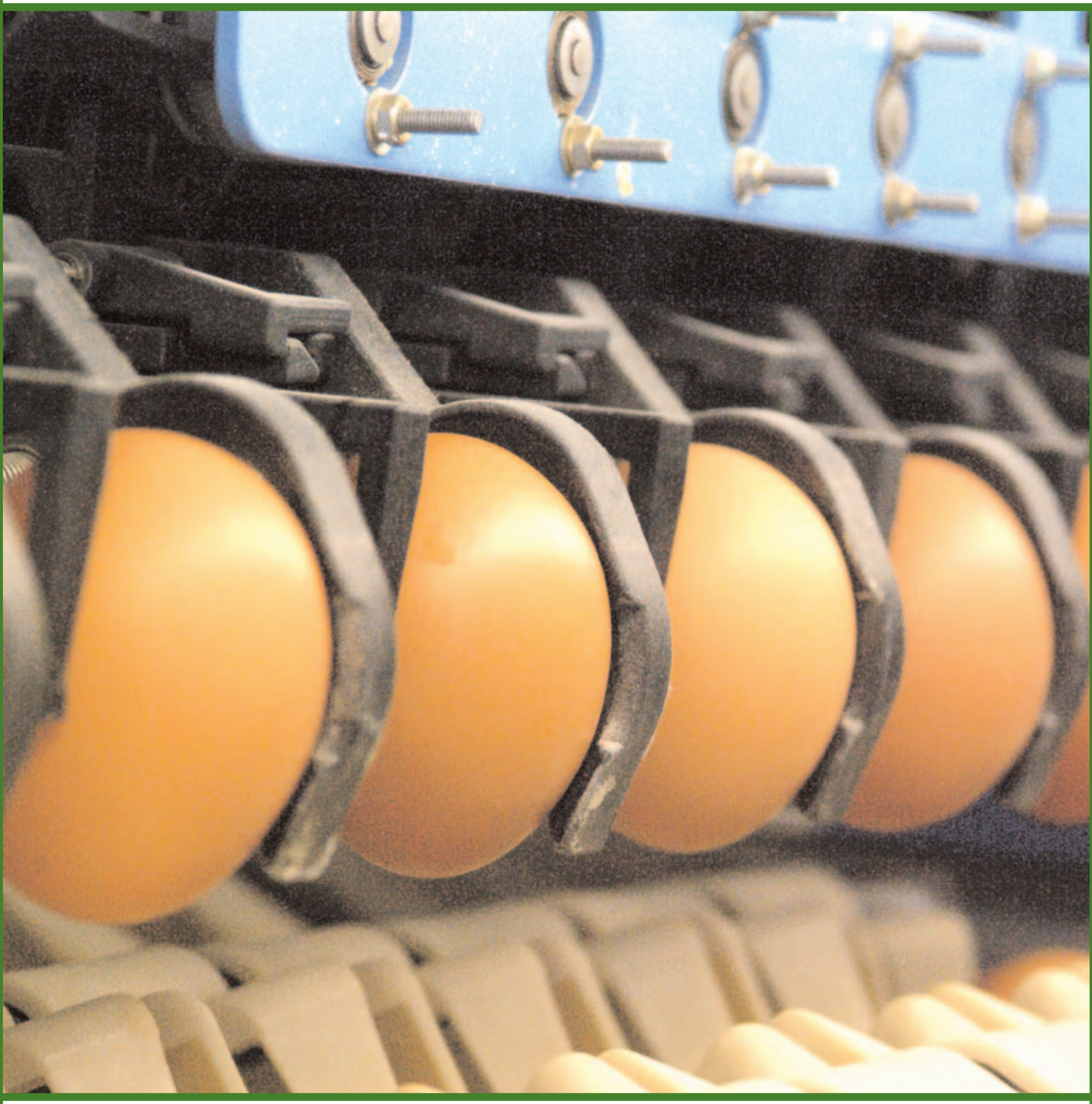
Registered Office:

PPB GROUP BERHAD | 8167-W

17th Floor, Wisma Jerneh, 38 Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.
Tel: 603-2117 0888   Fax: 603-2117 0999 *(General)*
Fax: 603-2117 0998 *(Corporate Affairs)*
email: corporateaffairs@ppb.com.my
website: www.ppbgroup.com

INVESTOR UPDATE

3rd QUARTER REPORT 30 September 2006



PPB GROUP BERHAD

FFM Farms Sdn Bhd
Livestock Farming

BACKGROUND AND HISTORY

Livestock Farming is undertaken by FFM FARMS Sdn Bhd (FFM FARMS), a wholly-owned subsidiary of FFM Berhad.

In early 1983, the then Federal Flour Mills Bhd was looking at diversifying into poultry farming comprising breeder, broiler and layer operations, to complement its feed milling and trading of raw materials operations. As a result, Fedfarms Sdn Bhd was incorporated on 26 June 1984.

Poultry breeding in the early years was unsuccessful due to the hot and humid climate resulting in fewer day-old-chicks for sale. However, environmental control technology was successfully developed over the years making broiler breeding in hot countries more profitable and FFM's interest in broiler breeding was revived in 1991. Fedfarms Sdn Bhd was renamed FFM FARMS Sdn Bhd on 24 September 1999.

Environmental control technology involves keeping chickens in a "close" poultry house where the room temperature and lighting are carefully monitored and controlled to achieve optimum living conditions for the chickens. Performance of broiler breeders in an environmentally controlled housing has been found to be far more superior compared to the traditional "open" housing system. These poultry houses are also bird proof to prevent entry of wild birds.

BROILER BREEDER FARMS

The first broiler breeder farm at Sua Betong, Negeri Sembilan was completed and stocked with Parent Stock on 19 September 1993 and the first batch of broiler day-old-chicks were available for sale on 31 March 1994. Development of the second breeder farm in Gurun, Kedah, followed thereafter, and its first sale of day-old-chicks was achieved on 10th March 1997. The total monthly production capacity from the two (2) breeder farms is presently 3 million broiler day-old-chicks.

