



INVESTOR UPDATE

30 June 2008
2nd QUARTER REPORT



PPB GROUP BERHAD

Dear Shareholders,

PPB Group performed well for the first half of 2008 to record a significant jump in pre-tax profit to RM775 million compared to the same period last year of RM204 million due to higher contribution from PPB's associate company, Wilmar International Limited ("Wilmar"). Whilst the grains trading, flour and feed milling division performed satisfactorily, Wilmar in which PPB owns 18.3% interest, contributed a significant RM473 million for the first half of 2008.

Group revenue for continuing operations rose by 16% to RM1.65 billion from RM1.42 billion due mainly to higher selling prices for specialty flour and animal feed in line with higher commodity prices.

Excluding the one-time gain of RM6.4 billion recorded in 2007 from the disposals of PPB Oil Palms Berhad, PGEO Group Sdn Bhd and Kuok Oils and Grains Pte Ltd ("the discontinued operations") to Wilmar, profit attributable to shareholders increased by 148% to RM716 million compared to RM289 million last year. Earnings per share for the continuing operations increased to 60.42 sen compared with 13.43 sen for the same period last year.

INTERIM DIVIDEND

PPB's Board of Directors declared an interim single tier dividend of 5 sen per share for the financial year ending 31 December 2008 payable on Monday, 29 September 2008.

GOING FORWARD

Prices of wheat, raw sugar, fuel and ocean freight continue to be key factors affecting PPB Group's profitability. The Group's operations for the financial year 2008 are expected to perform satisfactorily and with higher contributions from Wilmar, the overall results for 2008 will be better than 2007.

HAPPENINGS

In the 2nd Quarter of the year, PPB held its 39th Annual General Meeting (“AGM”) which was well attended by shareholders and proxies. Golden Screen Cinemas Sdn Bhd (“GSC”), a 98.9% subsidiary of PPB Group, opened 2 new cinemas with 5 screens at Alamanda Shopping Centre, Putrajaya and 8 screens at 1Borneo, Kota Kinabalu bringing a total of 151 screens in 22 locations under the GSC chain.

PPB’s wholly-owned subsidiary, FFM Berhad, ventured downstream to meat processing and commissioned a convenience food plant producing packed frozen foods at Pulau Indah, Klang.

CSR ACTIVITIES

The management and staff of PPB Group generously donated a total sum of RM69,920 to the staff of its wholly-owned subsidiary, Tefel Packaging Industries Limited and their families who were victims of the Cyclone Nargis in Yangon, Myanmar. PPB Group also contributed RM432,810 towards the purchase and delivery of tents to shelter the victims of the earthquake disaster in Sichuan, China.

In line with PPB’s CSR project “Cultivating the Love for Reading”, three (3) new mini libraries were set up for the orang asli children in Raub, Pahang and Rawang, Selangor.

RAMADHAN GREETINGS TO MUSLIMS

I wish to take this opportunity to wish our muslim shareholders and friends joy and peace during the holy month of Ramadhan and “Selamat Berpuasa”.

Datuk Oh Siew Nam
Chairman

26 August 2008

ALL THINGS TASTY AT PULAU INDAH

FFM Berhad's latest downstream venture, a convenience food plant at Pulau Indah, Klang is now fully operational. Built and commissioned in September 2007 at a cost of RM28 million, the plant can produce 500 metric tons of packed frozen foods per month.

Blending and cooking quality chicken meat, spices and vegetables into premium range ready-to-eat sausages, pan fried nuggets, burgers and healthy vegetarian products are the plant's core business activity. Fresh chicken meat is obtained from FFM Farms Sdn Bhd and local HACCP certified chicken primary processors.



FFM Further Processing Plant, Pulau Indah, Klang.



Tempura Chicken Nuggets with vegetables.



Premium quality chicken frankfurters.

Currently these products are marketed in Malaysia via the Marina brand. However, a collection of scrumptious products will be released under the Sri Murni brand in the last quarter of 2008.

Great food aside, being environmentally friendly is an operational priority at this plant. The plant incorporates 3R practices and utilize clean energy sources such as liquid petroleum gas and electric heaters for cooking to reduce carbon emissions, whilst waste water is treated to comply beyond standard-B DOE requirements.

Ultimately, the plant practices the highest standards for food safety, incorporating an integrated approach to GMP, HACCP and ISO 22000's Food Safety Management system. This provides our customers with the assurance that they are consuming delicious wholesome food produced with the highest manufacturing standards.

