



INVESTOR UPDATE

31 March 2008
1st QUARTER REPORT



PPB GROUP BERHAD

Dear Shareholders,

Since 2002, PPB has been publishing quarterly Investor Updates to keep shareholders abreast of the Group's activities in addition to its financial performance. This publication has been well received by shareholders including the Minority Shareholders' Watchdog Group and the investment community. As always, we welcome suggestions or feedback on how to further improve this publication for the benefit of our readers.

1Q08 RESULTS

PPB Group had a good start to the year with a strong first quarter financial performance.

Revenue improved by 17% to RM809 million compared with RM689 million in 2007 due to the overall higher commodity prices and higher sales from the property development division.

Group profit for the period of RM384 million was 95% higher than that achieved last year of RM197 million due to the significant contribution from its associate, Wilmar International Limited of RM264 million and higher profits from the grains trading, flour and feed milling division. Please note that PPB has not recognized its share of the RM63 million of Wilmar's unrealized net losses from financial instruments taken up in Wilmar's results as the Malaysian Accounting Standards Board has not effected the relevant accounting standard for the measurement of financial instruments.

Earnings per share for the quarter stood at 32.32 sen, representing a gain of 127% over the 14.21 sen per share recorded for the corresponding quarter last year.

High commodity prices of wheat, raw sugar, fuel and ocean freight remain as key factors influencing the Group's businesses in 2008. The Group will take all necessary measures to address these factors and based on current market conditions, it is envisaged that the Group operating results for this year will be better than that of 2007.

HAPPENINGS

During the 1st quarter, PPB held its first Press and Analyst Briefing for the year to review the final results for year 2007 and other latest developments in the Group. The Briefing was well received by analysts, fund managers and press from the local publications.

CSR ACTIVITIES

In the Group's continuing efforts to care for its community, FFM Berhad, a wholly-owned subsidiary of PPB, contributed household and food products marketed by FFM Marketing Sdn Bhd to 407 families in Kampung Cina, Kota Bahru who were affected by the recent floods in Kelantan.

Caring for the environment, PPB organized a talk entitled "Green Lifestyle is In" by Malaysian Nature Society which enlightened PPB staff with useful green tips and ideas.

PPB staff also celebrated Chinese New Year with the children and senior citizens of Ti-Ratana Welfare Homes with plenty of food and entertainment by the talented children of Ti-Ratana.

Before I end, let us remember the thousands of people who have died or lost their loved ones during the earthquake in China and cyclone in Myanmar. PPB Group has taken immediate steps to assist in the relief efforts for the victims of both disasters. We are, indeed, very fortunate to live in a stable country like Malaysia, which is shielded from major natural calamities and I sincerely hope that all of us can help make a small difference in the lives of those less fortunate.

Datuk Oh Siew Nam

Chairman

29 May 2008

PRESS AND ANALYST BRIEFING

PPB Group Berhad held its first Press and Analyst Briefing for the year on 11 March 2008 at Wisma Jerneh to review PPB's financial results for the year 2007 and the latest developments of the Group. The Briefing was well attended by 40 analysts and fund managers from various local and overseas research houses and securities firms as well as 19 members of the press.

During the Briefing, the CEOs of the Group's respective divisions gave short presentations of their businesses. After the presentations, PPB's Chairman and Managing Director dealt with the numerous questions posed by the attendees. A press conference was held immediately after the Briefing followed by lunch.



PPB STAFF CELEBRATED CHINESE NEW YEAR WITH THE RESIDENTS OF TI-RATANA WELFARE HOMES

On the seventh day of the Chinese New Year, PPB staff celebrated the festive occasion with the children and senior citizens of Ti-Ratana Welfare Homes at their residence in Desa Petaling, Kuala Lumpur. The event kicked off with the youth and children of Ti-Ratana welcoming PPB staff with a spectacular lion dance performance followed by songs and dance performances from classical to hip-hop. The children were presented with gifts from PPB and served various types of Chinese New Year cookies and candies, much to their delight.



The highlight of the evening was the tossing of the auspicious “Yee Sang” dish by the senior citizens and PPB staff to usher in the New Year with good health. A sumptuous buffet dinner was served and everyone ate heartily whilst Chinese New Year festive songs were played to add to the festive mood. PPB staff were given a tour around the Home and when the event was over, new friendships were made and many left with happy memories of the children. PPB also contributed household items and food marketed by its Group to the Home.

