



FY2017/2018 Results Announcement Fourth Quarter ended 30 June 2018

30 August 2018

Financial Highlights

Weaker performance due to lower non-recurring net gains, partially mitigated by lower finance costs



<i>in RM'mn (YoY %)</i>	4QFY2018	FY2018
Revenue	3,084 4QFY17: 3,686 (-16%)	14,369 FY17: 14,779 (-3%)
PBIT	189 4QFY17: 2,834 (-93%)	2,536 FY17: 4,455 (-43%)
■ Recurring PBIT	472 4QFY17: 606 (-22%)	2,019 FY17: 2,227 (-9%)
■ Non-Recurring PBIT	-283 4QFY17: 2,228 (>-100%)	517 FY17: 2,228 (-77%)
PBT	149 4QFY17: 2,722 (-95%)	2,377 FY17: 4,031 (-41%)
PATAMI Attributable to owners of the Company	30 4QFY17: 2,628 (-99%)	1,727 FY17: 3,507 (-51%)
■ Recurring PATAMI	313 4QFY17: 400 (-22%)	1,236 FY17: 1,279 (-3%)
■ Non-Recurring PATAMI	-283 4QFY17: 2,228 (<-100%)	491 FY17: 2,228 (-78%)
Basic EPS¹ (RM'sen)	0.4 4QFY17: 38.6 (-99%)	25.4 FY17: 51.6 (-51%)
■ Recurring EPS	4.6 4QFY17: 5.8 (-22%)	18.2 FY17: 18.8 (-3%)
■ Non-Recurring EPS	-4.2 4QFY17: 32.8 (<-100%)	7.2 FY17: 32.8 (-78%)

¹ Based on weighted average number of ordinary shares post-listing of SD Plantation