The Parent Stock which are purchased oveaseas or locally and reared to maturity in poultry houses consist of day-old male and female chicks. Fertile eggs laid at around 25 weeks, are incubated at our in-farm modern hatchery. The broiler day-old-chicks which are hatched out 21 days later, are then sold to broiler farmers throughout Peninsular Malaysia. These are the broiler chickens which will be reared to around 42 days and sold to the wet markets and retailers.

LAYER FARM OPERATION

FFM FARMS' third farm located in Trong, Perak, is a layer farm with a production capacity of 20 million table eggs per month. In order to ensure that the chickens are healthy and isolated from other poultry farms, 550 acres of land was purchased for the operation of this farm. The farm itself is strategically located in the centre with a bio-security "land moat" to provide a protective buffer zone around the farm. The healthy chickens lay quality eggs that are free from antibiotic, as the hens need no recourse to antibiotic in-feed or drinking water medication since they are less prone to disease. FFM FARMS utilizes the latest technology in their farms such as :

- High-tech control of temperature, humidity and lighting in "close" houses.
- Free access to feed and drinking water.

- High rise bird cages that can house more than 50,000 layers in one house.
- Fully automated egg collection and grading by weight.
- Bird-proof poultry houses to prevent entry of wild birds.

With the latest technology, FFM FARMS is able to produce hygienic consumer eggs at lower production cost. FFM FARMS started commercial egg production in August 2000 and its premium Antibiotic Free and Vitamin E enriched eggs are sold under the popular "Seri Murni" brandname.

ORGANIC FERTILIZER COMPOSTING

In keeping with environmentally friendly operations, Trong Layer Farm composts its poultry manure produced by the hens into organic fertilizer. The process is carried out with composting machines in specially designed buildings. The fertilizer is sold under the "Origanic" brandname to buyers who are mostly vegetable, fruit, paddy and flower growers. A smaller pack of Origanic is being introduced at nurseries and home gardens.

FARM ACCREDITATIONS

All FFM's farms have received accreditation from The Department of Veterinary Services, Malaysia for Good Animal Husbandry Practices under a scheme promoted by the Ministry of Agriculture and Agro-Based Industries.

The Quality Management Systems of Trong Layer Farm have been assessed by Anglo Japanese American (AJA) Registrar and received the IS0 9001:2000 on 11th March 2004.

FUTURE PLANS

FFM FARMS will continue sourcing for land suitable for expansion of its farming operations. Plans are also underway to expand the capacity of their organic fertilizer production in Trong Layer Farm.

Layer hens in climate controlled housing with automatic feeding and egg collection system

Automatic weighing and grading machine for table eggs at Trong Layer Farm.

COMMISSIONING OF A NEW PALM OIL MILL AT CENTRAL KALIMANTAN

PT Mustika's new palm oil mill in Central Kalimantan

On 22 September 2006, PT Mustika Sembuluh, an indirect subsidiary of PPB Group Berhad (PPB), commissioned the Group's first palm oil mill in Central Kalimantan, Indonesia. Located 65 km from Sampit town, the mill with a production capacity of 60 tonnes per hour (tph) expandable to 120 tph will cater to the increasing fresh fruit bunches (FFB) production from the Group's Central Kalimantan oil palm projects.

The total cost for the construction of the mill is about RM33.0 million including ancillary facilities, staff housing and labour quarters. The mill features a new vertical sterilizer design which is the first of its kind in the Group's palm oil mills. It has performed well and achieved an oil extraction rate (OER) of 23% and kernel extraction rate (KER) of 4.6% todate.

PT Mustika Sembuluh, a 90% subsidiary of PPB Oil Palms Berhad in which PPB has 55.6% equity interest, was incorporated in 1988 and has an issued and paid-up capital of 50 billion Rupiah. PT Mustika Sembuluh owns about 20,000 hectares of oil palm plantation land in Central Kalimantan, of which about 14,000 hectares have been planted.

DIRECTORS' CONTINUING EDUCATION PROGRAMME

PPB held its first 2006 in-house Directors' Continuing Education Programme ("DCEP") training session on 27 July 2006. The training session which has the objective of assisting the directors in discharging their duties through greater knowledge and understanding, was organised in compliance with the requirements of Bursa Malaysia Securities Berhad.

Ms Shanti Geoffrey, Head of Regulatory Services of the Securities Commission of Malaysia, spoke on the topic "Regulation of the Securities Market" covering the issues and challenges associated with insider trading, false trading and market rigging. This was followed by a presentation by Mr Loh Chee Kheong, General Manager of PGEO Edible Oils Sdn Bhd ("PGEO") on "PGEO Group Renewable Energy Projects". PGEO is a 100% indirect subsidiary of PPB.

In the afternoon session, a talk on "Successful Succession Planning and Talent Management" was presented by Professor John Zinkin, Lead Consultant for Zinkin Ettinger Sdn Bhd.

Over 120 participants comprising directors and senior management of PPB and its subsidiary companies attended the DCEP.

PRESS AND ANALYST BRIEFING

On 5 September 2006, PPB held its second Press and Analyst Briefing for the year at Wisma Jerneh which was attended by 75 analysts and fund managers from various local research houses and securities firms as well as members of the local and foreign press.

The Briefing was held to provide the press and analysts with a review of the Group's financial results for the first half year ended 30 June 2006 as well as an update of the Group's latest developments.

During the Q&A session, PPB's Executive Chairman together with the CEOs from the respective divisions dealt with the numerous questions raised. Thereafter, a press conference was held followed by lunch.

TRIP TO LANG TENGAH, TERENGGANU

It was a perfect relaxing holiday for 38 employees of PPB Group Bhd and PPB Oil Palms Bhd who went on a joint annual company trip to Lang Sari Resort located at an isolated Lang Tengah island in Terengganu on 8 September 2006.

