

**FY2016/2017 Results
Announcement**
Half Year
ended 31 December 2016

27 February 2017



Half Year ended 31 December 2016



RM millions

	YOY%	1HFY2017	1HFY2016
REVENUE	↑ 2%	22,438	22,002
PBIT	↑ 38%	1,600	1,159
PBT	↑ 66%	1,550	936
PATAMI	↑ 79%	1,087	609
BASIC EPS (sen)	↑ 71%	16.8	9.8

Second Quarter ended 31 December 2016



RM millions

	YOY%	2QFY2017	2QFY2016
REVENUE	↑ 4%	12,339	11,829
PBIT	↑ 68%	927	552
PBT	↑ 94%	921	475
PATAMI	↑ 126%	644	285
BASIC EPS (sen)	↑ 111%	9.7	4.6

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1HFY2017 & 2QFY2017 Divisional PBIT



	1HFY2017 ¹	2QFY2017 ¹	Commentary	1HFY17		2QFY17	
PLANTATION	RM841mn (+82% YoY) 1HFY16: RM461mn	RM568mn (+257% YoY) 2QFY16: RM159mn	FFB production Average CPO price realised Midstream & Downstream	4.87mn MT	2.72mn MT	4.87mn MT	2.72mn MT
				(-10% YoY)	(+5% YoY)	(-10% YoY)	(+5% YoY)
				RM2,739/MT	RM2,835/MT	RM2,739/MT	RM2,835/MT
				(+32% YoY)	(+37% YoY)	(+32% YoY)	(+37% YoY)
				RM121mn	RM83mn	RM121mn	RM83mn
				(+18% YoY)	(+17% YoY)	(+18% YoY)	(+17% YoY)
INDUSTRIAL	RM106mn (-22% YoY) 1HFY16: RM135mn	RM55mn (-24% YoY) 2QFY16: RM72mn	<ul style="list-style-type: none"> Lower PBIT from Singapore and China/HK Higher earnings from Australasia and Malaysia Australasia: Better performance in the product support business coupled with higher equipment deliveries in Papua New Guinea Malaysia: Improved equipment deliveries and product support sales driven by the construction sector 				
MOTORS	RM266mn (+15% YoY) 1HFY16: RM231mn	RM136mn (-7% YoY) 2QFY16: RM146mn	<ul style="list-style-type: none"> Higher contributions from Malaysia, China and NZ in 1HFY17 Malaysian operations +45% YoY supported by Ford and car rental businesses China operations +44% YoY due to the demand to purchase super luxury cars before the hike in consumption tax Lower 2QFY17 PBIT due to weaker contributions from S'pore and Vietnam of -20% YoY and -71% YoY, respectively 				

¹ Excludes corporate expenses

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1HFY2017 & 2QFY2017 Divisional PBIT



	1HFY2017 ¹	2QFY2017 ¹	Commentary
PROPERTY	RM309mn (+65% YoY) 1HFY16: RM187mn	RM137mn (+61% YoY) 2QFY16: RM85mn	<ul style="list-style-type: none"> Recognised its maiden share of profit from the Battersea Power Station Project of RM95mn Recorded a gain on compulsory acquisition of land for Damansara-Shah Alam Elevated Expressway of RM58mn
LOGISTICS	RM23mn (-58% YoY) 1HFY16: RM55mn	RM11mn (-71% YoY) 2QFY16: RM38mn	<ul style="list-style-type: none"> Lower throughput at Jining Ports (-9% YoY) in 2QFY17 as a result of stiff competition from alternate modes of transportation Higher water consumption and higher throughput in Weifang Port (+16% YoY) in 2QFY17 2QFY16 and 1HFY16 results included an income of RM18.5mn from the recognition of deferred income (government grant)
OTHERS	RM24mn (+380% YoY) 1HFY16: RM5mn	RM14mn (>+100% YoY) 2QFY16: RM-1mn	<ul style="list-style-type: none"> Driven by higher share of profit from Ramsay Sime Darby Health Care of RM18mn in 1HFY17 (+39% YoY) and RM9mn in 2QFY17 (+13% YoY)

