7**	37.5
- plasma stakeholders	**84.4**	107.2
	4,935.9	6,770.2

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 19 November 2012, the Group received counter-indemnities amounting to RM1,149.7 million (30 June 2012: RM1,603.7 million).

b) Claims

	As at 19 November 2012	**As at 30 June 2012**
Claims pending against the Group	**24.4**	43.7

The claims include disputed amounts for the supply of goods and services.

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

	Quarter ended 30 September		%
	2012	**2011**	**+/(-)**
Revenue	**11,831.2**	11,063.6	6.9
Plantation	**671.9**	933.0	(28.0)
Property	**69.5**	60.5	14.9
Industrial	**382.4**	330.0	15.9
Motors	**161.3**	154.7	4.3
Energy & Utilities	**58.2**	47.3	23.0
Healthcare	**5.4**	6.8	(20.6)
Others	**11.1**	5.1	117.6
Segment results	**1,359.8**	1,537.4	(11.6)
Exchange gain/(loss):			
Unrealised	**1.3**	(26.1)	
Realised	**1.2**	–	
Corporate expense and elimination	**(6.3)**	(16.0)	
Profit before interest and tax	**1,356.0**	1,495.3	(9.3)
Finance income	**36.8**	40.7	
Finance costs	**(104.2)**	(70.3)	
Profit before tax	**1,288.6**	1,465.7	(12.1)
Tax expense	**(250.1)**	(356.2)	
Profit from continuing operations	**1,038.5**	1,109.5	(6.4)
Loss from discontinued operations	–	(15.2)	
Profit for the period	**1,038.5**	1,094.3	(5.1)
Non-controlling interests	**(48.2)**	(20.6)	
Profit after tax and non-controlling interests	**990.3**	1,073.7	(7.8)

Revenue of the Group for the first quarter ended 30 September 2012 was up by 6.9% while profit before tax of RM1,288.6 million declined by 12.1% compared to RM1,465.7 million the previous year. Net earnings for the period was down by 7.8% to RM990.3 million from RM1,073.7 million a year ago. All business segments registered improved earnings except Plantation and Healthcare which declined by 28.0% and 20.6% respectively.

a) Plantation

Plantation division's contribution decreased by 28.0% due primarily to lower sales volume of crude palm oil (CPO) and lower average CPO price realised of RM2,707 per tonne against RM2,946 per tonne in the previous corresponding period despite a 5.6% improvement in fresh fruit bunch (FFB) production. FFB production for Indonesia was higher by 20.2%, at 1.13 million MT while Malaysia recorded marginally lower production by 1.6% at 1.81 million MT. Oil extraction rate was also lower at 21.6% as compared to 21.9% in the previous corresponding period.

Midstream and downstream reported a lower loss of RM24.9 million for the current period compared to a loss of RM38.2 million previously. The loss was mainly due to the overseas operations.

B1. Review of Group Performance (continued)

b) Property

Property's earnings improved by 14.9% mainly attributable to higher share of results of associates.

c) Industrial

Industrial division reported higher profit of RM382.4 million, a 15.9% increase from previous year of RM330.0 million as a result of increased sales to the mining sector in Australasia and oil and gas sector in Singapore. The results from the operations in China was affected by slow recovery of the economy whilst Malaysia was affected by lower engine sales to the marine and oil and gas sectors.

d) Motors

Contribution from Motors division continued to grow with a 4.3% improvement over that of the previous year. Operations in Malaysia registered higher profit driven mainly by the strong sales of Hyundai and BMW.

The slowdown in the Chinese economy and stiff competition faced in the luxury car segment has narrowed margins.

e) Energy & Utilities

Profit from Energy & Utilities increased by 23.0% to RM58.2 million largely on account of the higher revenue from the power sector and the recognition of insurance claim on a Thailand power plant of RM7.5 million. The port operations in China registered lower profit of RM8.2 million compared to RM13.2 million previously despite higher throughput due to higher depreciation charge on the new facilities.

f) Healthcare

The results from Healthcare declined by RM1.4 million (20.6%) to RM5.4 million largely due to the higher overheads from the newly opened Ara Damansara Hospital.