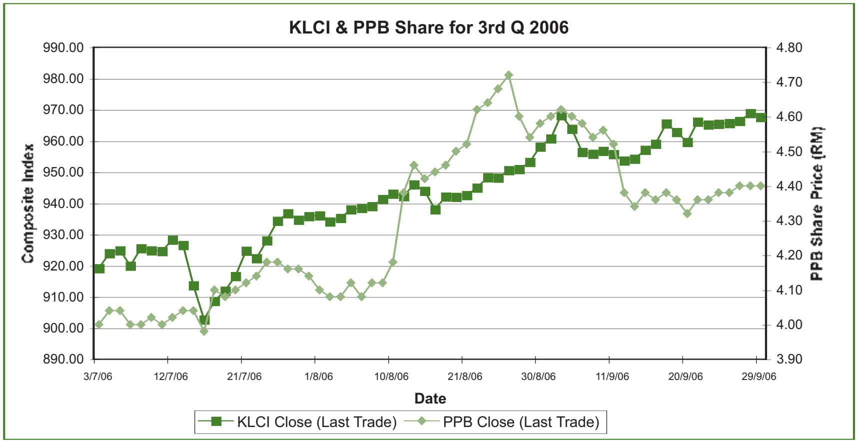
From the Merang Jetty, the employees took a 40-minute boat ride to the Resort and were greeted by tall coconut trees overlooking dazzling clear waters and whitewashed sandy beaches. During the 3-day stay, the employees were brought to two snorkeling spots, one around the Lang Tengah island and the other at Marine Park Sanctuary in Redang Island. The Lang Tengah island is surrounded by beautiful coral reefs which are still intact due to the rocky nature of the island. At the Marine Park Sanctuary, living corals and endangered species of marine life are protected to preserve the beauty of the underwater.

Telematches and crazy beach games were organized by the Resort for our employees who participated in full force and enjoyed themselves thoroughly. The employees also participated in other activities such as jungle trekking, kayaking as well as a good game of volleyball.

This trip enabled the employees to catch up with one another as well as to escape from the rigorous city life for at least a weekend.

PPB SHARE & KUALA LUMPUR COMPOSITE INDEX PERFORMANCE
for 3rd quarter 2006

	3rd Q 2006	2nd Q 2006	% change
PPB share price			
Closing price (high)	4.72	4.34	8.76%
Closing price (low)	3.98	3.86	3.11%
Month end closing price	4.40	4.00	10.00%
Weighted share price	4.38	4.17	5.04%
Market capitalization (RM' million)	5,216.20	4,742.00	10.00%
PPB share volume			
Daily volume (high)	1,933,800	1,578,700	22.49%
Daily volume (low)	83,100	73,900	12.45%
Average daily volume	567,456	637,061	-10.93%
Kuala Lumpur Composite Index (KLCI)			
KLCI closing (high)	968.88	966.88	0.21%
KLCI closing (low)	902.70	886.48	1.83%
KLCI month end closing	967.55	914.69	5.78%
KLCI volume			
Daily Volume (high)	130,089,000	239,605,904	-45.71%
Daily Volume (low)	46,926,300	51,363,900	-8.64%
Average Daily Volume	85,547,543	130,103,794	-34.25%



The Kuala Lumpur Composite Index (KLCI) rose by 5.8% from the preceding quarter to register 967.55 points in the 3rd Quarter of 2006. The KLCI advanced in July as regional markets rebounded amidst easing concerns over further hikes in US interest rates. Malaysia's better-than-expected 2nd Quarter 2006 GDP coupled with Bank Negara's decision to keep interest rates unchanged led the KLCI to touch the year's high of 970.79 points in late September before closing at 967.55 points.

PPB share price outperformed the KLCI to close 8.8% higher at RM4.72 on 29 September 2006 compared with RM4.34 in the preceding quarter. Market capitalization of PPB shares increased to RM5.2 billion whilst the average daily volume reduced by 10.9% over the previous quarter to 567,456 shares.

PRESS release

PPB GROUP BERHAD'S FINANCIAL RESULTS

nine months ended 30 September 2006

24 NOVEMBER 2006 PPB Group Berhad announced an unaudited consolidated pre-tax profit of RM620.7 million for the nine months ended 30 September 2006, up 38% from the previous corresponding period of RM450.1 million. Higher profits from Grains Trading, Flour and Feed Milling; Edible Oils Refining and Trading; and Oil Palm Plantations division contributed to the improved performance.

Group revenue increased to RM8.277 billion, up 6% from RM7.821 billion principally due to higher crop production and better CPO prices realized coupled with higher volume of edible oils sold.

Profit after tax for the cumulative 3rd Quarter of 2006 rose by 48.4% to RM509.8 million from RM343.5 million whilst profit attributable to shareholders of the Company increased to RM407.5 million from RM286.5 million. Hence, earnings per share for the period under review increased to 34.37 sen compared with 24.17 sen of the previous corresponding quarter.

Benefiting from the strong results, shareholders' funds increased to RM4.506 billion from RM4.215 billion and net assets per share appreciated to RM4.52 from RM4.23.

Other highlights of the Group's operating profit for the period under review are as follows :-

- Sugar Refining division returned to profitability due to lower raw sugar prices in the 3rd Quarter.
- Grains Trading, Flour and Feed Milling division performed well with more than two-fold increase in profits to RM77.9 million due to higher sales and better margins.
- Profit contribution from Edible Oil Refining and Trading division increased significantly by 40.5% to RM118.4 million, accounting for 27.3% of total group profit mainly due to better refining margins.
- Higher crop production and better CPO prices realized increased Oil Palm Plantation division's contribution by 30.7% to RM131.7 million. FFB production improved by 5.7% to 1,081,313 tonnes.
- Film Exhibition and Distribution operations achieved a profit RM12.8 million from higher admissions with the opening of GSC, 1 Utama (New Wing).

PROSPECTS FOR THE YEAR

The Group expects contribution from the oil palm plantation division to be better assuming CPO prices and Indonesian Rupiah/USD exchange rates remain at current levels whilst crop production is projected to be higher for 2006. The Group's grains trading, flour and feed milling and edible oils divisions are expected to perform better.

PPB Group results for 2006 will be significantly higher than that of the previous year.

