



PRESS RELEASE

**For Immediate Release
Wednesday, 21 November 2018**

Sime Darby Berhad Q1 core net profit increase 57 per cent

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).

For a like-for-like year-on-year comparison, only the Group's Continuing Operations, namely the Industrial, Motors, Logistics and Healthcare businesses, are relevant for comparison.

Petaling Jaya, 21 November 2018 - Sime Darby Berhad reported a profit before interest and tax (PBIT) of RM347 million and a net profit of RM225 million for its first quarter ended 30 September 2018 (Q1 FY2019) for its continuing operations, which comprises the Group's Industrial, Motors, Logistics and Healthcare businesses. Its revenue for continuing operations for the quarter is RM8.8 billion, an increase of 8.6 per cent year-on-year (YoY).

The Group's net profit for continuing operations of RM225 million shows an improvement of 38 per cent from RM163 million in the preceding quarter (Q4 FY2018). Core net profit, which excludes one-off gains, impairments and provisions incurred increased by 57 per cent YoY to RM192 million from RM122 million in Q1 FY2019.

"Our operational results have been very encouraging. The activity in mining and construction sectors in Australia remain strong. Our order book looks good and demand is high for equipment deliveries, parts and services from key customers across all parts of the business." said Dato' Jeffri Salim Davidson, Sime Darby Berhad's Group Chief Executive Officer.

"There were some one-off adjustments in our Q1 FY2019 results. We made a pre-tax gain of RM78 million from the sale of Weifang Water in China. This was however, partially off-set by additional impairment of our equity interest in Eastern & Oriental made to ensure that it is carried at fair value based on market price."

Q1 FY2019 versus Q1 FY2018

The Industrial Division reported a PBIT of RM179 million for the quarter compared to RM247 million in the same period in FY2018. The FY2018 results included a RM165 million gain following the disposal of property. Excluding the one-off gain, the Industrial Division achieved a core PBIT of RM179 million, a 118 per cent improvement from RM82 million in the corresponding period last financial year. This achievement was primarily due to higher equipment deliveries in Australia, as well as higher margins from the Division's China operations.

Revenue for the Motors Division rose 8 per cent for the period under review, following higher unit sales in China and Malaysia. It reported a PBIT of RM105 million this quarter, compared to RM112 million in Q1 FY2018. The comparatively lower PBIT was largely due to lower margins in China as a result of industry-wide heavy discounting. On a positive note, the Division's operations in Malaysia achieved a core PBIT of RM39 million, an increase of 39 per cent from the previous year's RM28 million, due to a boost in sales during the zero-rated GST period between July and August 2018.

The Logistics Division reported a PBIT of RM89 million for Q1 FY2018 compared to RM18 million in the same period last financial year, primarily due to a gain of RM78 million from the disposal of Weifang Water.

Ramsay Sime Darby Health Care, Sime Darby Berhad's 50:50 joint venture with Ramsay Health Care achieved a PBIT of RM15 million in Q1 FY2019 compared to RM12 million in Q1 FY2018. This was largely attributed to higher revenue from both the Malaysian and Indonesian operations.

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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. We deliver 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 in 18 countries and territories across the Asia Pacific region. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM16.39 billion (USD3.90 billion) as at 21 November 2018.

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