PRESS RELEASE

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Sime Darby Berhad Reports Net Profit of RM386 million for 3Q FY2014/2015

The Group registers lower results amid difficult market conditions but remains steadfast in addressing these challenges through stringent cost controls and productivity improvements

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Kuala Lumpur, 22 May 2015 – Sime Darby Berhad recorded a pre-tax profit of RM595.2 million and a net profit of RM386.0 million for the third quarter ended 31 March 2015 (3Q FY2015). Both the Group's pre-tax profit and net profit for 3Q FY2015 declined by 38 percent and 55 percent respectively, compared to the previous corresponding quarter.

For the nine months ended 31 March 2015 (9M FY2015), the Group registered a pre-tax profit of RM1.9 billion and a net profit of RM1.3 billion. The nine-month pre-tax profit and net profit for the financial year declined by 28 percent and 39 percent respectively, against 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 third quarter of the current financial year continued to be negatively impacted by tough business conditions amidst macroeconomic headwinds in several regions. The weak markets persisted as commodity prices continued to remain soft, weighing on the overall earnings of the Group. Against this backdrop, the Group has implemented strict controls on capital expenditure and cost-containment measures while focusing on enhancing operational efficiencies."

Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL) on 2nd of March 2015. The integration process is currently on-going and measures are being undertaken to realise the immediate and long-term potential synergies. The Motors Division's expansion into new territories and the Property Division's focus on integrated development and affordable properties are part of the key strategic initiatives that have given us the resilience to weather the challenging market conditions.

3Q FY2014/2015 versus 3Q FY2013/2014 Year-on-Year (YoY) Comparison

The **Plantation Division** posted a profit before interest and tax (PBIT) of RM99.6 million for 3Q FY2015, lower by 78 percent compared to RM454.8 million in 3Q FY2014. The decline was due to the lower average CPO price realised of RM2,209/MT for the quarter under review compared to RM2,573/MT in the previous corresponding quarter. The collective fresh fruit bunch (FFB) production in Malaysia and Indonesia for 3Q FY2015 dropped by 11 percent against the same quarter last year due to biological tree stress stemming from the prolonged dry weather in early 2014. However, FFB output has recorded a month-on-month increase in March 2015, potentially signaling the end of the low crop cycle. The Division also carried out higher replanting activities that has resulted in a reduction of its mature hectarage, thus affecting crop production.

The midstream and downstream operations recorded a PBIT of RM39.6 million in the current quarter under review compared to RM19.5 million in the previous corresponding period. The two-fold increase in PBIT was mainly attributable to favourable results in the oil and fats segment.

The **Industrial Division** reported a PBIT of RM79.2 million for the current period compared to RM220.6 million in the same period last financial year. The 64 percent drop was mainly due to the continued downturn in the Australian mining industry which resulted in lower equipment deliveries and product support sales. In other regions such as Malaysia, Singapore and China, intensive competition particularly in the mining, construction and plantation sectors resulted in softer market conditions, affecting the Division's performance. The Division's order book stood at RM2.4 billion as at 3Q FY2015, with a lead time of between 4 to 12 months.

For the quarter under review, the **Motors Division** registered a PBIT of RM83.0 million compared to RM142.9 million in the previous corresponding period. Reduced earnings in Malaysia, China/Hong Kong and Singapore were mainly due to lower contributions from the mass market segment, super luxury operations and increase in Certificate of Entitlement (COE) premiums respectively. On a positive note, the Australia/New Zealand operations achieved higher contributions driven by strong showings of its luxury vehicles and truck business respectively. The Vietnam operations too continued to perform well, riding on the robust growth of the premium vehicle segment.

The **Property Division**'s PBIT for the period under review increased by 160 percent to RM273.8 million, from RM105.5 million in 3Q FY2014. This commendable performance was mainly attributable to higher profits from the Elmina East (Selangor) and Taman Pasir Putih (Johor) townships together with increased contributions from the construction progress of the Pagoh Education Hub project. The Division also made a gain from the joint venture land sale for development in Serenia City, Selangor. The Division's unbilled sales stands at RM1.8 billion as at 31st March 2015.

The **Energy & Utilities Division** achieved a PBIT of RM19.0 million for the period under review against a loss of RM2.3 million in the previous year's corresponding quarter. The PBIT increase was primarily due to the improved performance in general cargo and container throughput from the Weifang and Jining Ports.

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About Sime Darby

Sime Darby is a Malaysia-based diversified multinational involved in key growth sectors, namely, plantation, 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 120,000 employees in over 25 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 RM56 billion (USD15 billion) as at 21st May 2015.