GROUP FINANCIAL HIGHLIGHTS
(the figures have not been audited)

Financial period ended (All figures in RM million)		9 months 30.9.06	30.9.05 (Restated)	Change %	12 months 31.12.05 (Restated)
INCOME STATEMENT					
Revenue		8,277	7,821	5.8	10,688
Profit from operations		426	367	16.1	517
Profit before taxation		621	450	38.0	609
Profit for the period		510	344	48.3	468
Profit attributable to Shareholders of the Company		407	287	41.8	395
BALANCE SHEET					
Non-current assets		4,146	3,826	8.4	3,910
Current assets					
Cash and bank deposits		933	653	42.9	753
Others		2,295	1,799	27.6	1,706
Total current assets		3,228	2,452	31.6	2,459
Total assets		**7,374**	**6,278**	**17.5**	**6,369**
Equity					
Share capital		1,186	1,186	-	1,186
Reserves		3,321	2,924	13.6	3,029
Equity attributable to Shareholders of the Company		4,507	4,110	9.7	4,215
Minority interest		854	792	7.8	804
Total equity		5,361	4,902	9.4	5,019
Non-current liabilities					
Bank borrowings		376	159	>100.0	149
Others		315	327	(3.7)	332
Total non-current liabilities		691	486	42.2	481
Current liabilities					
Bank borrowings		655	385	70.1	367
Others		667	505	32.1	502
Total current liabilities		1,322	890	48.5	869
Total liabilities		2,013	1,376	46.3	1,350
Total equity and liabilities		**7,374**	**6,278**	**17.5**	**6,369**
RATIOS					
Return on net assets attributable to Shareholders of the Company	(%)	9.0	7.0		9.4
Earnings per share	(sen)	34.3	24.2		33.3
Interest coverage	(times)	28.3	41.9		40.3
Current ratio	(times)	2.4	2.8		2.8
Total borrowings/Equity	(%)	19.2	11.1		10.3
Long term borrowings/Equity	(%)	7.0	3.2		3.0
Net assets per share attributable to Shareholders of the Company	(RM)	3.8	3.5		3.6
Net dividend per share	(sen)	3.6	3.6		14.4
STOCK MARKET INFORMATION					
Share price	(RM)	4.40	4.24		4.16
Market capitalisation	(RM million)	5,218	5,029		4,934
PE ratio	(times)	9.6	13.1		12.5

ANNOUNCEMENTS

3 July

FFM Berhad, a wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of S$1.00 in Tucson Pte Ltd ("Tucson"), for a total cash consideration of S$980/-. The principal activity of Tucson is investment holding and it is presently dormant.

20 July

PPB Hartabina Sdn Bhd, a wholly-owned subsidiary of PPB, awarded a contract to Hexagon Tower Sdn Bhd for the construction of a commercial plaza and hawker centre at New World Park, Penang for a contract sum of RM16,347,337/-.

7 August

PGEO Bioproducts Sdn Bhd (formerly known as Biogreen Supply Sdn Bhd), a 100% indirect subsidiary of PPB, awarded a contract to Hexagon Tower Sdn Bhd for the building and civil works of the fatty acid methyl ester plant at Pasir Gudang, Johor for a contract sum of RM2.2 million.

10 August

PPB has agreed to grant a second extension of another 6 months to the prescribed period, commencing on 13 August 2006 and expiring on 12 February 2007, for the fulfillment and/or satisfaction of the conditions precedent under the conditional agreement dated 13 October 2004 for the disposal of PPB's entire 12.15% equity interest in Gula Padang Terap Sdn Bhd.

17 August

Minsec Engineering Services Sdn Bhd, an indirect subsidiary of PPB, entered into or will be entering into recurrent related party transactions with Central Sugars Refinery Sdn Bhd for the provision of engineering services, whereby the consideration of the aggregated transactions are expected to exceed the prescribed limit of RM1 million.

23 August

Malayan Sugar Manufacturing Company Berhad, a wholly-owned subsidiary of PPB, entered into or will be entering into recurrent related party transactions with Eagle Trading Limited for the sale of refined sugar, whereby the consideration is expected to exceed the prescribed limit of RM1 million.

23 August

Release of 2nd Quarter Report for the period ended 30 June 2006. An interim dividend of 5 sen per share less 28% income tax for the financial year ending 31 December 2006 was declared and was subsequently paid on 28 September 2006.

25 September

Chemquest Trading (M) Sdn Bhd, an indirect wholly-owned subsidiary of PPB, granted an interest-free loan of up to RM1.3 million to its holding company, Chemquest Sdn Bhd for working capital purposes.

27 September

SES Environmental Services Sdn Bhd, an indirect subsidiary of PPB, granted an interest-free loan of RM450,000/- to its subsidiary, AWS Sales & Services Sdn Bhd for working capital purposes.

27 September

FFM Berhad, a wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of RM2.00 in Mantap Aman Sdn Bhd ("Mantap Aman") comprising 2 ordinary shares of RM1.00 each, for a total cash consideration of RM1,700/-. The principal activity of Mantap Aman is investment holding.

CONDENSED CONSOLIDATED INCOME STATEMENTS
for the period ended 30 September 2006

(The figures have not been audited)	Individual Quarter 3 months ended 30 SEPTEMBER		Cumulative Quarter 9 months ended 30 SEPTEMBER	
		(Restated)		(Restated)
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Revenue	3,053,232	2,503,876	8,276,585	7,820,662
Operating expenses	(2,839,486)	(2,385,242)	(7,875,310)	(7,467,368)
Other operating income	2,475	5,875	24,279	13,355
Profit from operations	216,221	124,509	425,554	366,649
Net profit from investing activities	7,805	11,140	129,830	65,331
Share of associated companies' profits less losses	34,377	13,172	87,737	29,372
Share of joint ventures' profits less losses	177	(115)	395	(274)
Finance costs	(11,467)	(3,302)	(22,785)	(11,002)
Profit before taxation	247,113	145,404	620,731	450,076
Taxation	(57,154)	(27,517)	(110,929)	(106,541)
Profit for the period	189,959	117,887	509,802	343,535
Attributable to :				
Shareholders of the Company	164,541	97,883	407,499	286,504
Minority interests	25,418	20,004	102,303	57,031
Profit for the period	189,959	117,887	509,802	343,535
Basic earnings per share (sen)	13.88	8.26	34.37	24.17

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to this report.)