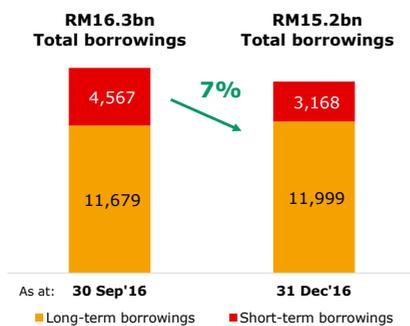
¹ Excludes corporate expenses

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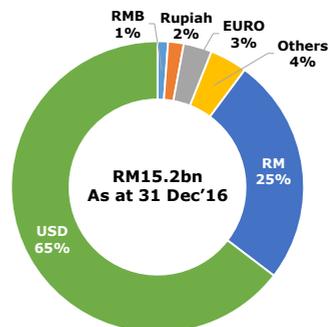
Snapshot of Borrowings Position



Breakdown of long-term borrowings & short-term borrowings (in RM'mn)



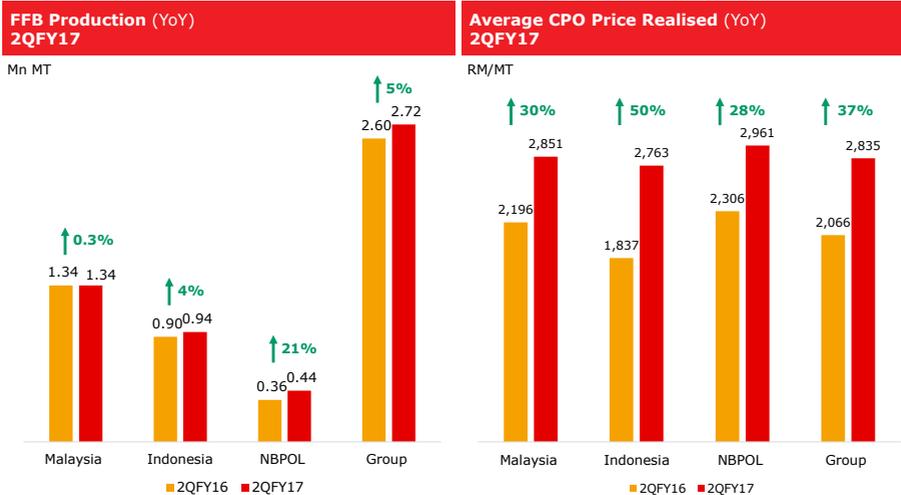
Breakdown of total borrowings by currencies



- Improved Debt/Equity (D/E) ratio of **38%** as at 31 Dec'16 from D/E ratio of **44%** as at 30 Sep'16
- The bank and cash balances totaled to RM3,813mn as at 31 Dec'16

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Plantation Division



• Higher FFB production and higher average CPO price realised in 2QFY17

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Industrial Division



RM1.4bn
Order book as at
31 Dec'16

30:70
Breakdown of
PADE by new
equipment sales
and after-sales in
1HFY17¹



MALAYSIA

- The construction industry is driven by the government's mega infrastructure projects and an improvement in the domestic economy

AUSTRALIA

- The mining industry has seen an increase in activity recently due to coal price recovery
 - Expect better demand for product support sales

CHINA

- Better demand for small and medium equipment in the construction and mining sectors

SINGAPORE

- Overall weak market sentiment in the oil & gas and offshore & marine shipyard sectors