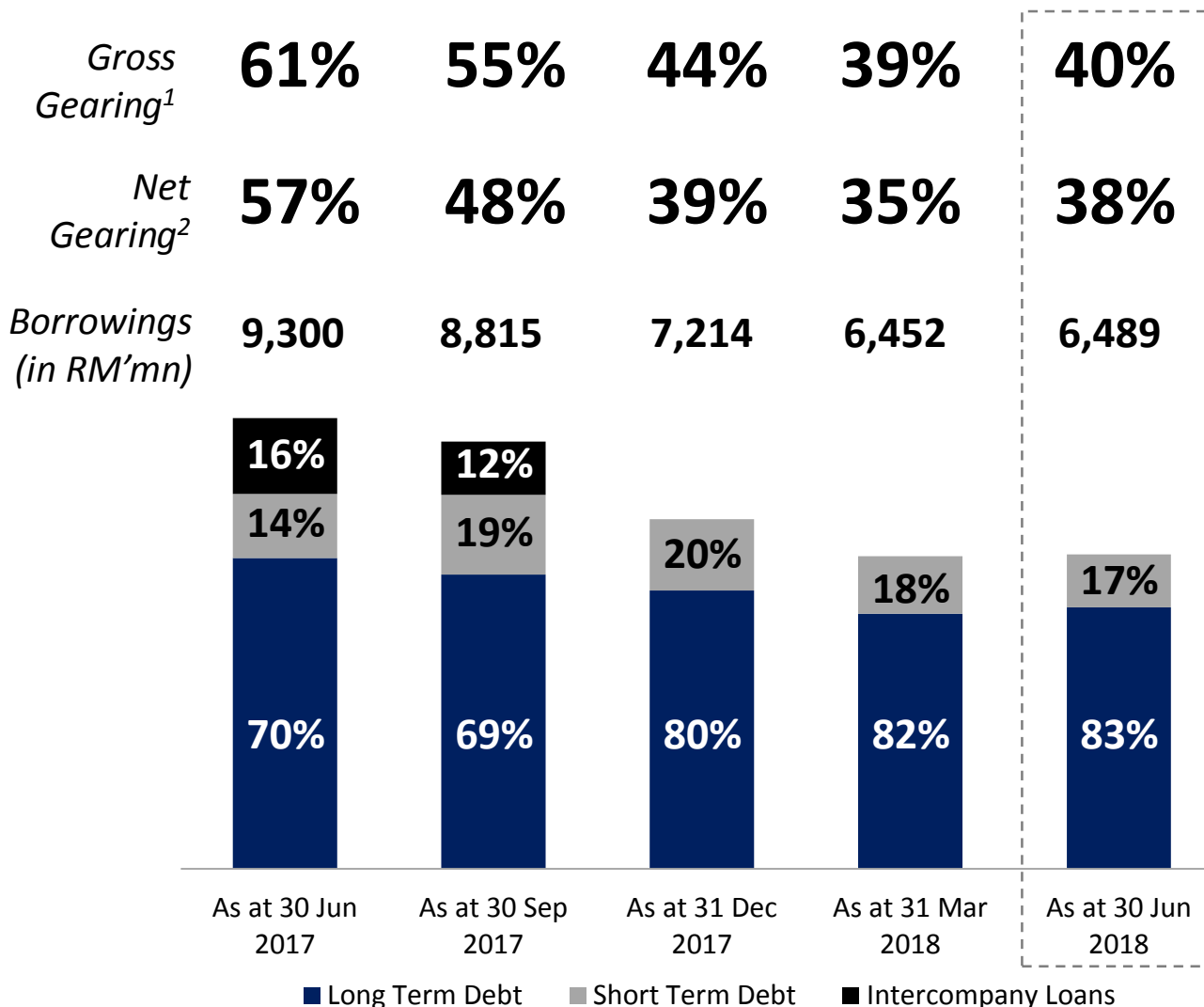
Non-Recurring Items

Lower PBIT arising from non-cash impairment charges recognised

<i>in RM'mn</i>	4QFY2018	4QFY2017	YoY	FY2018	FY2017	YoY
Recurring PBIT	472	606	-22%	2,019	2,227	-9%
Non-Recurring PBIT	-283	2,228	-113%	517	2,228	-77%
■ Non-cash impairment of assets in Liberia	-112	-202		-112	-202	
■ Non-cash impairment of Verdezyne Inc's carrying value	-157			-157		
■ Gain on sale of land in Melaka				118		
■ Non-cash impairment of rubber asset in Indonesia				-68		
■ Non-cash gain on sale of land to SD Property				676		
■ Write-back of donation to Yayasan Sime Darby				95		
■ Others	-14			-35		
■ Non-cash gain on sale of MVV land to SD Berhad		2,469			2,469	
■ Share of non-cash impairment losses of Emery Oleochemicals		-39			-39	
Total PBIT	189	2,834	-93%	2,536	4,455	-43%

Borrowings & Cash Flow

Finance costs in FY2018 were 61% lower than FY2017 as a result of lower borrowings arising from the restructuring of intercompany debts at the point of the demerger and the repayment of loans (RM1,397mn) in FY2018



RM2,675mn

NET CASH GENERATED FROM OPERATING ACTIVITIES

30 June 2017: RM3,292mn (-19% YoY)

RM-884mn

NET CASH USED IN INVESTING ACTIVITIES

30 June 2017: RM-1,578mn (-44% YoY)

RM-2,091mn

NET CASH USED IN FINANCING ACTIVITIES

30 June 2017: RM-1,673mn (+25% YoY)

- **Gearing** as at 30 June 2018 **declined** compared to the same period last year
- **Lower finance costs** at RM183mn in FY2018 (FY2017: RM472mn) given lower average interest rates on borrowings of 2.84% in FY2018 (FY2017: 3.54%) and lower borrowings by 30% YoY at RM6,489mn in FY2018 (FY2017: RM9,300mn)

¹ Gross Gearing is based on Total Borrowings (including intercompany loans) divided by Total Equity

² Net Gearing is based on Total Borrowings (including intercompany loans) less Bank Balances, Deposits & Cash divided by Total Equity

Financial Performance by Segment

A decline in recurring PBIT due to lower profit contribution from the Upstream operations, partially mitigated by better earnings from the Downstream operations

Recurring PBIT in RM'mn (YoY %)

4QFY2018

FY2018

Upstream

403

4QFY17: 620 (-35%)

1,699

FY17: 2,011 (-16%)

Upstream Malaysia

243

4QFY17: 380 (-36%)

1,214

4QFY17: 1,199 (+1%)

Upstream Indonesia

92

4QFY17: 47 (+96%)

364

4QFY17: 503 (-28%)

Upstream PNG/SI

77

4QFY17: 219 (-65%)

192

4QFY17: 429 (-55%)

Upstream Liberia

-9

4QFY17: -26 (+65%)

-71

4QFY17: -120 (+41%)

Downstream

68

4QFY17: 7 (>+100%)

267

FY17: 232 (+15%)

Others¹

1

4QFY17: -21 (>+100%)

53

FY17: -16 (>+100%)

¹ Others refers to Sime Darby Agri-Bio Sdn Bhd, Sime Darby Research Sdn Bhd, Sime Darby Technology Sdn Bhd, Sime Darby Biotech Lab Sdn Bhd, Sime Darby Seeds Sdn Bhd, as well as investment holding companies, associates and joint ventures