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 30-Sep-06 RM'000	As at 31-Dec-05 RM'000 (Restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	1,891,866	1,791,346
Investment properties	194,529	202,493
Biological assets	871,832	783,063
Goodwill on consolidation	32,676	32,413
Intangible assets	3,251	3,365
Land held for property development	447	437
Investment in associated companies	692,762	633,826
Interests in joint ventures	40,352	40,151
Long term investments	406,155	413,442
Deferred tax assets	11,709	9,827
	4,145,579	3,910,363
Current Assets		
Inventories	987,297	893,729
Biological assets	40,431	43,456
Intangible assets	9,783	10,701
Property development costs	56,656	43,696
Receivables	1,199,463	714,529
Cash, bank balances and deposits	932,646	752,839
	3,226,276	2,458,950
Non-current assets held for sale	2,150	-
	3,228,426	2,458,950
Total assets	7,374,005	6,369,313
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	3,320,543	3,029,653
Equity attributable to shareholders of the Company	4,506,043	4,215,153
Minority interests	854,737	803,656
Total equity	5,360,780	5,018,809
Non-current Liabilities		
Long term borrowings	375,696	149,438
Negative goodwill	-	23,535
Deferred tax liabilities	315,568	308,567
	691,264	481,540
Current Liabilities		
Payables	624,526	478,875
Short term borrowings	655,429	367,081
Taxation	42,006	23,008
	1,321,961	868,964
Total liabilities	2,013,225	1,350,504
Total equity and liabilities	7,374,005	6,369,313
Net assets per share attributable to shareholders of the Company (RM)	3.80	3.56
Net assets per share (RM)	4.52	4.23

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to this report.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 2006

			Non-distributable			Distributable			
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	**Attributable to shareholders of the Company RM'000**	Minority interests RM'000	**Total equity RM'000**
9 months ended 30 September 2006									
As previously stated	1,185,500	6,715	162,180	(15,590)	162,910	2,713,438	**4,215,153**	803,656	**5,018,809**
Effects of adopting FRS 3	-	-	-	-	-	45,849	**45,849**	397	**46,246**
At 1 January 2006 (restated)	1,185,500	6,715	162,180	(15,590)	162,910	2,759,287	**4,261,002**	804,053	**5,065,055**
Net (losses)/gains recognised directly to equity	-	-	-	4,942	3,396	(84)	**8,254**	2,703	**10,957**
Profit for the period	-	-	-	-	-	407,499	**407,499**	102,303	**509,802**
Total recognised income and expenses for the period	-	-	-	4,942	3,396	407,415	**415,753**	105,006	**520,759**
Transfer of reserves	-	-	(3,181)	(60)	1,106	2,135	**-**	-	**-**
Acquisition of subsidiaries	-	-	-	-	-	-	**-**	(2,379)	**(2,379)**
Capital reduction by a subsidiary	-	-	-	-	-	-	-	(4,802)	**(4,802)**
Dividends	-	-	-	-	-	(170,712)	**(170,712)**	(47,141)	**(217,853)**
At 30 September 2006	1,185,500	6,715	158,999	(10,708)	167,412	2,998,125	**4,506,043**	854,737	**5,360,780**
9 months ended 30 September 2005									
At 1 January 2005	592,750	526,874	164,674	31,024	152,282	2,492,484	**3,960,088**	779,395	**4,739,483**
Net (losses)/gains recognised directly to equity	-	-	-	(10,847)	6,975	(679)	**(4,551)**	(8,579)	**(13,130)**
Profit for the period	-	-	-	-	-	286,504	**286,504**	57,031	**343,535**
Total recognised income and expenses for the period	-	-	-	(10,847)	6,975	285,825	**281,953**	48,452	**330,405**
Transfer of reserves	-	-	(1,608)	(30,581)	583	31,606	**-**	-	**-**
Bonus issue	592,750	(520,000)	-	-	-	(72,750)	-	-	-
Bonus issue expenses	-	(159)	-	-	-	-	**(159)**	-	**(159)**
Shares issued to minority interest	-	-	-	-	-	-	**-**	1,069	**1,069**
Acquisition of subsidiaries	-	-	-	-	-	-	-	(3,607)	**(3,607)**
Disposal of subsidiaries	-	-	-	-	-	-	-	569	569
Dividends	-	-	-	-	-	(132,183)	**(132,183)**	(33,428)	**(165,611)**
At 30 September 2005	1,185,500	6,715	163,066	(10,404)	159,840	2,604,982	**4,109,699**	792,450	**4,902,149**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to this report.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
for the financial period ended 30 September 2006

	9 months ended 30 September 2006 RM'000	9 months ended 30 September 2005 RM'000 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	620,731	450,076
Adjustments :-		
Non-cash items	(64,026)	79,150
Non-operating items	(22,146)	(22,226)
Operating profit before working capital changes	534,559	507,000
Working capital changes		
Net change in current assets	(559,997)	19,936
Net change in current liabilities	129,096	(43,151)
Cash generated from operations	103,658	483,785
Tax paid	(88,308)	(109,322)
Net cash generated from operating activities	**15,350**	**374,463**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, biological assets and other assets	(312,065)	(224,607)
Proceeds from disposal of property, plant and equipment	8,292	13,885
Purchase of investments	(7,544)	(6,985)
Proceeds from sale of investments	147,506	64,142
Repayment from/(advances to) associated companies and joint ventures	1,663	(9,476)
Dividends received from investments	38,874	33,171
Interest received	17,932	11,348
Other investing activities	3,458	(4,466)
Net cash used in investing activities	**(101,884)**	**(122,988)**
CASH FLOW FROM FINANCING ACTIVITIES		
Shares issued to minority shareholders of subsidiary companies	-	1,069
Bank borrowings	511,518	47,542
Interest paid	(25,378)	(10,876)
Dividends paid	(217,853)	(165,611)
Other financing activities	(5,320)	(5,617)
Net cash generated from / (used in) financing activities	**262,967**	**(133,493)**
Net increase in cash and cash equivalents	**176,433**	**117,982**
Cash and cash equivalents at 1 January	735,827	519,858
Effect of exchange rate changes	(467)	(4,885)
Cash and cash equivalents at 30 September	**911,793**	**632,955**

(The Condensed Consolidated Cash Flow Statements should be read in conjunctionwith the Annual Financial Statements for the year ended 31 December 2005and the accompanying explanatory notes attached to this report.)

