



PPB GROUP BERHAD

INVESTOR UPDATE 2011

30 JUNE 2011



2nd QUARTERLY REPORT

FROM THE DESK OF THE

CHAIRMAN

Dear Shareholders,

We are pleased to announce that PPB Group revenue has increased 16% to RM1.26 billion for the half year ended 30 June 2011 compared with RM1.08 billion for the same period last year. The increase was mainly due to higher flour revenue and increased grains trading volume recorded by the grains trading, flour and feed milling divisions. The environmental engineering, film exhibition and distribution, chemicals trading and manufacturing divisions as well as livestock farming also contributed higher revenue for the period under review.

Consolidated profit before tax of RM578 million was 8% lower compared with the first half of last year. The grains trading, flour and feed milling division contributed higher profits due to higher sales whilst livestock farming registered a profit compared with a loss previously. However, there was a one-off gain of RM22.3 million from sale of investment property in 2010, and a lower profit was registered in the investments in equities due to a fair value loss in the current period. Wilmar International Limited in which PPB has a 18.3% stake, contributed lower profits of RM432 million for the first six months of this year, down 4.4% from last year.

Profit for the period decreased to RM560 million compared with the same period last year due to the one-time gain of RM838 million from the completion of the disposal of the Group's sugar-related assets in January 2010. Accordingly, earnings per share for the first half of this year stood at 45.69 sen compared with 121.73 sen achieved in the same period last year.

INTERIM DIVIDEND

PPB's Board of Directors has declared an interim single tier dividend of 10 sen per share for the financial year ending 31 December 2011 payable on Wednesday, 28 September 2011.

GOING FORWARD

Volatile commodity prices, rising fuel costs coupled with fluctuating currency exchange rates are the main challenging factors which would continue to affect PPB Group's operating results for year 2011. Notwithstanding the above, the outlook for the consumer demand in Malaysia and the Asian region remains encouraging and PPB Group is optimistic that the performance for year 2011 will be satisfactory.

HAPPENINGS

In 2Q11, PPB held its 42nd Annual General Meeting ("AGM") which was well attended by shareholders and proxies.

FROM THE DESK OF THE CHAIRMAN *(cont'd)*

Golden Screen Cinemas Sdn Bhd (GSC), PPB's wholly-owned indirect subsidiary, opened its 23rd cinema in AEON Bandaraya Melaka on 19 May 2011. Equipped with 8 screens, GSC AEON Bandaraya Melaka was built with the latest state-of-the-art facilities at a total investment cost of RM24 million. GSC has also introduced SelfPrint tickets whereby customers can print their own tickets with GSC's e-payment facility. In keeping with the current trend, GSC also launched its own mobile application - GSC Mobile App which enables iPhone users to purchase GSC movie tickets through m2u mobile or PayPal accounts.

CSR ACTIVITY

During the quarter, PPB contributed storybooks and the Ladybird Keyword Reading Scheme to three non-governmental organizations, namely SEMOA Ministry in Bukit Beruntung centre; Dignity for Children Foundation which operates "Harvest Centre in Sentul, Kuala Lumpur; and Grace Community Services in Batu Arang. This contribution is part of PPB's "Cultivating the Love for Reading" project which aims to help children to inculcate a life-long reading habit and thirst for knowledge.

Besides providing storybooks, PPB donated new cabinets, shelves, a white board and curtains to SEMOA Ministry to set up a mini library at Bukit Manchung in Bukit Beruntung which will serve about 250 orang asli children.

AIDILFITRI GREETINGS

I wish to take this opportunity to wish our Muslim shareholders and friends "Salam Aidilfitri".

Datuk Oh Siew Nam

CHAIRMAN

23 August 2011



▲ L-R Ms. Tee Bee Chuan (Asst General Manager, Leasing, Credit Control & Property of Aeon Co. (M) S/B), Mr. Irving Chee (General Manager of GSC)

23rd

GSC CINEMA OPENS IN AEON BANDARAYA MELAKA



▲ L-R Ms. Shirley Chan (Acting Sr. Manager of Aeon Co. (M) S/B), Mrs. Liew Aing Suan (Sr. Manager (Exhibition) of GSC), Ms Tee Bee Chuan

◀ Pirates and Po (Kung Fu Panda 2)

HAPPENINGS

23RD GSC CINEMA OPENS IN AEON BANDARAYA MELAKA



Golden Screen Cinemas Sdn Bhd (GSC), a wholly-owned subsidiary of PPB, continues to reinforce its position as the leading cinema chain today with the opening of its 10-screen GSC AEON Bandaraya Melaka on 19 May 2011, complementing the existing 10-screen GSC Dataran Pahlawan Melaka multiplex. With a total of 20 screens and 3,779 seats now available in the two GSC multiplexes in the historical city of Melaka, GSC is expected to further cater to the entertainment needs in the state of Melaka and the neighbouring towns of Muar and Batu Pahat.

