



# INVESTOR UPDATE

30 September 2008

3rd QUARTER REPORT



PPB GROUP BERHAD

Dear Shareholders,

We are pleased to announce that PPB Group recorded a substantially higher group pre-tax profit for continuing operations of RM1.03 billion for the period ended 30 September 2008 compared to RM442 million achieved in the previous corresponding period. The better-than-expected profit was due mainly to the hefty profit contribution of RM517 million from its associate, Wilmar International Limited.

Group revenue for continuing operations of RM2.63 billion rose significantly by 21% compared to RM2.18 billion in the same period of 2007 due to higher selling prices for specialty flour and animal feed.

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 82% to RM923.2 million compared to RM507.4 million last year. Earnings per share increased to 77.88 sen compared with 42.80 sen for the same period last year.

#### PROSPECTS FOR 2008

The current global economic crisis has created extreme volatility and uncertainty in the business operating environment. Nevertheless, 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.

#### HAPPENINGS

On 3 July 2008, Golden Screen Cinemas Sdn Bhd (GSC), a 98.9% subsidiary of PPB Group, opened a 10-screen cineplex at Dataran Pahlawan, Melaka bringing a total of 161 screens under the GSC chain of cinemas.

In the 3rd quarter, FFM Marketing Sdn Bhd, a wholly-owned subsidiary of PPB Group, was awarded the distribution of Jordan’s renowned brand of dental care products in Malaysia and Brunei.

On the corporate front, PPB held its 2nd Press and Analyst Briefing for the year in August to review the interim results for year 2008 and other latest developments in the Group. In September, PPB organized an in-house Directors' Continuing Education Programme (DCEP) training for its directors and senior managers/officers of PPB Group to keep them abreast of the current regulatory developments in the market.

#### CSR ACTIVITIES

In its continuous efforts to improve the well being of PPB staff, PPB organized a First Aid and CPR workshop in the 3rd quarter of 2008.

In conjunction with the Hari Raya and Deepavali celebrations, PPB gave away 70 goodie bags to needy families under the "Bless the Poor" project for the community.

Before I end, I would like to wish all our shareholders, business associates and staff of PPB Group, MERRY CHRISTMAS AND A HAPPY NEW YEAR!

Datuk Oh Siew Nam  
27 November 2008

**GSC OPENS IN DATARAN PAHLAWAN, MELAKA**

In the 3rd quarter of 2008, PPB's 98.9% subsidiary, Golden Screen Cinemas Sdn Bhd (GSC), extended another 10 screens at Dataran Pahlawan in addition to its current 4-screen at GSC Mahkota Parade to cater to the entertainment needs in the historic city of Melaka. With the additional screens, GSC is well positioned to provide the top cinema entertainment by offering a wider selection of movies and venue.

Built with a seating capacity of 2,002 seats, the multiplex serves as an event venue to companies or individuals who wish to utilize the big screen for press conferences, product launches, private screenings or company outings.

At the grand opening of GSC Dataran Pahlawan held on 3 July 2008, fun-filled activities and freebies were organized at the cinema during the opening weekend including the appearance of Star Wars and Batman movie characters, photography sessions, balloon giveaways, dart contest, popcorn eating contest and the strongest man contest.

GSC is the leading cinema exhibitor and distributor in Malaysia and currently operates 161 screens in 23 locations nationwide which include GSC Dataran Pahlawan and cinemas in Klang Valley, Penang, Sungei Petani, Ipoh, Seremban, Melaka, Batu Pahat, Johor Bahru, Kuantan and Kota Kinabalu.



*Ms Koh Mei Lee, CEO of GSC, giving the opening speech.*



*Ms Koh showing Datuk Shuaib and Datuk Eric Tan of Hatten Group, owners of Dataran Pahlawan, the 32 mm film used at the cinema.*

**PRESS AND ANALYST BRIEFING**

PPB Group held its 2nd Press and Analyst Briefing for the year on 28 August 2008 at Wisma Jerneh to review PPB's interim financial results for the half year ended 30 June 2008 and the latest developments of the Group. The briefing was well attended by more than 50 analysts and fund managers from various local and overseas research houses and securities firms and members of the press.