A. FRS (Financial Reporting Standards) 134 - Paragraph 16

A1. Accounting policies

The interim financial statements of the Group have been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the annual financial statements for the financial year ended 31 December 2005, except for the adoption of the following new and revised Financial Reporting Standards ("FRS") that are effective for financial periods beginning on or after 1 January 2006 :-

FRS 3	Business Combinations	FRS 127	Consolidated and Separate Financial Statements
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	FRS 128	Investments in Associates
FRS 101	Presentation of Financial Statements	FRS 131	Interests in Joint Ventures
FRS 102	Inventories	FRS 132	Financial Instruments: Disclosure and Presentation
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	FRS 133	Earnings Per Share
FRS 110	Events after the Balance Sheet Date	FRS 136	Impairment of Assets
FRS 116	Property, Plant and Equipment	FRS 138	Intangible Assets
FRS 121	The Effects of Changes in Foreign Exchange Rates	FRS 140	Investment Property

The adoption of the above FRS does not have significant financial impact on the Group except for FRS 3, FRS 5 and FRS 101 disclosed as follows:

a) FRS 3 : Business Combinations
The adoption of the new FRS 3 has resulted in a change in the accounting policy relating to Goodwill and Negative Goodwill on consolidation and Premium or Discount on acquisition of associated companies.

Goodwill on consolidation
Previously, Goodwill on consolidation of a subsidiary company is capitalised and amortised on a straight-line basis over its estimated useful life or 25 years, whichever is shorter. With the adoption of FRS 3, goodwill will now be carried at cost less impairment losses. Goodwill will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment loss is recognised in the income statement and subsequent reversal is not allowed.

Negative Goodwill on consolidation
Negative Goodwill on consolidation is previously either taken to income statement as and when they arise or retained in balance sheet and credited to income statement over a suitable period, depending on the particular circumstances which gave rise to it. With the adoption of FRS 3, Negative Goodwill is now taken to income statement as and when they arise.

Premium and Discount in Associated companies
Previously, Premium & Discount on acquisition of associated companies are retained as part of investment cost. With the adoption of FRS 3, Premium will be carried at cost subject to yearly impairment test while Discount is taken to income statement on acquisition.

The above changes in accounting policy have been accounted for prospectively and in accordance with the transitional provisions of FRS 3, the Group has taken Negative Goodwill on consolidation and Discount in associated companies as at 31 December 2005 to retained profits as follows :-

Balance Sheets	As previously reported RM'000	Effect RM'000	As restated RM'000
Investment in associates	633,826	22,711	656,537
Retained profit brought forward	2,713,438	45,849	2,759,287
Minority interests	803,656	397	804,053
Negative Goodwill on consolidation	23,535	(23,535)	-

The Group has ceased amortisation of its Goodwill and Negative Goodwill on consolidation and has reduced the total amortisation charges by RM705,000 for the 9 months ended 30 September 2006.

b) FRS 5: Non-current Assets Held for Sale and Discontinued Operations
The non-current assets held for sale comprise certain landed properties, including leasehold properties. In accordance with FRS 5, these assets are recorded at the lower of its carrying amount or its fair value less costs to sell.

The Group has ceased to amortise the abovementioned properties and the effect on the Group's financial statements is insignificant.

c) FRS 101 : Presentation of Financial Statements
The adoption of the revised FRS 101 has affected the presentation of the minority interests and other disclosures in the income statement, balance sheet and statement of changes in equity.

In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period as oppose to as a deduction before arriving at profit attributable to shareholders.

While in the consolidated balance sheet, minority interests are now presented within total equity. Similarly, the movement of the minority interests for the reported period is presented in the consolidated statement of changes in equity.

Share of associated results is now reported net of tax as a single line item above the Group profit before taxation.

The revised FRS 101 has also give rise to new classes of assets and liabilities which are required to be reported on the face of the consolidated balance sheet. The comparatives are restated to conform with the new presentation as follows :-

	As previously reported RM'000	Effect RM'000	As restated RM'000
Income Statements			
Share of associated companies' profits less losses	44,989	(15,617)	29,372
Profit before taxation	465,693	(15,617)	450,076
Taxation	122,158	(15,617)	106,541
Balance Sheets			
Property, plant and equipment	2,780,267	(988,921)	1,791,346
Investment properties	-	202,493	202,493
Biological assets (Long term)	-	783,063	783,063
Intangible assets (Long term)	-	3,365	3,365
Inventories	947,886	(54,157)	893,729
Biological assets (Current)	-	43,456	43,456
Intangible assets (Current)	-	10,701	10,701

A2. Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report of the preceding annual financial statements.

A3. Seasonal or Cyclicality of Interim Operations

The Group's operations are not materially affected by any seasonal or cyclical factors except for the oil palm plantation operations in which the cropping pattern declines to a trough in the first half of the year and rises to a peak in the second half, and this is reflected accordingly in the production of the Group's plantations and mills.

A4. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items of an unusual nature, size or incidence that affect the assets, liabilities, equity, net income and cash flows of the Group during the current period under review.