OPENING OF NEW GSC CINEMAS

In the 2nd Quarter of 2008, Golden Screen Cinemas Sdn Bhd (GSC), a 98.9% subsidiary of PPB Group, expanded its cinema chain by 13 screens with the opening of GSC Alamanda, Putrajaya and GSC 1Borneo, Kota Kinabalu.

Since GSC Alamanda Putrajaya located at Alamanda Shopping Centre opened for business on 3 April 2008, Putrajaya residents no longer have to travel far to enjoy great entertainment over the big screen. Built at a cost of RM13 million, the 5-screen multiplex with a seating capacity of 1,086 seats provides disabled-friendly facilities such as a hydraulic lift and seating space for wheelchair-bound patrons.



On 5 June 2008, GSC added an additional 1,500 seats with disabled friendly facilities in the newly opened GSC 1Borneo, Kota Kinabalu to cater to the entertainment needs in East Malaysia. The 8-screen multiplex which costs RM16 million, is GSC's second cinema in Kota Kinabalu.

GSC e-payment facility has been extended to the 2 new multiplexes for the convenience of purchasing tickets by movie-goers.

As part of the opening attractions for the new cinemas, fun-filled activities were organized and many freebies including free movie screenings were given to the public during the opening celebrations.

GSC is the leading cinema exhibitor and distributor in Malaysia operating 151 screens in 22 locations nationwide. GSC also operates Malaysia's first boutique cinema "GSC Signature" at The Gardens, Mid Valley. With 2 Gold Class and 5 Premiere Class halls in this premier cinema, GSC Signature provides an enriching experience for its valued patrons via the spacious interiors, thick plush carpets, luxurious surroundings and attentive staff to cater to their needs.

39TH ANNUAL GENERAL MEETING

On 16 May 2008, the 39th Annual General Meeting (AGM) of PPB was held at Wisma Jerneh, Kuala Lumpur with high turnout by shareholders and proxies. At the AGM, the Chairman and the Chief Financial Officer answered questions from shareholders/proxies including the Minority Shareholder Watchdog Group on the Group's financial results for the year ended 31 December 2007 and other related matters.

All resolutions tabled at the AGM including the shareholders' mandate for recurrent related party transactions of a revenue or trading nature and the proposed amendments to update the Articles of Association of the Company were passed.

PPB ASSISTS DISASTER VICTIMS

Cyclone Nargis which struck Myanmar recently caused untold devastation with more than 20,000 dead and tens of thousands homeless and missing.

Tefel Packaging Industries Ltd (Tefel), a wholly-owned subsidiary of PPB Group, operates a polybag factory on the outskirts of Yangon, Myanmar. Tefel has approximately 700 employees and many of the employees lost family members or have family members missing and homeless from the Cyclone Nargis.

The staff of PPB Group generously donated a total sum of RM69,920 which was channeled to Tefel for distribution to their staff and families who were victims of the Cyclone Nargis. The donation came as a blessing to them and helped rebuild their shattered lives.

In response to the earthquake disaster in Sichuan, PPB donated RM432,810 towards the purchase and delivery of tents to shelter the homeless victims.



MINI LIBRARIES FOR THE ORANG ASLI

A majority of orang asli children are deprived from access to education facilities and pre-schools. Poverty, lack of transportation and the remote location of settlements are the main reasons most orang asli children do not have proper education leading to a high rate of illiteracy in the community till today. It takes about 10km to walk to school for those who live deep in the jungle. Some of these children have never seen a book or held a pencil before and because indigenous families cannot afford pre-school, these students are severely disadvantaged when they start school proper.

Recognising the children's needs for pre-school facilities, PPB set up three (3) mini libraries for the Orang Asli children, two at Raub, Pahang and one at Rawang, Selangor equipped with a variety of English and Malay storybooks to encourage reading amongst the orang asli schoolchildren in line with PPB's CSR focus on "Cultivating the Love for Reading".

For this project, PPB worked closely with SEMOA (SEMenanjung Orang Asli), an Orang Asli Ministry dedicated to improve the livelihood of the orang asli in Malaysia, to provide the orang asli children with a better chance of adapting to formal education.

Plans are underway to set up another two (2) mini libraries at Raub and Bukit Beruntung, Selangor.

During PPB's staff visit to the mini libraries, it was an encouragement to see the children enjoying their new storybooks. Seeing their eager faces, PPB's staff couldn't help but read to the children and joined in the story telling sessions.



