

PRESS RELEASE

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Sime Darby Berhad Delivers Pre-Tax Profit of RM1.0 billion for 3Q FY2013/2014

The Group achieves better earnings due to higher contribution from the Plantation Division

Kuala Lumpur, 29 May 2014 – Sime Darby Berhad registered a pre-tax profit of RM1.0 billion and a net profit of RM852.5 million for the third quarter ended 31 March 2014 (3Q FY2013/2014). Both the Group's pre-tax profit and net profit for 3Q FY2013/2014 rose by 7 percent and 23 percent respectively, compared to the corresponding quarter of the previous financial year following improved results from the Plantation Division and a lower effective tax rate.

For the nine months ended 31 March 2014 (9M FY2013/2014), the Group posted a pre-tax profit of RM2.7 billion and a net profit of RM2.2 billion. The nine months pre-tax profit and net profit declined by 16 percent and 10 percent respectively, compared to the corresponding period of the previous 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 had produced a satisfactory performance. Despite operating in a challenging environment, Sime Darby is on track to achieve its net profit Key Performance Indicator (KPI) of RM2.8 billion for the financial year ending 30 June 2014. The resilient performance of the Plantation Division is testament to the initiatives that have been put in place to enhance operational efficiencies of the Division. With the uncertainty in the global economy, it is important, now more than ever, for us to intensify our efforts to enhance efficiency and institute prudent cost management and saving measures in order to remain competitive and continue to deliver long-term returns to our shareholders."

He added that the Group also continues to show progress in the key long-term strategic initiatives. "The Motors Division and SISMA Auto have formed a joint venture to represent Jaguar and Land Rover in Malaysia. The joint venture, Jaguar Land Rover (Malaysia), has been appointed as the exclusive importer for Jaguar and Land Rover marques. Another significant development is the Plantation Division's initiative to build and nurture a sustainable portfolio of palm-related industrial biotechnology companies with its first investment in Verdezyne Inc." said Mohd Bakke.

3Q FY2013/2014 versus 3Q FY2012/2013 (Year-on-Year Comparison)

The **Plantation Division** posted a profit before interest and tax (PBIT) of RM454.8 million for the period under review, an increase of 10 percent compared to RM413.2 million in the corresponding quarter of the previous year. The higher PBIT was attributable to the improvements in oil extraction rate (OER) and average crude palm oil (CPO) price realised. The OER rose from 21.95 percent in 3Q FY2012/2013 to 22.17 percent in 3Q FY2013/2014 while the average CPO price realised recorded a 20 percent increase from RM2,147 per tonne to RM2,573 per tonne. The improvements have more than offset the decline in fresh fruit bunch (FFB) production which fell by 6 percent to 2.10 million tonnes in the quarter under review. The Division recorded a lower crop production in the quarter due to the change in cropping pattern in Indonesia.

The midstream and downstream operations recorded a profit of RM19.5 million in 3Q FY2013/2014 compared to a profit of RM39.7 million in the previous corresponding quarter. The 51 percent decline in profit was mainly due to losses arising from the jointly-controlled entities as a result of weaker market conditions in Europe.

The **Industrial Division's** PBIT of RM220.6 million for the period under review was lower by 16 percent compared to RM263.1 million in the previous corresponding quarter. The PBIT of the Australasia operations reported a decline of 38 percent due to lower equipment sales and product support sales in the mining sector. On a positive note, the performances of the Singapore and China/Hong Kong operations rose by 68 percent and 58 percent respectively, attributable to higher equipment deliveries in the marine and oil & gas sectors. The Division also experienced an improvement in order book by 24 percent to RM2.6 billion as at 31 March 2014 as compared to RM2.1 billion as at 31 December 2013.

The **Motors Division** recorded a PBIT of RM142.9 million in the third quarter of this year, a decline of 21 percent compared to RM181.6 million in the corresponding period of the preceding year. This was mainly attributable to the lower contribution from the Singapore operation due to changes in government regulation, as well as lower earnings from the China/Hong Kong operations because of competitive market conditions. However, the Malaysia operation posted a better result driven by higher sales in the brands represented.

The **Property Division** posted a PBIT of RM105.5 million in 3Q FY2013/2014 compared to RM139.3 million in the same period last year, representing a decline of 24 percent. The decline in earnings was due to the gain registered on the sale of land in Pagoh, Johor in the previous financial year. Nevertheless, the Division's average take-up rate continued to remain strong. New launches of double-storey terrace houses such as the Garinia in City of Elmina and Nahara 1 & 2 in Bandar Bukit Raja garnered an average take-up rate of 89 percent since their launches between January to March 2014. On the international front, the launch of Phase Two of the Battersea Power Station project received overwhelming response with 95 percent of the 254 units reserved in the first week of sales.

The **Energy & Utilities Division**'s PBIT for 3Q FY2013/2014 declined by 34% to RM39.1 million. The port operations in China recorded a lower profit contribution due to lower throughput caused by the slowdown of the Chinese economy. However, the decline in PBIT was mitigated by higher contribution from the power business.

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 capitalization of RM57.9bn (USD18.0bn) as of 28 May 2014.