Ti-Ratana is a community centre for the hopeless and the helpless. It currently cares and supports 190 children in its Children’s Home and 55 senior citizens at its Old Folks Home. Ti-Ratana also runs a shelter home for women and provides free medical and healthcare services for the needy. For those who wish to assist Ti-Ratana Welfare Homes, you may contact Ms Christine at 03-79881818.

FFM ASSISTS FLOOD VICTIMS IN KAMPUNG CINA, KOTA BAHRU

The recent floods in Malaysia damaged many homes leaving many more in devastated state. This year, East Coast states were the worst hit by the floods and scores of people were caught unprepared to face the calamity.

With the help of Persatuan Pendidikan Akhlak Kelantan (PPAK) and the Penghulu of Kampung Cina, FFM Berhad, a wholly-owned subsidiary of PPB, identified 407 families from Kampung Cina in Kota Bahru, Kelantan to receive assistance. FFM contributed household and food products marketed by FFM Marketing Sdn Bhd such as flour, sardines, curry pastes, eggs, soya bean drinks, cooking oils, mosquito coils, sugar and soap powder.

The contribution from FFM was timely for the victims as most have just gone back to their homes to restart their lives.



GREEN LIFESTYLE IS IN

More and more people are choosing to live a greener, healthier and environmental friendly lifestyle. Respecting and doing our bit for the environment is a lifestyle choice.

On 31 January 2008, Ms Maye Yap, the Head of Services division of Malaysian Nature Society gave an awareness talk to employees of PPB Group entitled “Green Lifestyle Is In”. PPB employees were given ideas and tips on ways to reduce, reuse and recycle in their home or in the office or on the road in order to preserve and protect the environment.



Some useful green tips were summarized as follows :-

- When shopping, switch from disposables to reusable products;
- Don't be tempted to take away and/or purchase shells or species based souvenirs when on holidays;
- Take shorter showers and use showers instead of baths;
- Water your garden in the early morning to prevent evaporation loss;
- Turn off all electrical appliances when not in use to reduce power usage;
- Unplug equipment once fully charged eg. mobile phones - otherwise they keep drawing electricity;
- Keep bulbs and shades clean to allow better distribution of light;
- Avoid unnecessary idling of the car. If waiting for more than a couple of minutes, turn off the car engine and save fuel; and
- Ensure car tyres are properly inflated. Under-inflated tyres cause fuel consumption to increase as much as 6% and causing tyres to wear quicker too.

A video clip entitled “The Story of Stuff” from the website www.storyofstuff.com was screened during the talk. Please check out the video as it is an eye opener on how today's consumers overshop leading to the destruction of our environment.

1st Quarter Share Analysis

After registering a gain of 8.1% in 4Q2007, the Kuala Lumpur Composite Index (KLCI) fell by 13.7% to 1,247.5 points in 1Q2008. Commencing the quarter at 1,445.03 points, the KLCI touched a record-high of 1,524.7 points on 14th January amid buying of selective index and plantation stocks. Led by foreign investors' sell-down of blue chips, the KLCI fell sharply to a 12-month low of 1,173.2 points on 10 March 2008. However, a rebound in regional markets triggered by the US Federal Reserve's measures to inject liquidity into credit markets helped the KLCI to close at 1,247.5 points to register a loss of 13.7% for the quarter.

[Source : Public Mutual website]

In tandem with the KLCI, PPB share price closed 7.3% lower at RM10.20 compared with RM11.00 in the preceding quarter.

Market capitalization of PPB shares decreased to RM12.1 billion although PPB's daily average volume in the quarter rose significantly by 87.3% to 1,532,983 shares.