GSC AEON Bandaraya Melaka is equipped with two digital 3D halls, making a total of five (5) digital halls in Melaka to showcase the influx of digital 3D movies scheduled in cinemas nationwide. The 3D movies slotted for the second half of 2011 include "The Smurfs"(Sept 8), "Journey 2:The Mysterious Island"(Sept 22), "Fright Night" (Sept 29), "The Three Musketeers" (Oct 13), "The Adventures of Tin Tin: Secret of the Unicorn" (Nov 10), "Happy Feet 2" (Nov 17), "Sleepwalker" (Nov17), "Puss 'N' Boots" (Nov 24), "Arthur Christmas" (Dec 1), "Hugo Cabret" (Dec 29).

GSC invested a total of RM24 million in GSC AEON Bandaraya Melaka which is equipped with the latest state-of-the-art facilities, comfortable seats and ambience for the enjoyment of its patrons.

GSC recently introduced SelfPrint, whereby customers can print their own tickets with GSC's e-payment facility. With the 2D barcode on the SelfPrint ticket, GSC customers can go directly to the cinema checkpoint, scan the barcode and be on their way into the cinema hall, bypassing the queues at the ticketing counter. GSC AEON Bandaraya Melaka is the first GSC cinema outside the Klang Valley to enjoy this new facility. Currently, this facility is also available in GSC Mid Valley, GSC 1 Utama, GSC Tropicana City Mall, GSC Pavilion KL, GSC Signature and is expected to roll out in the other GSC cinemas nationwide.



▲ L-R Mr. Irving Chee, Mrs Liew Aing Suan, Ms. Tee Bee Chuan, Ms. Shirley

In keeping with the current trend, GSC has just launched its own mobile application - GSC Mobile App which enables iPhone users to purchase GSC movie tickets through m2u mobile or PayPal accounts. Through this mobile ticketing, the 2D barcode tickets are made available on iPhone screens via any mobile operator - the first initiative towards going ticketless.

With GSC AEON Bandaraya Melaka, GSC now has a total of 23 cinemas with 191 screens (including 42 digital screens) nationwide.

HAPPENINGS



▲ PPB Board of Directors



▲ Giving away goodie bags



▲ Registration



▲ Shareholders and proxies

42nd ANNUAL GENERAL MEETING

The 42nd Annual General Meeting ("AGM") of PPB held on 19 May 2011 at Wisma Jerneh, Kuala Lumpur was well attended by shareholders and proxies. At the AGM, the Chairman and management briefed the members on the Group's performance and results for the financial year ended 31 December 2010. All the resolutions tabled at the AGM were passed.

“CULTIVATING THE LOVE FOR READING” PROJECT



Harvest Centre

During 2Q11, PPB contributed storybooks and the Ladybird Keyword Reading Scheme to three non-governmental organizations, namely SEMOA Ministry in Bukit Beruntung centre; Dignity for Children Foundation which operates “Harvest” Centre in Sentul, Kuala Lumpur; and Grace Community Services in Batu Arang. This contribution is part of PPB’s “Cultivating the Love for Reading” project which aims to help children to inculcate a life-long reading habit and thirst for knowledge.

CSR ACTIVITIES



Harvest Centre



Besides providing storybooks, PPB donated new cabinets, shelves, a white board and curtains to SEMOA Ministry to set up a mini library at Bukit Manchung in Bukit Beruntung which will serve about 250 orang asli children. SEMOA Ministry (SEMenantjong Orang Asli) was founded in 1996 by Pastor Timothy Cheah and Pastor Rajen Velu to improve the livelihood of the orang asli in Malaysia.

CSR ACTIVITIES *(cont'd)*

Dignity for Children Foundation provides and advocates quality education for underprivileged children from pre-school to secondary level besides assisting other communities to develop and operate learning centres for underprivileged children.

Grace Community Services was established with the primary objective of providing community care, food, shelter and rehabilitation to the homeless, destitute, abandoned, abused and neglected from all strata of society. Its main centre is located in Jalan Masjid India, Kuala Lumpur.