¹ PADE = Profit After Direct Expenses. Aggregate breakdown of PADE

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Motors Division



42,612
(+1% YoY)
Total Units Sold
1HFY17



Zhonghe (New Taipei City) 15 facility in Taiwan



BMW Shenzhen Bao'an Showroom in China

New showrooms and models launched in 2QFY17

22,399
(-2% YoY)
Total Units Sold
2QFY17



KIA Morning Facelift in Taiwan



Hyundai Ioniq in Malaysia

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Property Division



RM831 million

Gross Sales Value as at 31 Dec'16
vs RM300mn as at 31 Dec'15

RM1.5 billion

Unbilled sales as at 31 Dec'16
vs RM1.2bn as at 31 Dec'15

50%

Take-up rate as at 31 Dec'16
vs 50% as at 31 Dec'15

742 units

Total units launched in 1HFY17
vs 538 units launched in 1HFY16

865 units

Total units sold in 1HFY17
vs 501 units sold in 1HFY16

UPCOMING LAUNCHES IN 2HFY2017



Phase BA4A, Bandar Ainsdale

- 45 units of DSLH
- Estimated GDV of RM 30mn



Phase G3B, Elmina East

- 67 units of DSLH
- Estimated GDV of RM76mn



Rumah Selangorku, Bukit Jelutong

- 944 units of apartments
- Estimated GDV of RM178mn



Phase NU3A3, Nilai Impian

- 138 units of DSLH
- Estimated GDV of RM63mn

DSLH = Double-Storey Link Houses

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Appendix: Breakdown of External Revenue



In RM'mn	1HFY17	1HFY16	%	2QFY17	2QFY16	%
Plantation						
Upstream & Others	2,757	2,587	7%	1,640	1,355	21%
Midstream & Downstream	3,944	3,455	14%	2,270	2,027	12%
	6,701	6,042	11%	3,910	3,382	16%
Industrial						
Malaysia	644	473	36%	322	219	47%
SE Asia ex Malaysia	253	605	-58%	124	335	-63%
China/HK	1,127	1,199	-6%	641	656	-2%
Australasia	2,494	2,566	-3%	1,267	1,247	2%
	4,518	4,844	-7%	2,354	2,458	-4%
Motors						
Malaysia	1,623	1,594	2%	902	847	7%
SE Asia ex Malaysia	2,513	2,293	10%	1,307	1,280	2%
China/HK	4,380	4,257	3%	2,492	2,435	2%
Australasia/NZ	1,672	1,603	4%	858	774	11%
	10,188	9,747	5%	5,559	5,336	4%
Property						
Property Development	777	1,060	-27%	383	486	-21%
Property Investment	78	120	-35%	38	63	-39%
	855	1,180	-28%	421	548	-23%
Logistics						
Ports	114	120	-5%	59	63	-6%
Water	31	28	11%	16	14	14%
	145	148	-2%	75	77	-3%
Others						
	27	38	-29%	18	26	-31%
Elimination/Corporate Expenses	4	3		2	1	
TOTAL	22,438	22,002	2%	12,339	11,829	4%

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Appendix: Breakdown of PBIT



In RM'mn	1HFY17	1HFY16	YoY	2QFY17	2QFY16	YoY
Plantation						
Upstream & Others	720	358	101%	485	88	451%
Midstream & Downstream	121	103	18%	83	71	17%
	841	461	82%	568	159	257%
Industrial						
Malaysia	39	30	30%	24	15	60%
SE Asia ex Malaysia	1	65	-99%	3	34	-91%
China/HK	36	42	-14%	19	20	-5%
Australasia	30	(2)	>+100%	9	3	200%
	106	135	-22%	55	72	-24%
Motors						
Malaysia	45	31	45%	25	24	4%
SE Asia ex Malaysia	77	101	-24%	45	69	-35%
China/HK	104	69	51%	48	40	20%
Australasia/NZ	40	30	33%	18	13	38%
	266	231	15%	136	146	-7%
Property						
Property Development	167	183	-9%	141	83	70%
Property Investment	142	4	>+100%	(4)	2	<-100%
	309	187	65%	137	85	61%
Logistics						
Ports	11	46	-76%	5	34	-85%
Water	12	9	33%	6	4	50%
	23	55	-58%	11	38	-71%
Others	24	5	>+100%	14	(1)	>+100%
TOTAL¹	1,569	1,074	46%	921	499	85%

