Sime Darby Berhad
(Company No. 752404-U)
T +603 2691 4122
F +603 2698 0645
W www.simedarby.com
19th Floor, Wisma Sime Darby
Jalan Raja Laut, Kuala Lumpur
50350 Malaysia

PRESS RELEASE

For Immediate Release
Friday, 28 February 2014

Sime Darby Berhad Records Net Profit of RM818 million for 2Q FY2013/2014

Higher CPO prices and improved operational efficiencies continue to drive the Group forward

---

Kuala Lumpur, 28 February 2014 – Sime Darby Berhad registered a pre-tax profit of RM1.0 billion and a net profit of RM818.3 million for the second quarter ended 31 December 2013 (2QFY2014). The Group's pre-tax profit for 2QFY2014 declined marginally by 1 percent whilst its net profit rose by 15 percent on reduced taxes, compared to the corresponding quarter of the previous financial year.

For the half year ended 31 December 2013 (1HFY2014), the Group reported a pre-tax profit of RM1.7 billion and a net profit of RM1.3 billion. Both the Group's pre-tax profit and net profit for 1HFY2014 declined by 25 percent and 23 percent respectively, compared to the same period in the last financial year.

Commenting on the overall performance of the Group, Sime Darby's President and Group Chief Executive, Tan Sri Dato' Seri Mohd Bakke Salleh said, "The Group has undergone a challenging six months as the global economic and business environment continue to be volatile. Nonetheless, we remain resolute in our focus on improving operational efficiencies across the Group and ensuring that each Division addresses their challenges."

"After a tough start to the financial year, I am pleased to note that crude palm oil (CPO) prices have improved from the previous quarter and the Group has seen continuous improvements in operational efficiencies. All our Divisions have been able to withstand the effects of the demanding market conditions, mainly attributable to the steadfast dedication of our workforce. Adding a feather to our cap are the strategic accomplishments such as our entry into the luxury car segment in Australia through the acquisition of the BMW dealership in Brisbane. The Battersea Power Station development project continues to move full steam ahead with sales for Phase Two expected to be launched this year." he added.

"The management will continue to maintain a disciplined approach towards capital allocation and cash flow management while focusing on efforts to strengthen the Group's capabilities and attain leadership positions in our core businesses." said Mohd Bakke.

2Q FY2013/2014 versus 2Q FY2012/2013 Year-on-Year (YoY) Comparison

The **Plantation Division** posted a profit before interest and tax (PBIT) of RM507.5 million for the period under review, a decline of 3 percent compared to RM522.0 million in the previous corresponding quarter. In the quarter under review, the Division's PBIT was marginally lower due to the fresh fruit bunch (FFB) production which fell by 13 percent to 2.57 million tonnes, largely attributable to the change in cropping pattern in Indonesia. The lower crop production was mitigated by 9.5 percent improvement in the average CPO price realised from RM2,207 per tonne in 2QFY2013 to RM2,416 per tonne in 2QFY2014. The Division also recorded an increase in oil extraction rate (OER) to 22.05% in 2QFY2014 compared to 21.83% in 2QFY2013. As compared to the preceding quarter, the Division's PBIT almost doubled that of 1QFY2014 as improvements were recorded in average CPO price realised, FFB production and CPO sales volume. Operationally, average CPO price realised, FFB production, OER and CPO sales improved by 3.7 percent, 4.1 percent, 0.6 percent and 15.4 percent respectively, compared to the preceding quarter.

The midstream and downstream operations registered a PBIT of RM37.2 million in 2QFY2014 compared to RM29.3 million in the previous corresponding period. The 27% increase in profit was mainly due to improved performance from the Unimills refinery operations in Europe coupled with higher contribution from biodiesel operations and other refineries.

The **Industrial Division** recorded a PBIT of RM261.5 million in the current quarter under review compared to RM285.0 million registered in the same period last year. The decline of the Division's PBIT by 8 percent was largely due to lower equipment deliveries and product support sales to the mining sector in Australia. All other regions achieved better performances as a result of higher equipment deliveries in the marine, oil & gas, logging and construction sectors. The Malaysia and China/Hong Kong operations chalked up more than 100 percent improvements in PBIT for the period under review compared to the previous corresponding quarter.

The **Motors Division** reported a PBIT of RM153.4 million in 2QFY2014, a decline of 7 percent compared to RM164.6 million in 2QFY2013. Changes in government regulation and stiff competition in the mass brand vehicle segment continue to impact performances in Singapore and Australia/New Zealand, respectively. However, Malaysia and China/Hong Kong recorded strong results with a PBIT increase of 7 percent and 32 percent, respectively. This was driven by higher contribution from Ford and Land Rover sales in Malaysia and better performance from all operations in China/Hong Kong.

The **Property Division** achieved a PBIT of RM72.2 million in the second quarter of the financial year compared to RM61.2 million in the same period last year, representing an increase of 18 percent. The commendable performance was underlined by higher sales and percentage of completion from project developments in Elmina East and Bandar Bukit Raja.

Finally, the **Energy & Utilities Division** recorded a PBIT of RM52.5 million for the period under review compared to RM72.1 million in the previous year's corresponding quarter. The

PBIT decline of 27 percent was mainly due to a gain on disposal of a jointly-controlled entity and the write back of provision for a completed project in the corresponding period last year. However, the PBIT of China Utilities operations grew by three fold in 2QFY2014 compared to the same quarter in the previous year as a result of increased throughput, wider cargo diversification and higher average tariff rates, all of which supports the Group's belief in the growth potential of the ports & utilities business in China.

Interim Dividend

The Group announced an interim dividend of 6 sen per share for the financial year ending 30 June 2014.

About Sime Darby

Sime Darby is a Malaysia-based diversified multinational involved in key growth sectors, namely, plantations, industrial equipment, motors, property 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 capitalisation of RM56bn (USD17bn) as of 27 February 2014.