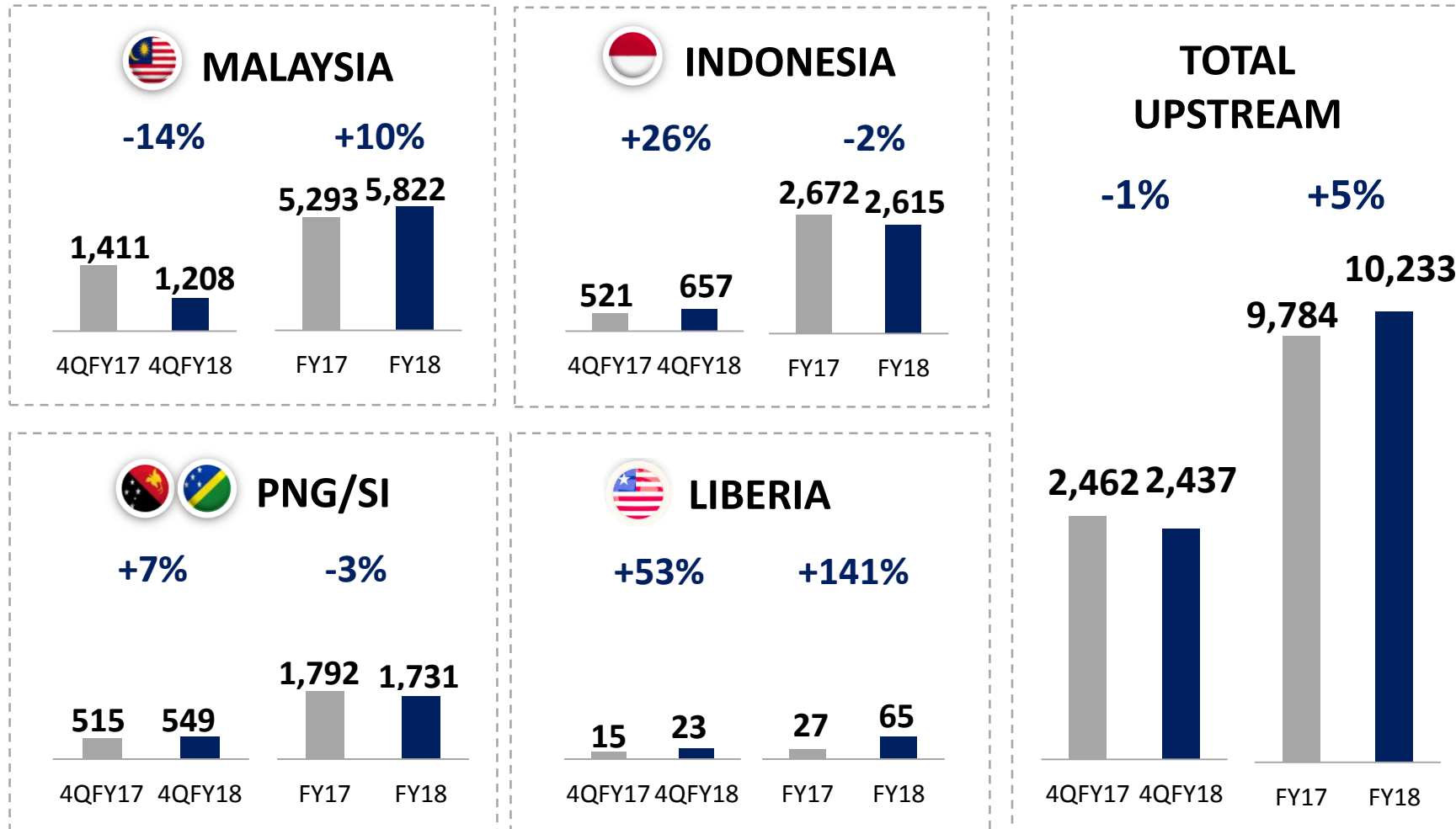
Operational Performance – Upstream

FFB production in FY2018 grew 5% YoY due to the achievement of the strongest yield performance in Malaysia in the last 5 years



FFB PRODUCTION

in '000 MT (YoY %)



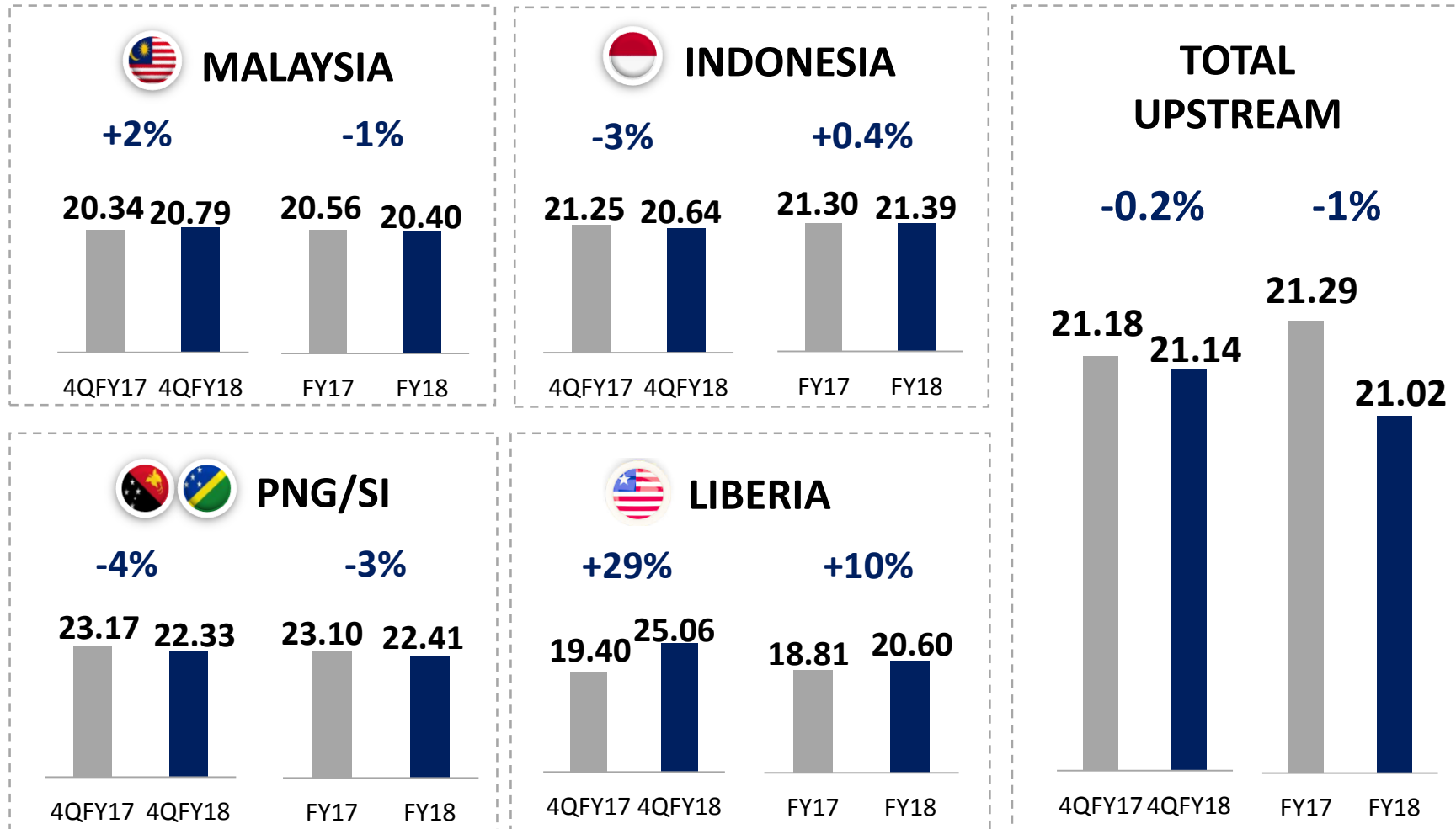
- FFB production in **Malaysia** grew 10% YoY in FY2018 on the back of **sustained yield improvement efforts** coupled with young mature palms **entering their peak production**
- In **Indonesia**, FFB production was marginally lower in FY2018 as a result of **accelerated replanting**, on the back of lower average mature ha of 159,436 in FY2018 (FY2017: 166,659 mature ha)
- FFB production in **PNG/SI** in FY2018 was affected by **weather abnormalities** during the period, such as:
 - Extremely high rainfall in West New Britain and very dry period in Ramu