g) Others

The improvement in profit from Other businesses was mainly attributable to the insurance brokerage business which saw higher policy renewal secured during the current 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		
	30 September 2012	**30 June 2012**	**% +/(-)**
Revenue	**11,831.2**	14,122.1	(16.2)
Plantation	**671.9**	807.3	(16.8)
Property	**69.5**	152.5	(54.4)
Industrial	**382.4**	365.6	4.6
Motors	**161.3**	240.6	(33.0)
Energy & Utilities	**58.2**	54.6	6.6
Healthcare	**5.4**	8.0	(32.5)
Others	**11.1**	33.9	(67.3)
Segment results	**1,359.8**	1,662.5	(18.2)
Exchange gain:			
Unrealised	**1.3**	0.6	
Realised	**1.2**	0.2	
Corporate expense and elimination	**(6.3)**	(154.6)	
Profit before interest and tax	**1,356.0**	1,508.7	(10.1)
Finance income	**36.8**	55.5	
Finance costs	**(104.2)**	(124.5)	
Profit before tax	**1,288.6**	1,439.7	(10.5)
Tax expense	**(250.1)**	(276.9)	
Profit for the period	**1,038.5**	1,162.8	(10.7)
Non-controlling interests	**(48.2)**	(63.7)	
Profit after tax and non-controlling interests	**990.3**	1,099.1	(9.9)

For the first quarter ended 30 September 2012, the Group's pre-tax profit of RM1,288.6 million was 10.5% lower than that of the preceding quarter of RM1,439.7 million. Net earnings of the Group dropped by 9.9% to RM990.3 million from RM1,099.1 million in the preceding quarter. Lower earnings was recorded by all divisions except for Industrial and Energy & Utilities which improved by 4.6% and 6.6% respectively.

a) Plantation

Profit from Plantation was lower by 16.8% to RM671.9 million due to lower CPO sales volume and lower average CPO price realised for the quarter of RM2,707 per tonne against RM3,056 per tonne in the preceding quarter in spite of the improvement in FFB production. Midstream and downstream recorded a loss of RM24.9 million compared to a profit of RM3.1 million in the preceding quarter due to lower sales volume and margins and foreign exchange loss.

b) Property

Contribution from Property for the current quarter decreased by 54.4% due to lower launches and units sold as compared to preceding quarter coupled with lower percentage of progress completion.

c) Industrial

Profit from Industrial division was marginally higher by 4.6% compared to the preceding quarter primarily due to sales of new equipment and product support sales in Australasia region which compensated the slowdown in sales in the other regions.

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

d) Motors

Contribution from Motors division decreased by 33.0% to RM161.3 million largely due to weaker sales in China/Hong Kong and Malaysia. Growth in China was stifled by the slowdown in the economy and margin squeeze from stiff competition.

e) Energy & Utilities

For the current quarter, the results of Energy & Utilities increased by 6.6% mainly due to the higher revenue from the power business. However, this was partially offset by the lower profit from the port operations in China of RM3.5 million due to lower handling throughput.

f) Healthcare

The results of Healthcare decreased by RM2.6 million as compared against the preceding quarter as a result of higher overheads and lower patient visits.

g) Others

Other businesses recorded a reduction in profit from RM33.9 million to RM11.1 million in the quarter under review due to the gain of RM29.7 million on the disposal of an investment in the preceding quarter.

h) Corporate expenses

Corporate expenses was lower in the quarter under review due to the higher allocation for Corporate Social Responsibility activities and higher operating expenses in the preceding quarter.

B3. Prospects

Global economic growth remains modest and risks remain elevated as a result of continued weakness in Europe and potential fiscal tightening in developed economies. These uncertainties will result in key emerging markets experiencing weakness in growth coupled with greater volatility in commodity markets, thus impacting economies and markets in which the Group operates.

Nonetheless, while the overall economic environment will be challenging, the Group is positive that the strength and diversity of the Group's six core businesses and its strategic focus will place the Group in a strong position to withstand the economic headwinds.

Although the current fluctuations in commodity prices may have an impact on their earnings in the short-term, the Plantation and Industrial divisions are expected to remain resilient due to robust long-term demand, coupled with the Group's focus on driving higher productivity, managing costs and increasing market share for edible oils and heavy machinery equipment, respectively.

The Property division is focusing on offering a better mix of affordable and innovative products to take advantage of the more resilient market segments. The division's foray overseas via the Battersea Power Station project will provide it with a strong foothold into the London property market that is expected to remain robust despite a weaker British economy. Whilst the broader economic slowdown may impact demand and increase competition for the Motors division, its key markets continue to remain strong underpinned by the division's strategy on expanding its product range towards the more resilient premium and super luxury market segments.