During the Briefing, the CEO of the Group's principal subsidiaries gave short presentations of the performance and future plans of its respective businesses followed by a Q & A session. A press conference was held immediately after the Briefing followed by lunch.



*PPB's Chairman,  
Datuk Oh Siew Nam*



*PPB's MD, Mr Tan Gee Sui*

## DIRECTORS' CONTINUING EDUCATION PROGRAMME

PPB successfully concluded its in-house Directors' Continuing Education Programme ("DCEP") training on 16 September 2008. The training brought together 80 participants comprising directors and senior managers/officers of the PPB Group of companies where distinguished speakers shared their knowledge and provided insight on the latest development and changes in the corporate world.

Mr Anil Shamdasani delivered the first topic of the day, "General outlook on 'soft' commodities and the distortion of funds on the fundamentals of supply and demand" giving an overview of trade flows of major grains-soft commodities, recent dynamics affecting prices of commodities and its impact in managing a commodity business "volatility". Mr Anil is the General Manager - Trading/Marketing Asia (Sugar Division) of Louis Dreyfus Singapore.

Mr Richard Cheang, a Director of PPB, gave a comprehensive talk on palm oil. After a short networking tea break, Dr Adrian bin Majanil presented an overview of FFM Berhad's meat processing project. Dr Adrian is a Director of Mantau Hijau Sdn Bhd, a wholly-owned subsidiary of FFM Berhad, which produces chicken nuggets, sausages and other related products.

Following lunch, Mr David Rajoo of IBM Malaysia delivered a talk on "Importance of IT Security" touching various issues relating to the changing threat landscape, importance of IT security and enterprise security strategies.

This was followed by a talk on the latest development on tax audits and tax investigations by Messrs SM Thanneermalai and Christopher Low, Senior Executive Director and Executive Director respectively from PricewaterhouseCoopers.

## FFMM MARKETS JORDAN DENTAL CARE PRODUCTS

In September 2008, FFM Marketing Sdn Bhd (FFMM), PPB Group's wholly-owned subsidiary was awarded the distribution of Jordan products in Malaysia and Brunei.

Jordan AS is a 171-year old company headquartered in Oslo, Norway which specializes in oral care products, particularly toothbrushes. Among the popular toothbrushes marketed under the Jordan brand name are "Smile", "Classic", "Alfa", "Buddy", "Clicks", and the children's range "Step 1", "Step 2" and "Step 3" in addition to a variety of dental floss, inter-dental products and toothpicks.

Jordan AS products are marketed in over 100 countries and available at all leading retailers in Malaysia.



*Mr Anil gave the participants a deeper understanding on the commodity market.*



*Directors and officers found the training to be informative.*



*Mr Richard Cheang gave a comprehensive talk on palm oil.*

**PPB GROUP BRINGS GOODIES CHEER TO THE POOR**

What can a corporate organization involved in a multitude of food manufacturing activities do to help the poor during Raya and Deepavali festivals? Present them with some of their own manufactured products that will not only keep tummies truly filled but also help to cut down on the high cost of buying festivity goodies in the process.

This is precisely what the PPB Group did as part of its CSR activity for the poor and underprivileged in conjunction with the festivals. Known simply as the “Bless the Poor” project, this event conducted in collaboration with Jumble Station, a community outreach initiative to assist poor Single Parents, saw some 70 needy families receiving food and household essentials in heavily laden bags.

The 70 needy families comprised the disabled, low income earners, the chronically ill and the down trodden as well. Babu Sandra, a single parent who works as a lorry driver, finds it hard to make ends meet with the rising cost of food and fuel. PPB’s contribution came in timely for him to feed his 7 school-going children. Rajeswari, a security guard, thanked PPB staff profusely after she was chosen as one of the recipients. A single parent herself, Rajeswari desperately needed food to feed her 3 children and would ask help from other good Samaritans especially during the school holidays because during school term their meals are usually taken care by the food programmes instituted especially for the poor in school. So PPB’s festivity goodies were really timely for her hungry brood.





For garbage collector Sadi Nawi, it meant having enough to eat for at least a few days because his daily wage of only RM1.50 to RM3.00 disposing mountains of garbage collected at Angsana flats was barely sufficient to cover his daily meals.

