



FY2016/2017 Results Announcement

Nine Months ended 31 March 2017

31st May 2017



Developing Sustainable Futures

Third Quarter ended 31 March 2017

RM million

	YOY%	3QFY2017	3QFY2016
REVENUE	↑ 22%	12,446	10,233
PBIT	↑ 19%	1,022	856
PBT	↑ 27%	1,007	791
PATAMI	↑ 5%	699	663
BASIC EPS (sen)	↓ -2%	10.3	10.5

Nine Months ended 31 March 2017

RM million

	YOY%	9MFY2017	9MFY2016
REVENUE	↑ 8%	34,884	32,235
PBIT	↑ 30%	2,622	2,015
PBT	↑ 48%	2,557	1,727
PATAMI	↑ 40%	1,786	1,272
BASIC EPS (sen)	↑ 33%	27.1	20.4

Breakdown of long-term borrowings and short-term borrowings

RM15.2bn
Total Borrowings
as at 31 Dec'16

RM12.0bn



31 Dec'16

RM15.0bn
Total Borrowings
as at 31 Mar'17

RM8.3bn



31 Mar'17

■ Long-term borrowings ■ Short-term borrowings

As at 31 March 2017:

- Debt/Equity ratio of **37%**
- Bank and cash balances totaled to **RM3,984mn**
- Net cash from operating activities stood at **RM2,013mn, +15% YoY**

3QFY2017

9MFY2017

External Revenue

RM4,070mn (+49% YoY)
3QFY16: RM2,737mn

RM10,771mn (+23% YoY)
9MFY16: RM8,779mn

PBIT

RM732mn (>+100% YoY)
3QFY16: RM92mn

RM1,573mn (+184% YoY)
9MFY16: RM553mn

Upstream & Others

RM693mn, >+100% YoY
(3QFY16: RM31mn)

RM1,413mn, +263% YoY
(9MFY16: RM389mn)

FFB production 2.46mn MT, +18% YoY
(3QFY16: 2.09mn MT)

FFB production 7.33mn MT, -2% YoY
(9MFY16: 7.52mn MT)

OER 21.4%, -0.6% points YoY
(3QFY16: 22.0%)

OER 21.3%, -0.7% points YoY
(9MFY16: 22.0%)

Average CPO price realised RM3,088/MT, +40% YoY
(3QFY16: RM2,200/MT)

Average CPO price realised RM2,861/MT, +35% YoY
(9MFY16: RM2,113/MT)

Midstream & Downstream

RM39mn, -36% YoY
(3QFY16: RM61mn)

RM160mn, -2% YoY
(9MFY16: RM164mn)

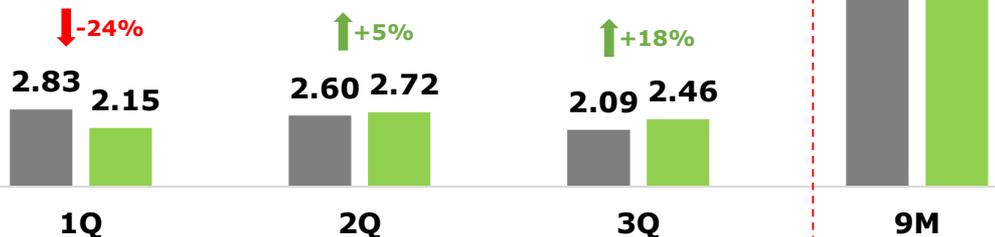
- Lower margins realised in the current period
- 9MFY16's results included the gain on disposal of oleochemical assets and business in Dusseldorf, Germany by Emery group of RM21mn

FFB Production (mn MT)