Operational Performance – Upstream

Marginally lower overall OER in FY2018 in Malaysia and PNG/SI

CPO EXTRACTION RATE (OER)

in % (YoY %)



- OER in **Malaysia** was **weaker** by 1% YoY in FY2018 as a result of the **increase** in **young mature area** with **low oil to bunch ratio**
- OER in **PNG/SI** was **weaker** by 3% YoY in FY2018 on the back of **weather related issues** such as extended intervals, crop quality and delay in crop evacuation, among contributing factors

Operational Performance

Lower average CPO price realised due to weaker market sentiment

AVERAGE CPO PRICE REALISED

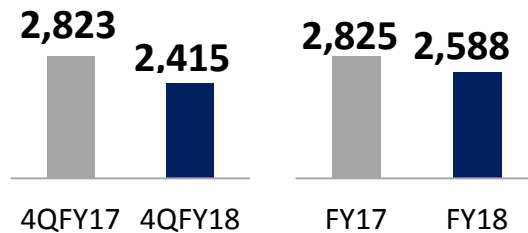
in RM/MT (YoY %)



MALAYSIA

-14%

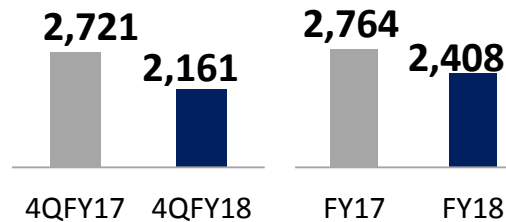
-8%



INDONESIA

-21%

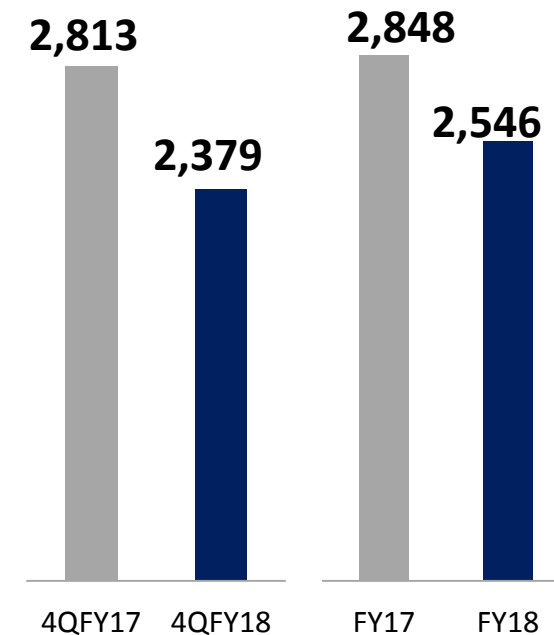
-13%



**TOTAL
UPSTREAM**

-15%

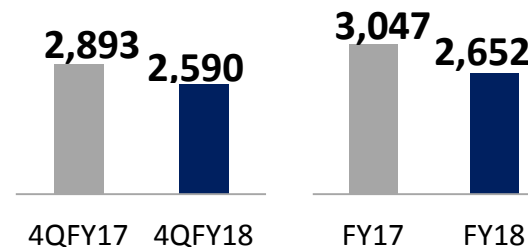
-11%



PNG/SI

-10%

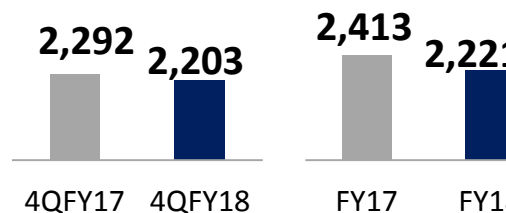
-13%



LIBERIA

-4%

-8%

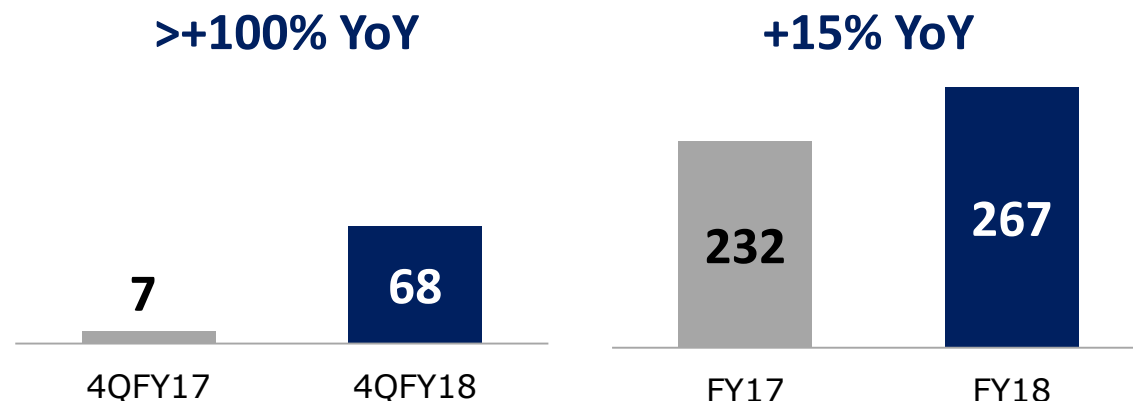


Financial Performance – Downstream

Higher PBIT in FY2018 driven by better earnings from the differentiated products business