All recipients were grateful and some were touched to tears when they received their goodie bags. The goodie bags included items marketed and produced by PPB Group namely, cooking oil, flour, sugar, a variety of canned food, liquid bath soap and bleach. PPB staff also joined in the giving by contributing food items and clothing to the families.

The small contribution from PPB helped lessen their burden but more importantly, it is hoped that this goodwill gesture will add some extra joy to their celebration as well as provide them with encouragement knowing that they are not alone in their struggles.

#### FIRST AID AND CPR WORKSHOP FOR PPB STAFF

During the 3rd quarter of 2008, PPB organized a 2-day workshop on Occupational First Aid and Cardio Pulmonary Resuscitation (CPR) training course on 31 July and 1 August for its employees. The interactive workshop conducted by Live and Learn Training Services Sdn Bhd trained PPB staff on how to treat internal and external bleeding, wounds, burns, bone injuries, airway obstruction (choking) as well as basic life support.

On top of learning useful first aid skills, the employees also had many great laughs especially during the mock-drill sessions. Skill and written assessments were carried out during the workshop and certificates were awarded to staff who passed the course. We are proud to say that all the participants received certificates as qualified First Aiders.



**GETAWAY HOLIDAYS FOR PPB STAFF**

It was once again the time of the year for PPB's annual company trip and this year the staff headed off to Tioman Island for 3 days/2 nights on 28 August 2008.

During their stay at Panuba Inn Resort, PPB's staff set their work aside and let their hair down to enjoy the clean air, breezy sandy beaches and lush greenery. The staff were kept busy participating in various team building activities, snorkeling sessions and fun-filled games prepared by their colleagues.

As in any holiday, the trip would not have been complete without shopping and the staff indulged themselves at a duty-free shop at Tekek town.

On the whole, the trip was a good break from work and city life as the staff took the opportunity to appreciate the beautiful nature and colourful marine sea life.



### 3rd Quarter Share Analysis

After registering a loss of 4.9% in 2Q 2008, the Kuala Lumpur Composite Index (KLCI) declined by a further of 14.1% to close at 1,018.68 points in 3Q 2008. Commencing the quarter at 1,186.57 points, the KLCI fell to a low of 1,089.47 points in late July in tandem with declines in regional markets. However, the retracement in oil prices below US\$130/brl helped the KLCI to rebound above 1,100 points in August. Following the adverse impact of the U.S. subprime crisis on global financial institutions, the KLCI retraced to a 2-year low of 963.3 points on 18th September 2008 before closing at 1,018.68 points for a loss of 14.2% for the quarter.

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

In response to the weak global markets and sharp fall in CPO prices, PPB share price closed at RM8.55, 20.8% lower compared with RM10.80 in the 2nd Quarter.

Market capitalization of PPB shares decreased to RM10.1 billion from RM12.8 billion in the previous quarter. PPB's daily average volume in the quarter decreased by 5.8% to 853,289 shares whilst KLCI average volume decreased by 11.2% to 170,308,635 shares.

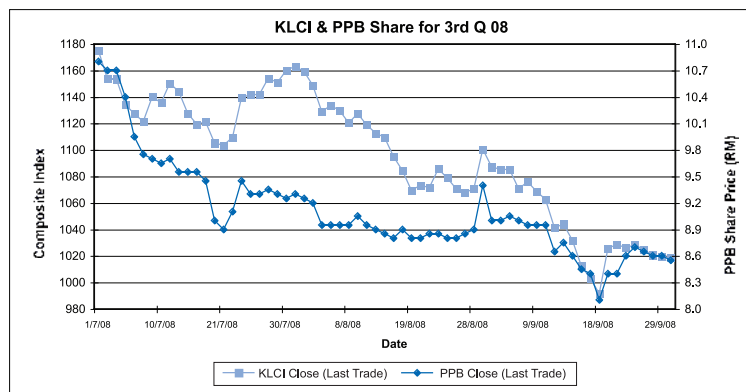
### PPB SHARE & KUALA LUMPUR COMPOSITE INDEX PERFORMANCE FOR 3RD QUARTER 2008

	3rd Q 2008	2nd Q 2008	% change
<b>PPB share price</b>			
Closing price (high)	10.80	11.40	-5.26%
Closing price (low)	8.10	9.80	-17.35%
Month end closing price	8.55	10.80	-20.83%
Weighted share price	9.14	10.92	-16.30%
Market capitalization (RM' million)	10,136.02	12,803.40	-20.83%