¹ Excluding corporate expense and elimination

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Appendix: Plantation Operational Statistics



	MALAYSIA		INDONESIA		PNG	LIBERIA	TOTAL	
	1HFY17	1HFY16	1HFY17	1HFY16	1HFY17	1HFY17	1HFY17	1HFY16
FFB Production (mn MT)	2.60	2.99	1.51	1.69	0.76	6,369 ¹	4.87	5.43
FFB yield per mature ha (MT/ha)	10.14	11.40	8.91	9.32	10.07	1.57	9.65	10.50
CPO Production (mn MT)	0.58	0.68	0.40	0.47	0.23	1,314 ¹	1.22	1.38
PK Production (mn MT)	0.13	0.16	0.09	0.10	0.06	-	0.28	0.32
CPO Extraction Rate (%)	20.79	21.47	21.18	22.51	22.89	20.64	21.29	22.00
PK Extraction Rate (%)	4.82	5.07	4.64	4.85	5.75	-	4.92	5.12
Average CPO selling price (RM)	2,743	2,169	2,703	1,839	2,815	2,072	2,739	2,077
Average PK selling price (RM)	2,678	1,457	2,212	1,055	-	-	2,564	1,345

Plantation Landbank as at 31 December 2016

As at 31/12/16	Malaysia	Indonesia	Liberia	PNG	Solomon Islands	Group
Total Land bank (ha)	348,364	283,385	220,000	129,890	8,304	989,943
Total Oil Palm Planted Area (ha)	304,867	202,796	10,411	78,475	6,764	603,314
Total Rubber Planted Area (ha)	10,594	1,185	107	-	-	11,886

¹ In MT

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Thank You

SIME DARBY INVESTOR RELATIONS

investor.relations@simedarby.com

+(603) 2691 4122

<http://www.simedarby.com/Overview.aspx>



UPDATES ON PURE PLAY STRATEGY

27 February 2017



Agenda



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The Sime Darby journey

02

Our strengths & aspirations

03

Rationale for Pure Play strategy

04

The way forward

05

Project governance & Transaction structure

06

Q&A

01

Journey to date

A long and proud heritage



Humble beginnings 1800 - 1900s

- Pioneering British entrepreneurs and planters established trading businesses in Singapore and rubber plantations in Malaya



Proudly driving Malaysia's growth 1900s - 2007

- Growth through **international expansion**
- Acquired **Caterpillar** dealership in 1929
- Partnered with **BMW** in 1987
- Diversified into property development in the 1980s



Synergy Drive 2007

- Merger of Kumpulan Sime Darby Berhad, Kumpulan Guthrie Berhad and Golden Hope Berhad
- Became the **world's largest listed oil palm plantation player**



Strengthening global footprint and focusing on core businesses 2010 - 2016

- Industry leading Plantation brand** and world's largest producer of Certified Sustainable Palm Oil
- Global footprint** across 25 countries and 4 territories



Cultural transformation through RISE and the 6 winning mindsets 2015 onwards

- Deliver results
- Customer first
- Value talent
- Build trust
- Continuous improvement
- Empowered decisions



**Proudly a
Malaysian
global
champion**

**Industry
leaders**



Present in
25
countries and
4 territories
across
the world

#1-2
in all our key
sectors and
geographies in
Plantation,
Property, Motors,
Industrial and
Logistics

We are **truly proud** of how far we have come and how much we have achieved



**Setting the
standard on
palm oil
sustainability**

**A major contributor
towards national
development and
the Malaysian
economy**

**The Sime
Darby brand**

RSPO certified
in nearly
100%
of strategic
operating units

51,047
employees in Malaysia
out of 123,293
employees worldwide

Stands for
**integrity,
respect &
responsibility,
enterprise and
excellence** to
deliver sustainable
futures for all
stakeholders