DOWNSTREAM PBIT

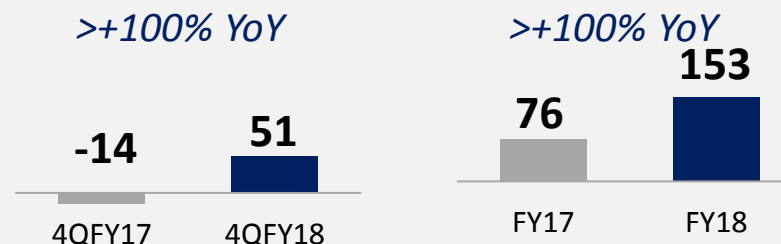
in RM'mn



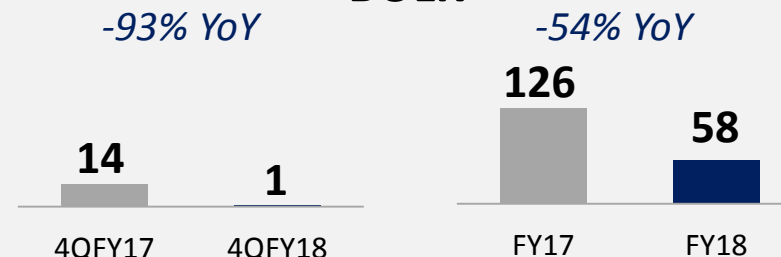
- Downstream PBIT strengthened in FY2018 driven by better earnings from:
 - The differentiated products business due to **higher sales volume, improved contribution margin, and higher capacity utilisation**
 - The trading business taking advantage of the CPO price volatility
- This was offset by lower contribution from the bulk business due to higher negative cost of oil cycle

PBIT BY SEGMENT

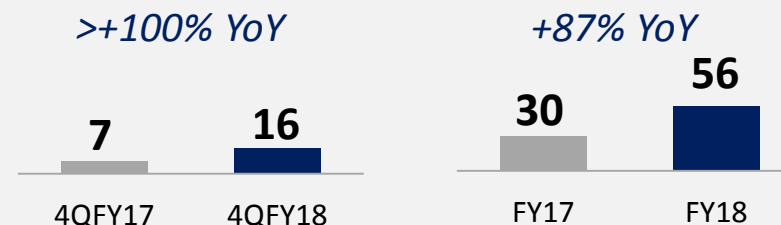
DIFFERENTIATED



BULK



TRADING

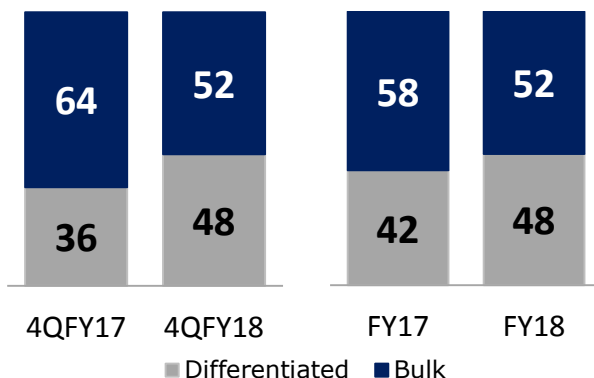


Operational Performance – Downstream

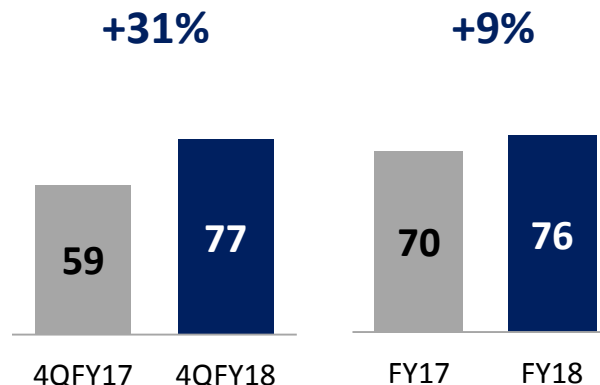
Continuous efforts to drive various operational initiatives to manage cost and improve margins



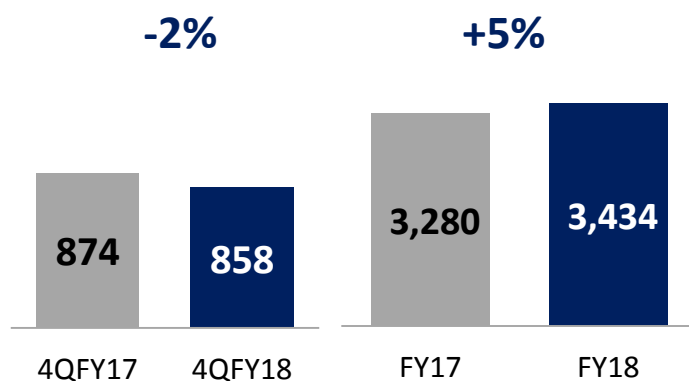
Product Ratio



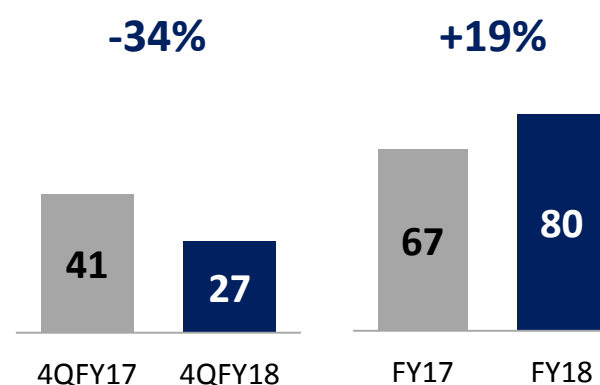
Capacity Utilisation (%)



