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## **PRESS RELEASE**

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### **Sime Darby Berhad Delivers Pre-Tax Profit of RM934.7 million for 3Q FY2012/2013**

The inherent strengths of the Group's diversified portfolio of businesses continue to steer the company through challenging business conditions

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**Kuala Lumpur, 31 May 2013** – Sime Darby Berhad recorded a pre-tax profit of RM934.7million and a net profit of RM691.2 million for the third quarter ended 31 March 2013 (3Q FY2012/13). Both the Group's pre-tax profit and net profit for 3Q FY2012/13 declined by 21 percent respectively, compared to the previous year's corresponding quarter.

The Group registered a decline in pre-tax profit for 3Q FY2012/13 compared to the same period last year due to lower profit contributions from the Plantation, Industrial and Energy & Utilities Divisions. However, these lower contributions were offset by stronger performances in the Motors, Property and Healthcare Divisions.

For the first nine months ended 31 March 2013 (9M FY2012/13), the Group posted a pre-tax profit of RM3.2 billion and a net profit of RM2.4 billion. The Group's pre-tax profit and net profit for 9M FY2012/13 declined by 24 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 Group has undergone a challenging nine months given the lower commodity prices and economic slow-down in the markets that we operate. Despite the headwinds, each division has established a strong platform for continuous improvements in operational efficiencies. The sustained improvements in the Plantation Division's fresh fruit bunch (FFB) yield and oil extraction rate (OER) are among the significant achievements made."

"The Group is continuously seeking out growth opportunities to ensure the delivery of the desired value proposition to all our stakeholders. The joint venture between Sime Darby Berhad and Ramsay Health Care Limited, for example, is targeted to achieve this objective. The joint venture will enable our healthcare business to expand in Southeast Asia initially and eventually throughout the entire Asian region." said Mohd Bakke.

### **3Q FY2012/13 versus 3Q FY2011/12 (Year-on-Year Comparison)**

For 3Q FY2012/13, the **Plantation Division's** profit before interest and tax (PBIT) declined to RM413.2 million, a decrease of 27 percent compared to RM562.6 million in the same period last year. The Division's PBIT declined due to the lower average crude palm oil (CPO) price realised of RM2,147/metric tonne (MT) against RM2,903/MT in the previous corresponding period. However, the Division saw continuous improvements in FFB yield, OER and CPO sales volume. In the period under review, the Group's FFB yield improved by 9 percent to 4.72 MT/hectare while the OER increased by 0.3 percent to 22.0 percent. CPO sales volume also improved by 15 percent YoY.

The midstream and downstream operations recorded a profit of RM39.7 million in 3Q FY2012/13 compared to a loss of RM28.8 million in the previous corresponding quarter due to lower feedstock costs, better margin for refined palm products and higher profit contribution from the oleochemical business.

The **Industrial Division's** PBIT of RM263.1 million for the period under review was lower by 27 percent compared to RM358.1 million in the previous corresponding quarter. The PBIT of the Australasia operations reported a decline of 34 percent due to lower equipment sales and product support sales in the mining sector. The PBIT of the Singapore and China operations declined by 15 percent and 4 percent respectively. The weaker market conditions in Singapore and China resulted in lower deliveries of equipment and machineries to the construction, marine and oil & gas sectors in these regions. On a positive note, the Division's order book remains at a healthy level of RM3.5 billion while the PBIT of Malaysia operations for the period under review achieved an improvement of 21 percent due to stronger mining and construction activities in the country.

The **Motors Division** exceeded expectations by achieving an 18 percent growth in PBIT of RM181.6 million in 3Q FY2012/13 compared to RM153.4 million in the same period last year. This was mainly contributed by the overall performance of the Malaysian and Hong Kong operations, driven by strong sales in most of the brands represented. However, the Singapore operations recorded a decline in PBIT of 38 percent due to the immediate impact of regulatory changes affecting loans to the automotive sector while the Australia operations declined by 18 percent as a result of keen competition in the market segments where we operate.

The **Property Division** showed an improvement of 15 percent in its PBIT to RM139.3 million in the third quarter of the financial year, from RM121.3 million recorded in the previous corresponding quarter. The Division's PBIT grew by more than 100 percent compared to RM61.2 million recorded in the second quarter of the financial year. Higher sales contributions from various townships, including Bandar Bukit Raja and Denai Alam had attributed to the favourable results in the reporting period under review. The first phase of the Battersea Power Station development project was successfully launched in Kuala Lumpur, London, Singapore and Hong Kong and achieved record sales.

The **Energy & Utilities Division** registered a PBIT of RM59.4 million in 3Q FY2012/13, a decline of 7 percent compared to RM64.0 million in the previous corresponding quarter. The PBIT for Engineering Services declined by 59 percent due to lower industry demand for trading services and slower recognition of revenue from projects. This was offset by better profit from the ports and water management operations which improved by 141 percent in the period under review. The improvement in the ports operations was driven by the increased cargo handling throughput and higher average tariff. Weifang Sime Darby Port commenced its first container service in December 2012, which diversified the port's cargo mix and brought in more high-tariff shipments.

The **Healthcare Division's** PBIT for the period under review increased by 28 percent to RM5.5 million compared to RM4.3 million in the same period last year. The improvement was underpinned by higher inpatient visits.

### ***Outlook***

The markets in which the Group operates are expected to continue to be challenging. Nonetheless, the Group is optimistic that a gradual recovery in the global economy will materialise in view of the positive indicators from major economies such as the United States of America, China and Japan. In the second half of 2013, we may witness the gradual gross domestic product (GDP) expansion of the United States of America and Japan coupled with the improvement in the industrial production in China. Despite the lacklustre commodity prices, the Group's core businesses are expected to remain resilient due to our vertically integrated model in the Plantation Division as well as the inherent strengths of the Group's diversified portfolio of businesses in the Asia Pacific region.

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### ***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 capitalization of RM57bn (USD18bn) as of 30 May 2013.*