The performance of the Energy and Utilities division will continue to be driven by the Ports operations in China, sustained by capacity expansion, higher throughput and better cargo mix. Meanwhile, the Healthcare division is expected to generate higher revenue from the newly opened hospital in Ara Damansara and the new hospital to be opened in Desa Park City.

Given the economic challenges and barring any unforeseen circumstances, the Board expects the Group's performance for the current financial year to be satisfactory.

B4. Statement by Board of Directors on Internal Targets

The Board of Directors wish to announce the following key performance indicators (KPI) for the financial year ending 30 June 2013:

	Target Year ending 30 June 2013
Profit attributable to owners of the Company (RM million)	3,200
Return on average shareholders' equity (%)	12.0

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 30 September	
	2012	**2011**
Included in operating profit are:		
Depreciation and amortisation	**(322.8)**	(278.7)
Amortisation of prepaid lease rentals	**(11.4)**	(11.8)
Reversal of impairment/(impairment) of		
- property, plant and equipment	**0.5**	(4.7)
- investment properties	–	(0.7)
- receivables	–	44.1
Write down of inventories (net)	–	(1.0)
Gain on disposal of		
- property, plant and equipment		
- land and buildings	**29.7**	26.7
- others	**1.3**	–
- investment properties	**0.5**	–
Net foreign exchange (loss)/gain	**(6.2)**	10.0
Loss on forward foreign exchange contracts	**(21.7)**	(39.1)
Included in finance costs is:		
(Loss)/Gain on interest rate swap contracts	**(2.9)**	13.0

Amounts in RM million unless otherwise stated

B7. Tax Expense

	Quarter ended 30 September	
	2012	**2011**
Continuing operations		
In respect of the current period:		
- current tax	**325.9**	410.7
- deferred tax	**(16.5)**	(35.8)
	309.4	374.9
In respect of prior years:		
- current tax	**(66.4)**	(18.6)
- deferred tax	**7.1**	(0.1)
	250.1	356.2
Discontinued operations	–	8.3
	250.1	364.5

The effective tax rate for the current quarter ended 30 September 2012 was lower than the Malaysian income tax rate of 25% due mainly to the overprovision in prior years.

B8. Status of Corporate Proposal

The corporate proposal announced but not completed as at 19 November 2012 is as follows:

On 2 November 2012, Sime Darby Energy Sdn Bhd (SD Energy) entered into a Share Sale Agreement for the disposal of the entire equity interest comprising 2,750,001 ordinary shares of RM1.00 each, representing 50%+1 share held by SD Energy in Sime-SIRIM Technologies Sdn Bhd to SIRIM Berhad for a consideration of RM9.9 million.

The completion date of the disposal shall be 2 January 2013, or such other date as may be mutually agreed by the parties.

Amounts in RM million unless otherwise stated

B9. Group Borrowings

	As at 30 September 2012		
Long-term borrowings	Secured	Unsecured	Total
Term loans	110.0	2,268.8	2,378.8
Islamic Medium Term Notes	–	1,700.0	1,700.0
	110.0	3,968.8	4,078.8
Short-term borrowings			
Bank overdrafts	–	52.2	52.2
Portion of term loans due within one year	–	1,668.4	1,668.4
Portion of Islamic Medium Term Notes due within one year	–	300.0	300.0
Revolving credits, trade facilities and other short-term borrowings	290.0	2,783.1	3,073.1
	290.0	4,803.7	5,093.7
Total borrowings	400.0	8,772.5	9,172.5

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	2,844.8	1,723.2	4,568.0
Australian dollar	–	929.2	929.2
Chinese renminbi	–	441.3	441.3
Hong Kong dollar	–	91.1	91.1
New Zealand dollar	–	103.9	103.9
Pacific franc	6.0	0.5	6.5
Singapore dollar	–	7.7	7.7
Thailand baht	–	16.3	16.3
United States dollar	1,228.0	1,780.5	3,008.5
Total borrowings	4,078.8	5,093.7	9,172.5

Certain borrowings are secured by fixed and floating charges over property, plant and equipment, investment property 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 contracts and commodity future contracts to manage its exposure to various financial risks. The fair values of these derivatives as at 30 September 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	**5.1**	**69.7**	**(4.2)**	**(51.8)**	**18.8**
Interest rate swap contracts	–	–	–	**(11.6)**	**(11.6)**
Cross currency swap contract	–	–	**(77.4)**	–	**(77.4)**
Commodity future contracts	–	**2.2**	–	–	**2.2**
	5.1	**71.9**	**(81.6)**	**(63.4)**	**(68.0)**

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 2012.