Sales Volume ('000 MT)



LSS¹ Savings (RM'mn)



- Product ratio continues to move towards **higher contribution from the differentiated segment** in FY2018

- As a result, capacity utilisation and sales volume increased in FY2018 on **better contribution by specialty refineries**

- LSS savings grew by 19% YoY** in FY2018 due to 174 projects harvested during the period

¹ LSS – Lean Six Sigma

The acquisition of 100% Equity Interest in Markham Farming Company Limited (MFCL)



**New Britain
Palm Oil
Limited**



Markham Agro

MFCL is a private limited company incorporated in PNG which owns:

- 6,110 ha of agriculture land in Markham Valley, PNG, comprising 2 estates – Munum (1,733 ha) and Erap (4,377 ha).
 - Average age profile of the oil palm trees is ~18 months.
- 2 copra mills in Buka and Madang, PNG with a total combined copra throughput capacity of 55,000 MT per annum.

STRATEGIC RATIONALE

- The oil palm plantation is strategically located close to Lae, PNG's largest port, and has the ability to **integrate with SD Plantation/NBPOL's existing supply chain.**
- MFCL is the largest coconut oil exporter in PNG and the acquisition enables SD Plantation/NBPOL to **expand its lauric oils business** into coconut oil production, captive for its refining blends in Europe.

The acquisition of 100% Equity Interest in Markham Farming Company Limited (MFCL)



KEY VALUATION METRICS

Total Enterprise Value (EV) = USD63.6mn (RM260.7mn)

OIL PALM

EV = USD36.5mn (RM149.6mn)

Land in Use	Area (ha)	EV/ha	
		<i>in USD</i>	<i>in RM</i>
Total Planted Area (1)	4,018	9,084	37,234
Remaining Plantable Area (2)	1,695	-	-
Total Plantable Area (1)+(2)	5,713	6,389	26,188
Non-Plantable Area (3)	397	-	-
Total Land Bank (1)+(2)+(3)	6,110	5,974	24,487

COPRA

EV = USD27.1mn (RM111.1mn)

	Madang Copra Mill	Buka Copra Mill
Year Commissioned	2012	2013
Processing Capacity	20,000 MT	35,000 MT
EV/EBITDA <i>(based on Jan-Dec 2017)</i>	3.6x	

Memorandum of Understanding between SD Plantation and COFCO

The collaboration is set to create greater demand for certified sustainable palm oil and increase trade volume between the two companies



SD Plantation has signed a Memorandum of Understanding with **COFCO Group Co. Ltd.**, a leading agri-product merchandiser and food production company in China, to collaborate on a number of **palm oil related ventures**, such as:

- Joint research and development for specialty oils & fats and healthy palm oil products
- Enhance sales and marketing efforts for specialty oils & fats and healthy palm oil products
- Joint efforts in developing demand for sustainable palm oil in China
- Increase trade volume of palm products



"This collaboration reflects our aspiration to be the leader in promoting the health benefits of palm oil and to produce certified-sustainable, high value palm oil products for the global market"

Proposed Dividend Reinvestment Plan (DRP)

The Company proposed to establish a dividend reinvestment plan (DRP), which is subject to the relevant regulatory approvals and shareholders' approval being obtained at an Extraordinary General Meeting, and if approved, may be applied to any future cash dividends which includes any interim, final, special or other types of cash dividends.

STRATEGIC RATIONALE

Prudent financial and cashflow management

Increase goodwill with shareholders

PROPOSED DRP SCHEME, TERMS & STRUCTURE

Electable Portion	For every implementation of the Proposed DRP, SD Plantation Board will determine whether the Proposed DRP will apply in whole or in part to the declared dividend.
Issue Price of DRP Shares	<p>The issue price to be determined (Issue Price) will be based on a volume weighted adjusted price (VWAP) for the five (5) market days up to a day preceding the price-fixing date, after adjusting for the following:</p> <ul style="list-style-type: none"> Gross dividend adjustment ("Ex-dividend VWAP "); and A discount of not more than 10% to the Ex-dividend VWAP
Odd Lots	Allow shareholders participating in the Proposed DRP to receive odd lots <i>(not rounded down to the nearest Board Lot, i.e. multiple of 100 shares)</i> of SD Plantation shares depending on their entitlement

Proposed Dividend Reinvestment Plan (DRP)

The Company proposed to establish a dividend reinvestment plan (DRP), which is subject to the relevant regulatory approvals and shareholders' approval being obtained at an Extraordinary General Meeting, and if approved, may be applied to any future cash dividends which includes any interim, final, special or other types of cash dividends.

ELIGIBILITY

All shareholders are eligible to participate in the Proposed DRP. However, it will only be offered for subscription in Malaysia. Overseas shareholders wishing to participate in the Proposed DRP will have to provide a Malaysian address to the share registrar.

TIMELINE

The Proposed DRP will be tabled to the **shareholders for approval on 21 November 2018 at SD Plantation's Extraordinary General Meeting (EGM)** which will convene immediately after SD Plantation's Annual General Meeting (AGM). The allotment of new shares and payment of dividend will only take place in January 2019 as shareholders will need adequate time to make their election.

APPLICATION TO THE FYE JUNE 2018 DIVIDENDS

The SD Plantation Board has determined that the Proposed DRP will be applicable to the the final and special final dividend for the financial year ended 30 June 2018, subject to the necessary approvals.