A5. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, which have a material effect in the current interim period.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

A7. Dividends paid

Dividends paid on ordinary shares	Individual Quarter 3 months ended 30-Sep-2006 RM'000	Cumulative Quarter 9 months ended 30-Sep-2006 RM'000
2005 : Final dividend - 15 sen less tax	-	128,034
2006 : Interim - 5 sen less tax	42,678	42,678
	42,678	170,712

A8. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 September 2006

All figures in RM'000 **Information About Business Segments:**	Sugar refining and cane plantation	Grains trading, flour and feed milling	Edible oils refining and trading	Oil palm plantations	Livestock farming	Packaging
REVENUE						
External sales	655,237	654,806	6,207,435	92,865	36,824	89,242
Inter-segment sales	-	46,701	85,980	370,704	8,072	14,487
Total revenue	655,237	701,507	6,293,415	463,569	44,896	103,729
RESULT						
Segment operating results	69,417	77,926	118,415	131,742	(5,488)	7,499
Unallocated corporate expense						
Profit from operations						
Investing activities						
Finance costs						
Share of associated companies' profits less losses	1,867	4,688	65,688	1,310	-	-
Share of joint ventures' profits less losses	-	-	-	-	-	-
Profit before taxation						

A9. Valuation of Property, Plant and Equipment

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinued operations for the current interim period, except for the following:-

(a) Chemquest Management Services Sdn Bhd, a wholly-owned indirect subsidiary of PPB has been placed under Member's Voluntary Winding-up on 16 September 2005. The liquidation is in progress.

(b) Chemquest International Pte Ltd and Garbagemaster Pte Ltd, both indirect wholly-owned subsidiaries of PPB were placed under Members' Voluntary Winding-up on 27 September 2005. The companies were deemed dissolved on 31 May 2006.

(c) Tri-Electro Sdn Bhd, a 76% indirect subsidiary of PPB, was placed under Members' Voluntary Winding-up on 4 August 2003. The Final Meeting was held on 6 September 2006 and the liquidation is expected to be completed by early December 2006.

Environmental engineering, waste management and utilities	Film exhibition and distribution	Property investment and development	Chemicals trading and manufacturing	Other operations	Elimination	Consolidated
75,351	90,821	32,982	77,389	263,633	-	8,276,585
-	-	889	577	28,735	(556,145)	-
75,351	90,821	33,871	77,966	292,368	(556,145)	8,276,585
3,893	12,764	9,293	3,189	5,356	630	434,636
						(9,082)
						425,554
						129,830
						(22,785)
3,611	640	3,091	(1,135)	7,977	-	87,737
395	-	-	-	-	-	395
						620,731

(d) Jasa Karya Sdn Bhd, a wholly-owned dormant subsidiary company of PPBOP, has been placed under Members' Voluntary Winding-up on 3 November 2004. The liquidation is still in progress.

(e) Film Allied Services Sdn Bhd, an indirect wholly-owned subsidiary of PPB, was placed under Members' Voluntary Winding-up on 11 October 2004. The Final Meeting was held on 21 September 2006 and the liquidation is expected to be completed by end December 2006.

(f) Leisure Bowl Centres Sdn Bhd, an indirect wholly-owned subsidiary company of PPB, has been placed under Members' Voluntary Winding-up on 22 September 2004. The liquidation is still in progress.

(g) Leisure Bowl (JB) Sdn Bhd, a 60% indirect subsidiary of PPB, has been placed under Members' Voluntary Winding-up on 15 December 2005. The liquidation is still in progress.

(h) On 24 February 2006, Fedflour Trading Company Limited, an indirect wholly-owned subsidiary of PPB, was placed under Members' Voluntary Winding-up pursuant to Section 116B of the Companies Ordinances (Chapter 32), Hong Kong as it had been inactive for many years.

(i) On 3 July 2006, FFM Berhad, a wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of S$1.00 in Tucson Pte Ltd, Singapore ("Tucson"), for a total cash consideration of S$980/-. The principal activity of Tucson is investment holding and it is presently dormant.

(j) On 12 July 2006, PT Kencana Sawit Indonesia (formerly known as PT Tidar Sungkai Sawit), a 100% owned subsidiary company of PPBOP, and PT Mustika Sembuluh, a 90% owned subsidiary company, had subscribed for 99.5% and 0.5% respectively of the equity interest in PT Dermaga Sungai Mentaya ("DSM"), comprising a total of 200,000 shares of USD1.00 each for cash at par, equivalent to a total subscription of USD200,000. DSM is a limited company incorporated in Indonesia. DSM had not commenced business operation.

(k) On 13 July 2006, Wealth Anchor Pte Ltd, a wholly-owned subsidiary company of PPBOP, had acquired 99% equity interest in PT Kerry Agro Management ("KAM") comprising 99,000 shares of USD1.00 each for cash at par, equivalent to a total subscription of USD99,000. KAM is a limited company incorporated in Indonesia. KAM had not commenced business operation.

(l) On 27 September 2006, FFM Berhad, a wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of RM2.00 in Mantap Aman Sdn Bhd ("Mantap Aman") comprising 2 ordinary shares of RM1.00 each, for a total cash consideration of RM1,700/-. The principal activity of Mantap Aman is investment holding.

A12. Changes in contingent liabilities or contingent assets

The guarantees issued by the Group in respect of credit facilities granted by financial institutions to associated companies as at 30 September 2006 were reduced from RM23.60 million to RM18.88 million.

There were no contingent assets as at the end of the current interim period.

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance for the current quarter and financial year-to-date

The Group revenue of RM8.277 billion for the period ended 30 September 2006 is 6% higher when compared with RM7.821 billion in the corresponding period last year. This is mainly due to higher crop production and better CPO prices realised coupled with higher volume of edible oils sold.

Group profit before tax of RM621 million was 38% higher compared with RM450 million in the same period last year. The grains trading, flour and feed milling division recorded higher profits mainly due to increased sales and better margins. The edible oils division also registered higher profits mainly due to better refining margins. The plantation division contributed higher profits as a result of higher crop production and better CPO prices realised, whilst the sugar refining division returned to profitability due to lower raw sugar prices in the quarter under review.