*Orang Asli Centre at
Bukit Manchung*

SHARE ANALYSIS For The 2nd Quarter Of 2011



After rising by 1.7% in 1Q2011, the FBM KLCI continued to remain firm in 2Q2011, rising by 2.2% to close at a record high of 1,579.1 points in 2Q2011. Commencing the quarter at 1,545.1 points, the FBM KLCI eased in April on profit-taking. However, trading interest in selected blue-chip stocks subsequently helped the FBM KLCI rebound in May. The FBM KLCI strengthened further towards the end of the quarter on easing concerns over the Greek debt crisis. The FBM KLCI closed at a record high of 1,579.1 points to register a gain of 2.2% for the quarter.

[Source : Public Mutual Berhad website]

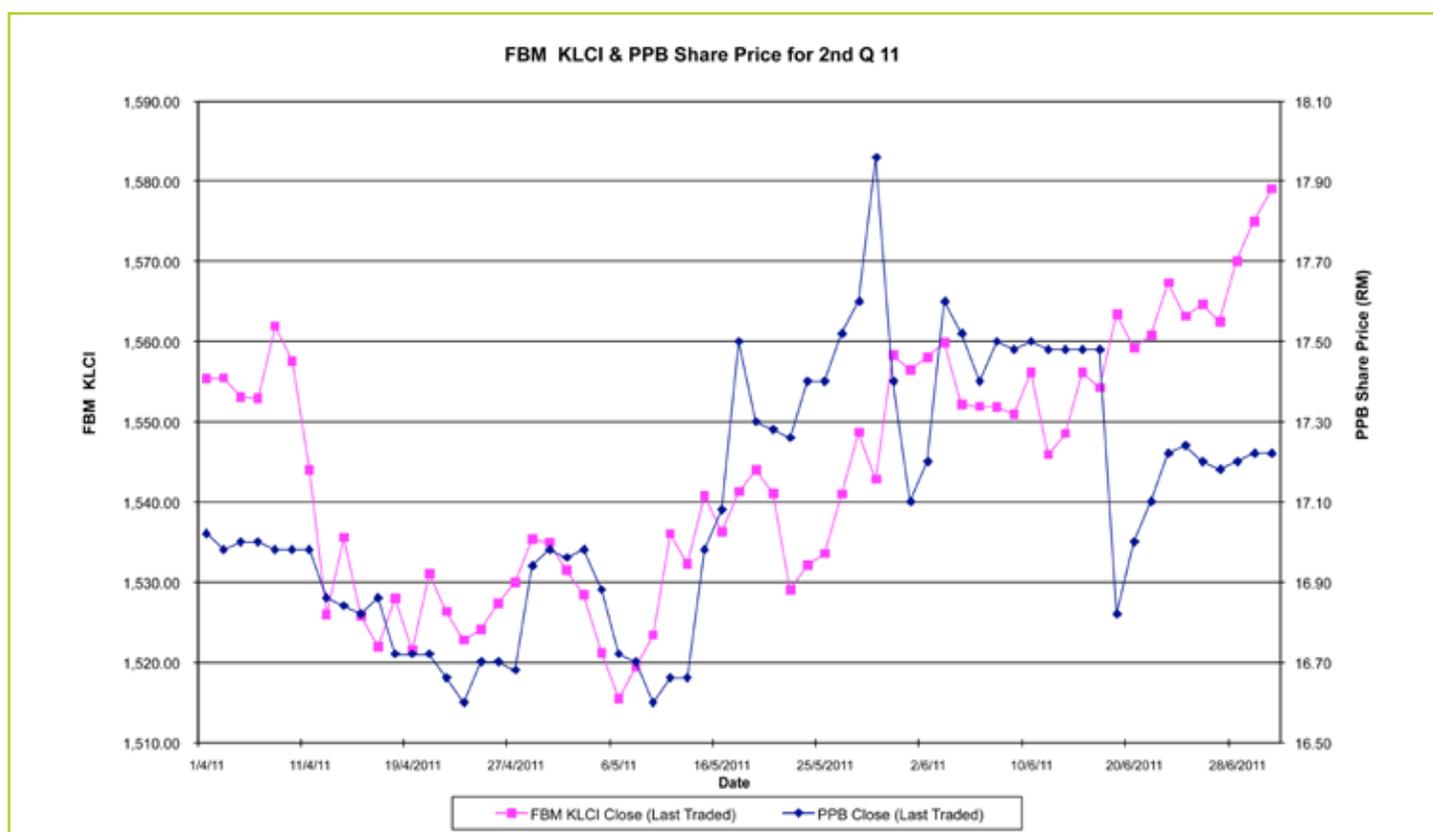
PPB share price closed 1.2% higher at RM17.22 compared with RM17.02 at the end of the preceding quarter to record a market capitalization of RM20.4 billion. The average daily volume of PPB shares transacted reduced significantly by 47%.

