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## **PRESS RELEASE**

**For Immediate Release**  
**Thursday, 26 February 2015**

### **Sime Darby Berhad Registers Net Profit of RM437 million for 2Q FY2014/2015**

*The Group remains confident of long-term market fundamentals despite a challenging  
six months*

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**Kuala Lumpur, 26 February 2015** – Sime Darby Berhad reported a pre-tax profit of RM592.7 million and a net profit of RM437.4 million for the second quarter ended 31 December 2014 (2QFY2015). The Group's pre-tax profit and net profit for 2QFY2015 declined by 38 percent and 47 percent respectively, against the previous corresponding quarter.

For the half year ended 31 December 2014 (1HFY2015), the Group recorded a pre-tax profit of RM1.3 billion and a net profit of RM938.1 million. Both the Group's pre-tax profit and net profit for 1HFY2015 declined by 22 percent and 28 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 first half of the financial year continued to remain challenging on the back of tough market conditions. The sharp decline in crude oil prices and slowdown in global economic growth have exacerbated the need to push for greater productivity and cost efficiency. The Group's portfolio of diversified businesses and stringent capital allocation will be crucial in carrying us through this volatility and the focus is to strive to meet the Key Performance Indicators targets that we have set."

"We believe long-term market fundamentals remain attractive despite the easing of commodity prices. The Group continues to undertake various measures to enhance operational efficiencies across its operations. From a strategic perspective, the proposed takeover offer for New Britain Palm Oil Limited (NBPOL) is progressing well as the condition with respect to the European Union merger filing had been satisfied at the end of last month. We look forward to completing the deal by end of the current quarter," he added.

## **2Q FY2014/2015 versus 2Q FY2013/2014 Year-on-Year (YoY) Comparison**

The **Plantation Division's** profit before interest and tax (PBIT) of RM269.8 million for 2QFY2015 was lower by 47 percent compared to RM507.5 million in the previous corresponding quarter. The decline was due to the lower average CPO price realised of RM2,123/MT for the quarter under review compared to RM2,416/MT in 2QFY2014. Fresh fruit bunch (FFB) yield fell by 12 percent YoY in 2QFY2015 due to a change in crop pattern driven by severe weather conditions. Continuous rain followed by severe floods have also disrupted harvesting activities in some of the estates, mainly in the states of Pahang, Johor and Sarawak. However, for 1HFY2015, the Group's oil extraction rate (OER) increased to 21.80% from 21.73% previously. The Indonesian yield too performed better in the same period, achieving 9.20 MT/ha compared to 9.03 MT/ha in 1HFY2014.

The midstream and downstream operations registered a PBIT of RM9.6 million in the current quarter compared to RM37.2 million in the previous corresponding period. The 74 percent decline in PBIT was mainly attributable to share of loss from the Emery group and higher losses in the Unimills refinery as a result of lower sales and reduced margins.

The **Industrial Division** reported a PBIT of RM126.1 million in 2QFY2015 compared to RM261.5 million in 2QFY2014. The decline of the Division's PBIT by 52 percent was largely due to lower equipment deliveries and margin realisation in the product support segment in Australasia. Operations in Malaysia and Singapore have also registered a decline in PBIT due to lower equipment and engine sales to the construction, mining and shipyard sectors. However, China/Hong Kong operations posted a slight improvement in earnings due to better margin realisation from equipment deliveries. The Division's order book increased by 29 percent from RM2.4 billion as at September 2014 to RM3.1 billion as at December 2014.

For the quarter under review, the **Motors Division** posted a PBIT of RM138.2 million compared to RM153.4 million in the previous corresponding period. The Division's PBIT decline of 10 percent was mainly due to lower profits from the operations in Malaysia and China. The Malaysian operations experienced lower contributions from the mass market segment while China continued to face stiff competition in the luxury car segment. On a positive note, the newly acquired businesses in Australia and Vietnam recorded strong performances while New Zealand and Singapore achieved PBIT improvements.

The **Property Division's** PBIT declined by 14 percent from a PBIT of RM72.2 million in the second quarter of the previous financial year to RM62.1 million in the current quarter under review. The decline in earnings was due to the marketing and promotional expenses incurred in relation to the global launch of Phase 3 of the Battersea Power Station development project in London. However, the property development segment recognised higher PBIT contributions from the Elmina East and Bandar Bukit Raja townships. The Division's unbilled sales currently stands at RM2.14 billion as at 31<sup>st</sup> December 2014. On the Battersea project, all three phases launched have garnered total locked-in sales of £1.64 billion as at 10<sup>th</sup> February 2015.

The **Energy & Utilities Division** achieved a PBIT of RM47.8 million for the period under review compared to RM3.0 million in the previous year's corresponding quarter. The PBIT

increase was mainly attributable to a net gain on disposal of wavebreakers in the Weifang Port of RM21 million to a joint venture and also higher throughput and average tariff rate achieved.

### ***Interim Dividend***

The Group announced an interim dividend of 6.0 sen per share for the financial year ending 30 June 2015.

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### ***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 RM59bn (USD16bn) as of 25 February 2015.*