2nd Quarter Share Analysis

After registering a loss of 13.7% in 1Q 2008, the Kuala Lumpur Composite Index (KLCI) registered a smaller loss of 4.9% to close at 1,186.6 points in 2Q 2008. Commencing the quarter at 1,247.52 points, the KLCI rebounded to cross 1,300 points briefly in late April in tandem with regional markets triggered by the U.S. Federal Reserve's measures to inject liquidity into credit markets. However, sharp losses on Wall Street and record oil prices caused the KLCI to fall to a 14-week intraday low of 1,181.7 points on 30 June 2008 before closing at 1,186.6 points for a loss of 4.9% for the quarter.

Source : Public Mutual website
 (www.publicmutual.com.my)

PPB share price outperformed the KLCI to close 5.9% higher at RM10.80 compared with RM10.20 in the preceding quarter.

Market capitalization of PPB shares increased to RM12.8 billion although PPB's daily average volume in the quarter decreased by 40.9% to 905,498 shares in view of the weaker market.

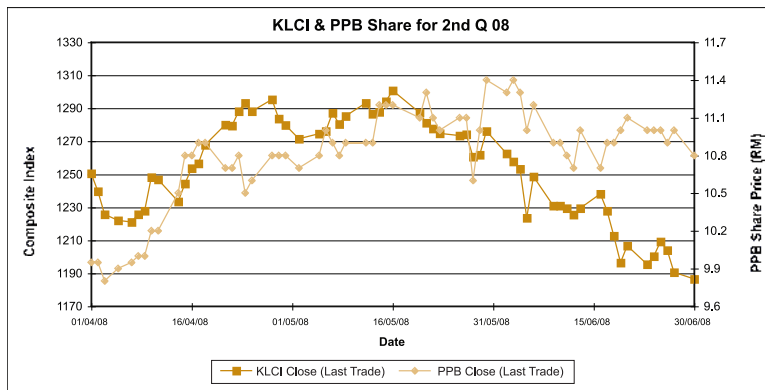
PPB SHARE & KUALA LUMPUR COMPOSITE INDEX PERFORMANCE FOR 2ND QUARTER 2008

	2nd Q 2008	1st Q 2008	% change
PPB share price			
Closing price (high)	11.40	11.90	-4.20%
Closing price (low)	9.80	9.05	8.29%
Month end closing price	10.80	10.20	5.88%
Weighted share price	10.92	10.52	3.80%
Market capitalization (RM' million)	12,803.40	12,092.10	5.88%

PPB share volume			
Daily volume (high)	3,022,200	7,128,900	-57.61%
Daily volume (low)	134,700	139,700	-3.58%
Average daily volume	905,498	1,532,983	-40.93%

Kuala Lumpur Composite Index (KLCI)			
KLCI closing (high)	1,300.67	1,516.22	-14.22%
KLCI closing (low)	1,186.57	1,173.22	1.14%
KLCI month end closing	1,186.57	1,247.52	-4.89%

Kuala Lumpur Composite Index (KLCI) volume			
Daily volume (high)	481,188,900	558,533,100	-13.85%
Daily volume (low)	105,609,500	105,239,200	0.35%
Average daily volume	191,799,419	256,139,707	-25.12%



WELCOME ABOARD

On 29 May 2008, PPB welcomed Mr Richard Cheang Kwan Chow and Mr Lim Soon Huat on the Board as Non-Independent and Non-Executive Directors.

Mr Richard Cheang joined the Kuok Group of Companies in 1980 and had over the years held several managerial positions in various companies within the Kuok Group. He was appointed as Deputy Managing Director of PGEO Group Marketing Sdn Bhd in 2002 until his retirement in 2007. Mr Cheang is presently the Executive Assistant to the Chairman of Kuok Brothers Sdn Bhd as well as the Deputy Chairman of Malayan Sugar Manufacturing Co. Berhad. He is a Member of Chartered Institute of Arbitrators, London, United Kingdom and sits on the Panel of Arbitrators of The Palm Oil Refiners Association of Malaysia. In 1976, he received his Diploma in Marketing, United Kingdom from Redditch College, Worcestershire, England and in 1978, he received his Postgraduate Diploma in Export Marketing and Diploma in Export from Buckinghamshire College, Buckinghamshire, England. He obtained his Master of Arts Communications Management from University of South Australia, Adelaide in 1999.