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

Forward foreign exchange contracts

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 30 September 2012, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

	Notional Amount	Fair Value Assets/ (Liabilities)
- less than 1 year	**5,042.7**	**17.9**
- 1 year to 2 years	**704.2**	**0.9**
	5,746.9	**18.8**

Amounts in RM million unless otherwise stated

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

a) Derivatives (continued)

Interest rate swap contract

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 contract as at 30 September 2012 is as follows:

Interest Rate Swap	**Notional Amount**	**Expiry Date**	**Weighted Average Swap Rate**
Plain Vanilla	USD 200.0 million	27 December 2012	4.46%

As at 30 September 2012, the notional amount, fair value and maturity period of the interest rate swap contract is as follows:

	Notional Amount	**Fair Value Liabilities**
- less than 1 year	**614.0**	**(11.6)**

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. 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 30 September 2012, the notional amount and fair value liability of the cross currency swap contract amounted to RM1,228.0 million and RM77.4 million respectively and the contract has a maturity period of 7 years, expiring on 11 December 2018.

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 future contracts as at 30 September 2012 that are not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	Notional Amount	Fair Value Assets/ (Liabilities)
Purchase contracts	**34,304**	**104.1**	**(7.5)**
Sales contracts	**42,190**	**129.4**	**9.7**
			2.2

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 breakdown of realised and unrealised retained profits of the Group is as follows:

	As at 30 September 2012	As at 30 June 2012
Total retained profits of the Company and its subsidiaries		
- realised	**21,786.0**	20,899.6
- unrealised	**5,746.0**	5,656.7
	27,532.0	26,556.3
Total share of retained profits from jointly controlled entities		
- realised	**33.4**	38.6
- unrealised	**(18.0)**	(21.2)
	15.4	17.4
Total share of retained profits from associates		
- realised	**279.9**	261.3
- unrealised	**(2.0)**	(17.5)
	277.9	243.8
Less: consolidation adjustments	**(11,779.6)**	(11,762.1)
Total retained profits of the Group	**16,045.7**	15,055.4

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 Litigation

Changes in material litigations since the date of the last annual statement of financial position up to 19 November 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. The parties have amicably settled the above legal actions instituted in Indonesia during the previous financial year.

   In Malaysia, PTAS had on 11 March 2008 commenced legal proceedings against KGB. In light of the settlement of legal actions in Indonesia and the pre-trial directions handed down, KGB applied to amend its Amended Defence, which application was allowed by the High Court on 27 March 2012.

   The trial was concluded on 10 May 2012 and on 14 June 2012, the High Court dismissed PTAS's claim with costs.

   PTAS had on 15 June 2012 filed its notice of appeal to the Court of Appeal and KGB has been served with PTAS's Record of Appeal on 28 September 2012. However, no date has been fixed for the appeal in the Court of Appeal.

2. On 23 December 2010, Sime Darby Berhad (SDB), Sime Darby Engineering Sdn Bhd, Sime Darby Energy Sdn Bhd, Sime Darby Marine Sdn Bhd and Sime Darby Marine (Hong Kong) Pte Ltd (collectively, the 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 (DSAZ), Dato' Mohamad Shukri bin Baharom (DMS), Abdul Rahim bin Ismail, Abdul Kadir Alias and Mohd Zaki bin Othman (collectively, the Defendants) claiming, inter alia, damages arising from the 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 the Defendants. All the Defendants have filed their respective Defences.

   DSAZ, the 1st Defendant, thereafter filed third party notices dated 8 March 2011 against 22 individuals (DSAZ's Third Party Notices). These 22 individuals include some current members of the board of SDB. Pursuant to DSAZ'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.

   DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 12 individuals and Sime Darby Holdings Berhad (DMS's Third Party Notices). These 12 individuals comprise former management and former members of the board of SDB, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of SDB's Energy & Utilities Division. Pursuant to DMS'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).