Average mature ha: -2% YoY

514k 504k

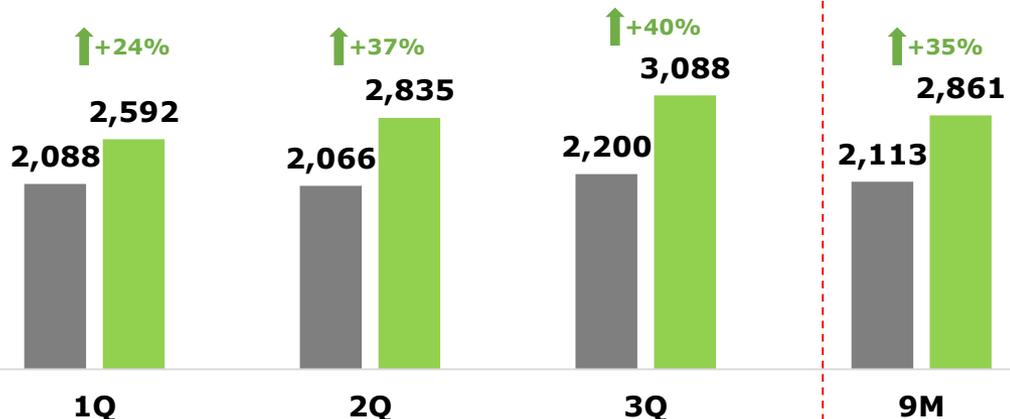
■ FY16 ■ FY17



- More young areas have come into maturity (FY2017 cumulative mature area from replanting: ~68,000 ha*)
 - Boost our production and age profile in coming quarters
- NBPOL's 9MFY17 FFB production improved significantly (+10% YoY), outperforming its achievement over the past 2 years
 - The counter-cyclical crop trend in PNG & Solomon Islands complements the peaks and lows experienced in Indonesia and Malaysia

Average CPO Price Realised (RM/MT)

■ FY16 ■ FY17



- Supported by strong improvement in average CPO price realised in 9MFY17
- CPO prices expected to trend lower on the back of rising CPO stocks and FFB production

*for replanting done since FY2010

3QFY2017

9MFY2017

External Revenue

RM588mn (-18% YoY)
3QFY16: RM714mn

RM1,443mn (-24% YoY)
9MFY16: RM1,894mn

PBIT

RM67mn (-89% YoY)
3QFY16: RM584mn

RM376mn (-51% YoY)
9MFY16: RM771mn

Property Development

RM115mn, -40% YoY
(3QFY16: RM191mn)

RM282mn, -25% YoY
(9MFY16: RM374mn)

In 3QFY17:

- Recorded the gain on disposal of 403 acres of land in Glengowrie Estate of RM202mn
- Made a provision for unsold stocks of RM79mn

In 9MFY17:

- Recognised a share of profit from the Battersea Power Station Project of RM87mn, the gain on partial disposal of the Group's interest in E&O Berhad of RM35mn as well as the gain on compulsory acquisition of land of RM58mn

Property Investment

RM-48mn, -112% YoY
(3QFY16: RM393mn)

RM94mn, -76% YoY
(9MFY16: RM397mn)

In 3QFY17:

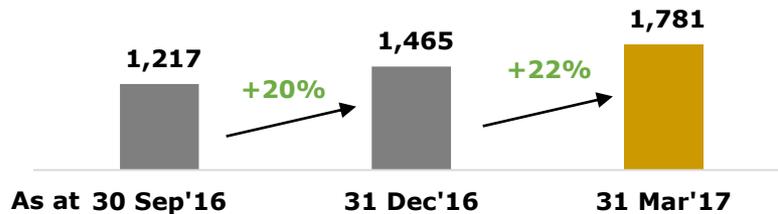
- Incurred an abortive cost on the proposed acquisition of Japan Residential Assets Manager Limited and new units in Saizen Real Estate Investment Trust of RM39mn

In 9MFY17:

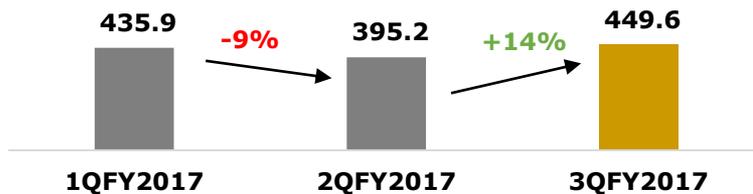
- Registered the gain on the disposal of SD Property (Alexandra) of RM131mn
- Previous year's results included the gain on disposal of SD Property (Dunearn) and SD Property (Kilang) of RM406mn

Key Operational Highlights

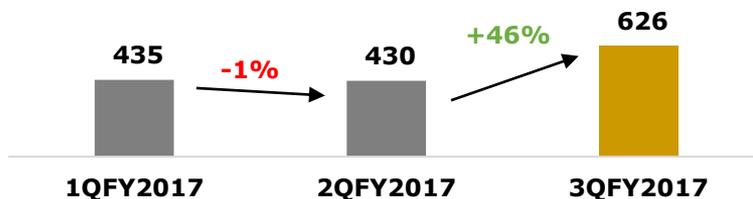
Unbilled Sales (RM'mn)