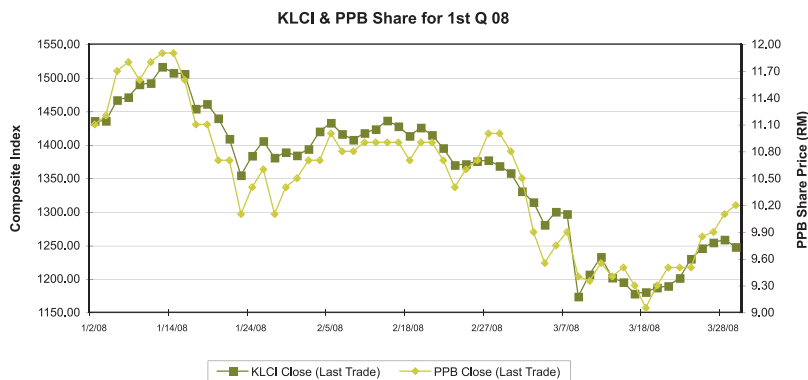
PPB SHARE & KUALA LUMPUR COMPOSITE INDEX PERFORMANCE FOR 1ST QUARTER 2008

	1st Q 2008	4th Q 2007	% change
PPB share price			
Closing price (high)	11.90	11.00	8.18%
Closing price (low)	9.05	9.00	0.56%
Month end closing price	10.20	11.00	-7.27%
Weighted share price	10.52	9.92	6.05%
Market capitalization (RM' million)	12,092.10	13,040.50	-7.27%

PPB share volume			
Daily volume (high)	7,128,900	3,553,800	>100%
Daily volume (low)	139,700	120,200	16.22%
Average daily volume	1,532,983	818,589	87.27%

Kuala Lumpur Composite Index (KLCI)			
KLCI closing (high)	1,516.22	1,447.04	4.78%
KLCI closing (low)	1,173.22	1,344.16	-12.72%
KLCI month end closing	1,247.52	1,445.03	-13.67%

Kuala Lumpur Composite Index (KLCI) volume			
Daily volume (high)	558,533,100	291,790,800	91.42%
Daily volume (low)	105,239,200	116,242,300	-9.47%
Average daily volume	256,139,707	180,388,990	41.99%



FINANCIAL STATISTICS FOR THE 1ST QUARTER OF 2008

Financial period ended (All figures in RM million)	3 MONTHS		Change %	12 MONTHS
	31.03.08	31.03.07		31.12.07
INCOME STATEMENTS				
<u>Continuing operations</u>				
Revenue	809	689	17.4	2,989
Profit from operations	133	64	>100.0	277
Profit before taxation	417	98	>100.0	564
Profit for the period from continuing operations, net of tax	384	75	>100.0	488
<u>Discontinued operations</u>				
Revenue	0	2,386	(100.0)	3,165
Profit from operations	0	99	(100.0)	130
Profit before taxation	0	146	(100.0)	200
Profit for the period from discontinued operations, net of tax	0	122	(100.0)	6,514
<u>Group total</u>				
Revenue	809	3,075	(73.7)	6,154
Profit from operations	133	163	(18.4)	407
Profit before taxation	417	244	70.9	764
Profit for the period	384	197	94.9	7,002
Profit attributable to Shareholders of the Company	383	168	>100.0	6,973
BALANCE SHEET				
Non-current assets	10,396	1,955	>100.0	10,237
<u>Current assets</u>				
Cash and bank deposits	803	889	(9.7)	701
Non-current assets classified as held for sale	9	3,832	(99.8)	9
Others	1,066	943	13.0	1,037
Total current assets	1,878	5,664	(66.8)	1,747
Total assets	12,274	7,619	61.1	11,984
<u>Equity</u>				
Share capital	1,186	1,186	0.0	1,186
Reserves	10,495	3,631	>100.0	10,244
Equity attributable to Shareholders of the Company	11,681	4,817	>100.0	11,430
Minority interests	146	868	(83.2)	137
Total equity	11,827	5,685	>100.0	11,567
<u>Non-current liabilities</u>				
Bank borrowings	23	17	35.3	20
Others	69	65	6.2	69
Total non-current liabilities	92	82	12.2	89

Financial period ended (All figures in RM million)	3 MONTHS		Change %	12 MONTHS
	31.03.08	31.03.07		31.12.07
Current liabilities				
Bank borrowings	44	52	(15.4)	36
Others	311	1,800	(82.7)	292
Total current liabilities	355	1,852	(80.8)	328
Total liabilities	447	1,934	(76.9)	417
Total equity and liabilities	12,274	7,619	61.1	11,984
RATIOS				
Return on equity attributable to shareholders of the Company	(%)	3.3	3.5	61.0
Earnings per share	(sen)	32.3	14.2	588.2
Interest coverage	(times)	447.0	25.0	55.6
Current ratio	(times)	5.3	3.1	5.3
Total borrowings/Equity	(%)	0.6	16.9	0.5
Long term borrowings/Equity	(%)	0.2	0.3	0.2
Net assets per share attributable to shareholders of the Company	(RM)	9.8	4.1	9.6
Net assets per share	(RM)	10.0	4.8	9.8
Net dividend per share	(sen)	0.0	0.0	22.1
STOCK MARKET INFORMATION				
Share price	(RM)	10.20	6.40	11.00
Market capitalisation	(RM million)	12,097	7,590	13,046
PE ratio	(times)	7.9	11.3	20.80*

* Exclude the one-time gain from disposal of PPB Oil Palms Bhd, PGEP Group Sdn Bhd and Kuok Oils & Grains Pte Ltd amounting to RM6.346 billion.