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 19 November 2012 are as follows: (continued)

On 11 January 2012, the 1st and the 2nd Defendants filed their respective appeals against the High Court Decision (Appeals).

On 1 August 2012, the Court of Appeal, after hearing submissions from the 1st and 2nd Defendants' solicitors, dismissed the Appeals with costs (Court of Appeal Decision). On 3 September 2012, the 1st Defendant filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal Decision (Leave to Appeal). The 1st Defendant's Leave of Appeal is fixed for case management on 15 January 2013.

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 with regard to the 1st Defendant's application for discovery of documents (1st Defendant's Discovery Application). The Court then fixed the matter for further case management on 29 June 2012 when the entire inspection process was anticipated to be completed.

On 29 June 2012, the Court fixed the 1st Defendant's Discovery Application for hearing on 21 September 2012. The hearing of the 1st Defendant's Discovery Application has been adjourned to 30 November 2012. There is no trial date fixed as yet for the main suit.

3. On 24 December 2010, Sime Darby Berhad (SDB), Sime Engineering Sdn Bhd (SESB), Sime Darby Holdings Berhad (SDHB) and Sime Darby Energy Sdn Bhd (collectively, the 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 (DSAZ), Dato' Mohamad Shukri bin Baharom (DMS) and Abdul Rahim bin Ismail (collectively, the Defendants) claiming, inter alia, damages arising from the 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 DMS.

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

   DSAZ, the 1st Defendant, thereafter filed third party notices dated 8 March 2011 against 22 individuals (DSAZ's Third Party Notices). These 22 individuals include some current members of the board of SDB. Pursuant to DSAZ'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.

   DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 11 individuals, SESB and SDHB (DMS's Third Party Notices). These 11 individuals comprise former members of the board of SDB, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of SDB's Energy & Utilities Division. Pursuant to DMS'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.

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 19 November 2012 are as follows: (continued)

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). The Appeals were heard in the Court of Appeal on 1 August 2012.

On 1 August 2012 before the start of the proceedings, the 2nd Defendant withdrew his appeal against SESB and SDHB with no order as to costs. With regard to the other appeals, the Court of Appeal, after hearing submissions from the 1st and the 2nd Defendants' solicitors, dismissed the Appeals with costs (Court of Appeal Decision). On 3 September 2012, the 1st Defendant filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal Decision (Leave to Appeal). The 1st Defendant's Leave to Appeal is fixed for case management on 15 January 2013.

At the case management of the main suit on 19 January 2012, the High Court 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 with regard to the 1st Defendant's application for discovery of documents (1st Defendant's Discovery Application). The Court then fixed the matter for further case management on 29 June 2012 when the entire inspection process was anticipated to be completed.

On 29 June 2012, the Court fixed the 1st Defendant's Discovery Application for hearing on 21 September 2012. The hearing of the 1st Defendant's Discovery Application has been adjourned to 30 November 2012. There is no trial date fixed as yet for the main suit.

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 (equivalent to about RM568.3 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 (equivalent to about RM86.9 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 and is currently pending EMAS's response.

   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.

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 19 November 2012 are as follows: (continued)

At the hearing on 30 May 2012, the Court dismissed the case on procedural grounds, namely that EMAS did not comply with the procedures for Commercial Agency disputes as set forth in Articles 27 and 28 of the United Arab Emirates Commercial Agencies Law when it failed to raise a formal claim or mediation request with the Committee of Commercial Agencies at the Ministry of Economy in the first instance.

SDE's local counsel advised that the dismissal is not a dismissal on the merits and EMAS may resubmit the case once they have gone through the Commercial Agencies Committee procedures. SDE's local counsel further advised that SDE can do nothing until EMAS file a mediation request with the Commercial Agencies Committee.

On 21 June 2012, EMAS filed an appeal to the Court of Appeal in Abu Dhabi (Appellate Court) against the decision of the Court dated 30 May 2012 (Appeal).

At the hearing before the Appellate Court on 13 August 2012, SDE submitted its rebuttal to EMAS's grounds of appeal. On 28 August 2012, the Appellate Court dismissed the case and ordered it to be tried afresh by the court of first instance on the ground that the court of first instance has the jurisdiction to hear the dispute between EMAS and SDE. SDE's local counsel has advised that an appeal should be filed to the Supreme Court in Abu Dhabi in respect of the Appellate Court's decision by 24 October 2012. SDE's local counsel has filed an appeal on 15 October 2012 against the Appellate Court's decision given on 28 August 2012 but no hearing date has been fixed by the Supreme Court. It is expected that the challenge before the Supreme Court and the prosecution of the claim by EMAS before the new trial judge will proceed in parallel.