Mr Lim has more than 10 years financial and corporate management experience within the Kuok Group of Companies in Singapore, Thailand, Hong Kong, China and currently holds several senior managerial positions in Kuok Group's subsidiaries in Indonesia. He holds a Bachelor of Science (Honours) in Statistics from the Universiti Kebangsaan Malaysia.

The composition of PPB's board is currently as follows :-

1.	Datuk Oh Siew Nam	(Chairman)
2.	Dato' Lim Chee Wah	(Deputy Chairman)
3.	Tan Gee Sooi	(Managing Director)
4.	Dato Sri Liang Kim Bang	(Independent Non-Executive)
5.	Ang Guan Seng	(Non-Independent Non-Executive)
6.	YM Raja Dato' Seri Abdul Aziz bin Raja Salim	(Independent Non-Executive)
7.	Datuk Rajasingam a/l Mayilvaganam	(Independent Non-Executive)
8.	Cheang Kwan Chow Richard	(Non-Independent Non-Executive)
9.	Lim Soon Huat	(Non-Independent Non-Executive)

Financial period ended
 (All figures in RM million)

	6 MONTHS		%	12 MONTHS
	30.06.08	30.06.07	Change	31.12.07

INCOME STATEMENTS
Continuing operations

Revenue	1,651	1,418	16.4	2,989
Profit from operations	222	129	72.1	277
Profit before taxation	775	204	>100.0	564
Profit for the period from continuing operations, net of tax	721	160	>100.0	488

Discontinued operations

Revenue	0	3,165	(100.0)	3,165
Profit from operations	0	130	(100.0)	130
Profit before taxation	0	6,592	(100.0)	200
Profit for the period from discontinued operations, net of tax	0	6,561	(100.0)	6,514

Group total

Revenue	1,651	4,583	(64.0)	6,154
Profit from operations	222	259	(14.3)	407
Profit before taxation	775	6,796	(88.6)	764
Profit for the period	721	6,721	(89.3)	7,002
Profit attributable to Shareholders of the Company	716	6,682	(89.3)	6,973

BALANCE SHEET

Non-current assets	10,718	9,900	8.3	10,237
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Current assets

Cash and bank deposits	330	802	(58.9)	701
Non-current assets classified as held for sale	9	56	(83.9)	9
Others	1,042	951	9.6	1,037
Total current assets	1,381	1,809	(23.7)	1,747

Total assets	12,099	11,709	3.3	11,984
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Equity

Share capital	1,186	1,186	0.0	1,186
Reserves	10,187	9,972	2.2	10,244
Equity attributable to Shareholders of the Company	11,373	11,158	1.9	11,430
Minority interests	159	155	2.6	137
Total equity	11,532	11,313	1.9	11,567

Non-current liabilities

Bank borrowings	53	14	>100.0	20
Others	70	67	4.5	69
Total non-current liabilities	123	81	51.9	89

Financial period ended (All figures in RM million)	6 MONTHS		% Change	12 MONTHS 31.12.07
	30.06.08	30.06.07		
Current liabilities				
Bank borrowings	161	42	>100.0	36
Others	283	273	3.7	292
Total current liabilities	444	315	41.0	328
Total liabilities	567	396	43.2	417
Total equity and liabilities	12,099	11,709	3.3	11,984
RATIOS				
Return on equity attributable to shareholders of the Company	(%)	6.3	59.9	61.0
Earnings per share	(sen)	60.4	24.4*	588.2
Interest coverage	(times)	287.4	35.1*	55.6*
Current ratio	(times)	3.1	5.7	5.3
Total borrowings/Equity	(%)	1.9	0.5	0.5
Long term borrowings/Equity	(%)	0.5	0.1	0.2
Net assets per share attributable to shareholders of the Company	(RM)	9.6	9.4	9.6
Net assets per share	(RM)	9.7	9.5	9.8
Net dividend per share	(sen)	64.4	3.6	22.1
STOCK MARKET INFORMATION				
Share price	(RM)	10.80	7.60	11.00
Market capitalisation	(RM million)	12,809	9,010	13,046
PE ratio	(times)	8.9	15.6*	20.80*

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

QUARTERLY REPORT

CONDENSED CONSOLIDATED INCOME STATEMENTS For The Period Ended 30 June 2008

(The figures have not been audited)

