QUARTERLY REPORT

On the consolidated results for the third quarter ended 31 March 2015

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Statement of Profit or Loss
Amounts in RM million unless otherwise stated

	Note	Quarter ended 31 March 2015	Quarter ended 31 March 2014	% +/(-)	Three quarters ended 31 March 2015	Three quarters ended 31 March 2014	% +/(-)
Continuing operations							
Revenue	A7	**9,997.8**	10,101.9	(1.0)	**30,864.2**	31,394.4	(1.7)
Operating expenses		**(9,606.2)**	(9,384.0)		**(29,432.7)**	(29,291.8)	
Other operating income		**188.7**	176.9		**573.1**	558.7	
Other gains/(losses)		**215.6**	59.3		**253.3**	24.2	
Operating profit	B6	**795.9**	954.1	(16.6)	**2,257.9**	2,685.5	(15.9)
Share of results of joint ventures		**(62.4)**	(10.3)		**(127.9)**	(22.9)	
Share of results of associates		**(53.9)**	87.7		**(48.0)**	125.1	
Profit before interest and tax	A7	**679.6**	1,031.5	(34.1)	**2,082.0**	2,787.7	(25.3)
Finance income		**37.5**	39.9		**128.3**	113.1	
Finance costs		**(121.9)**	(110.9)		**(347.5)**	(316.8)	
Profit before tax		**595.2**	960.5	(38.0)	**1,862.8**	2,584.0	(27.9)
Tax expense	B7	**(166.8)**	(109.1)		**(443.0)**	(430.4)	
Profit from continuing operations		**428.4**	851.4	(49.7)	**1,419.8**	2,153.6	(34.1)
Discontinued operations							
Profit from discontinued operations (see note below)	B6	**–**	30.6		**–**	104.2	
Profit for the period		**428.4**	882.0	(51.4)	**1,419.8**	2,257.8	(37.1)
Attributable to owners of:							
- the Company							
- from continuing operations		**386.0**	827.1		**1,324.1**	2,074.7	
- from discontinued operations		**–**	25.4		**–**	85.1	
		386.0	852.5	(54.7)	**1,324.1**	2,159.8	(38.7)
- non-controlling interests		**42.4**	29.5	43.7	**95.7**	98.0	(2.3)
Profit for the period		**428.4**	882.0	(51.4)	**1,419.8**	2,257.8	(37.1)
		Sen	**Sen**		**Sen**	**Sen**	
Earnings per share attributable to owners of the Company	B13						
Basic							
- from continuing operations		**6.22**	13.66		**21.67**	34.40	
- from discontinued operations		**–**	0.42		**–**	1.41	
		6.22	14.08	(55.8)	**21.67**	35.81	(39.5)
Diluted							
- from continuing operations		**6.22**	13.65		**21.65**	34.40	
- from discontinued operations		**–**	0.42		**–**	1.41	
		6.22	14.07	(55.8)	**21.65**	35.81	(39.5)

Note : The discontinued operations in the previous year was in relation to the disposal of the power generation business under Energy & Utilities division.

The unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2014.

SIME DARBY BERHAD
(Company No: 752404-U)
Unaudited Condensed Consolidated Statement of Comprehensive Income
Amounts in RM million unless otherwise stated

	Quarter ended 31 March			Three quarters ended 31 March		
	2015	**2014**	**% +/(-)**	**2015**	**2014**	**% +/(-)**
Profit for the period	**428.4**	882.0	(51.4)	**1,419.8**	2,257.8	(37.1)
Other comprehensive income/(loss)						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences:						
- subsidiaries	**30.0**	341.6		**154.8**	(109.7)	
Net changes in fair value of:						
- available-for-sale investments	**(15.2)**	5.2		**(32.6)**	8.6	
- cash flow hedges	**108.5**	(27.5)		**180.5**	25.9	
Share of other comprehensive income of:						
- joint ventures	**10.8**	40.7		**20.6**	68.4	
- associates	**5.0**	4.2		**1.7**	5.6	
Tax expense	**(13.8)**	13.9		**(55.2)**	(6.7)	
	125.3	378.1		**269.8**	(7.9)	
Reclassified changes in fair value of cash flow hedges to:						
- profit or loss	**(46.3)**	31.8		**(220.6)**	(18.8)	
- inventories	**0.3**	13.4		**(15.6)**	41.7	
Reclassified currency translation differences on repayment of net investment	**(148.1)**	(98.5)		**(148.1)**	(98.5)	
Reclassified currency translation differences on disposal of subsidiary	**–**	–		**0.5**	–	
Tax expense	**15.4**	(14.1)		**72.9**	(7.4)	
	(178.7)	(67.4)		**(310.9)**	(83.0)	
Items that will not be reclassified subsequently to profit or loss:						
Actuarial gains on defined benefit pension plans	**–**	–		–	0.2	
Share of actuarial (losses)/gains on defined benefit pension plans of a joint venture	**(20.9)**	17.6		**(20.9)**	17.6	
	(20.9)	17.6		**(20.9)**	17.8	
Total other comprehensive income/(loss) from continuing operations	**(74.3)**	328.3	(122.6)	**(62.0)**	(73.1)	15.2
Total other comprehensive income/(loss) from discontinued operations	**–**	3.0	(100.0)	–	(1.7)	100.0
Total comprehensive income for the period	**354.1**	1,213.3	(70.8)	**1,357.8**	2,183.0	(37.8)
Attributable to owners of:						
- the Company						
- from continuing operations	**286.4**	1,127.3		**1,215.4**	2,033.2	
- from discontinued operations	**–**	28.4		–	83.4	
	286.4	1,155.7	(75.2)	**1,215.4**	2,116.6	(42.6)
- non-controlling interests	**67.7**	57.6	17.5	**142.4**	66.4	114.5
Total comprehensive income for the period	**354.1**	1,213.3	(70.8)	**1,357.8**	2,183.0	(37.8)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2014.

SIME DARBY BERHAD
(Company No: 752404-U)
Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM million unless otherwise stated

	Note	Unaudited As at 31 March 2015	Audited As at 30 June 2014
Non-current assets			
Property, plant and equipment		**16,958.2**	14,346.7
Biological assets		**4,077.3**	2,534.1
Prepaid lease rentals		**929.3**	868.8
Investment properties		**560.4**	656.2
Land held for property development		**920.7**	927.7
Joint ventures		**1,983.0**	1,590.3
Associates		**1,504.0**	1,521.0
Available-for-sale investments		**116.5**	171.6
Intangible assets		**4,410.8**	1,233.5
Deferred tax assets		**1,120.1**	988.6
Tax recoverable		**462.2**	396.5
Derivatives	B10(a)	**221.3**	68.2
Receivables		**604.0**	587.6
Amounts due from customers on construction contracts		**514.3**	260.4
		34,382.1	26,151.2
Current assets			
Inventories		**9,967.9**	9,510.9
Property development costs		**2,468.1**	1,917.2
Receivables		**6,544.0**	6,526.0
Accrued billings and others		**1,366.5**	1,284.3
Tax recoverable		**317.1**	215.4
Derivatives	B10(a)	**95.9**	43.0
Cash held under Housing Development Accounts		**495.2**	514.2
Bank balances, deposits and cash		**3,671.4**	4,381.8
		24,926.1	24,392.8
Non-current assets held for sale (see note below)		**122.6**	392.2
Total assets	A7	**59,430.8**	50,936.2
Equity			
Share capital		**3,105.6**	3,032.1
Reserves		**25,872.0**	25,556.5
Attributable to owners of the Company		**28,977.6**	28,588.6
Non-controlling interests		**1,103.1**	876.7
Total equity		**30,080.7**	29,465.3
Non-current liabilities			
Borrowings	B9	**12,496.8**	8,109.2
Finance lease obligation		**140.9**	145.9
Provisions		**30.5**	49.3
Retirement benefits		**161.3**	141.5
Deferred income		**388.6**	375.7
Deferred tax liabilities		**1,596.5**	493.4
Derivatives	B10(a)	**50.6**	2.4
		14,865.2	9,317.4
Current liabilities			
Payables		**7,642.7**	8,105.2
Progress billings and others		**246.8**	208.7
Borrowings	B9	**5,351.9**	3,065.6
Finance lease obligation		**5.5**	6.6
Provisions		**281.9**	283.4
Deferred income		**83.8**	102.2
Tax payable		**283.7**	267.9
Derivatives	B10(a)	**131.8**	29.7
Dividend payable		**372.7**	–
		14,400.8	12,069.3
Liabilities associated with assets held for sale (see note below)		**84.1**	84.2
Total liabilities		**29,350.1**	21,470.9
Total equity and liabilities		**59,430.8**	50,936.2

Unaudited Condensed Consolidated Statement of Financial Position (continued)
Amounts in RM million unless otherwise stated

	Unaudited As at 31 March 2015	Audited As at 30 June 2014
Net assets per share attributable to owners of the Company (RM)	**4.67**	4.71

Note:

	Unaudited As at 31 March 2015	Audited As at 30 June 2014
Non-current assets held for sale		
Non-current assets		
Property, plant and equipment	**3.9**	–
Investment properties	–	2.5
Associate	–	262.9
Disposal group	**118.7**	126.8
	122.6	392.2
Liabilities associated with assets held for sale		
Disposal group	**84.1**	84.2

The disposal groups classified under non-current assets held for sale and liabilities associated with assets held for sale, are in respect of Syarikat Malacca Straits Inn Sdn Bhd and Sime Darby Australia Limited group.

The associate classified as non-current asset held for sale as at 30 June 2014 was in respect of the Group's 9.9% equity interest in Eastern & Oriental Berhad. The disposal was completed on 23 July 2014 (see Note A11.3).