<b>PPB share volume</b>			
Daily volume (high)	2,268,800	3,022,200	-24.93%
Daily volume (low)	238,000	134,700	76.69%
Average daily volume	853,289	905,498	-5.77%

<b>Kuala Lumpur Composite Index (KLCI)</b>			
KLCI closing (high)	1,174.83	1,300.67	-9.68%
KLCI closing (low)	991.66	1,186.57	-16.43%
KLCI month end closing	1,018.68	1,186.57	-14.15%

<b>Kuala Lumpur Composite Index (KLCI) volume</b>			
Daily volume (high)	290,595,200	481,188,900	-39.61%
Daily volume (low)	103,517,900	105,609,500	-1.98%
Average daily volume	170,308,635	191,799,419	-11.20%



Financial period ended  
 (All figures in RM million)

	9 MONTHS		%	12 MONTHS
	30.09.08	30.09.07	Change	31.12.07

**INCOME STATEMENTS**
Continuing operations

Revenue	2,630	2,179	20.7	2,989
Profit from operations	411	207	98.6	277
Profit before taxation	1,034	442	>100.0	564
Profit for the period from continuing operations, net of tax	932	381	>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	2,630	5,344	(50.8)	6,154
Profit from operations	411	337	22.0	407
Profit before taxation	1,034	7,034	(85.3)	764
Profit for the period	932	6,942	(86.6)	7,002
Profit attributable to Shareholders of the Company	923	6,900	(86.6)	6,973

**BALANCE SHEET**

Non-current assets	11,098	10,114	9.7	10,237
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Current assets

Cash and bank deposits	330	634	(47.9)	701
Non-current assets classified as held for sale	9	56	(83.9)	9
Others	1,256	1,055	19.1	1,037
Total current assets	1,595	1,745	(8.6)	1,747

<b>Total assets</b>	<b>12,693</b>	<b>11,859</b>	<b>7.0</b>	<b>11,984</b>
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Equity

Share capital	1,186	1,186	0.0	1,186
Reserves	10,613	10,109	5.0	10,244
Equity attributable to Shareholders of the Company	11,799	11,295	4.5	11,430
Minority interests	165	159	3.8	137
Total equity	11,964	11,454	4.5	11,567

Non-current liabilities

Bank borrowings	65	21	>100.0	20
Others	71	65	9.2	69
Total non-current liabilities	136	86	58.1	89

Financial period ended (All figures in RM million)	9 MONTHS		% Change	12 MONTHS 31.12.07
	30.09.08	30.09.07		
<b>Current liabilities</b>				
Bank borrowings	272	52	>100.0	36
Others	321	267	20.2	292
Total current liabilities	593	319	85.9	328
Total liabilities	729	405	80.0	417
<b>Total equity and liabilities</b>	<b>12,693</b>	<b>11,859</b>	<b>7.0</b>	<b>11,984</b>
<b>RATIOS</b>				
Return on equity attributable to shareholders of the Company	(%)	7.8	61.1	61.0
Earnings per share	(sen)	77.8	42.8*	588.2
Interest coverage	(times)	159.3	50.4*	55.6*
Current ratio	(times)	2.7	5.5	5.3
Total borrowings/Equity	(%)	2.8	0.6	0.5
Long term borrowings/Equity	(%)	0.5	0.2	0.2
Net assets per share attributable to shareholders of the Company	(RM)	9.9	9.5	9.6
Net assets per share	(RM)	10.1	9.7	9.8
Net dividend per share	(sen)	50.9	3.6	22.1
<b>STOCK MARKET INFORMATION</b>				
Share price	(RM)	8.55	9.20	11.00
Market capitalisation	(RM million)	10,140	10,911	13,046
PE ratio	(times)	8.2	16.1*	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 September 2008