85% of all
the oil traded is
traceable

RM253mn
of scholarships
awarded to 3,357
students to date

02

Our strengths & aspirations

Over the years, Sime Darby has developed key strengths in core business sectors



PLANTATION

- #1 World's largest listed oil palm plantation company by planted area
- #1 Global producer of Certified Sustainable Palm Oil (CSPO)
- #1 First company in the world to fully sequence, assemble and annotate the Oil Palm Genome

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02

Our strengths & aspirations

Over the years, Sime Darby has developed key strengths in core business sectors



PROPERTY

- #1 Malaysia's largest property developer by land bank
- Strategic land bank within and around the Malaysia Vision Valley and the Kuala Lumpur-Singapore High Speed Rail
- Strategic joint ventures and partnerships e.g. Battersea Power Station with SP Setia and EPF

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02

Our strengths & aspirations

Over the years, Sime Darby has developed key strengths in core business sectors



Motors, Industrial, Logistics & other businesses

Longstanding partnerships with world-leading brands

Distinctive distribution capabilities

#3 Caterpillar dealer globally

#2 BMW dealer globally

Strong partnerships and foothold across the region in Logistics and Healthcare businesses

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Today, we stand at the beginning of Sime Darby's future

Our Vision

To create 3 pure plays bearing the Sime Darby brand



Sime Darby Plantation

"The next 100 years"

- Plantation company of the future with **operational excellence, innovation and sustainability**
- Leading in agricultural R&D and cutting-edge technology**
- Strong growth through **expansion across the value chain**



Sime Darby Property

"Unlocking full potential of Malaysia's largest Property pure play"

- Award winning** integrated property developer
- Strengths through strategic partnerships and alliances**
- Drive for operational excellence** and enhance capabilities



Sime Darby Berhad

"The global champion in motors, industrial, logistics and healthcare sectors"

- Preferred partner of leading brands** such as BMW and Caterpillar
- Growth through strong and longstanding partnerships
- Unlock value** in all investments

“Each business will bear the Sime Darby brand name and will continue the rich heritage of the 106-year-old Malaysian icon to develop and nurture industry champions which are capable of competing on the global stage...”

– Tan Sri Dato' Seri Mohd Bakke Salleh, PGCE ” 24

The Journey

The journey began in 2007 with Synergy Drive...



What is the **full potential** of Sime Darby?

- Operational improvements
- Growth
- New businesses



What is the **best way** to unlock value?

- Enhance current structure
- Listing subsidiaries
- Pure plays



Are we **ready**?

- People
- Capital
- Timing

Questions were carefully debated

03

A Pure Play strategy unlocks value

Why are we embarking on this landmark exercise?



1

Focus and agility to pursue distinct aspirations and strategies

- **Sime Darby Plantation** as fully-integrated world-leading player in sustainable palm oil
- **Sime Darby Property** as Malaysia's largest premier community and property developer
- **Sime Darby Berhad** as champion in motors, industrial and logistics and healthcare sectors



2

Unlock value for all shareholders

- Achieve **full potential of businesses** to maximise shareholder value
- **Enhance business profiles** as 3 global champions



3

Accelerate growth through governance and equity market benefits

- Enhance **organisational focus, discipline and transparency**
- **Enhance funding flexibility**
- Provide opportunity to undertake **tailored capital management initiatives**



4

Human resources development

- Develop **talent with specific skill sets and expertise** for each business
- **Improve execution capacity**

04

The way forward

3 international and regional champions



Each Pure Play will have an exciting future



Strengthen leading position in upstream

- Achieve **operational excellence**, maximise yield and cost efficiency
- Mobilise **cutting-edge technology** for strategic operational benefits and growth

Ride on growth momentum of "integrated play"

- Expand presence in **high-margin products and attractive mid and downstream markets**
- Leverage sustainability and expand **strategic partnerships**



