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PRESS RELEASE

For Immediate Release
Friday, 29 November 2013

Sime Darby Berhad Registers Net Profit of RM489 million for 1Q FY2013/2014

The Group targets a net profit after tax and non-controlling interests of RM2.8 billion and a Return on Average Shareholders' Funds of 10 percent for FY2013/2014

Kuala Lumpur, 29 November 2013 – Sime Darby Berhad reported a pre-tax profit of RM714.2 million and a net profit of RM489.0 million for the first quarter ended 30 September 2013 (1QFY2014), representing a decline of 44 percent and 51 percent respectively, over that of the corresponding quarter of the previous financial year.

The Group posted a lower pre-tax profit for 1QFY2014 due to challenging market conditions in most of the businesses it operates. In the Plantation Division, profit declined mainly due to weaker average crude palm oil (CPO) price realised and lower fresh fruit bunches (FFB) production during the period under review. This was in line with the industry which was also negatively impacted by lower CPO prices and a decline in FFB output due to a shift in cropping patterns in certain areas.

"We will continue to focus on improving operational efficiencies across the Group and ensure that the challenges each Division is facing are addressed. As an immediate measure, the Group will continue to institute prudent cost controls, increase focus on efficient working capital management and undertake a disciplined approach towards capital allocation and cash flow management", said Sime Darby President & Group Chief Executive, Tan Sri Dato' Mohd Bakke Salleh.

"Despite the headwinds, I am pleased to note that the Group has performed well from the operational perspective. We achieved a significant milestone in Liberia, having planted 10,018 hectares (ha) of oil palm as at 30 September 2013, up from 4,350 ha this time last year. In addition, the completion of our maiden Indonesian refinery in Pulau Laut, Kalimantan will allow us to capitalize on the reduced export duty on refined products in Indonesia. The Group has penetrated new markets through Sime Darby Motors by securing the Kia and BMW/MINI distributorships in Taiwan and Vietnam, respectively. Two new McLaren showrooms were also opened in Shanghai and Malaysia in September and October this year, respectively. Last but not least, our strategic partnership with Eastern & Oriental in the City of Elmina will certainly add value to that landmark development." Mohd Bakke added.

1Q FY2013/2014 versus 1Q FY2012/2013 Year-on-Year (YoY) Comparison

The **Plantation Division's** profit before interest and tax (PBIT) for the period under review declined to RM254.6 million, a decrease of 62 percent compared to RM671.9 million in the same period last year. Several factors contributed to the decline in the Division's PBIT, including lower average CPO price realised of RM2,331 per tonne in 1QFY2014 against RM2,707 per tonne in 1QFY2013. The Division also witnessed a drop in FFB production by 16 percent to 2.47 million tonnes in the quarter under review. FFB production in Indonesia and Malaysia declined by 28 percent and 8 percent respectively, compared to the previous corresponding quarter. The decline in the Indonesian FFB production was largely attributable to the change in cropping patterns and delay in peak cropping, a trend that was particularly prevalent in Kalimantan.

The performance of the midstream and downstream operations improved, registering a PBIT of RM11.0 million in 1QFY2014 compared to a loss of RM24.9 million in the previous corresponding period. The turnaround in this segment was largely attributable to better results of the oils & fats and biodiesel businesses with reduced losses from the Unimills refinery operations in the Netherlands. The Emery Group, a jointly controlled entity in the oleochemicals business, also posted a profit in the period under review compared to a loss in the previous corresponding quarter.

Despite a sharp slowdown in the Australian mining sector due to downward pressure on commodity prices, the **Industrial Division** achieved a PBIT of RM327.2 million in the current quarter under review compared to RM382.4 million registered in the same period last year. The decline of the Division's PBIT by 14 percent was mainly due to lower equipment sales to the mining sector in Australasia. However, the China/Hong Kong operations achieved a six-fold increase in PBIT to RM29.4 million for the first quarter of FY2013/2014. The unit's market share for Caterpillar increased, boosted by higher engine sales in the marine, oil & gas and electrical power generation sectors.

The **Motors Division** registered a PBIT of RM106.6 million in 1QFY2014 compared to RM161.3 million in the previous corresponding period, representing a decline of 34 percent. This was mainly attributable to lower performances of all the regions except for Malaysia. Weaker market sentiment and changes in legislation in Singapore, as well as the economic slowdown in Thailand and China were the main reasons for the reduced earnings in these markets. Besides that, stiff competition faced in China's luxury car segment and Australia's mass brand vehicle segment has resulted in thinner margins. The Division's operations in Malaysia recorded a YoY PBIT increase of 3 percent due to strong sales of all the marques under its stable.

The **Property Division** posted a PBIT of RM65.5 million in the first quarter of the financial year compared to RM69.5 million in the same period last year. The lower performance was partly due to residential launches that were scheduled for 1QFY2014 being accelerated to the second half of the previous financial year to take advantage of stronger market conditions. The PBIT decline of 6 percent was also due to lower contributions from associate companies. For the period under review, the Division successfully launched four projects with take-up rates reaching as high as 85 percent. On the international front, Phase Two of the Battersea Power Station project which consists of retail, residential and commercial units, is expected to be launched early next year.

The **Energy & Utilities Division** recorded a PBIT of RM56.8 million in the first quarter under review compared to RM58.2 million in the previous year's corresponding quarter, representing a marginal decline of 2 percent due to lower profits from the power sector. However, the port operations registered a PBIT growth of 87% in the period under review compared to the same quarter in the previous year. The better performance of the port operations was primarily due to a 23% increase in throughput, better cargo mix and higher average tariff rates.

Headline Key Performance Indicators (KPIs)

The Group also announced its KPIs for the financial year ending 30 June 2014 (FY2014), with a target net profit after tax and non-controlling interests of RM2.8 billion and a Return on Average Shareholders' Funds of 10 percent.

On the Group's target KPIs for FY2014, Mohd Bakke said, "As we continue to move forward to achieve our strategic targets, we remain mindful of the potential headwinds and challenges ahead. We have taken into account the uncertainties in the global economic environment as well as the volatility in commodity prices, and will continue to seek new opportunities that will allow us to grow and strengthen the Group's core businesses. Our priority is to meet these targets and to maximize shareholder value."

About Sime Darby

Sime Darby is a Malaysia-based diversified multinational involved in key growth sectors, namely, plantations, property, motors, industrial equipment and energy & utilities. 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 RM58bn (USD18bn) as of 28 November 2013.