2nd
Q

SHARE ANALYSIS

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index
Performance For 2nd Q 2011

	2nd Q 2011	1st Q 2011	% change
PPB share price			
Closing price (high)	17.96	17.70	1.47%
Closing price (low)	16.60	16.30	1.84%
Month end closing price	17.22	17.02	1.18%
Weighted share price	17.02	17.01	0.06%
Market capitalization (RM' million)	20,414.31	20,177.21	1.18%
PPB share volume			
Daily volume (high)	3,278,000	2,229,300	47.04%
Daily volume (low)	26,700	326,200	-91.81%
Average daily volume	537,495	1,006,241	-46.58%
FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)			
FBM KLCI closing (high)	1,579.07	1,574.49	0.29%
FBM KLCI closing (low)	1,515.50	1,484.14	2.11%
FBM KLCI month end closing	1,579.07	1,545.13	2.20%
FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) volume			
Daily Volume (high)	404,034,600	316,364,300	27.71%
Daily Volume (low)	45,114,800	88,653,200	-49.11%
Average Daily Volume	119,772,727	153,984,832	-22.22%



FINANCIAL STATISTICS For The 2nd Quarter Of 2011

Financial period ended (All figures in RM million)	6 months			12 months
	30.6.11	30.6.10	% change	31.12.10
INCOME STATEMENT				
<u>Continuing operations</u>				
Revenue	1,256	1,085	15.8	2,274
Profit before tax	578	628	(8.0)	1,123
Profit for the period from continuing operations, net of tax	560	608	(7.9)	1,062
<u>Discontinued operations</u>				
Revenue	-	1	(100.0)	*
Profit before tax	-	-	0.0	(2)
Profit for the period from discontinued operations, net of tax	-	-	0.0	(2)
Gain on sale of discontinued operations	-	838	(100.0)	841
<u>Group total</u>				
Revenue	1,256	1,086	15.7	2,274
Profit before tax	578	628	(8.0)	1,121
Profit for the period	560	608	(7.9)	1,060
Profit attributable to shareholders of the Company	542	1,443	(62.4)	1,884
STATEMENT OF FINANCIAL POSITION				
Non-current assets	12,440	12,524	(0.7)	12,227
<u>Current assets</u>				
Cash, bank balances and deposits	1,016	1,476	(31.2)	924
Others	959	754	27.2	763
Total current assets	1,975	2,230	(11.4)	1,687
Total assets	14,415	14,754	(2.3)	13,914
<u>Equity</u>				
Share capital	1,186	1,186	-	1,186
Reserves	12,343	12,961	(4.8)	12,089
Equity attributable to shareholders of the Company	13,529	14,147	(4.4)	13,275
Minority interests	428	175	>100.0	185
Total equity	13,957	14,322	(2.5)	13,460
<u>Non-current liabilities</u>				
Bank borrowings	43	81	(46.9)	39
Deferred tax liabilities	67	72	(6.9)	70
Total non-current liabilities	110	153	(28.1)	109

FINANCIAL STATISTICS For The 2nd Quarter Of 2011 (cont'd)

Financial period ended (All figures in RM million)	6 months			12 months
	30.6.11	30.6.10	% change	31.12.10
Current liabilities				
Bank borrowings	46	55	(16.4)	75
Others	302	224	34.8	270
Total current liabilities	348	279	24.7	345
Total liabilities	458	432	6.0	454
Total equity and liabilities	14,415	14,754	(2.3)	13,914

RATIOS

Return on equity attributable to shareholders of the Company	(%)	4.0	10.2	14.2
Earnings per share	(sen)	45.7	121.7	158.9
Interest coverage	(times)	282.5	267.7	236.6
Current ratio	(times)	5.7	8.0	4.9
Total borrowings/Equity	(%)	0.6	0.9	0.9
Long term borrowings/Equity	(%)	0.3	0.6	0.3
Net assets per share attributable to shareholders of the Company	(RM)	11.4	11.9	11.2
Net dividend per share	(sen)	10.0	70.0	88.0