5. On 18 November 2011, Michael Chow Keat Thye (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 High Court to compel SD Nominees to make a mandatory offer at the price of RM2.30 per E&O share.

   On 8 December 2011, the High 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 constituted hearsay statements and was 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 (SC's Appeal). The SC's Appeal has been fixed for hearing on 9 August 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.

   On 1 June 2012, the SC filed and served an application to stay the High Court proceedings pending the disposal of SC's Appeal (Stay Application).

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 19 November 2012 are as follows: (continued)

At the mention on 21 June 2012, the registrar fixed both the application to stay and the application to expunge for hearing on 24 July 2012.

The hearing of the substantive application which has been scheduled on 24 July 2012 has been converted to a mention following the Applicant's request and pending the disposal of the SC's Appeal to the Court of Appeal.

On 24 July 2012, the Counsel for the Applicant and SC informed the Court that in relation to the Stay Application, the parties have agreed for a stay to be granted until 9 August 2012, being the hearing date of SC's Appeal (Interim Stay). The Judicial Review substantive application and SD Nominees' application to expunge parts of the Applicant's affidavit are fixed for case management on 14 August 2012.

On 9 August 2012, the Court of Appeal adjourned SC's Appeal to 2 October 2012.

On 14 August 2012, the SC and the Applicant have agreed to stay the Judicial Review proceeding until 2 October 2012, being the hearing date of the Appeal or alternatively if the hearing of the Appeal is adjourned, until the next case management date. The case management of the Judicial Review proceedings is now fixed on 10 October 2012.

On 2 October 2012, the Court of Appeal dismissed SC's Appeal with costs of RM10,000.

On 10 October 2012, the Court fixed another case management of the Judicial Review proceedings on 9 November 2012 and SD Nominees' application to expunge for hearing on 21 November 2012.

On 9 November 2012, the Court fixed 27 November 2012 as the new hearing date for SD Nominees' application to expunge. The substantive Judicial Review application is fixed for mention on the same date after the said hearing.

6. On 15 August 2012, Sime Darby Engineering Sdn Bhd (SDE) filed a Statement of Claim at the Qatar Court against Qatar Petroleum (QP) for the sum of QAR1,005,353,061 (equivalent to about RM880.9 million). This is the total amount of the outstanding invoices, compensation, performance bonds and additional costs in relation to the engineering project offshore in Qatar undertaken by SDE in favour of QP pursuant to a contract signed by both parties on 27 September 2006. However, the contract came into effect much earlier on 15 April 2006 and SDE had commenced work since then.

   The contract was for the provisioning of engineering works, supply, installation and commissioning of 3 wellhead platforms (jackets and topsides), modifications to 34 existing platforms, 17 sub-sea pipelines between existing and new platforms, umbilical connections at various platforms and other works relating to development of Bul Hanine and Maydan Mahzan offshore oilfields.

   The Court has fixed the first hearing on 9 October 2012. QP did not attend the first hearing on 9 October 2012 and the Court subsequently fixed another hearing on 28 November 2012.

B12. Dividend

No dividend has been declared or paid for the quarter under review.

The Board has recommended a final single tier dividend of 25.0 sen per share in respect of the financial year ended 30 June 2012 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967. The proposed dividend was approved by members at the Annual General Meeting held on 8 November 2012 and will be paid on 14 December 2012.

B13. Basic and Diluted Earnings/(Loss) Per Share

	Quarter ended 30 September	
	2012	**2011**
Basic and diluted earnings/(loss) per share are computed as follows:		
Profit/(loss) for the period attributable to owners of the Company		
- from continuing operations	**990.3**	1,088.9
- from discontinued operations	–	(15.2)
	990.3	1,073.7
Weighted average number of ordinary shares in issue (million)	**6,009.5**	6,009.5
Basic and diluted earnings/(loss) per share (sen)		
- from continuing operations	**16.48**	18.12
- from discontinued operations	–	(0.25)
	16.48	17.87

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
26 November 2012