	<i>Individual Quarter 3 months ended 30 June</i>		<i>Cumulative Quarter 6 months ended 30 June</i>	
	<i>2008 RM'000</i>	<i>2007 RM'000</i>	<i>2008 RM'000</i>	<i>2007 RM'000</i>
<u>Continuing operations</u>				
Revenue	841,836	729,364	1,650,724	1,418,132
Operating expenses	(757,156)	(668,189)	(1,441,174)	(1,298,710)
Other operating income	4,097	3,475	12,524	9,716
Profit from operations	88,777	64,650	222,074	129,138
Net profit from investing activities	51,578	44,981	58,482	72,146
Share of associated companies' profits less losses	219,374	(2,547)	496,897	4,464
Share of joint venture's profits	186	165	366	328
Finance costs	(1,771)	(1,156)	(2,706)	(2,268)
Profit before taxation	358,144	106,093	775,113	203,808
Taxation	(21,867)	(21,170)	(54,513)	(43,672)
Profit for the period from continuing operations	336,277	84,923	720,600	160,136
<u>Discontinued operations</u>				
Profit for the period from discontinued operations, net of tax	-	46,011	-	168,137
Gain on sale of discontinued operations	-	6,392,894	-	6,392,894
Profit for the period	336,277	6,523,828	720,600	6,721,167
Attributable to :-				
Shareholders of the Company	333,123	6,513,260	716,221	6,681,693
Minority interests	3,154	10,568	4,379	39,474
Profit for the period	336,277	6,523,828	720,600	6,721,167
Basic earnings per share (sen) :-				
- continuing operations	28.10	7.15	60.42	13.43
- discontinued operations	-	542.26	-	550.19
	28.10	549.41	60.42	563.62

(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> <i>30-Jun-2008</i> <i>RM'000</i>	<i>As at</i> <i>31-Dec-2007</i> <i>RM'000</i>
ASSETS		
Non-current Assets		
Property, plant and equipment	874,170	810,852
Investment properties	170,051	163,835
Biological assets	2,893	2,681
Prepaid lease payments	131,027	131,635
Goodwill	73,093	73,033
Other intangible assets	2,709	2,977
Land held for property development	6,048	3,693
Investment in associated companies	8,995,175	8,587,695
Investment in jointly controlled entity	41,740	39,403
Other investments	420,588	419,699
Deferred tax assets	198	1,431
	<u>10,717,692</u>	<u>10,236,934</u>
Current Assets		
Inventories	476,837	489,902
Biological assets	24,188	21,339
Other intangible assets	8,541	9,476
Property development costs	34,818	28,684
Receivables	497,092	487,573
Cash, bank balances and deposits	330,032	700,658
	<u>1,371,508</u>	<u>1,737,632</u>
Non-current assets classified as held for sale	9,479	9,479
	<u>1,380,987</u>	<u>1,747,111</u>
TOTAL ASSETS	<u>12,098,679</u>	<u>11,984,045</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	10,187,107	10,244,265
Equity attributable to shareholders of the Company	11,372,607	11,429,765
Minority interests	158,962	137,288
Total equity	<u>11,531,569</u>	<u>11,567,053</u>

	<i>As at</i> <i>30-Jun-2008</i> <i>RM'000</i>	<i>As at</i> <i>31-Dec-2007</i> <i>RM'000</i>
Non-current Liabilities		
Long term borrowings	53,229	20,504
Deferred tax liabilities	69,950	68,823
	<u>123,179</u>	<u>89,327</u>
Current Liabilities		
Payables	249,462	280,218
Short term borrowings	161,142	36,471
Taxation	33,327	10,976
	<u>443,931</u>	<u>327,665</u>
Total liabilities	<u>567,110</u>	<u>416,992</u>
TOTAL EQUITY AND LIABILITIES	<u>12,098,679</u>	<u>11,984,045</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>9.59</u>	<u>9.64</u>
Net assets per share (RM)	<u>9.73</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>6 months ended 30 June</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	775,113	203,808
Discontinued operations	-	6,592,435
	<u>775,113</u>	<u>6,796,243</u>
Adjustments :-		
Non-cash items	(459,404)	(40,370)
Non-operating items	(54,127)	(6,435,560)
Operating profit before working capital changes	<u>261,582</u>	<u>320,313</u>
Working capital changes		
Net change in current assets	(1,807)	(169,429)
Net change in current liabilities	(38,312)	4,927
Cash generated from operations	<u>221,463</u>	<u>155,811</u>
Tax paid	(33,353)	(58,595)
Net cash generated from operating activities	188,110	97,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(103,216)	(165,023)
Proceeds from disposal of property, plant and equipment	666	5,672
Purchase of investments	(102)	(106,442)
Proceeds from sale of investments	372	21,322
Redemption of preference shares in an associated company	-	33,912
Dividends received	123,539	70,667
Interest received	10,057	12,268
Subsidiary companies - net cash disposed	-	(77,633)
Other investing activities	1,224	10,637
Net cash generated from/(used in) investing activities	32,540	(194,620)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued to minority shareholders of subsidiary companies	17,003	9,886
Bank borrowings	157,182	360,695
Interest paid	(2,732)	(16,345)
Dividends paid	(763,802)	(145,369)
Other financing activities	2,551	(59,714)
Net cash (used in)/generated from financing activities	(589,798)	149,153
Net (decrease)/increase in cash and cash equivalents	(369,148)	51,749
Cash and cash equivalents at 1 January	699,411	750,981
Effect of exchange rate changes	(1,124)	(2,691)
Cash and cash equivalents at 30 June	329,139	800,039
Cash and cash equivalent represented by :-		
Cash & bank	86,215	62,486
Bank deposits	243,782	739,702
Bank overdrafts	(858)	(2,158)
	<u>329,139</u>	<u>800,030</u>
Bank balance classified as held for sale	-	9
	329,139	800,039