STOCK MARKET INFORMATION

Share price	(RM)	17.22	15.98	17.26
Market capitalisation	(RM million)	20,423	18,952	20,470
PE ratio	(times)	18.8	**15.7	**19.6

* Negligible

** Excluding the one-time gain from the disposal of sugar-related assets in 2010.

ANNOUNCEMENTS

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PPB attached for shareholders' information, a copy of the announcement by Wilmar International Limited ("Wilmar"), an 18.3%-associate of PPB, to the Singapore Exchange Securities Trading Limited pertaining to a writ of summons received by a Wilmar subsidiary.

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Issue of the Notice of the 42nd Annual General Meeting ("AGM") dated 26 April 2011 and the 2010 Annual Report.

MAY

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PPB announced that all the resolutions tabled at the 42nd AGM of the Company held on 19 May 2011 were passed by shareholders of the Company.

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Mr Cheang Kwan Chow retired as a Director by rotation at the 42nd AGM held on 19 May 2011 pursuant to the Articles of Association of the Company, and did not seek re-election.

ANNOUNCEMENTS

MAY

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In respect of the potential acquisition(s) by Waikari Sdn Bhd, a wholly-owned subsidiary of FFM Berhad, of 20% equity interests in selected subsidiaries of Wilmar International Limited in the People's Republic of China ("Selected Companies"), PPB announced that the relevant parties are reviewing the terms and documents pertaining to one of the Selected Companies.

24

PPB announced the aggregate amount of financial assistance provided by a subsidiary of PPB for the quarter ended 31 March 2011.

24

Release of PPB's quarterly report for the 1st quarter ended 31 March 2011.

QUARTERLY REPORT

Condensed Consolidated Income Statements

For The Period Ended 30 June 2011

(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Continuing operations				
Revenue	676,242	581,092	1,256,079	1,084,725
Operating expenses	(626,776)	(504,035)	(1,165,709)	(981,324)
Other operating income	22,304	39,686	41,814	64,999
Share of net profits less losses of associates	223,011	209,687	446,304	461,792
Share of profit of jointly controlled entity	839	356	1,710	654
Finance costs	(970)	(883)	(2,053)	(2,355)
Profit before tax	294,650	325,903	578,145	628,491
Income tax expense	(7,284)	(7,070)	(17,716)	(20,193)
Profit for the period from continuing operations	287,366	318,833	560,429	608,298
Discontinued operations				
Profit for the year from discontinued operations, net of tax	-	261	-	261
Gain on sale of discontinued operations	-	-	-	838,448
Profit for the period	287,366	319,094	560,429	1,447,007
Attributable to :				
Shareholders of the Company	276,433	317,746	541,664	1,443,100
Minority interests	10,933	1,348	18,765	3,907
Profit for the period	287,366	319,094	560,429	1,447,007
Basic earnings per share (sen)				
- continuing operations	23.32	26.78	45.69	50.98
- discontinued operations	-	0.02	-	70.75
	23.32	26.80	45.69	121.73

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

 Condensed Consolidated Statement Of Comprehensive Income
 For The Period Ended 30 June 2011

(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the period	287,366	319,094	560,429	1,447,007
<u>Other comprehensive (loss)/income, net of tax</u>				
Exchange differences on translation of foreign operations	(4,549)	(5,287)	(215,376)	(470,519)
Fair value of available-for-sale financial assets :-				
- Losses arising during the period	(111,370)	(83,062)	(145,553)	(88,442)
- Reclassification adjustments to profit or loss upon disposal	(9)	-	(656)	-
Share of associates' other comprehensive income/(loss)	46,520	(14,366)	112,355	(18,058)
Total comprehensive income	<u>217,958</u>	<u>216,379</u>	<u>311,199</u>	<u>869,988</u>
Attributable to :				
Shareholders of the Company	206,358	214,630	292,641	866,327
Minority interests	11,600	1,749	18,558	3,661
Total comprehensive income	<u>217,958</u>	<u>216,379</u>	<u>311,199</u>	<u>869,988</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT Condensed Consolidated Statement Of Financial Position