Gross Sales Value (RM'mn)



Units Sold



Upcoming Launches in 4QFY2017



Casira 1 and 2, Bandar Bukit Raja

193 units of linked houses
Est. GDV of RM141mn



Phase G3A, Elmina East

14 units of 2 & 3 storey shop offices
Est. GDV of RM27mn

Take-up Rate of 64%

as at 31 Mar'17 vs 61% as at 31 Mar'16

3QFY2017

9MFY2017

External Revenue

RM4,974mn (+15% YoY)
3QFY16: RM4,336mn

RM15,162mn (+8% YoY)
9MFY16: RM14,083mn

PBIT

RM126mn (+70% YoY)
3QFY16: RM74mn

RM392mn (+29% YoY)
9MFY16: RM305mn

Malaysia

RM24mn, >+100% YoY
(3QFY16: RM-3mn)

RM70mn, +150% YoY
(9MFY16: RM28mn)

- Higher contribution from the mass-vehicle segment due to new model launches

SE Asia ex M'sia

RM23mn, -39% YoY
(3QFY16: RM38mn)

RM100mn, -28% YoY
(9MFY16: RM139mn)

- Due to impact of the changes to the Special Consumption Tax in Vietnam and lower margins experienced in Singapore

China/HK

RM52mn, +160% YoY
(3QFY16: RM20mn)

RM155mn, +74% YoY
(9MFY16: RM89mn)

- Surge in demand for the luxury and super luxury segments

Australia/NZ

RM27mn, +42% YoY
(3QFY16: RM19mn)

RM67mn, +37% YoY
(9MFY16: RM49mn)

- Improved profit from the trucks business in NZ

New Models Launched in 3QFY17

Ford Ranger Black WildTrak

March 2017, Malaysia



BMW 1-Series

March 2017
China



All New BMW 5-Series

Enhanced dynamics, unmatched connectivity and an innovative operating system

March 2017
China, Malaysia & Singapore

Key Highlights

- Sold 62,984 units of vehicles, +3% YoY in 9MFY17
- Proposed disposal of the Citroen & Peugeot businesses in Australia and New Zealand to focus on the expansion of its retail car and commercial truck footprints in both countries
 - Expected completion on 1st Jun'17
- Opening of new BMW 4S Centre of Shenzhen Bow Chuang Nanshan Branch in Qianhai (March 2017)

3QFY2017

9MFY2017

External Revenue

RM2,727mn (+15% YoY)
3QFY16: RM2,373mn

RM7,245mn (+0.4% YoY)
9MFY16: RM7,217mn

PBIT

RM82mn (+8% YoY)
3QFY16: RM76mn

RM188mn (-11% YoY)
9MFY16: RM211mn

Malaysia

RM12mn, >+100% YoY
(3QFY16: RM2mn)

RM51mn, +65% YoY
(9MFY16: RM31mn)

- Better performance in the equipment sales and product support segments due to higher construction activities

SE Asia ex M'sia

RM5mn, -71% YoY
(3QFY16: RM17mn)

RM6mn, -93% YoY
(9MFY16: RM82mn)

- Lower engine deliveries to the oil & gas and marine sectors

China/HK

RM27mn, +8% YoY
(3QFY16: RM25mn)

RM63mn, -6% YoY
(9MFY16: RM67mn)

- Significant improvement in equipment sales to the construction sector despite a slowdown in the sale of engines to the marine industry

Australasia

RM38mn, +19% YoY
(3QFY16: RM32mn)

RM68mn, +119% YoY
(9MFY16: RM31mn)

- Due to improvements in business sentiment as coal prices gradually stabilised

RM1.25 billion

Order book as at
31 Mar'17

MALAYSIA

- Improvement in **equipment deliveries** & **product support sales**, driven by the **construction sector**
- Potential new job opportunities from **mega-infrastructure projects** in Malaysia (e.g. *LRT, MRT, WCE, HSR, Pan Borneo HW*)

DIVISION'S PADE BREAKDOWN

Equipment Sales
~10%



Product Support
~90%

AUSTRALASIA

- Better performance from the **Product Support business segment for 3QFY17** (+17% YoY for Parts, +111% YoY for Services) as mining industry sentiment improved following the **stabilisation of coal prices**
- However the **Adani project in Galilee Basin**, Queensland is **further delayed** pending the decision by the local government on royalty regime to mining companies