(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 30 June 2008

6 months ended 30 June 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
 Acquisition of additional shares in an existing subsidiary
 Shares issued to minority shareholders of a subsidiary
 Dividends
 At 30 June 2008

6 months ended 30 June 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
 Disposal of shares in subsidiaries
 Acquisition of additional shares in an existing subsidiary
 Shares issued to minority shareholders of subsidiaries
 Capital reduction by subsidiaries
 Dividends
 At 30 June 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	-	-	5,924
Profit for the period	-	-	-
Total recognised income and expenses for the period	-	-	5,924
Transfer of reserves	-	-	(367)
Acquisition of additional shares in an existing subsidiary	-	-	-
Shares issued to minority shareholders of a subsidiary	-	-	-
Dividends	-	-	-
At 30 June 2008	1,185,500	6,715	61,049
At 1 January 2007	1,185,500	6,715	160,540
Net gains/(losses) recognised directly to equity	-	-	5,697
Profit for the period	-	-	-
Total recognised income and expenses for the period	-	-	5,697
Transfer of reserves	-	-	(106,362)
Disposal of shares in subsidiaries	-	-	-
Acquisition of additional shares in an existing subsidiary	-	-	-
Shares issued to minority shareholders of subsidiaries	-	-	-
Capital reduction by subsidiaries	-	-	-
Dividends	-	-	-
At 30 June 2007	1,185,500	6,715	59,875

Non-distributable		Distributable		Attributable to shareholders of the Company RM'000	Minority interests RM'000	Total equity RM'000
Exchange translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000				
(174,846)	239,060	10,117,844	11,429,765	137,288	11,567,053	
5,579	(34,932)	13,274	(10,155)	925	(9,230)	
-	-	716,221	716,221	4,379	720,600	
5,579	(34,932)	729,495	706,066	5,304	711,370	
-	10,514	(10,147)	-	-	-	
-	-	-	-	(55)	(55)	
-	-	-	-	17,003	17,003	
-	-	(763,224)	(763,224)	(578)	(763,802)	
(169,267)	214,642	10,073,968	11,372,607	158,962	11,531,569	
(33,901)	175,855	3,149,975	4,644,684	886,641	5,531,325	
2,535	(47,157)	-	(38,925)	(8,722)	(47,647)	
-	-	6,681,693	6,681,693	39,474	6,721,167	
2,535	(47,157)	6,681,693	6,642,768	30,752	6,673,520	
-	(45,600)	151,962	-	-	-	
-	-	-	-	(673,302)	(673,302)	
-	-	-	-	(29,244)	(29,244)	
-	-	-	-	9,886	9,886	
-	-	-	-	(53,700)	(53,700)	
-	-	(129,812)	(129,812)	(15,557)	(145,369)	
(31,366)	83,098	9,853,818	11,157,640	155,476	11,313,116	

(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 30 June 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	478,086	625,587	32,765	72,222	88,141
Inter-segment sales	-	47,060	7,185	-	-
Total revenue	478,086	672,647	39,950	72,222	88,141
RESULT					
Segment operating results	70,302	101,978	(4,635)	1,030	12,356
Unallocated corporate expenses					
Profit from operations					
Investing activities					
Share of associated companies' profits less losses	1,021	7,387	-	3,070	614
Share of joint venture's profits	-	-	-	366	-
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