Dividend for the Year Ended 30 June

As part of SD Plantation's dividend policy, the Group targets a dividend payout ratio of not less than 50% of the consolidated profit attributable to the owners of the Company (PATAMI)

	FY2018		FY2017	
	Net Per Share (sen)	Total Net Dividend (RM'mn)	Net Per Share (sen)	Total Net Dividend (RM'mn)
First Interim Dividend	3.5	238	50.0	300
Second Interim Dividend	-	-	100.0	600
Final Dividend	8.0	544	-	-
	11.5	782	150.0	900
Payout Ratio <i>(out of recurring PATAMI)</i>	63%		70%	

Dividend for the Year Ended 30 June

The Group reported net non-recurring PATAMI of RM491 million in FY2018.
The following special dividends have also been declared and proposed:

	FY2018	
	Net Per Share (sen)	Total Net Dividend (RM'mn)
Special Interim Dividend	3.0	204
Special Final Dividend	3.0	204
	6.0	408

Disclaimer



This document is strictly confidential to the recipient. It is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Upon request, you shall promptly return this document all other information made available in connection with this document, without retaining any copies. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This document does not constitute and is not an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities of any company referred to in this document in any jurisdiction. The companies referred to herein have not registered and do not intend to register any securities under the US Securities Act of 1933, as amended (the “**Securities Act**”), and any securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration under the Securities Act. By attending the presentation you will be deemed to represent, warrant and agree that to the extent that you purchase any securities in any of the companies referred to in the presentation, you either (i) are a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act, or (ii) you will do so in an “offshore transaction” within the meaning of Regulation S under the Securities Act

By attending this presentation and accepting a copy of this document, you represent and warrant that (i) you have read and agreed to comply with the contents of this notice; (ii) you will maintain absolute confidentiality regarding the information contained in this document including information presented orally or otherwise in accordance with your confidentiality obligation; and (iii) you are lawfully able to receive this document and attend this presentation under the laws of other jurisdiction in which you are subjected and other applicable laws.

This document is for the purposes of information only and is not intended to form the basis of any investment decision. This presentation may contain forward-looking statements by Sime Darby Plantation that reflect management’s current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. These statements are based on various assumptions and made subject to a number of risks, uncertainties and contingencies and accordingly, actual results, performance or achievements may differ materially and significantly from those discussed in the forward-looking statements. Such statements are not and should not be construed as a representation, warranty or undertaking as to the future performance or achievements of Sime Darby Plantation and Sime Darby Plantation assumes no obligation or responsibility to update any such statements.

No representation or warranty, express or implied, is given by or on behalf of Sime Darby Plantation or its related corporations (including without limitation, their respective shareholders, directors, officers, employees, agents, partners, associates and advisers) (collectively, the “**Parties**”) as to the quality, accuracy, reliability, fairness or completeness of the information contained in this presentation or its contents or any oral or written communication in connection with the contents contained in this presentation (collectively, the “**Information**”), or that reasonable care has been taken in compiling or preparing the Information. None of the Parties shall be liable or responsible for any budget, forecast or forward-looking statements or other projections of any nature or any opinion which may have been expressed or otherwise contained or referred to in the Information.

The Information is and shall remain the exclusive property of Sime Darby Plantation and nothing herein shall give, or shall be construed as giving, to any recipient(s) or party any right, title, ownership, interest, license or any other right whatsoever in or to the Information herein. The recipient(s) acknowledges and agrees that this presentation and the Information are confidential and shall be held in complete confidence by the recipient(s).

All the images, pictures and photos including design drawings in relation to the company’s property development projects contained in this document are artist impression only and are subject to variation, modifications and substitution as may be recommended by the company’s consultants and/or relevant authorities.

Appendix

Segment Revenue

in RM'mn	Upstream Malaysia			Upstream Indonesia			Upstream PNG/SI			Upstream Liberia			Downstream			Other Operations			Inter-segment Elimination		Total Revenue		
	FY18	FY17	YoY %	FY18	FY17	YoY %	FY18	FY17	YoY %	FY18	FY17	YoY %	FY18	FY17	YoY %	FY18	FY17	YoY %	FY18	FY17	FY18	FY17	YoY %
External	1,298	790	64%	791	967	-18%	1,569	1,872	-16%	33	11	200%	10,560	11,079	-5%	118	60	97%	-	-	14,369	14,779	-3%
Inter-segment	3,187	3,432	-7%	1,036	1,286	-19%	785	580	35%	-	-	-	144	59	144%	263	242	9%	-5,415	-5,599	-	-	-
	4,485	4,222	6%	1,827	2,253	-19%	2,354	2,452	-4%	33	11	200%	10,704	11,138	-4%	381	302	26%	-5,415	-5,599	14,369	14,779	-3%

in RM'mn	Upstream Malaysia			Upstream Indonesia			Upstream PNG/SI			Upstream Liberia			Downstream			Other Operations			Inter-segment Elimination		Total Revenue		
	4Q FY18	4Q FY17	YoY %	4Q FY18	4Q FY17	YoY %	4Q FY18	4Q FY17	YoY %	4Q FY18	4Q FY17	YoY %	4Q FY18	4Q FY17	YoY %	4Q FY18	4Q FY17	YoY %	4Q FY18	4Q FY17	4Q FY18	4Q FY17	YoY %
External	271	283	-4%	223	33	576%	39	313	-88%	11	4	175%	2,528	3,040	-17%	12	13	-8%	-	-	3,084	3,686	-16%
Inter-segment	680	541	26%	114	233	-51%	230	167	38%	-	-	-	36	38	-5%	69	190	-64%	-1,129	-1,169	-	-	-
	951	824	15%	337	266	27%	269	480	-44%	11	4	175%	2,564	3,078	-17%	81	203	-60%	-1,129	-1,169	3,084	3,686	-16%