*(The figures have not been audited)*

	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<u>Continuing operations</u>				
Revenue	978,962	760,425	2,629,686	2,178,557
Operating expenses	(798,042)	(690,927)	(2,239,216)	(1,989,637)
Other operating income	8,265	8,455	20,789	18,171
Profit from operations	189,185	77,953	411,259	207,091
Net profit from investing activities	20,305	20,653	78,787	92,799
Share of associated companies' profits less losses	53,128	140,494	550,025	144,958
Share of joint venture's profits	207	198	573	526
Finance costs	(3,826)	(1,168)	(6,532)	(3,436)
Profit before taxation	258,999	238,130	1,034,112	441,938
Taxation	(47,534)	(17,037)	(102,047)	(60,709)
Profit for the period from continuing operations	211,465	221,093	932,065	381,229
<u>Discontinued operations</u>				
Profit for the period from discontinued operations, net of tax	-	-	-	168,137
Gain on sale of discontinued operations	-	(53)	-	6,392,841
Profit for the period	211,465	221,040	932,065	6,942,207
Attributable to :-				
Shareholders of the Company	207,007	218,512	923,228	6,900,205
Minority interests	4,458	2,528	8,837	42,002
Profit for the period	211,465	221,040	932,065	6,942,207
Basic earnings per share (sen) :-				
- continuing operations	17.46	18.43	77.88	31.86
- discontinued operations	-	-	-	550.19
	17.46	18.43	77.88	582.05

(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> 30-Sep-2008 RM'000	<i>As at</i> 31-Dec-2007 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	934,825	810,852
Investment properties	168,959	163,835
Biological assets	2,892	2,681
Prepaid lease payments	129,458	131,635
Goodwill	73,093	73,033
Other intangible assets	2,559	2,977
Land held for property development	6,080	3,693
Investment in associated companies	9,317,488	8,587,695
Investment in jointly controlled entity	44,759	39,403
Other investments	418,357	419,699
Deferred tax assets	205	1,431
	<u>11,098,675</u>	<u>10,236,934</u>
<b>Current Assets</b>		
Inventories	657,488	489,902
Biological assets	26,908	21,339
Other intangible assets	7,956	9,476
Property development costs	37,708	28,684
Receivables	525,483	487,573
Cash, bank balances and deposits	330,205	700,658
	<u>1,585,748</u>	<u>1,737,632</u>
Non-current assets classified as held for sale	9,009	9,479
	<u>1,594,757</u>	<u>1,747,111</u>
<b>TOTAL ASSETS</b>	<u>12,693,432</u>	<u>11,984,045</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,185,500	1,185,500
Reserves	10,612,942	10,244,265
Equity attributable to shareholders of the Company	11,798,442	11,429,765
Minority interests	165,899	137,288
<b>Total equity</b>	<u>11,964,341</u>	<u>11,567,053</u>

	<i>As at</i> 30-Sep-2008 RM'000	<i>As at</i> 31-Dec-2007 RM'000
<b>Non-current Liabilities</b>		
Long term borrowings	64,811	20,504
Deferred tax liabilities	71,453	68,823
	<u>136,264</u>	<u>89,327</u>
<b>Current Liabilities</b>		
Payables	265,026	280,218
Short term borrowings	272,333	36,471
Taxation	55,468	10,976
	<u>592,827</u>	<u>327,665</u>
<b>Total liabilities</b>	<u>729,091</u>	<u>416,992</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>12,693,432</u>	<u>11,984,045</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>9.95</u>	<u>9.64</u>
Net assets per share (RM)	<u>10.09</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>9 months ended 30 September</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
Continuing operations	1,034,112	441,938
Discontinued operations	-	6,592,382
	1,034,112	7,034,320
Adjustments :-		
Non-cash items	(497,040)	(160,696)
Non-operating items	(70,332)	(6,454,055)
Operating profit before working capital changes	466,740	419,569
Working capital changes		
Net change in current assets	(212,385)	(274,673)
Net change in current liabilities	(20,988)	9,960
Cash generated from operations	233,367	154,856
Tax paid	(58,225)	(79,175)
<b>Net cash generated from operating activities</b>	<b>175,142</b>	<b>75,681</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(179,791)	(212,224)
Proceeds from disposal of property, plant and equipment	9,668	6,871
Purchase of investments	(7,130)	(196,356)
Proceeds from sale of investments	374	25,638
Redemption of preference shares in an associated company	-	33,912
Dividends received	144,862	87,900
Interest received	12,343	18,663
Subsidiary companies - net cash disposed	-	(77,633)
Other investing activities	2,490	2,340
<b>Net cash used in investing activities</b>	<b>(17,184)</b>	<b>(310,889)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued to minority shareholders of subsidiary company	17,003	9,886
Bank borrowings	277,438	371,226
Interest paid	(6,513)	(17,513)
Dividends paid	(823,078)	(188,664)
Other financing activities	4,619	(59,329)
<b>Net cash (used in)/generated from financing activities</b>	<b>(530,531)</b>	<b>115,606</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(372,573)</b>	<b>(119,602)</b>
Cash and cash equivalents at 1 January	699,411	750,981
Effect of exchange rate changes	2,277	(3,122)
<b>Cash and cash equivalents at 30 September</b>	<b>329,115</b>	<b>628,257</b>
<b>Cash and cash equivalent represented by :-</b>		
Cash & bank	99,035	72,044
Bank deposits	231,135	562,365
Bank overdrafts	(1,055)	(6,152)
	329,115	628,257

