



PRESS RELEASE

**For Immediate Release
Thursday, 30 August 2018**

Sime Darby Berhad Reports Strong Net Earnings for FY2018 Industrial Division records strongest profit growth year-on-year

NOTE: On 30 November 2017, Sime Darby Berhad successfully completed the distribution and the listings of the company's entire shareholdings in Sime Darby Plantation Berhad and Sime Darby Property Berhad on the Main Market of Bursa Malaysia Securities Berhad. Accordingly, the results of the Plantation and Property businesses have been classified as Discontinued Operations and both Sime Darby Plantation Berhad and Sime Darby Property Berhad have been deconsolidated from Sime Darby Berhad, which is now focused on its Industrial, Motors, Logistics and Healthcare businesses (Continuing Operations).

Kuala Lumpur, 30 August 2018 - Sime Darby Berhad reported a profit before interest and tax (PBIT) of RM1.1 billion and net earnings of RM618 million for the financial year ended 30 June 2018 (FY2018) for its continuing operations, which comprises the Group's Industrial, Motors, Logistics and Healthcare businesses. Its total revenue for continuing operations for the year is RM33.8 billion.

The Group's FY2018 PBIT for its continuing operations is an increase of 37 per cent from RM784 million in FY2017, while its net earnings increased by 0.5 per cent year-on-year (YoY) to RM618 million. Revenue for the Group's continuing operations rose 8.8 per cent YoY. To reiterate, continuing operations comprises the Group's Industrial, Motors, Logistics and Healthcare businesses, as the Plantation and Property businesses have been deconsolidated from Sime Darby Berhad.

Core net profit for the Group's continuing operations increased by 36 per cent YoY to RM835 million. It excludes one-off gains, impairments and provisions for the financial year.

"Sime Darby Berhad's strong earnings for FY2018 is largely attributed to the recovery of the mining sector in Australia and increased infrastructure spend in China." said Encik Jeffri Salim Davidson, Sime Darby Berhad's Group Chief Executive Officer.

Sime Darby Berhad's Industrial division achieved a PBIT of RM612 million for FY2018 compared to a LBIT of RM4 million in the previous financial year. "The recovery of the mining sector in Australia was a real boon for us. We saw a lot more activity in our workshops and

enjoyed higher margins from improved sales for parts. Equipment sales in China also recorded strong results due to an increase in construction and infrastructure spend,” said Encik Jeffri. The improved PBIT for the Industrial division in FY2018 included profits from property disposal in Australia, while its FY2017 results were affected by impairments from the Bucyrus investment totalling RM257 million.

The Motors division delivered a PBIT of RM543 million for FY2018, compared to RM633 million in the last financial year. The FY2018 results were impacted by the losses from the Group’s exit of the BMW business in Vietnam, amounting to RM199 million, which was a key factor in the Division’s decline of 14.2 per cent in profits. Excluding this and other one-off items, the Division’s profits increased by 3.4 per cent mainly due to higher profits from the Hong Kong, Macau and Australia operations.

The Logistics division reported a PBIT of RM74 million for FY2018, compared to RM64 million in FY2017 due to higher throughput at Weifang Port and higher profits from Weifang Water. In line with Sime Darby Berhad’s strategy to streamline its portfolio, the water treatment company in Weifang is being divested, and the transaction is expected to be completed within the second half of calendar year 2018.

Ramsay Sime Darby Health Care, Sime Darby Berhad’s 50:50 joint venture with Ramsay Health Care achieved higher revenue in FY2018, which contributed to a 58 per cent increase YoY in Sime Darby Berhad’s share of profits. The joint venture’s Malaysian operations registered improved results from higher revenue and lower corporate expenses.

For the quarter ended 30 June 2018 (4Q FY2018), Sime Darby Berhad’s continuing operations reported a PBIT of RM354 million and net earnings of RM163 million. This represents an improvement of 421 per cent and 379 per cent respectively, as compared to 4Q FY2017.

Dividend

A second interim dividend of 4 sen per share and a special dividend of 2 sen per share is declared for FY2018. Together with the first interim dividend of 2 sen per share, the total dividend for the financial year is 8 sen per share. The special dividend was declared to reward shareholders following the listings of Sime Darby Plantation Berhad and Sime Darby Property Berhad on Bursa Malaysia.

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About Sime Darby Berhad

Sime Darby Berhad is the partner of choice for the world's best brands in the Industrial and Motors sectors. With operations in 18 countries and territories across Asia Pacific, we continue to grow, delivering sustainable value to our stakeholders through operational excellence, high performance standards and good corporate governance. Founded in 1910, Sime Darby Berhad today has a workforce of over 20,000 employees. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM17.34 billion (USD4.22 billion) as at 28 August 2018.

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