ANNOUNCEMENTS**29 JANUARY**

Datuk Oh Siew Nam's position on the Board of PPB was re-designated from "Executive Chairman" to "Chairman" with effect from 1 February 2008.

29 JANUARY

Mr Tan Gee Sooi was appointed Managing Director of the Company with effect from 1 February 2008.

29 FEBRUARY

Release of 4th Quarter Report for the period ended 31 December 2007.

29 FEBRUARY

The Board recommended the payment of a final dividend of 25 sen per share less 26% income tax for the financial year ended 31 December 2007 to be paid on 6 June 2008 subject to shareholders' approval at PPB's 39th Annual General Meeting on 16 May 2008.

29 FEBRUARY

Notice of intention to seek shareholders' approval at PPB's 39th Annual General Meeting on 16 May 2008 for the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature & Proposed Amendments to the Articles of Association of the Company.

QUARTERLY REPORT

CONDENSED CONSOLIDATED INCOME STATEMENTS For The Period Ended 31 March 2008

(The figures have not been audited)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<u>Continuing operations</u>				
Revenue	808,888	688,768	808,888	688,768
Operating expenses	(684,018)	(630,521)	(684,018)	(630,521)
Other operating income	8,427	6,241	8,427	6,241
Profit from operations	133,297	64,488	133,297	64,488
Net profit from investing activities	6,904	27,165	6,904	27,165
Share of associated companies' profits less losses	277,523	7,011	277,523	7,011
Share of joint venture's profits	180	163	180	163
Finance costs	(935)	(1,112)	(935)	(1,112)
Profit before taxation	416,969	97,715	416,969	97,715
Taxation	(32,646)	(22,502)	(32,646)	(22,502)
Profit for the period from continuing operations	384,323	75,213	384,323	75,213
<u>Discontinued operations</u>				
Profit for the period from discontinued operations, net of tax	-	122,126	-	122,126
Profit for the period	384,323	197,339	384,323	197,339
Attributable to :-				
Shareholders of the Company	383,098	168,433	383,098	168,433
Minority interests	1,225	28,906	1,225	28,906
Profit for the period	384,323	197,339	384,323	197,339
Basic earnings per share (sen) :-				
- continuing operations	32.32	6.28	32.32	6.28
- discontinued operations	-	7.93	-	7.93
	32.32	14.21	32.32	14.21

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report.)

	<i>As at</i> 31-Mar-2008 RM'000	<i>As at</i> 31-Dec-2007 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	819,948	810,852
Investment properties	162,906	163,835
Biological assets	2,671	2,681
Prepaid lease payments	131,738	131,635
Goodwill	73,033	73,033
Other intangible assets	2,759	2,977
Land held for property development	3,717	3,693
Investment in associated companies	8,738,806	8,587,695
Investment in jointly controlled entity	39,872	39,403
Other investments	419,719	419,699
Deferred tax assets	1,380	1,431
	<u>10,396,549</u>	<u>10,236,934</u>
Current Assets		
Inventories	504,056	489,902
Biological assets	20,389	21,339
Other intangible assets	8,196	9,476
Property development costs	31,125	28,684
Receivables	501,749	487,573
Cash, bank balances and deposits	802,680	700,658
	<u>1,868,195</u>	<u>1,737,632</u>
Non-current assets classified as held for sale	9,479	9,479
	<u>1,877,674</u>	<u>1,747,111</u>
TOTAL ASSETS	<u>12,274,223</u>	<u>11,984,045</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	10,495,021	10,244,265
Equity attributable to shareholders of the Company	11,680,521	11,429,765
Minority interests	146,819	137,288
Total equity	<u>11,827,340</u>	<u>11,567,053</u>

