



PRESS RELEASE

**For Immediate Release
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Sime Darby Berhad Reports Net Profit of RM135 million for 3Q FY2017/2018

Kuala Lumpur, 25 May 2018 – Sime Darby Berhad reported a profit before interest and tax (PBIT) of RM225 million and a net profit of RM135 million for its third quarter ended 31 March 2018 (3Q FY2018). The Group's reported core PBIT for the quarter is RM263 million, a 17.9 percent increase from RM223 million year-on-year (YoY).

For the nine months ended 31 March 2018 (9M FY2018), core PBIT improved by 39 per cent from RM568 million for the same period last financial year to RM788 million.

The Group's PBIT for the quarter included relatively higher charge-out of parts for service jobs in Australia, compared to the previous quarter, as well as impairment of billings from the discontinued oil & gas operations. Its net profit for the quarter was also comparatively lower than its previous corresponding quarter, due to additional interest income in the earlier period. Nevertheless, the Group's core PBIT saw an improvement due to the recovery of the Australian mining industry and improved sales in both the Motors and Industrial divisions.

Commenting on the overall performance of the Group, Sime Darby Berhad's Group Chief Executive Officer, Encik Jeffri Salim Davidson said: "We remain focused on our core sectors and shall continue to explore opportunities to accelerate growth and drive our businesses forward. On 3 May, we officiated the opening of the new BMW engines assembly facility in Kulim, Kedah. It is a testament to our capabilities and the strength of our relationship with BMW. The assembly of BMW engines in Kulim will increase the local content of our cars, making them more cost competitive."

3Q FY2018 versus 3Q FY2017

The Industrial division's revenue rose 21.6 per cent for the period under review. It reported a PBIT of RM77 million in this quarter, as compared to RM82 million in the same quarter last financial year. The Division's Australian operations achieved higher equipment deliveries and product support sales. The Division's China operations enjoyed a 48 per cent increase in profits, reflecting a buoyant construction industry whilst the Malaysian and Singaporean

operations were impacted by lower deliveries to the construction and oil & gas sector respectively.

The Motors Division achieved a PBIT of RM133 million for the period under review, compared to RM126 million in the same quarter last financial year. The PBIT improvement of 5.6 per cent YoY is attributable to higher profits from the Greater China and Australia and New Zealand operations. The Division's Malaysian operations posted lowered earnings for the period under review due to a decrease in sales from the mass-vehicle segment, and pre-operational costs for the new BMW engine assembly operations.

The Logistics Division reported a PBIT of RM18 million compared to RM13 million in the previous corresponding period, representing an increase of 38.5 per cent, due to forex gains of RM5 million.

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About Sime Darby Berhad

Sime Darby Berhad is a global trading and logistics player. We partner with some of the world's best brands to deliver quality products and services to our customers. Our core businesses operate in and serve the industrial, motors and logistics sectors as well as the healthcare, insurance, and retail segments. Founded in 1910, Sime Darby Berhad today has a workforce of over 20,000 employees in 18 countries and territories across the Asia Pacific region. Sime Darby is committed to delivering a sustainable future for all its stakeholders. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM18.23 billion (USD4.58 billion) as at 24 May 2018.

For more information, please visit <http://www.simedarby.com>.