CHINA

- **Buoyant construction industry** – stronger demand for HEX machines but lower engines delivery to the marine sector
- HEX sales in Feb & Mar 2017 - all time high in CEL history

	3QFY2017	9MFY2017
External Revenue	RM77mn (+12% YoY) 3QFY16: RM69mn	RM222mn (+2% YoY) 9MFY16: RM217mn
PBIT	RM13mn (-7% YoY) 3QFY16: RM14mn	RM36mn (-48% YoY) 9MFY16: RM69mn
Weifang and Jining Ports	RM9mn, -25% YoY (3QFY16: RM12mn)	RM20mn, -66% YoY (9MFY16: RM58mn)
	<ul style="list-style-type: none"> • Lower throughput in Jining as a result of tighter environmental control by the local authority and stiff competition from neighbouring ports • Mitigated by higher throughput at Weifang Port following the commencement of operations of the new 3x30k MT container berth in Aug 2016 <ul style="list-style-type: none"> • The container throughput stood at 51k TEUs in 3QFY17, +5% YoY and 160k TEUs in 9MFY17, +1% YoY • 9MFY16's profit included the recognition of RM19mn government grant 	
Weifang Water Management	RM4mn, +100% YoY (3QFY16: RM2mn)	RM16mn, +46% YoY (9MFY16: RM11mn)
	<ul style="list-style-type: none"> • Higher water consumption of 30.2m m³ vs 25.8m m³ in 9MFY16 	

	3QFY2017	9MFY2017
External Revenue	RM7mn (>+100% YoY) 3QFY16: RM1mn	RM34mn (-13% YoY) 9MFY16: RM39mn
PBIT	RM14mn (+75% YoY) 3QFY16: RM8mn	RM38mn (+192% YoY) 9MFY16: RM13mn
Ramsay Sime Darby Health Care	RM10mn, +25% YoY (3QFY16: RM8mn)	RM28mn, +33% YoY (9MFY16: RM21mn)
	<ul style="list-style-type: none"> • Increase in both inpatient and outpatient visits in all hospitals 	
Tesco M'sia Sdn Bhd	RM0mn (3QFY16: RM0mn)	RM0mn, >+100% YoY (9MFY16: RM-19mn)
	<ul style="list-style-type: none"> • The Group recognised a share of losses of RM19mn in 9MFY16. It has discontinued the recognition of its share of losses in Tesco as the accumulated share of losses has zerorised the cost of investment 	
Insurance Broking	RM4mn, >+100% YoY (3QFY16: RM0mn)	RM10mn, -17% YoY (9MFY16: RM12mn)
	<ul style="list-style-type: none"> • Lower profit in 9MFY17 due to overall weaker demand 	

Updates on the Listing of Pure-Plays

Sime Darby is undertaking **an internal restructuring** of the Group and its subsidiaries involving the following to **ensure that an optimal capital structure** is achieved for the listed pure-play entities.

	<u>Status</u>
A) Restructuring of the Group's borrowings <ul style="list-style-type: none">• USD800mn multi-currency sukuk• Other borrowings	Completed (23rd May'17) Ongoing
B) Transfer of certain assets within the Group	Ongoing
C) Capitalisation of inter-company loans	Ongoing

Outcome

Achieved **a final tender and consent participation of 91%** across both series of sukuk (of which USD400mn Sukuk mature in 2018 and USD400mn Sukuk mature in 2023)

Tender Offer

Total payment is **USD631.3 million¹** to Sukukholders

- Series 18 - USD353.8 million
- Series 23 - USD277.5 million

Novation

The remaining 21.5% of the Sukuk will be **novated to Sime Darby Plantation**

¹ Includes interest accrued

TODAY

Sime Darby Plantation (SDP) achieved ratings of Baa1 and BBB+ by Moody's and Fitch Ratings respectively, both on stable outlook in Mar'17

Sime Darby announced its plan to create 3 standalone entities on 27th Feb'17

Restructuring of USD800mn Sukuk on 23rd May'17

MARC affirmed rating of AAA, with stable outlook for SDP on 26th May'17

Restructuring of the remaining borrowings

Announcement of the Leadership of Pure-Play Entities

Submission of Prospectus

Approval by Authorities

External Engagements

EGM

Listing of Pure-Plays

END 2017

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Thank You

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Appendix: Breakdown of External Revenue