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM million unless otherwise stated

Three quarters ended 31 March 2015	Share capital	Share premium	Share grant reserve	Revaluation reserve	Capital reserve	Legal reserve	Hedging reserve	Available-for-sale reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
At 1 July 2014	3,032.1	555.0	39.1	67.0	6,888.3	70.1	(39.5)	73.3	(45.2)	17,948.4	28,588.6	876.7	29,465.3
Total comprehensive income for the period	–	–	–	–	–	–	(38.0)	(37.3)	(12.5)	1,303.2	1,215.4	142.4	1,357.8
Transfer between reserves	–	–	–	–	(3.6)	(1.5)	–	–	–	5.1	–	–	–
Employee share scheme	–	–	50.9	–	–	–	–	–	–	–	50.9	–	50.9
Share of capital reserve of associates	–	–	–	–	0.2	–	–	–	–	–	0.2	–	0.2
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	119.8	119.8
Issue of shares in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	0.1	0.1
Dividends paid by way of:													
- issuance of shares *	73.5	1,241.1	–	–	–	–	–	–	–	(1,314.6)	–	–	–
- cash	–	–	–	–	–	–	–	–	–	(504.6)	(504.6)	(35.9)	(540.5)
Dividends payable	–	–	–	–	–	–	–	–	–	(372.7)	(372.7)	–	(372.7)
Share issue expenses	–	(0.2)	–	–	–	–	–	–	–	–	(0.2)	–	(0.2)
At 31 March 2015	3,105.6	1,795.9	90.0	67.0	6,884.9	68.6	(77.5)	36.0	(57.7)	17,064.8	28,977.6	1,103.1	30,080.7

* pursuant to the Dividend Reinvestment Plan

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM million unless otherwise stated

Three quarters ended 31 March 2014	**Share capital**	**Share premium**	**Share grant reserve**	**Revaluation reserve**	**Capital reserve**	**Legal reserve**	**Hedging reserve**	**Available-for-sale reserve**	**Exchange reserve**	**Retained profits**	**Attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
At 1 July 2013	3,004.7	100.6	–	67.9	6,753.6	75.4	(100.0)	62.7	369.3	16,762.1	27,096.3	884.8	27,981.1
Total comprehensive income for the period	–	–	–	–	–	–	35.1	7.5	(103.6)	2,177.6	2,116.6	66.4	2,183.0
Transfer between reserves	–	–	–	–	79.6	–	–	–	–	(79.6)	–	–	–
Employee share scheme	–	–	30.2	–	–	–	–	–	–	–	30.2	–	30.2
Share of capital reserve of associates	–	–	–	–	(0.8)	–	–	–	–	–	(0.8)	–	(0.8)
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	–	–	7.6	7.6
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	–	(57.0)	(57.0)	(20.3)	(77.3)
Dividends paid by way of:													
- issuance of shares *	27.4	455.1	–	–	–	–	–	–	–	(482.5)	–	–	–
- cash	–	–	–	–	–	–	–	–	–	(1,140.1)	(1,140.1)	(35.0)	(1,175.1)
Dividends payable	–	–	–	–	–	–	–	–	–	(363.8)	(363.8)	–	(363.8)
Share issue expenses	–	(0.7)	–	–	–	–	–	–	–	–	(0.7)	–	(0.7)
At 31 March 2014	3,032.1	555.0	30.2	67.9	6,832.4	75.4	(64.9)	70.2	265.7	16,816.7	27,680.7	903.5	28,584.2

* pursuant to the Dividend Reinvestment Plan

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2014.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM million unless otherwise stated

	Note	Three quarters ended 31 March 2015	2014
Profit after tax		**1,419.8**	2,257.8
Adjustments for:			
Gain on disposal of subsidiaries, a joint venture, an associate and other investments		**(51.8)**	(11.3)
Gain on disposal of properties		**(153.4)**	(51.6)
Share of results of joint ventures and associates		**175.9**	(102.2)
Finance income		**(128.3)**	(115.7)
Finance costs		**347.5**	318.5
Depreciation and amortisation		**860.9**	899.7
Amortisation of prepaid lease rentals		**31.6**	37.2
Tax expense		**443.0**	461.8
Other non-cash items		**(36.2)**	24.5
		2,909.0	3,718.7
Changes in working capital:			
Inventories and rental assets		**207.9**	(663.1)
Property development costs		**(295.7)**	(152.4)
Land held for property development		**(163.5)**	(32.8)
Trade and other receivables and prepayments		**114.6**	(335.3)
Trade and other payables and provisions		**(670.8)**	(317.0)
Cash generated from operations		**2,101.5**	2,218.1
Tax paid		**(658.8)**	(449.0)
Dividends from associates		**24.3**	29.3
Dividends from available-for-sale investments		**4.4**	13.0
Net cash from operating activities		**1,471.4**	1,811.4
Investing activities			
Finance income received		**111.9**	98.8
Purchase of property, plant and equipment		**(879.7)**	(955.8)
Purchase of subsidiaries and business	A11.2	**(5,954.3)**	(126.7)
Purchase/subscription of shares in joint ventures and associates		**(271.1)**	(223.7)
Purchase of investment properties		**(0.7)**	(5.3)
Purchase of intangible assets		**(157.2)**	(68.1)
Purchase of available-for-sale investments		**(55.6)**	(50.0)
Cost incurred on biological assets		**(144.9)**	(136.8)
Net cash inflow from sale of subsidiaries	A11.1	**41.1**	212.1
Payment for prepaid lease rental		**(47.3)**	(106.4)
Proceeds from sale of an associate		**318.4**	23.0
Proceeds from sale of available-for-sale investments		**77.0**	–
Proceeds from sale of property, plant and equipment		**307.8**	85.1
Proceeds from sale of investment property		**151.0**	1.0
Proceeds from sale of prepaid lease rental		**1.0**	1.6
Others		**(8.3)**	134.3
Net cash used in investing activities		**(6,510.9)**	(1,116.9)

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows (continued)
Amounts in RM million unless otherwise stated

	Three quarters ended 31 March	
	2015	**2014**
Financing activities		
Proceeds from shares issued to owners of non-controlling interest	**0.1**	–
Purchase of additional interest in subsidiaries	–	(77.3)
Share issue expenses	**(0.2)**	(0.7)
Finance costs paid	**(404.6)**	(294.5)
Long-term borrowings raised	**3,632.2**	1,393.7
Repayments of long-term borrowings	**(1,264.5)**	(371.7)
Revolving credits, trade facilities and other short-term borrowings (net)	**2,774.0**	(146.9)
Dividends paid	**(540.5)**	(1,175.1)
Net cash from/(used in) financing activities	**4,196.5**	(672.5)
Net changes in cash and cash equivalents	**(843.0)**	22.0
Foreign exchange differences	**174.7**	(31.3)
Cash and cash equivalents at beginning of the period	**4,802.2**	4,603.6
Cash and cash equivalents at end of the period	**4,133.9**	4,594.3

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprised the following:

Cash held under Housing Development Accounts	**495.2**	488.4
Bank balances, deposits and cash	**3,671.4**	4,193.1
Less:		
Bank overdrafts (Note B9)	**(32.7)**	(87.2)
	4,133.9	4,594.3

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2014.

EXPLANATORY NOTES

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Financial Reporting Standard (FRS) 134 – Interim Financial Reporting and other FRS issued by the Malaysian Accounting Standards Board (MASB). The interim financial report is unaudited and should be read in conjunction with the Group's audited annual financial statements for the financial year ended 30 June 2014.

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

In November 2011, the MASB issued the Malaysian Financial Reporting Standards Framework (MFRS Framework). MFRS Framework is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption in view of imminent changes which may change current accounting treatments. TEs are non-private entities within the scope of MFRS 141 – Agriculture and IC Interpretation 15 – Agreements for the Construction of Real Estate, including their parent, significant investor and venturer.

On 2 September 2014, the MASB issued MFRS Agriculture: Bearer Plants (Amendments to MFRS 116 – Property, Plant and Equipment and Amendments to MFRS 141 – Agriculture) and MFRS 15 – Revenue from Contracts with Customers, which shall apply to financial statements of annual periods beginning on or after 1 January 2016 and 1 January 2017 respectively. The MASB further notifies that TEs are required to comply with MFRS Framework for annual period beginning on or after 1 January 2017.

The Group and the Company, being a TE, will continue to comply with FRS until the MFRS Framework is adopted, no later than from the financial period beginning on 1 July 2017.

a) The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 30 June 2014, other than the adoption of the following standards:

- Amendments to FRS 1 – First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2 – Share-based payment
- Amendments to FRS 3 – Business Combinations
- Amendments to FRS 8 – Operating Segments
- Amendments to FRS 10 – Consolidated Financial Statements
- Amendments to FRS 12 – Disclosure of Interests in Other Entities
- Amendments to FRS 13 – Fair Value Measurement
- Amendments to FRS 116 – Property, Plant and Equipment
- Amendments to FRS 119 – Employee Benefits
- Amendments to FRS 124 – Related Party Disclosures
- Amendments to FRS 127 – Separate Financial Statements
- Amendments to FRS 132 – Financial Instruments: Presentation
- Amendments to FRS 136 – Impairment of Assets
- Amendments to FRS 138 – Intangible Assets
- Amendments to FRS 139 – Financial Instruments: Recognition and Measurement
- Amendments to FRS 140 – Investment Property
- IC Interpretation 21 – Levies

The adoption of the above did not result in any significant impact on the Group's results and financial position.

A1. Basis of Preparation (continued)

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are set out below.