(cont'd) CONDENSED CONSOLIDATED BALANCE SHEETS

	<i>As at</i> 31-Mar-2008 RM'000	<i>As at</i> 31-Dec-2007 RM'000
Non-current Liabilities		
Long term borrowings	23,575	20,504
Deferred tax liabilities	68,537	68,823
	<u>92,112</u>	<u>89,327</u>
Current Liabilities		
Payables	284,934	280,218
Short term borrowings	44,163	36,471
Taxation	25,674	10,976
	<u>354,771</u>	<u>327,665</u>
Total liabilities	<u>446,883</u>	<u>416,992</u>
TOTAL EQUITY AND LIABILITIES	<u>12,274,223</u>	<u>11,984,045</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>9.85</u>	<u>9.64</u>
Net assets per share (RM)	<u>9.98</u>	<u>9.76</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report.)

	<i>3 months ended 31 March</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	416,969	97,715
Discontinued operations	-	146,170
	<u>416,969</u>	<u>243,885</u>
Adjustments :-		
Non-cash items	(259,919)	(42,841)
Non-operating items	(5,819)	970
Operating profit before working capital changes	<u>151,231</u>	<u>202,014</u>
Working capital changes		
Net change in current assets	(12,965)	(13,410)
Net change in current liabilities	(6,117)	(80,137)
Cash generated from operations	<u>132,149</u>	<u>108,467</u>
Tax paid	(17,682)	(39,412)
Net cash generated from operating activities	<u>114,467</u>	<u>69,055</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(38,760)	(128,665)
Proceeds from disposal of property, plant and equipment	565	223
Purchase of investments	-	(94,257)
Proceeds from sale of investments	-	26,506
Redemption of preference shares in an associated company	-	34,035
Dividends received	1,415	30,816
Interest received	5,469	5,313
Other investing activities	(189)	(4,639)
Net cash used in investing activities	<u>(31,500)</u>	<u>(130,668)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued to minority shareholders of subsidiary companies	8,404	10,205
Bank borrowings	10,342	277,532
Interest paid	(975)	(15,188)
Dividends paid	-	(14,442)
Other financing activities	2,475	(10,306)
Net cash generated from financing activities	<u>20,246</u>	<u>247,801</u>
Net increase in cash and cash equivalents	<u>103,213</u>	<u>186,188</u>
Cash and cash equivalents at 1 January	699,411	750,981
Effect of exchange rate changes	(2,031)	(2,991)
Cash and cash equivalents at 31 March	<u>800,593</u>	<u>934,178</u>
<u>Cash and cash equivalent represented by :-</u>		
Cash & bank	72,419	61,757
Bank deposits	730,226	813,312
Bank overdrafts	(2,052)	(2,290)
<u>Classified as held for sale :-</u>		
Cash & bank	-	26,105
Bank deposits	-	35,631
Bank overdrafts	-	(337)
	<u>800,593</u>	<u>934,178</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For The Period Ended 31 March 2008

3 months ended 31 March 2008

At 1 January 2008

 Net gains/(losses) recognised directly to equity
 Profit for the period

 Total recognised income and expenses for the period
 Transfer of reserves
 Shares issued to minority shareholders of a subsidiary
 At 31 March 2008

3 months ended 31 March 2007

At 1 January 2007

 Net gains/(losses) recognised directly to equity
 Profit for the period

 Total recognised income and expenses for the period
 Transfer of reserves
 Acquisition of additional shares in an existing subsidiary
 Shares issued to minority shareholders of subsidiaries
 Capital reduction by a subsidiary
 Dividends
 At 31 March 2007

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000
At 1 January 2008	1,185,500	6,715	55,492
Net gains/(losses) recognised directly to equity	-	-	-
Profit for the period	-	-	-
Total recognised income and expenses for the period	-	-	-
Transfer of reserves	-	-	(183)
Shares issued to minority shareholders of a subsidiary	-	-	-
At 31 March 2008	1,185,500	6,715	55,309
At 1 January 2007	1,185,500	6,715	160,540
Net gains/(losses) recognised directly to equity	-	-	5,672
Profit for the period	-	-	-
Total recognised income and expenses for the period	-	-	5,672
Transfer of reserves	-	-	(565)
Acquisition of additional shares in an existing subsidiary	-	-	-
Shares issued to minority shareholders of subsidiaries	-	-	-
Capital reduction by a subsidiary	-	-	-
Dividends	-	-	-
At 31 March 2007	1,185,500	6,715	165,647