In RM'mn	3QFY17	3QFY16	%	9MFY17	9MFY16	%
Plantation						
Upstream & Others	1,904	1,206	58%	4,660	3,793	23%
Midstream & Downstream	2,167	1,532	41%	6,111	4,987	23%
	4,071	2,737	49%	10,771	8,779	23%
Industrial						
Malaysia	309	244	27%	953	717	33%
SE Asia ex Malaysia	161	194	-17%	414	799	-48%
China/HK	743	665	12%	1,870	1,864	0%
Australasia	1,514	1,271	19%	4,008	3,837	4%
	2,727	2,373	15%	7,245	7,217	0%
Motors						
Malaysia	922	816	13%	2,545	2,410	6%
SE Asia ex Malaysia	1,261	999	26%	3,774	3,292	15%
China/HK	1,950	1,738	12%	6,330	5,995	6%
Australasia/NZ	841	783	7%	2,513	2,386	5%
	4,974	4,336	15%	15,162	14,083	8%
Property						
Property Development	580	656	-12%	1,357	1,716	-21%
Property Investment	8	59	-87%	86	179	-52%
	588	715	-18%	1,443	1,895	-24%
Logistics						
Ports	64	58	10%	178	178	0%
Water	13	11	23%	44	39	14%
	77	69	12%	222	217	2%
Others						
	7	1	>+100%	34	39	-13%
<i>Elimination/Corporate Expenses</i>	1	2		7	6	17%
TOTAL	12,446	10,233	22%	34,885	32,235	8%

Appendix: Breakdown of PBIT

In RM'mn	3QFY17	3QFY16	%	9MFY17	9MFY16	%
Plantation						
Upstream & Others	693	31	>+100%	1,413	389	>+100%
Midstream & Downstream	39	61	-36%	160	164	-2%
	732	92	>+100%	1,573	553	>+100%
Industrial						
Malaysia	12	2	>+100%	51	31	65%
SE Asia ex Malaysia	5	17	-71%	6	82	-93%
China/HK	27	25	8%	63	67	-6%
Australasia	38	32	19%	68	31	>+100%
	82	76	8%	188	211	-11%
Motors						
Malaysia	24	(3)	>+100%	70	28	>+100%
SE Asia ex Malaysia	23	38	-39%	100	139	-28%
China/HK	52	20	160%	155	89	74%
Australasia/NZ	27	19	42%	67	49	37%
	126	74	70%	392	305	29%
Property						
Property Development	115	191	-40%	282	374	-25%
Property Investment	(48)	393	-112%	94	397	-76%
	67	584	-89%	376	771	-51%
Logistics						
Ports	9	12	-25%	20	58	-66%
Water	4	2	100%	16	11	45%
	13	14	-7%	36	69	-48%
Others	14	8	75%	38	13	>+100%
TOTAL¹	1,034	848	22%	2,603	1,922	35%

Appendix: Plantation Operational Statistics

	MALAYSIA		INDONESIA		PNG	LIBERIA	TOTAL	
	9MFY17	9MFY16	9MFY17	9MFY16	9MFY17	9MFY17	9MFY17	9MFY16
FFB Production (mn MT)	3.89	4.06	2.15	2.29	1.28	11,940 ¹	7.33	7.52
FFB yield per mature ha (MT/ha)	15.25	15.59	12.81	12.80	17.06	2.03	14.55	14.63
CPO Production (mn MT)	0.87	0.92	0.58	0.65	0.39	2,654 ¹	1.84	1.91
PK Production (mn MT)	0.21	0.22	0.13	0.14	0.10	-	0.43	0.44
CPO Extraction Rate (%)	20.64	21.39	21.33	22.63	23.08	18.17	21.33	22.01
PK Extraction Rate (%)	4.90	5.05	4.69	4.79	5.72	-	4.99	5.10
Average CPO selling price (RM/MT)	2,825	2,209	2,777	1,915	3,123	2,508	2,861	2,113
Average PK selling price (RM/MT)	2,805	1,548	2,384	1,144	-	-	2,697	1,434

¹ in MT

Plantation Landbank as at 31 March 2017

	Malaysia	Indonesia	Liberia	PNG	Solomon Islands	Group
Total Land bank (ha)	348,252	283,385	220,000	129,935	8,304	989,876
Total Oil Palm Planted Area (ha)	303,104	202,696	10,482	79,134	6,765	602,181
Total Rubber Planted Area (ha)	11,627	1,432	107	-	-	13,166