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PRESS RELEASE

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Sime Darby Berhad Records Pre-Tax Profit of RM1.0 billion For 2Q FY2012/2013

Group's decline in earnings mitigated by the improvement in operational efficiencies

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Kuala Lumpur, 27 February 2013 – Sime Darby Berhad registered a pre-tax profit of RM1.0 billion and a net profit of RM708.5 million for the second quarter ended 31 December 2012 (2Q FY2012/13). The Group's pre-tax profit and net profit for 2Q FY2012/13 declined by 38 percent and 36 percent respectively, compared to the previous corresponding quarter.

For the half year ended 31 December 2012 (1H FY2012/13), the Group registered a pre-tax profit of RM2.3 billion and a net profit of RM1.7 billion. Both the Group's pre-tax profit and net profit for 1H FY2012/13 declined by 26 percent and 22 percent respectively, compared to the corresponding period in the previous financial year.

Commenting on the overall performance of the Group, Sime Darby's President and Group Chief Executive, Dato' Mohd Bakke Salleh said, "The decline in the Group's profit for 2Q FY2012/13 was largely attributable to the lower crude palm oil (CPO) prices. However, despite the general slowdown in some of the sectors in which we operate, I am pleased to note that we have made strides in operational efficiencies, particularly in our Plantation Division".

"We had expected the operating environment to be challenging and difficult and hence our prudent and cautious KPI targets. However, with the significant improvements in operational efficiencies, we are confident of riding out the current challenging environment and reaping the benefits in the future when the global economy gets on the recovery path".

He added that the Group also continues to show progress on the key long-term strategic initiatives that will help the company to overcome the difficult business environment. "Given our well-diversified businesses and the dedication of our resolute workforce, I am confident that we will be able to achieve the targets set for the full financial year 2012/2013," said Mohd Bakke.

2Q FY2012/13 versus 2Q FY2011/12 (YoY Comparison)

The **Plantation Division's** PBIT of RM522.0 million for 2Q FY2012/13 was lower by 42 percent compared to RM900.3 million in the previous corresponding quarter. Despite a higher sales volume in 2Q FY2012/13, the decline was due to the lower average CPO price realised of RM2,207/MT versus RM2,804/MT in the previous corresponding period. The Group's FFB yield improved by 13 percent YoY to 6.22MT/ha and the oil extraction rate (OER) increased by 0.03% YoY to 21.83%, in the quarter under review. Operational improvements were also recorded in 2Q FY2012/13. The Group's CPO production achieved a 10 percent growth YoY to 0.71 million MT and FFB production rose to 2.94 million MT, an increase of 12 percent YoY. Notwithstanding the lower CPO prices for 2Q

FY2012/13, the achievements made in operational efficiencies were largely attributable to continued focus on yield-enhancement initiatives and improved agro-management practices.

The midstream and downstream segments recorded a profit of RM29.4 million in 2Q FY2012/13 compared to RM1.6 million in the previous corresponding quarter due to improvements in the results of its oleochemical business and better profit margins from the operations.

For 2Q FY2012/13, the **Industrial Division's** PBIT declined to RM285.0 million from RM297.7 million in the corresponding quarter last financial year. The decline of 4 percent YoY for the quarter under review was partly due to weaker market conditions in Malaysia and Singapore which resulted in lower deliveries of equipment and machineries to the oil & gas, marine and power generation sectors in these regions. The slowdown in China's construction sector resulted in a PBIT decline of 43 percent YoY to RM14.6 million compared to the previous corresponding quarter. However, China's PBIT grew by 204 percent compared to the preceding quarter. This is indicative of the improvement in the Chinese economy. On a positive note, Australasia's PBIT for 2Q FY2012/13 recorded an improvement of 14 percent YoY due to higher product support sales that yield better margins and the sale of Bucyrus' equipment meeting the acquisition forecast. This was achieved despite the lower equipment sales in Australasia's mining sector following a drop in global coal prices.

The **Motors Division** recorded an increase of 7 percent in PBIT to RM164.6 million in 2Q FY2012/13 compared to RM153.4 million in 2Q FY2011/12. Malaysia registered a PBIT of RM75.8 million, an increase of 31 percent compared to the previous corresponding quarter. This was partly driven by overall strong sales of all marques. The Australia/ New Zealand operations recorded a 43 percent increase in PBIT compared to the corresponding period in the last financial year, spurred by strong sales of BMW and Peugeot vehicles.

The **Property Division** achieved a 2Q FY2012/13 PBIT of RM61.2 million compared to RM132.9 million in the previous corresponding quarter. The decline of 54 percent YoY was due to lower recognition from two mature townships in the Klang Valley which are at the tail-end of their development. The Division's average take-up rate continues to remain strong. The launch of the Saffron Hills double-storey link homes in Denai Alam in October 2012, managed to garner a take-up rate of 87 percent within two weeks of its launch. On the international front, the recent launch of the Phase One properties of the Battersea Power Station development in January 2013 witnessed a remarkable take-up rate of 75% within the first week and continues to garner much interest from international markets.

The **Energy & Utilities Division's** PBIT for 2Q FY2012/13 declined by 57 percent to RM72.1 million. This was attributable to the recognition of deferred revenue of RM99.4 million from its power plant in Malaysia in the corresponding period last year. The port operations in China registered a lower profit contribution due to lower throughput caused by the slowdown of local regional economies, higher one-off operational-related expenses and harsh weather conditions towards the end of 2Q FY2012/13.

The **Healthcare Division** recorded a PBIT of RM3.8 million in the current quarter under review compared to RM7.0 million in the previous corresponding quarter. The 46 percent YoY decline for the quarter under review was due to the higher overheads attributable to the charges from the Group and the two newly opened hospitals in Ara Damansara and Desa Parkcity, which are in the early months of operations.

Outlook

The Group is optimistic of a modest global economic recovery in 2013. CPO prices are envisaged to stage a modest recovery. Prospects for global mining activities and consumer-based businesses in the Asia Pacific are also expected to improve. The Group's well-diversified portfolio of businesses is well positioned to weather the volatility and take advantage of growth opportunities. Nonetheless, the Group's prospects are very much dependent on the global economic recovery.

The Group will remain committed in its disciplined approach to capital allocation and cash flow management, both of which are crucial in sustaining long-term growth beyond the current volatile and uncertain business environment.

Interim Dividend

The Group announced an interim dividend of 7 sen per share for the financial year ending 30 June 2013.

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 RM55.11bn (USD17.8bn) as at 26 February 2013.