The associated company engaged in commodity trading achieved higher profits. The gain from the disposal of an associated company engaged in utilities also contributed to an increase in the profit for the current financial period.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

The Group profit before tax for the quarter under review of RM247 million was 5% higher compared with RM235 million for the preceding quarter mainly due to improved profits from the sugar refining, grains trading, flour and feed milling divisions. The edible oils division also achieved higher profits from better refining margins.

B3. Prospects for current financial year

Crop production from the oil palm plantation division is projected to be higher for the current financial year. Assuming CPO prices and the Indonesian Rupiah/USD exchange rates remain at current levels, profit contribution from the oil palm plantation division is expected to be higher. The Group's grains trading, flour and feed milling and edible oils divisions are also expected to perform better. The Group results for 2006 will be significantly higher than that of the previous year.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

Taxation comprises:-	Individual Quarter 3 months ended 30-Sep-2006 RM'000	Cumulative Quarter 9 months ended 30-Sep-2006 RM'000
Malaysian taxation based on profit for the period:-		
Current	54,600	101,023
Deferred	3,915	7,458
	58,515	108,481
Foreign taxation		
Current	697	3,015
Deferred	(2000)	(615)
	57,212	110,881
(Over)/under provision		
Current	942	1,718
Deferred	(1,000)	(1,670)
	57,154	110,929

The effective tax rate is lower than the average statutory rate for the period mainly due to gain on sale of investments, tax exempt income and utilisation of reinvestment allowance by certain subsidiaries.

B6. Profit / Loss on sale of unquoted investments and / or properties

There was no sale of unquoted investments. However, there was a loss on sale of properties amounting to RM1.24 million for the current financial period-to-date under review.

B7. Quoted securities

(a) Total purchases and disposals of quoted securities for the current quarter and financial period-to-date under review were as follows :-

	Individual Quarter 3 months ended 30-Sep-2006 RM'000	Cumulative Quarter 9 months ended 30-Sep-2006 RM'000
Total purchases	-	5,390
Total proceeds from disposals	2,080	15,506
Profit on disposal	212	1,894

(b) Total investments in quoted securities as at 30 September 2006 were as follows:-

	RM'000
At cost	395,949
At book value	391,879
At market value	742,017

B8. Status of corporate proposals

On 13 October 2004, the Company entered into two separate conditional Shares Sale Agreements for the disposal of its entire 12.15% equity interest in Gula Padang Terap Sdn Bhd comprising 13,000,000 ordinary shares of RM1.00 each and 12.15% equity interest in Gula Padang Terap Plantations Sdn Bhd comprising 121,500 ordinary shares of RM1.00 each.

The disposal of shares in Gula Padang Terap Sdn Bhd was completed on 15 November 2006 and the disposal of shares in Gula Padang Terap Plantations Sdn Bhd is in the process of completion.

B9. Group borrowings

Total Group borrowings as at 30 September 2006 were as follows:-

	RM'000 Total	RM'000 Secured	RM'000 Unsecured
Long term bank loans	11,583	-	11,583
Long term bank loans (USD)	352,310	-	352,310
Long term bank loans (CNY)	20,983	-	20,983
Hire purchase liabilities	246	246	-
Repayments due within the next 12 months	(9,426)	(202)	(9,224)
	375,696	44	375,652
Short term bank borrowings			
Bills payable	185,597	-	185,597
Short term loans	145,999	-	145,999
Short term loans (USD)	301,585	-	301,585
Current portion of long term loans	9,224	-	9,224
Hire purchase liabilities	202	202	-
	642,607	202	642,405
Bank overdrafts	12,822	-	12,822
	655,429	202	655,227

B10. Off Balance Sheet Financial Instruments

Foreign Currency Contracts

The Group enters into forward foreign exchange contracts as a hedge for its confirmed sales and purchases in foreign currencies. The purpose of hedging is to protect the Group against unfavourable movement in exchange rate. Gains or losses from changes in the fair value of foreign currency contracts offset the corresponding losses or gains on the receivables and payables covered by the instrument.

As at 18 November 2006, the Group has hedged outstanding foreign currency contracts of USD360.758 million equivalent to RM1.314 billion. These contracts are short term and majority are due to mature within the next two months.

There is minimal credit risk because these contracts are entered into with licensed financial institutions.

Besides a small fee, there is no cash requirement for these instruments.

Commodities Futures Contracts

The Group enters into commodity futures contracts to hedge its exposure to price volatility in palm oil commodities. Gains and losses on contracts which are no longer designated as hedges are included in the income statement.

There is minimal credit risk because these contracts are entered into through the Bursa Malaysia Derivatives.

Besides a small fee, the Group is required to place margin deposit for these outstanding contracts.

As at 18 November 2006, the Group's outstanding CPO futures contracts that were entered into as hedges on sales amounted to RM49.169 million in notional value. These outstanding contracts are due to mature within the next four months.

B11. Material litigation

As previously reported, Suburmas Plantations Sdn Bhd, a 70% owned subsidiary of PPB Oil Palms Berhad had submitted a claim for RM77.3 million on about 2,176 hectares of land compulsorily acquired by the Sarawak State Government. The claim has been filed at the High Court, Bintulu and the date of hearing originally fixed on 21 November 2006 has been adjourned to 17 January 2007 for pre-trial management.

B12. Dividend

The Directors do not recommend the payment of any interim dividend for the current financial period under review.

Dividends Paid

Dividends paid for the financial year 2005 and up to the date of this report are as follows :-

Financial Year	Type	Rate	Payment Date
2005	Interim dividend	5 sen less 28% income tax	28 September 2005
2005	Final dividend	15 sen less 28% income tax	7 June 2006
2006	Interim dividend	5 sen less 28% income tax	28 September 2006

B13. Earnings per Share

The basic earnings per share has been calculated by dividing the Group's profit for the current period attributable to the shareholders of the Company by 1,185,499,882 ordinary shares in issue during the period.

There is no diluted earnings per share for the current period or financial period-to-date as there were no dilutive potential ordinary shares.

Kuala Lumpur
24 November 2006

By Order of the Board
Tan Teong Boon
Company Secretary