(i) New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2016:

- FRS 14 – Regulatory Deferral Accounts
- Amendments to FRS 5 – Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7 – Financial Instruments: Disclosures
- Amendments to FRS 10 – Consolidated Financial Statements
- Amendments to FRS 11 – Joint Arrangements
- Amendments to FRS 12 – Disclosure of Interests in Other Entities
- Amendments to FRS 101 – Presentation of Financial Statements
- Amendments to FRS 116 – Property, Plant and Equipment
- Amendments to FRS 119 – Employee Benefits
- Amendments to FRS 127 – Separate Financial Statements
- Amendments to FRS 128 – Investment in Associates and Joint Ventures
- Amendments to FRS 134 – Interim Financial Reporting
- Amendments to FRS 138 – Intangible Assets

(ii) New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2018:

- FRS 9 – Financial Instruments
- Amendments to FRS 7 – Financial Instruments: Disclosures

The adoption of the above standards will not result in any changes to the Group's accounting policies, results and financial position.

A2. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except for the fresh fruit bunch production in the Plantation division which may be affected by the vagaries of weather and cropping patterns.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

A4. Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter under review.

Amounts in RM million unless otherwise stated

A5. Debt and Equity Securities

Save for the following, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

a) New Ordinary Shares

On 5 January 2015, the Company increased its issued and paid-up share capital from RM3,032,053,404 to RM3,105,579,143 via the issuance of 147,051,477 new ordinary shares of RM0.50 each for RM8.94 per share pursuant to the Dividend Reinvestment Plan (see Note A6). The new ordinary shares rank pari passu in all respect with the existing shares of the Company.

b) Performance-Based Employee Share Scheme

On 20 October 2014, the Company offered the 2nd Grant of ordinary shares of RM0.50 each of the Company under the Performance-Based Employee Share Scheme which comprises the Group Performance Share (GPS) Grant, Division Performance Share (DPS) Grant and General Employee Share (GES) Grant to eligible employees of the Group as follows:

<u>Description of 2nd Grant Offer</u>

	GPS	**DPS**	**GES**
Number of shares offered to the eligible employees			
(i) President & Group Chief Executive	82,200	65,300	–
(ii) Other eligible employees	3,817,100	5,194,700	5,422,600
Total	3,899,300	5,260,000	5,422,600

Closing market price of the Company's shares on the date of the 2nd Grant	RM9.16
Vesting period of the 2nd Grant	Over a 3-year period commencing 1 July 2014

Vesting of the shares is subject to the eligible employees meeting their individual performance targets, the Group/Division meeting certain financial/strategic targets and/or the market price of the Company's shares exceeding certain thresholds.

Depending on the level of achievement of the performance targets as determined by the Nomination & Remuneration Committee, the total number of shares which will vest may be lower or higher than the total number of shares offered.

c) Redemption of Debt Securities

On 16 November 2014, the Company redeemed its 5-year RM700.0 million Islamic Medium Term Notes issued on 16 November 2009, upon its maturity.

A6. Dividends Paid

The final single tier dividend of 30.0 sen per share for the financial year ended 30 June 2014 amounting to RM1,819.2 million was approved by the shareholders on 13 November 2014. Shareholders were given the option to reinvest the entire dividend or a portion thereof in new ordinary shares of RM0.50 each in the Company in accordance with the Dividend Reinvestment Plan at the issue price of RM8.94 per share. Based on the election made by shareholders, the final dividend was paid on 5 January 2015 by way of 147,051,477 new ordinary shares of RM0.50 each in the Company and the balance of RM504.6 million in cash.

An interim single tier dividend of 6.0 sen per share for the financial year ending 30 June 2015 amounting to RM372.7 million was paid on 8 May 2015.

SIME DARBY BERHAD
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A7. Segment Information

The Group has five reportable segments, which are the Group's strategic business units. These strategic business units offer different products and services, and are managed separately. Each of the strategic business units are headed by an Executive Vice President and the President & Group Chief Executive reviews the internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

	Continuing operations									
	Plantation	Industrial	Motors	Property	Energy & Utilities	Others	Elimination/ Corporate expense	Total	Dis-continued operations	Total
Three quarters ended 31 March 2015										
Segment revenue:										
External	6,849.5	7,516.3	13,800.3	2,092.4	550.6	55.1	–	30,864.2	–	30,864.2
Inter-segment	0.2	49.0	25.7	21.5	32.6	7.8	(136.8)	–	–	–
	6,849.7	7,565.3	13,826.0	2,113.9	583.2	62.9	(136.8)	30,864.2	–	30,864.2
Segment result:										
Operating profit	684.9	388.5	325.7	561.5	99.7	13.9	183.7	2,257.9	–	2,257.9
Share of results of joint ventures and associates	(26.2)	6.9	5.5	(88.5)[1]	(11.2)	(62.4)	–	(175.9)	–	(175.9)
Profit before interest and tax	658.7	395.4	331.2	473.0	88.5	(48.5)	183.7	2,082.0	–	2,082.0

Note:

1. Include adjustment for unrealised profit of RM39.5 million arising from the sale of land from the Group to a joint venture.

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations									
	Plantation	**Industrial**	**Motors**	**Property**	**Energy & Utilities**	**Others**	**Elimination/ Corporate expense**	**Total**	**Dis-continued operations**	**Total**
Three quarters ended 31 March 2014										
Segment revenue:										
External	7,670.1	8,975.2	12,818.6	1,369.7	503.5	57.3	–	31,394.4	538.8	31,933.2
Inter-segment	0.3	37.2	27.4	21.4	13.8	7.9	(108.0)	–	–	–
	7,670.4	9,012.4	12,846.0	1,391.1	517.3	65.2	(108.0)	31,394.4	538.8	31,933.2
Segment result:										
Operating profit	1,239.8	799.2	399.2	170.9	4.3	19.8	52.3	2,685.5	134.7	2,820.2
Share of results of joint ventures and associates	(22.9)	10.1	3.7	72.3	9.4	29.6	–	102.2	–	102.2
Profit before interest and tax	1,216.9	809.3	402.9	243.2	13.7	49.4	52.3	2,787.7	134.7	2,922.4

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 31 March 2015
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A7. Segment Information (continued)

	Plantation	**Industrial**	**Motors**	**Property**	**Energy & Utilities**	**Others**	**Corporate**	**Total**
As at 31 March 2015								
Segment assets:								
Operating assets	**23,466.3[1]**	**9,999.0**	**9,173.8**	**7,850.0**	**2,374.5**	**135.9**	**922.3[2]**	**53,921.8**
Joint ventures and associates	**612.4**	**193.6**	**87.8**	**1,738.9**	**221.2**	**633.1**	**–**	**3,487.0**
Non-current assets held for sale	**3.8**	**–**	**–**	**118.8**	**–**	**–**	**–**	**122.6**
	24,082.5	**10,192.6**	**9,261.6**	**9,707.7**	**2,595.7**	**769.0**	**922.3**	**57,531.4**
Tax assets								**1,899.4**
Total assets								**59,430.8**
As at 30 June 2014								
Segment assets:								
Operating assets	15,195.1	10,059.5	8,672.4	7,181.5	2,310.1	158.2	2,255.4	45,832.2
Joint ventures and associates	562.5	164.8	77.3	1,677.6	(64.7)	693.8	–	3,111.3
Non-current assets held for sale	–	–	–	392.2	–	–	–	392.2
	15,757.6	10,224.3	8,749.7	9,251.3	2,245.4	852.0	2,255.4	49,335.7
Tax assets								1,600.5
Total assets								50,936.2

Note:

1. The increase in the operating assets of Plantation is largely due to the acquisition of New Britain Palm Oil Limited (NBPOL) group.
2. The reduction in the operating assets of Corporate is attributable to the lower bank balances following the payment of dividend and to part fund the acquisition of NBPOL.

Amounts in RM million unless otherwise stated

A8. Capital Commitments

Authorised capital expenditure not provided for in the interim financial report is as follows:

	As at 31 March 2015	As at 30 June 2014
Property, plant and equipment		
- contracted	**1,099.1**	788.2
- not contracted	**2,553.1**	2,790.8
	3,652.2	3,579.0
Other capital expenditure		
- contracted	**169.6**	551.0
- not contracted	**1,021.5**	697.1
	4,843.3	4,827.1

A9. Significant Related Party Transactions

Related party transactions conducted during the three quarters ended 31 March are as follows:

	Three quarters ended 31 March 2015	2014
a) Transactions with joint ventures		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**38.6**	52.6
Sales and services to Terberg Tractors Malaysia Sdn Bhd (TTM)	**2.0**	12.0
Purchase of terminal tractors, parts and engine from TTM	**9.2**	–
Disposal of a subsidiary, Sime Darby TMA Sdn Bhd, to TTM	**–**	25.0
Disposal of property, plant and equipment to Weifang Port Services Co Ltd	**309.0**	–
Sales of land to Sime Darby Sunsuria Development Sdn Bhd	**241.8**	–
b) Transactions with associates		
Sales of products and services to Tesco Stores (Malaysia) Sdn Bhd	**14.3**	16.4
Sales and services for parts to Energy Power Systems (Australia) Pty Ltd	**8.2**	–
Provision of services by Sitech Construction Systems Pty Ltd	**3.0**	5.3
Purchase of paints material from Sime Kansai Paints Sdn Bhd	**4.7**	3.1
c) Transactions between subsidiaries and their significant owners of non-controlling interests		
Turnkey works rendered by Brunsfield Engineering Sdn Bhd to Sime Darby Brunsfield Holding Sdn Bhd (SDBH) group, companies in which Tan Sri Dato' Dr Ir Gan Thian Leong (Tan Sri Dato' Gan) and Encik Mohamad Hassan Zakaria (Encik Hassan) are substantial shareholders	**220.3**	114.7
Sale of Subang Avenue, an investment property by SDBH group to Subang Mall Property Sdn Bhd (SMPSB), companies in which Tan Sri Dato' Gan and Encik Hassan, are substantial shareholders	**139.5**	–
Project management services rendered by Tunas Selatan Construction Sdn Bhd, the holding company of Tunas Selatan Pagoh Sdn Bhd to Sime Darby Property Selatan Sdn Bhd (SDPS)	**5.3**	5.0

Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions (continued)

Related party transactions conducted during the three quarters ended 31 March are as follows: (continued)

	Three quarters ended 31 March	
	2015	**2014**
c) Transactions between subsidiaries and their significant owners of non-controlling interests (continued)		
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	**17.4**	20.3
Sale of vehicles and parts by Jaguar Land Rover (M) Sdn Bhd to Sisma Auto Sdn Bhd	**78.1**	–
Contract assembly service provided by Inokom Corporation Sdn Bhd (ICSB) to Berjaya Corporation Berhad group	**58.9**	26.0
Royalty payment to and procurement of cars and ancillary services by ICSB from Hyundai Motor Company and its related companies	**149.2**	170.8
Sale of motor vehicles to Tan Sri Mokhzani Mahathir, the shareholder of Mahawangsa Holdings Sdn Bhd (Mahawangsa). Mahawangsa has equity interest in both Sime Darby Auto Performance Sdn Bhd and Sime Darby Auto Britannia Sdn Bhd	**5.3**	–
d) Transactions between subsidiary and company in which the subsidiary's director has equity interest		
Architectural services rendered to SDPS by Akitek Jururancang (M) Sdn Bhd, a company in which Dato' Sri Hj Esa, a director of SDPS has an equity interest	**1.5**	8.6
e) Transactions with firm in which a Director of the Company is a partner		
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	**–**	0.3
f) Transactions with Directors and their close family members		
Sales of properties and cars by the Group	**2.7**	3.2
Sales of properties by Battersea Project Phase 1 Company Limited, a joint venture	**–**	7.5
g) Transactions with key management personnel and their close family members		
Sales of properties and cars by the Group	**0.7**	3.4
Sales of properties by Battersea Project Phase 3 Residential Company Limited, a joint venture	**17.4**	–

A9. Significant Related Party Transactions (continued)

Related party transactions conducted during the three quarters ended 31 March are as follows: (continued)

h) Transactions with shareholders and Government

Permodalan Nasional Berhad (PNB) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad, together owns 53.0% as at 31 March 2015 of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (YPB). The Group considers that, for the purpose of FRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

Transactions entered into during the financial period under review with government-related entities include the sales and purchases of goods and services. These related party transactions were entered into in the ordinary course of business on normal trade terms and conditions and do not require the approval of shareholders except for the purchase of chemicals and fertilisers from Chemical Company of Malaysia Berhad and its subsidiaries, companies in which YPB has substantial indirect interest, amounting to RM30.2 million (2014: RM60.7 million). Shareholders' mandate was obtained for this recurrent related party transaction during the last annual general meeting.

A10. Material Events Subsequent to the End of the Financial Period

On 2 March 2015, Sime Darby Plantation Sdn Bhd (SDP) completed the acquisition of the 98.8% equity interest in New Britain Palm Oil Limited (NBPOL) (see Note A11.2). Consequent to the purchase, on 21 April 2015, SDP compulsorily acquired the remaining 1,754,161 ordinary shares of NBPOL in accordance with the Papua New Guinea Takeovers Code 1998, for a total cash consideration of PGK50.5 million (equivalent to RM66.9 million). With the completion of the compulsory acquisition, NBPOL is now a wholly owned subsidiary of SDP.

Save for the above, there was no material event subsequent to the end of the current quarter under review to 14 May 2015, being a date not earlier than 7 days from the date of issue of the quarterly report.

Amounts in RM million unless otherwise stated

A11. Effect of Significant Changes in the Composition of the Group

1. Establishment of new companies

   a) On 28 September 2014, Sime Darby CEL Machinery (Guangxi) Company Limited (SDCMG) was established in the People's Republic of China with a registered share capital of RMB5 million wholly held by Sime Darby CEL (South China) Limited. The intended principal activities of SDCMG are technical development on machinery, technical consultation on machinery engineering and international business consultation.

   b) On 23 December 2014, Sime Darby Commodities Europe BV (SDCE) was incorporated in The Netherlands. The entire issued share capital of SDCE of Euro100 was subscribed and held by Sime Darby Netherlands BV. The intended principal activities of SDCE are trading of crude palm oil and palm oil products and feedstock procurement.

   Both SDCMG and SDCE have yet to commence operations.

2. Acquisition of subsidiaries

   a) On 11 September 2014, Sime-Morakot Holdings (Thailand) Limited and Sime Darby Plantation Europe Ltd completed the acquisition of 199,999,000 ordinary shares of THB1.00 each, representing 99.9995% equity interest in Industrial Enterprises Co Ltd (IEC) for a total purchase consideration of THB815 million (equivalent to RM80.9 million) less the net debt position of IEC at completion of THB817.5 million (equivalent to RM81.2 million). IEC was incorporated in Thailand and is principally involved in the business of crushing, refining and distribution of edible oil.

   b) On 5 December 2014, North Shore Motor Holdings Limited completed the acquisition of the entire 3 ordinary shares and advances in Sodor Properties Limited (SPL) at a purchase consideration of NZD9 million (equivalent to RM24.7 million). SPL was incorporated in New Zealand and owns a piece of land in Auckland, New Zealand.

   c) On 2 March 2015, Sime Darby Plantation Sdn Bhd completed the acquisition of 149,794,781 ordinary shares representing 98.8% equity interest in New Britain Palm Oil Limited (NBPOL) for a total cash consideration of PGK4.3 billion (equivalent to RM6.0 billion). NBPOL was incorporated in Papua New Guinea and is principally engaged in the business of cultivating and processing of palm oil.

   Details of the net assets and net cash outflow arising from the acquisition of subsidiaries are as follows:

	Book value	Fair value
Property, plant and equipment	2,640.4	2,713.8
Biological assets	1,331.7	1,331.7
Intangible assets	164.9	164.9
Borrowings	(958.4)	(958.4)
Deferred tax liabilities	(1,048.4)	(1,048.4)
Net current assets	994.3	994.3
Net assets acquired	3,124.5	3,197.9
Non-controlling interest		(119.8)
Goodwill		2,911.2
Net purchase consideration		5,989.3
Less: Cash and cash equivalent of subsidiaries acquired		(35.0)
Net cash outflow on acquisition		5,954.3

   In accordance with FRS 3, the identifiable assets acquired and the liabilities assumed at the acquisition date shall be measured at fair value within the measurement period of one year from the date of acquisition. The Group has engaged independent professional firms to perform a purchase price allocation exercise on the acquisition of NBPOL. The value of assets acquired, liabilities assumed and the goodwill will be revised upon the completion of the exercise.

Amounts in RM million unless otherwise stated

A11. Effect of Significant Changes in the Composition of the Group (continued)

2. Acquisition of subsidiaries (continued)

The newly acquired subsidiaries contributed RM129.2 million to the Group's revenue and a profit of RM1.7 million to the Group's profit attributable to owners of the Company for the three quarters ended 31 March 2015. If the acquisitions were effective on 1 July 2014, the Group's revenue and profit attributable to owners of the Company for the three quarters ended 31 March 2015 would have been RM32,130.2 million and RM1,361.2 million respectively.

3. Disposal of subsidiaries and associate

a) On 23 July 2014, the Group completed the disposal of its 9.9% equity interest (excluding treasury stocks) in Eastern & Oriental Berhad (E&O) for a total cash consideration of RM319 million. The disposal resulted in a gain of RM55.5 million, net of transaction costs. Following the completion of the disposal, the Group's interest in E&O has reduced to 22.1%.

b) On 28 November 2014, Sime Darby China Oils And Fats Company Limited entered into an Equity Transfer Agreement (ETA) with Shandong Wanbao Agricultural Co Ltd to dispose 55% of its 100% equity interest in Rizhao Sime Darby Oils & Fats Co Ltd for a total cash consideration of RMB85.3 million (equivalent to RM46.5 million).

The disposal is subject to certain conditions precedent and the legal completion is expected within 6 months from the date of execution of the ETA or such other date as agreed by the parties in writing.

c) On 13 January 2015, Sime Darby Brunsfield Holding Sdn Bhd disposed its entire equity interest in 3 dormant subsidiaries, namely Sime Darby Brunsfield Project Management Sdn Bhd, Sime Darby Taipan City Sdn Bhd and Sime Darby Brunsfield Property Management Sdn Bhd to Brunsfield Development Holdings Sdn Bhd and Brunsfield Technology Holdings Sdn Bhd for a total cash consideration of RM8,000.

Details of the net assets and net cash inflow arising from the disposal of subsidiaries are as follows:

	Three quarters ended 31 March 2015
Property, plant and equipment	**61.0**
Prepaid lease rentals	**26.9**
Deferred tax assets	**0.2**
Net current liabilities	**(0.3)**
Net assets disposed	**87.8**
Loss on disposal	**(3.7)**
Less: Exchange loss included in the loss on disposal	**0.5**
Proceeds from disposal, net of transaction costs	**84.6**
Less: Cash and cash equivalent in subsidiaries disposed	**(3.9)**
Less: Fair value of retained portion of investment	**(38.1)**
Less: Balance consideration outstanding	**(46.5)**
Net cash outflow from disposal of subsidiaries during the period	**(3.9)**
Net cash outflow from disposal of subsidiaries during the period	**(3.9)**
Proceeds from disposal of a subsidiary in previous year	**45.0**
Net cash inflow from disposal of subsidiaries	**41.1**

Amounts in RM million unless otherwise stated

A12. Contingent Liabilities – unsecured

a) Guarantees

In the ordinary course of business, the Group may issue surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. A liability from the performance guarantees would only arise in the event the Group fails to fulfil its contractual obligations.