Non-distributable		Distributable			Minority interests RM'000	Total equity RM'000
Exchange translation reserve RM'000	Capital reserve RM'000	Relating to assets held for sale RM'000	Retained profits RM'000	Attributable to shareholders of the Company RM'000		
(174,846)	239,060	-	10,117,844	11,429,765	137,288	11,567,053
(113,109)	(32,507)	-	13,274	(132,342)	(98)	(132,440)
-	-	-	383,098	383,098	1,225	384,323
(113,109)	(32,507)	-	396,372	250,756	1,127	251,883
-	6,014	-	(5,831)	-	-	-
-	-	-	-	-	8,404	8,404
(287,955)	212,567	-	10,508,385	11,680,521	146,819	11,827,340
(33,901)	175,855	-	3,149,975	4,644,684	886,641	5,531,325
(1,608)	1	(808)	(349)	2,908	(10,466)	(7,558)
-	-	-	168,433	168,433	28,906	197,339
(1,608)	1	(808)	168,084	171,341	18,440	189,781
-	1	-	564	-	-	-
-	-	-	-	-	(25,740)	(25,740)
-	-	-	-	-	10,205	10,205
-	-	-	-	-	(6,450)	(6,450)
-	-	-	-	-	(14,442)	(14,442)
(35,509)	175,857	(808)	3,318,623	4,816,025	868,654	5,684,679

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007 and 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 Financial Reporting Standards ("FRS") 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 audited financial statements for the financial year ended 31 December 2007.

The adoption of the following revised FRSs from financial period beginning on 1 January 2008 are as follows :-

Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have any significant financial impact on the Group.

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 31 March 2008

<i>All figures in RM'000</i> Information About Business Segments:	Sugar refining and cane plantation	Grains trading, flour and feed milling	Livestock farming	Environmental engineering, waste management and utilities	Film exhibition and distribution
REVENUE					
External sales	237,577	323,518	15,333	16,766	42,423
Inter-segment sales	-	22,674	3,844	-	-
Total revenue	<u>237,577</u>	<u>346,192</u>	<u>19,177</u>	<u>16,766</u>	<u>42,423</u>
RESULT					
Segment operating results	40,295	66,126	(2,065)	(496)	5,371
Unallocated corporate expenses					
Profit from operations					
Investing activities					
Share of associated companies' profits less losses	2,096	3,807	-	1,908	312
Share of joint venture's profits	-	-	-	180	-
Finance costs					
Profit before taxation					

A2. Seasonal or Cyclicity of Interim Operations

The Group's operations are not materially affected by any seasonal or cyclical factors.

A3. 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.

A4. Nature and amount of changes in estimates

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

A5. 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.

A6. Dividends paid

There was no dividend paid during the financial period under review.

Property investment and development	Chemicals trading and manufacturing	Other operations	Elimination	Consolidated
21,112	36,102	116,057	-	808,888
344	78	4,452	(31,392)	-
21,456	36,180	120,509	(31,392)	808,888
7,043	2,632	17,765	414	137,085
				(3,788)
				133,297
				6,904
1,342	-	268,058	-	277,523
-	-	-	-	180
				(935)
				416,969

A8. 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.

A9. 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.

A10. 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 under review.

A11. Changes in contingent liabilities or contingent assets

	<i>As at</i> 31-Mar-08 RM'000	<i>As at</i> 31-Dec-07 RM'000
<u>Contingent liabilities</u>		
Unsecured guarantees issued in consideration of credit facilities given to an associated company	2,550	2,550

Chemquest Sdn Bhd, a 55% owned subsidiary of PPB, has granted unsecured corporate guarantees to a third party in respect of works being carried out by its 70% indirect subsidiary, Cipta Wawasan Maju Engineering Sdn Bhd.

Contingent assets

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 for continuing operations of RM809 million for the period ended 31 March 2008 was 17% higher compared with RM689 million in 2007. The increase was mainly due to improved prices of specialty flour in line with higher world wheat prices and higher sales from the property development division.

Group profit for the period of RM384 million was 95% higher compared with RM197 million in the corresponding period last year. Wilmar International Limited ("Wilmar") an associate company of the Group contributed RM264 million for the current quarter whilst the grains trading, flour and feed milling division also contributed to the higher profit.

(Note : PPB Group has not recognised its share of RM63 million of Wilmar's unrealised net losses from financial instruments as FRS 139 - Financial Instruments : Recognition and Measurements is not yet effected by the Malaysian Accounting Standards Board.)