(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 September 2008

**9 months ended 30 September 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 September 2008

**9 months ended 30 September 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 September 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	-	-	5,792
Profit for the period	-	-	-
Total recognised income and expenses for the period	-	-	5,792
Transfer of reserves	-	-	(764)
Acquisition of additional shares in an existing subsidiary	-	-	-
Shares issued to minority shareholders of a subsidiary	-	-	-
Dividends	-	-	-
At 30 September 2008	1,185,500	6,715	60,520
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	-	-	(106,895)
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 September 2007	1,185,500	6,715	59,342

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	
278,845	(29,962)	13,274	267,949	3,408	271,357	
-	-	923,228	923,228	8,837	932,065	
278,845	(29,962)	936,502	1,191,177	12,245	1,203,422	
-	13,415	(12,651)	-	-	-	
-	-	-	-	(59)	(59)	
-	-	-	-	17,003	17,003	
-	-	(822,500)	(822,500)	(578)	(823,078)	
103,999	222,513	10,219,195	11,798,442	165,899	11,964,341	
(33,901)	175,855	3,149,975	4,644,684	886,641	5,531,325	
(36,754)	(46,132)	-	(77,189)	(7,922)	(85,111)	
-	-	6,900,205	6,900,205	42,002	6,942,207	
(36,754)	(46,132)	6,900,205	6,823,016	34,080	6,857,096	
-	(45,600)	152,495	-	-	-	
-	-	-	-	(673,304)	(673,304)	
-	-	-	-	(29,241)	(29,241)	
-	-	-	-	9,886	9,886	
-	-	-	-	(53,700)	(53,700)	
-	-	(173,083)	(173,083)	(15,581)	(188,664)	
(70,655)	84,123	10,029,592	11,294,617	158,781	11,453,398	

(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 September 2008

<i>All figures in RM'000</i> <b>Information About Business Segments:</b>	Sugar refining and cane plantation	Grains trading, flour and feed milling	Livestock farming	Environmental engineering, waste management and utilities	Film exhibition and distribution
<b>REVENUE</b>					
External sales	735,970	1,011,270	51,763	129,010	130,235
Inter-segment sales	-	73,321	11,930	-	-
<b>Total revenue</b>	<b>735,970</b>	<b>1,084,591</b>	<b>63,693</b>	<b>129,010</b>	<b>130,235</b>
<b>RESULT</b>					
Segment operating results	133,510	196,798	(4,389)	3,170	18,040
Unallocated corporate expenses					
Profit from operations					
Investing activities					
Share of associated companies' profits less losses	2,026	9,338	-	4,549	892
Share of joint venture's profits	-	-	-	573	-
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****Dividends paid on ordinary shares**

2008 : Special dividend - 62 sen less 26% income tax  
2007 : Final dividend - 25 sen less 26% income tax  
2008 : Interim dividend - 5 sen single tier dividend