The performance guarantees and financial guarantees are as follows:

	As at 14 May 2015	**As at 30 June 2014**
Performance guarantees and advance payment guarantees to customers of the Group	**2,966.9**	2,848.2
Guarantees in respect of credit facilities granted to:		
- certain associates and a joint venture	**81.4**	44.8
- plasma stakeholders	**85.0**	61.5
	3,133.3	2,954.5

In cases where the Group is required to issue a surety bond or letter of credit for the entire contract despite holding partial interest in a venture, the Group will seek counter-indemnity from the other venture partners. As at 14 May 2015, the Group received counter-indemnities amounting to RM212.1 million (30 June 2014: RM212.1 million).

In addition, the Group guarantees the payment from its customers under a risk sharing arrangement with a third party leasing company in connection with the sale of its equipment up to a pre-determined amount. As at 14 May 2015, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM348.2 million (30 June 2014: RM254.0 million).

b) Claims

	As at 14 May 2015	**As at 30 June 2014**
Claims pending against the Group	**7.3**	19.4

The claims include disputed amounts for the supply of goods and services.

Amounts in RM million unless otherwise stated

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	Three quarters ended 31 March		%
	2015	**2014**	**+/(-)**
Revenue	**30,864.2**	31,394.4	(1.7)
Segment results			
Plantation	**658.7**	1,216.9	(45.9)
Industrial	**395.4**	809.3	(51.1)
Motors	**331.2**	402.9	(17.8)
Property	**473.0**	243.2	94.5
Energy & Utilities	**88.5**	13.7	546.0
Others	**(48.5)**	49.4	(198.2)
	1,898.3	2,735.4	(30.6)
Exchange gain			
Unrealised	**2.7**	–	
Realised	**234.6**	99.6	
Corporate expense and elimination	**(53.6)**	(47.3)	
Profit before interest and tax	**2,082.0**	2,787.7	(25.3)
Finance income	**128.3**	113.1	
Finance costs	**(347.5)**	(316.8)	
Profit before tax	**1,862.8**	2,584.0	(27.9)
Tax expense	**(443.0)**	(430.4)	
Profit from continuing operations	**1,419.8**	2,153.6	(34.1)
Profit from discontinued operations	**–**	104.2	
Profit for the period	**1,419.8**	2,257.8	(37.1)
Non-controlling interests	**(95.7)**	(98.0)	
Profit after tax and non-controlling interests	**1,324.1**	2,159.8	(38.7)

The Group revenue at RM30.9 billion for the three quarters ended 31 March 2015 was a slight decline of 1.7% compared to the corresponding period of the previous year. Group profit before tax dropped by 27.9% to RM1,862.8 million largely due to lower earnings from all business segments, except for Property and Energy & Utilities.

Profit attributable to shareholders of the Company at RM1,324.1 million was lower by 38.7% against RM2,159.8 million in the corresponding period of the previous year.

Analysis of the results of each segment is as follows:

a) Plantation

The Plantation division registered a 45.9% reduction in profit primarily due to lower contribution from the upstream operations as a result of the lower average crude palm oil (CPO) price realised of RM2,171 per tonne against RM2,439 per tonne for the similar period a year ago. Lower fresh fruit bunch (FFB) production was registered in both Malaysia and Indonesia by 7.8% and 7.3% respectively. The decline in FFB production in Malaysia and Indonesia was largely attributable to the change in cropping pattern driven by severe weather conditions.

Midstream and downstream operations recorded a lower profit of RM30.3 million for the current period compared to a profit of RM67.8 million previously. The lower profit was attributable to lower off-take of bio-diesel from petroleum companies due to the drop in crude oil price and lower sales volume of differentiated products.

The Group completed the acquisition of New Britain Palm Oil Limited (NBPOL) on 2 March 2015 and for the period post-acquisition, NBPOL contributed a profit of RM7.5 million.

B1. Review of Group Performance (continued)

b) Industrial

Contribution from the Industrial division suffered a sharp decline of 51.1% from RM809.3 million to RM395.4 million. The drop was largely due to the lower equipment delivery and product support sales at lower margin realisation to the mining sector in Australia. Commodity prices continue to decline and coal prices in Australia are now at near marginal cost of production. As a result, the market for equipment continued to contract and competition in the product support business is intense.

The operations in all other regions also registered lower profit resulting from lower equipment and engine deliveries on weaker market demand from the construction, mining, marine and electric power generation sectors.

c) Motors

The Motors division's earnings slide by 17.8% compared to the previous year resulted from lower profit from the operations in Malaysia, China/Hong Kong and Thailand. Malaysia was affected by lower contribution from Hyundai and Jaguar Land Rover as sales and margin were negatively impacted due to the uncertainty on the Goods and Services Tax and the abolishment of Sales Tax on 1 April 2015. The decrease in China/Hong Kong contribution was mainly due to lower profit from BMW operations and continued stiff competition in the super luxury car segment which has narrowed margins. The operations in Thailand continued to incur losses due to intense competition amongst dealers as total industry volume continues to decline.

The BMW operations in Australia and Vietnam, and the truck operations in New Zealand continued to perform well.

d) Property

Contribution from Property jumped by 94.5% compared to the previous year mainly due to a profit of RM64.4 million registered on the sale of 306 acres of land in Ulu Langat and Sepang to a joint venture for development, higher contribution from Elmina East and Bandar Bukit Raja townships and higher profit from the construction of Pagoh education hub. Included in the result are the gains on the disposal of 9.9% equity interest in Eastern & Oriental Berhad and Subang Avenue of RM55.5 million and RM55.2 million respectively.

e) Energy & Utilities

Energy & Utilities' contribution increased by RM74.8 million to RM88.5 million mainly due to a net gain of RM21.0 million on disposal of the wavebreaker in Weifang Port to a joint venture company, Weifang Port Services Co Ltd, higher throughput in Weifang and Jining ports and higher water consumption. The ports and water operations also achieved higher average tariffs compared to the previous year.

f) Others

Other businesses registered a loss of RM48.5 million mainly attributable to the share of losses from Tesco Stores (Malaysia) Sdn Bhd and lower contribution from insurance brokerage business.

The results of Tesco Malaysia was affected by a one-off charge of RM352.2 million being non-cash adjustment to balance sheet carrying values of two key items principally property, plant and equipment and stocks. The annual review of the carrying value of the stores, undertaken to ensure that they are supported by their value in use or their fair value less costs to sell, have resulted in an impairment charge of RM229.7 million against the trading stores. The impairment was largely reflective of the challenging industry conditions and the recent decline in profit. There was also a one-off adjustment of RM122.5 million in stock-related charges following from the adoption of a forward-looking provisioning methodology which is adopted group-wide in Tesco Plc.

g) Realised exchange gain

Exchange gain of RM234.6 million was realised largely arising from the settlement of foreign currencies denominated intercompany loans during the period.

Amounts in RM million unless otherwise stated

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter

	Quarter ended		
	31 March 2015	**31 December 2014**	**% +/(-)**
Revenue	**9,997.8**	10,742.0	(6.9)
Segment results			
Plantation	**99.6**	269.8	(63.1)
Industrial	**79.2**	126.1	(37.2)
Motors	**83.0**	138.2	(39.9)
Property	**273.8**	62.1	340.9
Energy & Utilities	**19.0**	47.8	(60.3)
Others	**(53.9)**	(2.9)	(1,758.6)
	500.7	641.1	(21.9)
Exchange gain/(loss):			
Unrealised	**(11.9)**	14.6	
Realised	**240.0**	(5.2)	
Corporate expense and elimination	**(49.2)**	6.9	
Profit before interest and tax	**679.6**	657.4	3.4
Finance income	**37.5**	45.0	
Finance costs	**(121.9)**	(109.7)	
Profit before tax	**595.2**	592.7	0.4
Tax expense	**(166.8)**	(127.9)	
Profit for the period	**428.4**	464.8	(7.8)
Non-controlling interests	**(42.4)**	(27.4)	
Profit after tax and non-controlling interests	**386.0**	437.4	(11.8)

Group revenue was lower by 6.9% while the pre-tax profit at RM595.2 million was about the same as that of the preceding quarter. Net earnings of the Group declined by 11.8% to RM386.0 million largely attributable to lower earnings from all divisions except Property.

a) Plantation

Profit from Plantation fell by 63.1% in the current quarter despite the higher average CPO price realised of RM2,209 per tonne against RM2,123 per tonne in the preceding quarter. The decline in profit was attributable to the lower CPO sales volume of 20.2% and lower overall FFB production by 14.8%. FFB production in Malaysia and Indonesia dropped by 11.6% and 20.3% respectively.

Midstream and downstream operations recorded higher profit of RM39.6 million compared to RM9.6 million in the preceding quarter mainly due to improvement in the oil and fats segment.

b) Industrial

Contribution from Industrial division was lower by 37.2% largely attributable to lower profit from Australasia operations due to lower equipment deliveries and product support sales to the mining sector as the unfavourable coal prices continue to weaken the Australian mining sector.

In China/Hong Kong, the operations was affected by lower equipment and engines deliveries due to the softening in construction sector and the Lunar festive season.

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (continued)

c) Motors

Motors division recorded a lower profit by 39.9% to RM83.0 million mainly due to lower profits recorded from Malaysia and Singapore operations. Sales and margin in Malaysia were affected by the uncertainty in the market on the Goods and Services Tax and the abolishment of Sales Tax on 1 April 2015.

The operations in China/Hong Kong recorded improved profits from BMW operations.

d) Property

Profit from Property for the current quarter jumped by 340.9% compared to the preceding quarter attributable to a profit of RM64.4 million from the sale of land to Sime Darby Sunsuria Development Sdn Bhd for development, higher contribution from Elmina East and Taman Pasir Putih, higher contribution from the construction of Pagoh education hub and the gain of RM55.2 million on the disposal of Subang Avenue.

e) Energy & Utilities

Profit from Energy & Utilities declined by RM28.8 million to RM19.0 million as the preceding quarter includes a net gain of RM21.0 million on disposal of wavebreaker in Weifang Port to a joint venture company. The ports and water operations in China registered lower profit mainly due to lower container throughput and water consumption as a result of lesser activities during the festive season in February 2015.

f) Others

Losses from Other businesses increased to RM53.9 million in the quarter under review due to the share of losses from Tesco Stores (Malaysia) Sdn Bhd of RM65.0 million.