Unlock full potential as leading Malaysian property developer

- Leverage core strengths in **township development** to deliver distinctive thriving communities
- Realise value of land bank along the **High Speed Rail** and **Malaysia Vision Valley**

Explore long-term strategic shifts to unlock value

- Explore **new segments, partnerships** and expand **business portfolio**
- Implement best in class **operational excellence** and **cost optimisation initiatives**



Leverage distinctive capabilities to optimise businesses

- Enhance operational performance through position as trusted partner of **world-leading brands** with distinctive **distribution and logistics capabilities**

Turbocharge market presence to deliver growth

- Explore new opportunities across the **value chain** and **new geographies**
- Explore **new strategic growth opportunities**

05

Project governance

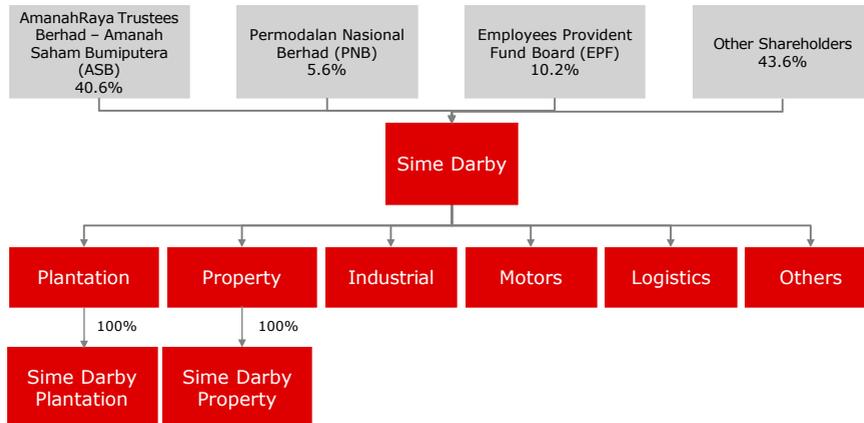


05 Transaction structure



Transaction structure – dividend in specie

CURRENT STRUCTURE



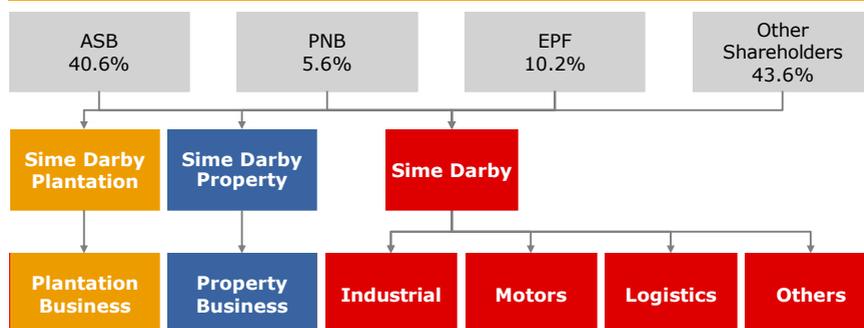
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05 Transaction structure



Transaction structure – dividend in specie

STRUCTURE POST PURE PLAY STRATEGY



- Transaction will be done through a dividend in specie
- Shareholding structure of 3 entities will remain the same as current structure of Berhad
- The proposed listing of Sime Darby Plantation and Sime Darby Property maybe implemented together or at different times

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Key areas to ensure optimal capital structure for Pure Play entities



Transfer of certain assets within the Group

- Assets such as **land bank to be transferred** to the Pure Play entities to **fuel future development**



Restructuring of Group's borrowings

- Reallocation of Group's and inter-company borrowings to ensure an **optimal and sustainable capital structure of 3 standalone entities**
- Engage with stakeholders such as rating agencies and creditors



Capitalisation of inter-company loans

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06 Question & Answer

Thank You

SIME DARBY INVESTOR RELATIONS

investor.relations@sime-darby.com

+(603) 2691 4122

<http://www.sime-darby.com/Overview.aspx>