*Individual Quarter 3 months  
ended 30 September 2008  
RM'000*

*Cumulative Quarter 9 months  
ended 30 September 2008  
RM'000*

-	543,907
-	219,318
59,275	59,275
59,275	822,500

Property investment and development	Chemicals trading and manufacturing	Other operations	Elimination	Consolidated
55,277	122,845	393,316	-	2,629,686
1,056	333	14,341	(100,981)	-
56,333	123,178	407,657	(100,981)	2,629,686
18,350	9,739	47,012	211	422,441
				(11,182)
				411,259
4,203	-	529,017	-	78,787
				550,025
-	-	-	-	573
				(6,532)
				1,034,112

**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</i> <i>30-Sep-08</i> <i>RM'000</i>	<i>As at</i> <i>31-Dec-07</i> <i>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 RM2.63 billion for the period ended 30 September 2008 was 21% higher compared with RM2.18 billion in 2007. The increase was mainly due to higher selling prices for specialty flour and animal feed. All other divisions also contributed higher revenue except for the sugar refining division.

Group profit before tax for continuing operations of RM1.03 billion was substantially higher compared with RM442 million in the corresponding period last year. Wilmar International Limited ("Wilmar") an associate company of the Group contributed a significant profit of RM517 million for the nine months period. The other divisions registered satisfactory results.

*(Note : PPB Group has not recognised its share of RM176 million of Wilmar's unrealised net gain 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 RM259 million for the quarter under review was 28% lower when compared with RM358 million registered in the preceding quarter. This was mainly due to lower contribution from Wilmar in the 3rd quarter after excluding the unrealised net gain from financial instruments, despite better performance by the sugar refining and flour milling divisions.

**B3. Prospects for current financial year**

The current global economic crisis has created extreme volatility and uncertainty in the business operating environment. Nevertheless, 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**

Taxation comprises:-	<i>Individual Quarter 3 months ended 30-Sep-08 RM'000</i>	<i>Cumulative Quarter 9 months ended 30-Sep-08 RM'000</i>
Malaysian taxation based on profit for the period:-		
Current	44,403	97,820
Deferred	1,407	1,599
	45,810	99,419
Foreign taxation		
Current	866	1,400
Deferred	9	1,192
	46,685	102,011
(Over)/underprovision		
Current	884	958
Deferred	(35)	(922)
	47,534	102,047

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. However there was a gain on the disposal of property amounting to RM4.5 million 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 September 2008</i>	<i>Cumulative Quarter 9 months ended 30 September 2008</i>
	<i>RM'000</i>	<i>RM'000</i>
Total purchases	-	61
Total proceeds from disposals	4	4
Profit on disposals	-	-

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

	<i>RM'000</i>
At cost	420,406
At book value	417,928
At market value	751,933

**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 September 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)	50,354	50,354	-
Long term bank loans (CNY)	17,140	-	17,140
Hire purchase liabilities	291	291	-
Hire purchase liabilities (SGD)	72	72	-
Repayments due within the next 12 months	(3,046)	(186)	(2,860)
	<u>64,811</u>	<u>50,531</u>	<u>14,280</u>
Short term bank borrowings			
Bills payable	239,932	-	239,932
Short term loans	28,300	-	28,300
Current portion of long term loans	2,860	-	2,860
Hire purchase liabilities	174	174	-
Hire purchase liabilities (SGD)	12	12	-
	<u>271,278</u>	<u>186</u>	<u>271,092</u>
Bank overdrafts	1,055	-	1,055
	<u>272,333</u>	<u>186</u>	<u>272,147</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 21 November 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>		
US Dollar	32,788	116,340
Euro	380	1,723
Japanese Yen	22,400	683
British Pound	65	363
<u>Forward Contracts Sold</u>		
US Dollar	13,273	45,689

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 21 November 2008.

**B12. Dividend**

The Directors do not recommend the payment of 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
2008	Interim single tier dividend	5 sen single tier dividend	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  
 27 November 2008

*By Order of the Board*  
**Tan Teong Boon**  
*Company Secretary*

**ANNOUNCEMENTS****26 AUGUST**

The Board declared the payment of an interim single tier dividend of 5 sen per share for the financial year ending 31 December 2008 which was paid on 29 September 2008.

**26 AUGUST**

Release of 2nd Quarter Report for the period ended 30 June 2008.

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