B3. Prospects

The global economy remains challenging with slower than expected growth in the United States of America and the downturn in China having far-reaching consequences for global oil and commodities markets. Crude oil and commodity prices remain weak and the volatile interest and foreign exchange rates have resulted in much tougher operating conditions in the respective markets where the Group operates.

Crude palm oil (CPO) prices continue to remain subdued due to the anticipation of higher output of fresh fruit bunches and good production of other vegetable oils. The CPO price outlook is expected to remain sluggish, weighed down by high inventory. However, the implementation of the palm oil export levy in Indonesia to fund the biodiesel subsidy and the roll-out in both Malaysia and Indonesia to accelerate biodiesel consumption would support CPO prices. The Plantation division has completed the acquisition of New Britain Palm Oil Limited on 2 March 2015, and consequently has increased its oil palm planted hectarage by another 79,800 hectares and two refineries, one in Papua New Guinea and the other in Liverpool, England. The acquisition improves the geographic diversity of the Group's palm oil sources and will immediately add to profitability and cash generation.

The Industrial division is operating in a very challenging environment as a result of low mineral prices, coal in particular. The prolonged weakness in the mining sector in Australia has resulted in mining companies scaling down expansion of new mines and deferring purchase of new equipment and also deferring scheduled maintenance works. This has resulted in aggressive discounting of parts and services, further compressing depressed margins. The division is focussed on cost savings, in particular staff and other operational costs. The softer Australian Dollar and the Malaysian Ringgit against the US Dollar have also impacted margins. The lower growth rate and curtailment of government spending in China on infrastructure works have resulted in shrinkage in the equipment market but this is expected to be offset by improvements in the power systems operations.

The market slowdown has affected the Motors division but, the impact has been mitigated by its good geographic spread and the wide range of marques that it carries. The Malaysian operations has recorded lower volumes post the Goods and Services Tax (GST) on 1 April 2015, as significant stocks have been cleared by dealers, pre GST. Volumes are expected to gradually pick up. In addition, the weaker Ringgit against the US Dollar and certain other currencies, has resulted in tighter margins. In China, the margin on luxury car sector remains under pressure with intense competition but, the market is expected to improve as stock levels are lowered. The division has benefited from its recent acquisitions in Australia and Vietnam which have contributed positively and have mitigated the effects of the softer market in the other regions.

The Malaysian residential property market is soft and is expected to remain subdued due to cautious consumer spending and tighter lending policies. However, demand for affordable and medium priced landed properties in choice locations continues to be strong in the Greater KL (Kuala Lumpur Conurbation). The Property division's recent property launches, particularly landed properties, continue to be well taken-up. The Battersea Development Project is progressing well and the property market in London remains robust.

The Energy & Utilities division's ports operations in China continue to generate higher throughput due to the increased capacity and strong demand despite the slower economic growth in China. The on-going expansion programme in Weifang Port would position the division to capitalise on the strong demand for port services in the region when growth momentum picks up.

In view of the difficult business environment, the Board expects the Group's performance for the financial year ending 30 June 2015 to be lower than that of the previous financial year. The Group will also not meet the target Key Performance Indicators (KPIs) announced in November 2014.

B4. Statement by Board of Directors on Internal Targets

The Group's key performance indicators (KPI) for the financial year ending 30 June 2015 as approved by the Board of Directors on 27 November 2014 and the achievement for the three quarters ended 31 March 2015 are as follows:

	Actual Three quarters ended 31 March 2015	**Target Year ending 30 June 2015**
Profit attributable to owners of the Company (RM million)	1,324.1	2,500
Return on average shareholders' equity (%)	4.6	8.5

For the three quarters ended 31 March 2015, the profit attributable to ordinary equity holders and the return on average shareholders' equity achieved by the Group are approximately 53.0% and 54.1% respectively of its targets.

B5. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B6. Operating Profit

	Quarter ended 31 March		**Three quarters ended 31 March**	
	2015	**2014**	**2015**	**2014**
Included in operating profit are:				
Depreciation and amortisation	**(279.5)**	(286.4)	**(860.9)**	(864.1)
Amortisation of prepaid lease rentals	**(10.1)**	(11.9)	**(31.6)**	(37.2)
Reversal of impairment/(Impairment) of				
- property, plant and equipment	**0.5**	(0.2)	**0.3**	13.7
- receivables	**(1.3)**	(2.0)	**3.8**	16.7
- investment property	**–**	–	**(3.4)**	–
Write down of inventories (net)	**(37.4)**	(0.5)	**(96.3)**	(21.4)
Gain/(loss) on disposal of				
- a subsidiary	**–**	–	**(3.7)**	12.1
- an associate	**–**	–	**55.5**	(0.8)
- property, plant and equipment				
- land and buildings	**32.7**	4.3	**89.2**	49.2
- others	**1.3**	(1.5)	**7.4**	(0.3)
- prepaid lease rentals	**–**	0.1	**0.1**	1.5
- investment properties	**55.2**	–	**64.1**	0.9
Net foreign exchange gain	**197.0**	94.5	**59.0**	11.3
Gain/(loss) on cross currency swap contract	**49.5**	(33.0)	**225.6**	16.2
Loss on forward foreign exchange contracts	**(30.9)**	(2.2)	**(31.3)**	(3.3)
Included in discontinued operations is:				
Depreciation and amortisation	**–**	(10.7)	**–**	(35.6)

Amounts in RM million unless otherwise stated

B7. Tax Expense

	Quarter ended 31 March		Three quarters ended 31 March	
	2015	**2014**	**2015**	**2014**
Continuing operations				
In respect of the current period:				
- current tax	**245.8**	245.7	**557.7**	660.4
- deferred tax	**16.8**	15.7	**44.9**	14.4
	262.6	261.4	**602.6**	674.8
In respect of prior years:				
- current tax	**(22.4)**	(2.5)	**(27.2)**	34.9
- deferred tax	**(73.4)**	(149.8)	**(132.4)**	(279.3)
	166.8	109.1	**443.0**	430.4
Discontinued operations	**–**	11.4	**–**	31.4
	166.8	120.5	**443.0**	461.8

The effective tax rate for the current quarter of 28.0% was higher than the Malaysian income tax rate of 25% due to certain expenses being disallowed for tax purposes. The effective tax rate for the three quarters ended 31 March 2015 of 23.8% is lower than the Malaysian income tax rate of 25% due to over provision of tax in prior years.

The effective tax rates for the corresponding periods in the previous year were lower at 11.4% and 16.7% respectively due to the adjustment to the deferred tax arising from changes in real property gains tax rate, and the recognition of deferred tax assets amounting to RM167.4 million on temporary differences between tax base and accounting base of certain assets.

B8. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at 14 May 2015.

Amounts in RM million unless otherwise stated

B9. Group Borrowings

	As at 31 March 2015		
Long-term borrowings	**Secured**	**Unsecured**	**Total**
Term loans	**1,111.7**	**6,312.7**	**7,424.4**
Islamic Medium Term Notes	**–**	**1,700.0**	**1,700.0**
Sukuk	**–**	**2,915.0**	**2,915.0**
Syndicated Islamic Financing	**379.0**	**–**	**379.0**
Islamic Financing	**78.4**	**–**	**78.4**
	1,569.1	**10,927.7**	**12,496.8**
Short-term borrowings			
Bank overdrafts	**–**	**32.7**	**32.7**
Term loans due within one year	**370.9**	**492.6**	**863.5**
Sukuk due within one year	**–**	**13.5**	**13.5**
Islamic Medium Term Notes due within one year	**–**	**17.7**	**17.7**
Islamic revolving financing	**–**	**60.0**	**60.0**
Revolving credits, trade facilities and other short-term borrowings	**2.8**	**4,361.7**	**4,364.5**
	373.7	**4,978.2**	**5,351.9**
Total borrowings	**1,942.8**	**15,905.9**	**17,848.7**

The Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	Long-term borrowings	**Short-term borrowings**	**Total**
Ringgit Malaysia	**4,026.4**	**2,959.6**	**6,986.0**
Australian dollar	**864.9**	**285.5**	**1,150.4**
Chinese renminbi	**–**	**934.8**	**934.8**
New Taiwan dollar	**–**	**15.2**	**15.2**
New Zealand dollar	**–**	**132.4**	**132.4**
Pacific franc	**33.7**	**2.6**	**36.3**
Thailand baht	**75.8**	**83.6**	**159.4**
United States dollar	**7,371.3**	**884.0**	**8,255.3**
Vietnamese dong	**–**	**54.2**	**54.2**
Papua New Guinea kina	**124.7**	**–**	**124.7**
Total borrowings	**12,496.8**	**5,351.9**	**17,848.7**

Certain borrowings are secured by fixed and floating charges over property, plant and equipment, investment property and other assets of certain subsidiaries.

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses

a) Derivatives

The Group uses forward foreign exchange contracts, interest rate swap contracts, currency swap contracts and commodity futures contracts to manage its exposure to various financial risks. The fair values of these derivatives as at 31 March 2015 are as follows:

	Classification in Statement of Financial Position				
	Assets		Liabilities		
	Non-current	Current	Non-current	Current	Net Fair Value
Forward foreign exchange contracts	**2.0**	**35.0**	**(25.1)**	**(111.9)**	**(100.0)**
Interest rate swap contracts	**6.9**	**–**	**(25.5)**	**(11.7)**	**(30.3)**
Cross currency swap contract	**212.4**	**49.4**	**–**	**–**	**261.8**
Commodity futures contracts	**–**	**11.5**	**–**	**(8.2)**	**3.3**
	221.3	**95.9**	**(50.6)**	**(131.8)**	**134.8**

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 30 June 2014.