Summary of Operational Statistics

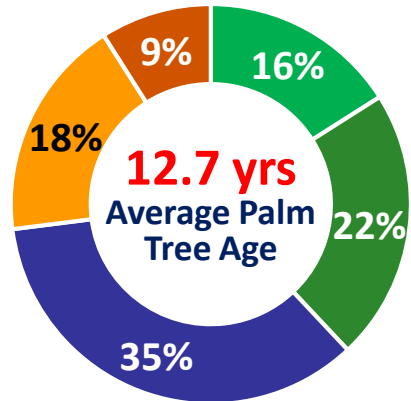
As at 30 June 2018 (FY2018)

	Malaysia		YoY %	Indonesia		YoY %	PNG		YoY %	Liberia		YoY %	Group		YoY %
	30 Jun '18	30 Jun '17		30 Jun '18	30 Jun '17		30 Jun '18	30 Jun '17		30 Jun '18	30 Jun '17		30 Jun '18	30 Jun '17	
FFB Production (mn MT)	5.822	5.293	10%	2.615	2.672	-2%	1.731	1.792	-3%	0.065	0.027	141%	10.233	9.784	5%
FFB Yield per mature ha (MT/Ha)	23.13	20.76	11%	16.40	16.03	2%	22.36	23.88	-6%	6.78	3.85	76%	20.51	19.44	6%
CPO Production (Own) (mn MT)	1.199	1.091	10%	0.559	0.571	-2%	0.388	0.414	-6%	0.014	0.005	159%	2.159	2.081	4%
CPO Production (Total) (mn MT)	1.419	1.200	18%	0.710	0.724	-2%	0.508	0.549	-7%	0.016	0.006	173%	2.653	2.478	7%
PK Production (Own) (mn MT)	0.298	0.262	14%	0.126	0.125	1%	0.100	0.103	-3%	0.003	0.000	1308%	0.526	0.490	7%
PK Production (Total) (mn MT)	0.357	0.289	24%	0.160	0.159	1%	0.130	0.136	-4%	0.003	0.000	1551%	0.650	0.584	11%
CPO Extraction Rate (%)	20.40	20.56	-1%	21.39	21.30	0%	22.41	23.10	-3%	20.60	18.73	10%	21.02	21.29	-1%
PK Extraction Rate (%)	5.13	4.95	4%	4.80	4.67	3%	5.75	5.73	0%	3.97	2.48	60%	5.15	5.02	3%
Average CPO Selling Price (RM/MT)	2,588	2,825	-8%	2,408	2,764	-13%	2,652	3,047	-13%	2,221	2,413	-8%	2,546	2,848	-11%
Average PK Selling Price (RM/MT)	2,209	2,533	-13%	1,888	2,260	-16%	-	-	-	1,105	-	-	2,146	2,469	-13%

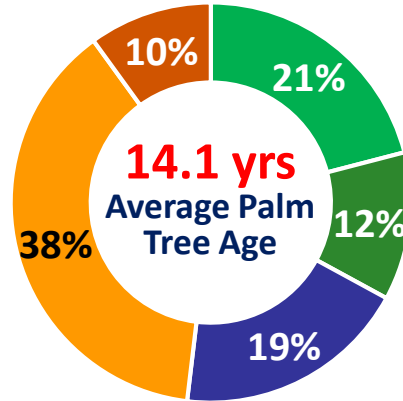
Breakdown of Age Profile

As at 30 June 2018 (FY2018)

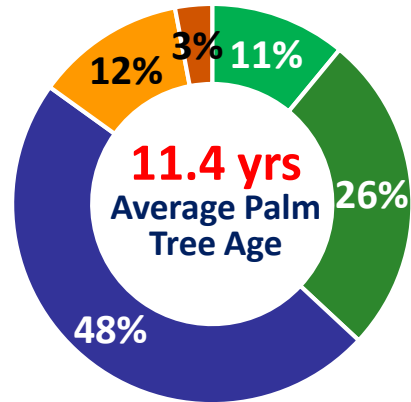
MALAYSIA



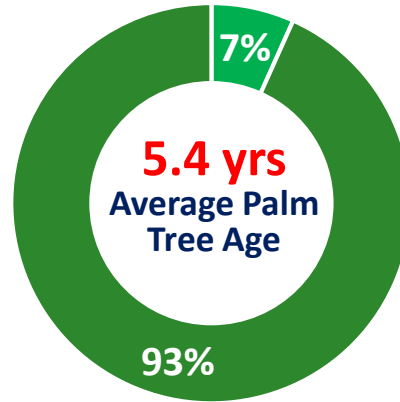
INDONESIA



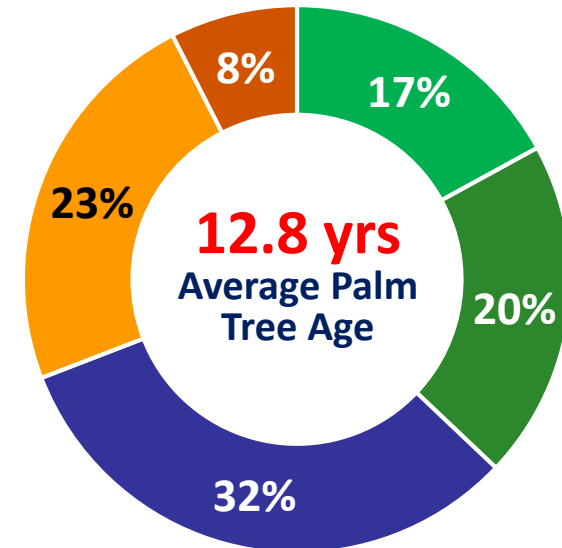
PNG



LIBERIA



GROUP



SD Plantation has 599,992 ha of oil palm planted area of which 83% is mature and 17% is immature

THANK YOU



SIME DARBY PLANTATION INVESTOR RELATIONS

investor.relations@simedarbyplantation.com

+(603) 7848 4000

<http://www.simedarbyplantation.com/investor-relations>