	<i>Individual Quarter 3 months ended 30 June 2008 RM'000</i>	<i>Cumulative Quarter 6 months ended 30 June 2008 RM'000</i>
Dividends paid on ordinary shares		
2008 : Special dividend - 62 sen less 26% income tax	543,907	543,907
2007 : Final dividend - 25 sen less 26% income tax	219,317	219,317
	<u>763,224</u>	<u>763,224</u>

Property investment and development	Chemicals trading and manufacturing	Other operations	Elimination	Consolidated
33,358	77,866	242,699	-	1,650,724
687	206	9,666	(64,804)	-
<u>34,045</u>	<u>78,072</u>	<u>252,365</u>	<u>(64,804)</u>	<u>1,650,724</u>
11,475	6,660	30,055	557	229,778
				<u>(7,704)</u>
				222,074
				58,482
3,435	-	481,370	-	496,897
-	-	-	-	366
				<u>(2,706)</u>
				<u>775,113</u>

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, except for the following :-

- (a) On 15 April 2008, FFM Feedmills (Sarawak) Sdn Bhd, a 75% indirect subsidiary of PPB, disposed of its 100% equity interest of 2 ordinary shares of RM1.00 each in Sri Aman Feedmills Sdn Bhd for a cash consideration of RM2.00 and Sri Aman Feedmills Sdn Bhd ceased to be a subsidiary of PPB.
- (b) On 15 May 2008, PPB Leisure Holdings Sdn Bhd ("PPBLH"), a wholly-owned subsidiary of PPB, acquired from Golden Harvest Films Distribution Holdings Ltd, British Virgin Islands, its entire shareholding of 100,000 ordinary shares of RM1.00 each representing 50% equity interest in Golden Screen Film Distribution Co Sdn Bhd ("GSFDC") for cash at par totaling RM100,000 and GSFDC has become an indirect subsidiary of PPB. Prior to the acquisition, PPBLH owned 50% equity interest in GSFDC.

A11. Changes in contingent liabilities or contingent assets

	<i>As at 30-Jun-08 RM'000</i>	<i>As at 31-Dec-07 RM'000</i>
<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 financial period

Group revenue for continuing operations of RM1.65 billion for the period ended 30 June 2008 was 16% higher compared with RM1.42 billion in 2007. The increase was mainly due to higher selling prices for specialty flour and animal feed in line with higher commodity prices. The environmental engineering and chemical manufacturing divisions also generated higher revenue.

Group profit before tax for continuing operations of RM775 million was substantially higher compared with RM204 million in the corresponding period last year. Whilst the grains trading, flour and feed milling division performed satisfactorily, Wilmar International Limited ("Wilmar") an associate company of the Group contributed a significant RM473 million for the first six months.

(Note : PPB Group has not recognised its share of RM75 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

Group profit before tax for continuing operations of RM358 million for the quarter under review was 14% lower when compared with RM417 million registered in the preceding quarter. The sugar and flour milling divisions achieved lower profits in the quarter due to higher raw material costs. Wilmar also contributed lower profits to the Group.

B3. Prospects for current financial year

Prices of wheat, raw sugar, fuel and ocean freight continue to be key factors affecting the Group's profitability. The Group's operations for the financial year 2008 are expected to perform satisfactorily and with higher contributions from Wilmar, the overall results for 2008 will 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 30-Jun-08 RM'000</i>	<i>Cumulative Quarter 6 months ended 30-Jun-08 RM'000</i>
Taxation comprises:-		
Malaysian taxation based on profit for the period:-		
Current	21,676	53,417
Deferred	474	192
	22,150	53,609
Foreign taxation		
Current	(725)	534
Deferred	1,183	1,183
	22,608	55,326
(Over)/underprovision		
Current	143	74
Deferred	(884)	(887)
	21,867	54,513

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

	<i>Individual Quarter 3 months ended 30 June 2008 RM'000</i>	<i>Cumulative Quarter 6 months ended 30 June 2008 RM'000</i>
Total purchases	61	61
Total proceeds from disposals	-	-
Profit on disposals	-	-