The description, notional amount and maturity profile of each derivative are shown below:

Forward foreign exchange contracts

Forward foreign exchange contracts were entered into by subsidiaries in currencies other than their functional currency in order to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

The forward foreign currency contracts are stated at fair value, using the prevailing market rates. All changes in fair value of the forward foreign currency contracts are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 31 March 2015, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

	Notional Amount	Fair Value Liabilities
- less than 1 year	**1,653.9**	**(76.9)**
- 1 year to 2 years	**579.3**	**(23.1)**
	2,233.2	**(100.0)**

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses (continued)

a) Derivatives (continued)

Interest rate swap contracts

The Group has entered into interest rate swap contracts to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amounts were exchanged at periodic intervals. All changes in fair value during the period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

The outstanding interest rate swap contracts as at 31 March 2015 are as follows:

Interest Rate Swap	**Notional Amount**	**Expiry Date**	**Weighted Average Swap Rate**
Plain Vanilla	USD266.6 million	12 December 2012 to 12 December 2018	1.822% to 1.885%
Plain Vanilla	AUD300.0 million	25 September 2014 to 25 March 2019	4.360% to 4.591%

As at 31 March 2015, the notional amount, fair value and maturity period of the interest rate swap contracts are as follows:

	Notional Amount	**Fair Value Liabilities**
- less than 1 year	**244.0**	**(11.7)**
- 1 year to 3 years	**488.0**	**(14.9)**
- 3 years to 6 years	**1,107.5**	**(3.7)**
	1,839.5	**(30.3)**

Cross currency swap contract

The Group has entered into a cross currency swap contract to exchange the principal payments of a foreign currency denominated loan into another currency to reduce the Group's exposure from adverse fluctuations in foreign currency. All changes in fair value during the period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 31 March 2015, the notional amount, fair value and maturity period of the cross currency swap contract are as follows:

	Notional Amount	**Fair Value Assets**
- less than 1 year	**325.3**	**49.4**
- 1 year to 3 years	**650.6**	**130.3**
- 3 years to 6 years	**323.5**	**82.1**
	1,299.4	**261.8**

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses (continued)

a) Derivatives (continued)

Commodity futures contracts

Commodity futures contracts were entered into by subsidiaries to manage exposure to adverse movements in vegetable oil prices. These contracts were entered into and continue to be held for the purpose of receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale and usage requirements, except for those contracts shown below.

The outstanding commodity futures contracts as at 31 March 2015 that are not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	Notional Amount	Fair Value Assets/ (Liabilities)
Purchase contracts	**76,211**	**176.4**	**(1.0)**
Sales contracts	**40,526**	**98.0**	**4.3**
			3.3

All contracts mature within one year.

b) Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

c) Realised and Unrealised Profits or Losses

The breakdown of realised and unrealised retained profits of the Group is as follows:

	As at 31 March 2015	As at 30 June 2014
Total retained profits of the Company and its subsidiaries		
- realised	**26,108.5**	23,724.6
- unrealised	**4,389.0**	5,627.9
	30,497.5	29,352.5
Total share of retained profits from joint ventures		
- realised	**(148.4)**	22.1
- unrealised	**39.6**	17.9
	(108.8)	40.0
Total share of retained profits from associates		
- realised	**294.7**	334.1
- unrealised	**(48.8)**	(0.4)
	245.9	333.7
Less: consolidation adjustments	**(13,569.8)**	(11,777.8)
Total retained profits of the Group	**17,064.8**	17,948.4

The unrealised profits are determined in accordance with the Guidance on Special Matter No. 1 issued by the Malaysian Institute of Accountants.

B11. Material Litigation

Changes in material litigation since the date of the last audited annual statement of financial position up to 14 May 2015 are as follows:

a. Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits (O&G Suit)

On 23 December 2010, Sime Darby Berhad (SDB), Sime Darby Engineering Sdn Bhd, Sime Darby Energy Sdn Bhd, Sime Darby Marine Sdn Bhd and Sime Darby Marine (Hong Kong) Pte Ltd (collectively, the Plaintiffs) filed a civil suit in the High Court against Dato' Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid (DSAZ), Dato' Mohamad Shukri Baharom (DMS), Abdul Rahim Ismail, Abdul Kadir Alias and Mohd Zaki Othman (collectively, the Defendants) claiming, inter alia, damages arising from the Defendants' negligence and breaches of duty in relation to the Qatar Petroleum Project (QP Project), the Maersk Oil Qatar Project (MOQ Project) and the project relating to the construction of marine vessels known as the Marine Project. The aggregate amount claimed was RM329,744,755 together with general and aggravated damages to be assessed and other relief.

On 13 June 2014, all the Defendants consented to judgment being recorded on the following terms (Consent Judgment):

i. Judgment be entered for the Plaintiffs in respect of the claims as set out in Prayers (1), (2), (3), (4), (5), (6),(7), (8) and (9) of the Statement of Claim dated 23 December 2010;

ii. The amount of damages in respect of these claims is to be assessed by the Court except for the matters pleaded with respect to Incobliss Consulting Sdn Bhd, and thereupon final judgment be entered against the Defendants for the assessed amount with costs; and

iii. The Plaintiffs shall be permitted to levy execution upon any such final judgment or otherwise enforce the same against any of the Defendants only upon the Plaintiffs recovering all claims from the respective employers for the QP Project and the MOQ Project and the proceeds of sale of the derrick lay barge in regards to the Marine Project or after the expiry of 3 years from the date when final judgment for the assessed amount is entered, whichever is the earlier.

With the filing of the Consent Judgment, the issue of the Defendants' liability has now come to an end. The amount of damages will be assessed by the Court. The Plaintiffs filed a Notice of Appointment for assessment of damages (Notice of Appointment). At the hearing of the Notice of Appointment on 9 September 2014, the Plaintiffs' counsel informed the Court that assessment of damages at this juncture was premature and requested that assessment be deferred until the Plaintiffs are in a position to assess damages. The Court directed that the Plaintiffs be at liberty to file the Notice of Appointment within 1 year of the date of the Consent Judgment or such further time as may be granted by the Court upon application by the Plaintiffs.

b. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits (Bakun Suit)

On 24 December 2010, Sime Darby Berhad (SDB), Sime Engineering Sdn Bhd, Sime Darby Holdings Berhad (SDHB) and Sime Darby Energy Sdn Bhd (collectively, the Plaintiffs) filed a civil suit in the High Court against Dato' Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid (DSAZ), Dato' Mohamad Shukri Baharom (DMS) and Abdul Rahim Ismail (collectively, the Defendants) claiming, inter alia, damages in connection with the Defendants' negligence and breaches of duty in relation to the Package CW2-Main Civil Works for the Bakun Hydroelectric Project (Bakun Project) and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 (Indemnity Agreement) given to DMS. The aggregate amount claimed was RM91,351,313.49 together with general and aggravated damages to be assessed and other relief.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 14 May 2015 are as follows: (continued)

b. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits (Bakun Suit) (continued)

On 13 June 2014, all the Defendants consented to judgment being recorded on the following terms (Consent Judgment):

i. Judgment be entered for the Plaintiffs in respect of the claims as set out in Prayers (1), (2), (3), (4), (7), (8) and (9) of the Statement of Claim dated 24 December 2010;

ii. The amount of damages in respect of these claims are to be assessed by the Court and thereupon final judgment be entered against the Defendants for the assessed amount with costs; and

iii. The Plaintiffs shall be permitted to levy execution upon any such final judgment or otherwise enforce the same against any of the Defendants only upon the Malaysia-China Hydro Joint Venture receiving all that is due and payable as full settlement from Sarawak Hidro Sdn Bhd or the Ministry of Finance and/or an assignee or successor in title thereof in relation to the Bakun Project or after the expiry of 3 years from the date when final judgment for the assessed amount is entered, whichever is the earlier.

With the filing of the Consent Judgment, the issue of the Defendants' liability has now come to an end. The amount of damages will be assessed by the Court. The Plaintiffs filed a Notice of Appointment for assessment of damages (Notice of Appointment). At the hearing of the Notice of Appointment on 9 September 2014, the Plaintiffs' counsel informed the Court that assessment of damages at this juncture was premature as the final accounts with Sarawak Hidro Sdn Bhd have not been closed and requested that assessment be deferred until the Plaintiffs are in a position to assess damages. The Court directed that the Plaintiffs be at liberty to file the Notice of Appointment within 1 year of the date of the Consent Judgment or such further time as may be granted by the Court upon application by the Plaintiffs.

c. Emirates International Energy Services (EMAS)

Emirates International Energy Services (EMAS) had on 13 January 2011, filed a civil suit in the Plenary Commercial Court in Abu Dhabi against Sime Darby Engineering Sdn Bhd (SDE) (First Suit) claiming payment of USD178.2 million comprising (a) a payment of USD128.2 million for commissions; and (b) a payment of USD50.0 million as "morale compensation".

SDE filed its Statement of Defence and Counter Claim for the sum of AED100 million on 14 August 2011. SDE's Statement of Defence contained a request for the matter to be referred to arbitration and on 22 August 2011, the Court dismissed the First Suit. EMAS did not appeal against the Court's decision.

i. Proceedings at ADCCAC
On 11 December 2011, EMAS submitted a request for arbitration to the Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC). On 14 February 2012, SDE's counsel filed and submitted the response to EMAS's notice of arbitration to ADCCAC.

The arbitration has been stayed pending the disposal of a second suit filed by EMAS at the Judicial Department of Abu Dhabi.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 14 May 2015 are as follows: (continued)

c. Emirates International Energy Services (EMAS) (continued)

ii. Proceedings at the Judicial Department of Abu Dhabi
On 31 March 2012, EMAS filed another suit against SDE at the Judicial Department of Abu Dhabi (Second Suit). The claim of USD178.2 million by EMAS was based on the same facts and grounds as the First Suit.