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

The Group profit of RM384 million for the quarter under review was substantially higher when compared with RM120 million registered in the preceding quarter. This was mainly due to the better performance by Wilmar.

B3. Prospects for current financial year

High commodity prices for wheat, raw sugar, fuel and ocean freight remain as key factors influencing the Group's businesses in 2008. The Group will take all necessary measures to address these factors.

Based on current performance, it is envisaged that Group results for the financial year 2008 are expected to be better than that of the previous year.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

	<i>Individual Quarter 3 months ended 31-Mar-08 RM'000</i>	<i>Cumulative Quarter 3 months ended 31-Mar-08 RM'000</i>
Taxation comprises:-		
Malaysian taxation based on profit for the period:-		
Current	31,741	31,741
Deferred	(282)	(282)
	<hr/> 31,459	<hr/> 31,459
Foreign taxation		
Current	1,259	1,259
	<hr/> 32,718	<hr/> 32,718
(Over)/underprovision		
Current	(69)	(69)
Deferred	(3)	(3)
	<hr/> <hr/> 32,646	<hr/> <hr/> 32,646

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

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

There were no sales of unquoted investment and / or properties for the current quarter and financial period to-date.

B7. Quoted securities

(a) There were no purchases or disposals of quoted securities for the current quarter and financial period to-date.

(b) Total investments in quoted securities as at 31 March 2008 were as follows:-

	<i>RM'000</i>
At cost	419,875
At book value	419,290
At market value	1,153,067

B8. Status of corporate proposals

(a) On 1 November 2006, Mantap Aman Sdn Bhd, an indirect subsidiary of PPB had entered into a joint-venture agreement with Millerstar Pte Ltd, Singapore to construct and operate a wheat flour mill facility at Cilegon, Republic of Indonesia to be undertaken by a joint-venture company called P.T. Pundi Kencana.

The construction of the flour mill is still in progress and is expected to be commissioned in June 2009 based on current schedule.

B9. Group borrowings

Total Group borrowings as at 31 March 2008 were as follows:-

	<i>Total RM'000</i>	<i>Secured RM'000</i>	<i>Unsecured RM'000</i>
Long term bank borrowings			
Long term bank loans (USD)	7,904	7,904	-
Long term bank loans (CNY)	17,984	-	17,984
Hire purchase liabilities	386	386	-
Hire purchase liabilities (SGD)	72	72	-
Repayments due within the next 12 months	<u>(2,771)</u>	<u>(199)</u>	<u>(2,572)</u>
	<u>23,575</u>	<u>8,163</u>	<u>15,412</u>
Short term bank borrowings			
Short term loans	21,905	-	21,905
Short term loans (USD)	17,435	-	17,435
Current portion of long term loans	2,572	-	2,572
Hire purchase liabilities	188	188	-
Hire purchase liabilities (SGD)	11	11	-
	<u>42,111</u>	<u>199</u>	<u>41,912</u>
Bank overdrafts	2,052	-	2,052
	<u>44,163</u>	<u>199</u>	<u>43,964</u>

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 and where the foreign exchange contracts are used to hedge against anticipated future transactions, gains and losses are not recognised until the transaction occurs.

As at 23 May 2008, the Group has hedged outstanding foreign currency contracts that were entered into as hedges for purchases and sales of USD9.4 million equivalent to RM30.7 million and USD12.2 million equivalent to RM38.6 million respectively. 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.

B11. Material litigation

There was no material litigation pending as at 23 May 2008.

B12. Dividend

The Final Dividend for the financial year ended 31 December 2007 was approved by shareholders at the Company's 39th Annual General Meeting held on 16 May 2008 and will be paid on Friday, 6 June 2008.

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

Dividends Paid/Payable

Dividends paid and payable for the financial year 2007 and up to the date of this report are as follows :-

Financial Year	Type	Rate	Payment Date
2007	Interim dividend	5 sen less 27% income tax	28 September 2007
2007	Final dividend	25 sen less 26% income tax	6 June 2008
2008	Special dividend	62 sen less 26% income tax	12 May 2008

B13. Earnings per Share

The basic earnings per share has been calculated by dividing the Group's profit for the current financial 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.

B14. Disclosure of audit report qualification and status of matters raised

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

Kuala Lumpur
29 May 2008

By Order of the Board
Tan Teong Boon
Company Secretary

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