(b) Total investments in quoted securities as at 30 June 2008 were as follows:-

	<i>RM'000</i>
At cost	420,166
At book value	420,159
At market value	1,005,115

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 30 June 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)	36,962	36,962	-
Long term bank loans (CNY)	18,740	-	18,740
Hire purchase liabilities	337	337	-
Hire purchase liabilities (SGD)	56	56	-
Repayments due within the next 12 months	(2,866)	(186)	(2,680)
	<u>53,229</u>	<u>37,169</u>	<u>16,060</u>
Short term bank borrowings			
Bills payable	120,674	-	120,674
Short term loans	25,400	-	25,400
Short term loans (USD)	11,344	-	11,344
Current portion of long term loans	2,680	-	2,680
Hire purchase liabilities	175	175	-
Hire purchase liabilities (SGD)	11	11	-
	<u>160,284</u>	<u>186</u>	<u>160,098</u>
Bank overdrafts	858	-	858
	<u>161,142</u>	<u>186</u>	<u>160,956</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 20 August 2008, the Group's outstanding foreign currency contracts were as follows :-

Currency	Contract Amount '000	Equivalent Amount in RM'000
<u>Forward Contracts Bought</u>		
Swiss Franc	3,833	12,036
Euro	802	3,549
Japanese Yen	114,660	3,586
<u>Forward Contracts Sold</u>		
US Dollar	14,748	48,322

These contracts are short term in nature and the 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. There is no cash requirement for these instruments other than a minimal fee.

B11. Material litigation

There was no material litigation pending as at 20 August 2008.

B12. Dividend

The Board of Directors is pleased to declare an interim single tier dividend for the financial year ending 31 December 2008 of 5 sen per share (2007 : 5 sen less 27% income tax) payable on Monday, 29 September 2008.

Dividend payment/entitlement date

Notice is hereby given that the interim single tier dividend will be paid on Monday, 29 September 2008 to shareholders whose names appear in the Record of Depositors at the close of business on Friday, 12 September 2008.

A Depositor shall qualify for entitlement only in respect of :-

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Friday, 12 September 2008 in respect of ordinary transfers, and
- (ii) Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of the BMSB.

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
2008	Interim single tier dividend	5 sen single tier dividend	Payable on 29 September 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
26 August 2008

By Order of the Board
Tan Teong Boon
Company Secretary

ANNOUNCEMENTS**11 APRIL**

The Board declared the payment of a Special Dividend of 62 sen per share less 26% income tax for the financial year ending 31 December 2008 which was paid on 12 May 2008.

15 APRIL

FFM Feedmills (Sarawak) Sdn Bhd, a 75% indirect subsidiary of PPB disposed of its 100% equity interest of 2 ordinary shares of RM1.00 each in Sri Aman Feedmills Sdn Bhd for a cash consideration of RM2.00 and Sri Aman Feedmills Sdn Bhd ceased to be a subsidiary of PPB.

23 APRIL

Announcement of date and venue of 39th Annual General Meeting.

15 MAY

PPB Leisure Holdings Sdn Bhd (“PPBLH”), a wholly-owned subsidiary of PPB acquired from Golden Harvest Films Distribution Holdings Ltd, British Virgin Islands, its entire shareholding of 100,000 ordinary shares of RM1.00 each representing 50% equity interest in Golden Screen Film Distribution Co Sdn Bhd (“GSFDC”) for cash at par totaling RM100,000 and GSFDC has become an indirect subsidiary of PPB. Prior to the acquisition, PPBLH owned 50% equity interest in GSFDC.

16 MAY

All the resolutions tabled at the 39th Annual General Meeting of the Company held on 16 May 2008 were duly passed by the shareholders of the Company.

16 MAY

Change in Boardroom - Retirement of Mr Tan Yew Jin as a Director of PPB pursuant to Article 107 of the Articles of Association at the conclusion of the 39th Annual General Meeting of the Company.

16 MAY

Change in Boardroom - Retirement of Datuk Harun bin Din as a Director of PPB pursuant to Section 129(6) of the Companies Act, 1965 at the conclusion of the 39th Annual General Meeting of the Company.

16 MAY

Change in Audit Committee - Cessation of Datuk Harun bin Din as a member of the Audit Committee pursuant to his retirement as a Director of PPB at the conclusion of the 39th Annual General Meeting.

29 MAY

Changes in Boardroom - Appointment of Mr Cheang Kwan Chow and Mr Lim Soon Huat as Directors of PPB with effect from 29 May 2008.

29 MAY

Release of 1st Quarter Report for the period ended 31 March 2008.

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