After several Court hearings on procedural matters, the Court on 11 June 2013 appointed a court expert specialising in commercial agencies. On 30 July 2013, the court expert released his report recommending SDE to pay EMAS compensation of approximately USD11,240,000.

On 5 March 2014, the court expert submitted his supplemental report (which maintained the earlier findings). Despite the objection of both SDE and EMAS to the court expert's supplemental report, the Court on 18 May 2014 issued a judgment for the sum of AED41,046,086 (approximately USD11,174,864) against SDE.

Both SDE and EMAS appealed to the Court of Appeal against the Court's decision.

On 2 July 2014, the Court of Appeal reversed the finding of the Court. The Court of Appeal, in its judgment, held that the Court is barred from making its ruling on the case due to res judicata (i.e a party cannot bring the same issue before the court once it has been decided) ("Court of Appeal's Decision").

On 1 September 2014, EMAS filed an appeal to the Supreme Court against the Court of Appeal's Decision.

On 25 December 2014, the Supreme Court dismissed EMAS's appeal against the Court of Appeal's Decision. SDE's counsel has advised that by virtue of the Supreme Court's decision, EMAS has effectively exhausted all its avenues in the Abu Dhabi courts in pursuing its claim against SDE.

d. Qatar Petroleum (QP) Statement of Claim

On 15 August 2012, Sime Darby Engineering Sdn Bhd (SDE) filed a Statement of Claim at the Qatar Court against Qatar Petroleum (QP) for the sum of QAR1,005,359,061. The claim seeks the repayment of a liquidated performance bond, payment of outstanding invoices, compensation and additional costs incurred in relation to an offshore engineering project in Qatar undertaken by SDE pursuant to a contract dated 27 September 2006. However, the contract came into effect much earlier on 15 April 2006 and SDE had commenced work since then.

On 28 November 2012, QP filed its Statement of Defence. On 28 February 2013, in its reply to QP's Statement of Defence, SDE made an upward revision to the amount claimed in respect of the performance bond. The total claim currently stands at QAR1,008,115,825 (approximately USD276,862,952).

On 30 April 2013, the Court ordered the case to be transferred to the Administrative Court and on 18 June 2013, a panel of 3 experts (comprising an accountant and two engineering technicians) were appointed to assist the Court.

Between October 2013 and April 2014, there were several court hearings to resolve the appointment of the court experts and finally on 15 May 2014, a new panel of experts were appointed. The Court adjourned the matter to 1 April 2015 for the new experts to meet with the parties and to prepare their report.

The meetings between the experts and representatives from SDE and QP were held on 23 June 2014 and 23 October 2014, respectively. On 1 April 2015, the experts submitted their report and recommended that SDE be compensated in the sum of QAR13,518,819.00 (equivalent of USD3,712,294) (Expert Report). On 14 April 2015, SDE and QP submitted their respective statements objecting to the Expert Report. On 5 May 2015, SDE submitted its closing submissions. The Court fixed the matter for decision on 28 May 2015.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 14 May 2015 are as follows: (continued)

e. Swiber Offshore Construction Pte Ltd (SOC) Notice of Arbitration

Swiber Offshore Construction Pte Ltd (SOC) and Sime Darby Engineering Sdn Bhd (SDE) entered into Consortium Agreement dated 3 July 2010 (CA) to govern their relationship as a consortium for the Process Platform for B-193 Project (Project) awarded by Oil and Natural Gas Corporation Ltd (ONGC) via a Notification of Award dated 19 May 2010 for a total contract price of USD618,376,022.

Disputes and differences relating to the Project have since arisen between SOC and SDE.

On 29 August 2013, SDE received a Notice of Arbitration dated 28 August 2013 (Notice) from SOC to refer, pursuant to the provisions of the CA, the disputes and differences in relation to its claim against SDE to arbitration before the Singapore International Arbitration Centre (SIAC) in accordance with the UNCITRAL Rules. The claim from SOC as stated in the Notice is USD47,217,857.

On 30 September 2014, the parties executed a Settlement Agreement. On 20 November 2014, SDE paid the sum of USD12 million to SOC being full and final settlement of the claim. SOC has withdrawn the Notice of Arbitration on 21 November 2014.

On 5 December 2014, the tribunal declared the termination of the arbitration with immediate effect. Consequently, the arbitration proceedings have now come to an end.

f. Oil and Natural Gas Corporation Ltd (ONGC) Statement of Claim

Sime Darby Engineering Sdn Bhd (SDE) and Swiber Offshore Construction Pte Ltd (SOC) entered into a Consortium Agreement dated 23 February 2010 (CA) to govern their relationship as a Consortium in relation to the execution and performance of the 05 Well Head Platform Project (05WHP Project) awarded by Oil and Natural Gas Corporation Ltd (ONGC). A contract dated 26 February 2010 (Contract) was executed for a total contract price of USD188,884,887.

Disputes and differences relating to the 05WHP Project have arose between the Consortium and ONGC and the Consortium has invoked the referral of the dispute to arbitration pursuant to the Contract. SDE's portion of the Consortium's claim is circa USD32.5 million.

The Consortium and ONGC then agreed to refer the dispute to an Outside Expert Committee (OEC) as prescribed in the Contract. The OEC proceedings will be conducted in New Delhi, India pursuant to Part III of the Arbitration and Conciliation Act 1996 of the laws of India.

The Consortium filed its Statement of Claim on 23 October 2013 and ONGC submitted its Statement of Defence on 9 January 2014. The 1st OEC meeting was held from 19 to 21 March 2014 during which time the Consortium submitted its reply to ONGC's Statement of Defence. The 2nd OEC meeting was held from 28 to 30 April 2014 during which time the Consortium made a presentation to the OEC on the Consortium's claims.

During the 3rd OEC meeting held from 21 to 23 August 2014, the OEC proposed a settlement to the Consortium. SDE presented its detailed figures at the OEC meeting on 16 October 2014 and SOC submitted its figures at the meetings on 11 and 12 November 2014.

OEC issued its report on 2 December 2014 recommending USD12 million as the full and final settlement sum, of which USD6,731,740 was apportioned to SDE and USD5,268,260 to SOC.

On 20 March 2015, the Consortium informed ONGC of its objection to the OEC's recommendation and sought a higher amount of compensation. On 19 April 2015, ONGC rejected the Consortium's request. The Consortium is now deciding on its next course of action.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 14 May 2015 are as follows: (continued)

g. Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) Notice of Arbitration

Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) and Sime Darby Engineering Sdn Bhd (SDE) entered into Sale and Purchase Agreement dated 25 August 2011 (SPA) for the disposal of SDE's oil and gas business to MMHE for a consideration of RM393,500,000 and subsequently entered into Supplemental Agreement dated 30 March 2012 (SSPA) to vary certain terms and conditions of the SPA. The SSPA provides, inter alia, that the fabrication of KBB Topsides Contract No. KPOC/COC/2009/015 for the Kebabangan Northern Hub Development (KPOC Project) between Kebabangan Petroleum Operating Company Sdn Bhd and SDE dated 20 September 2011 shall be novated by SDE to MMHE with effect from 31 March 2012 for a consideration of RM20,000,000.

Disputes relating to the KPOC Project have since arisen between MMHE and SDE.

On 17 March 2015, SDE received a Notice of Arbitration dated 16 March 2015 (Notice) from MMHE to refer the disputes to arbitration before the Regional Centre for Arbitration Kuala Lumpur (KLRCA) in accordance with the Rules of Arbitration of the KLRCA. The claim from MMHE as stated in the Notice is RM56,870,320.

SDE submitted its response to the Notice on 15 April 2015 and filed an application to challenge MMHE's nominated arbitrator on the ground of conflicts of interest and potential bias. On 16 April 2015, MMHE's nominated arbitrator withdrew himself as the arbitrator. KLRCA had on 5 May 2015 confirmed the appointment of SDE's arbitrator. MMHE has nominated another arbitrator, which appointment is to be confirmed by the KLRCA.

B12. Dividend

No dividend has been declared for the current quarter under review.

B13. Earnings Per Share

	Quarter ended 31 March		Three quarters ended 31 March	
	2015	**2014**	**2015**	**2014**
Earnings per share attributable to owners of the Company are computed as follows:				
<u>Basic</u>				
Profit for the period				
- from continuing operations	**386.0**	827.1	**1,324.1**	2,074.7
- from discontinued operations	**–**	25.4	**–**	85.1
	386.0	852.5	**1,324.1**	2,159.8
Weighted average number of ordinary shares in issue (million)*	**6,204.9**	6,056.5	**6,114.2**	6,030.6
Earnings per share (sen)				
- from continuing operations	**6.22**	13.66	**21.67**	34.40
- from discontinued operations	**–**	0.42	**–**	1.41
	6.22	14.08	**21.67**	35.81
<u>Diluted</u>				
Profit for the period				
- from continuing operations **	**386.0**	827.0	**1,324.0**	2,074.4
- from discontinued operations	**–**	25.4	**–**	85.1
	386.0	852.4	**1,324.0**	2,159.5
Weighted average number of ordinary shares in issue (million)*	**6,204.9**	6,056.2	**6,114.2**	6,030.6
Earnings per share (sen)				
- from continuing operations	**6.22**	13.65	**21.65**	34.40
- from discontinued operations	**–**	0.42	**–**	1.41
	6.22	14.07	**21.65**	35.81

* comparatives restated for effect of Dividend Reinvestment Plan.

** adjusted for the dilutive effect of long-term stock incentive plan of an associate of RMNil million (2014: RM0.1 million) and RM0.1 million (2014: RM0.3 million) for the quarter and three quarters ended 31 March 2015, respectively.

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
21 May 2015