	As at 30-Jun-11 RM'000	As at 31-Dec-10 RM'000 <i>(Restated)</i>
ASSETS		
Non-current Assets		
Property, plant and equipment	991,660	957,177
Investment properties	211,815	212,649
Biological assets	2,676	2,743
Goodwill	74,617	74,617
Other intangible assets	1,404	1,503
Land held for property development	11,766	11,484
Investments in associates	10,282,249	10,000,272
Investment in jointly controlled entity	46,346	47,290
Other investments	814,540	936,126
Deferred tax assets	2,602	4,366
	<u>12,439,675</u>	<u>12,248,227</u>
Current Assets		
Inventories	413,101	316,738
Biological assets	15,748	14,525
Other intangible assets	7,905	6,723
Property development costs	39,186	35,385
Receivables	469,721	380,194
Derivative financial instruments	4,616	271
Cash, bank balances and deposits	1,015,874	923,682
	<u>1,966,151</u>	<u>1,677,518</u>
Non-current assets classified as held for sale	9,009	9,721
	<u>1,975,160</u>	<u>1,687,239</u>
TOTAL ASSETS	<u>14,414,835</u>	<u>13,935,466</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	12,343,099	12,091,726
Equity attributable to shareholders of the Company	<u>13,528,599</u>	<u>13,277,226</u>
Minority interests	428,215	203,660
Total equity	<u>13,956,814</u>	<u>13,480,886</u>

QUARTERLY REPORT Condensed Consolidated Statement Of Financial Position (cont'd)

	As at 30-Jun-11 RM'000	As at 31-Dec-10 RM'000 (Restated)
Non-current Liabilities		
Long term borrowings	42,637	39,167
Deferred tax liabilities	66,889	69,637
	109,526	108,804
Current Liabilities		
Payables	262,281	255,670
Derivative financial instruments	30,444	467
Short term borrowings	46,483	75,093
Taxation	9,287	14,546
	348,495	345,776
Total liabilities	458,021	454,580
TOTAL EQUITY AND LIABILITIES	14,414,835	13,935,466
Net assets per share attributable to shareholders of the Company (RM)	11.41	11.20

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

Condensed Consolidated Statement Of Changes In Equity For The Period
Ended 30 June 2011

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000
6 months ended 30 June 2011				
At 1 January 2011				
As previously reported	1,185,500	6,715	61,398	(950,954)
Effects of adopting IC Interpretation 12	-	-	-	-
Restated	1,185,500	6,715	61,398	(950,954)
Total comprehensive income	-	-	-	(129,351)
Transfer of reserves	-	-	(228)	-
Dilution of interest in a subsidiary	-	-	-	8,180
Dividend	-	-	-	-
At 30 June 2011	1,185,500	6,715	61,170	(1,072,125)
6 months ended 30 June 2010				
At 1 January 2010				
As previously reported	1,185,500	6,715	60,230	20,818
Effects of adopting IC Interpretation 12	-	-	-	-
Restated	1,185,500	6,715	60,230	20,818
Total comprehensive income	-	-	-	(442,624)
Transfer of reserves	-	-	(222)	-
Reversal to land held for property development	-	-	(1,659)	-
Dilution of interest in an associate	-	-	-	-
Dividend	-	-	-	-
At 30 June 2010	1,185,500	6,715	58,349	(421,806)

Non-distributable			Distributable			
Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to shareholders of the Company RM'000	Minority interests RM'000	Total equity RM'000
518,837	(31,191)	305,313	12,178,608	13,274,226	185,284	13,459,510
-	-	-	3,000	3,000	18,376	21,376
518,837	(31,191)	305,313	12,181,608	13,277,226	203,660	13,480,886
(146,220)	21,114	5,434	541,664	292,641	18,558	311,199
-	-	7,625	(7,397)	-	-	-
-	-	257,654	(93,712)	172,122	205,997	378,119
-	-	-	(213,390)	(213,390)	-	(213,390)
372,617	(10,077)	576,026	12,408,773	13,528,599	428,215	13,956,814
484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359
-	-	-	2,071	2,071	12,697	14,768
484,454	96,648	294,561	11,939,687	14,088,613	185,514	14,274,127
(88,473)	(31,389)	(14,287)	1,443,100	866,327	3,661	869,988
-	-	(4,685)	4,907	-	-	-
-	-	-	-	(1,659)	-	(1,659)
-	-	-	1,808	1,808	-	1,808
-	-	-	(806,140)	(806,140)	(1,239)	(807,379)
395,981	65,259	275,589	12,583,362	14,148,949	187,936	14,336,885

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

 Condensed Consolidated Statement Of Cash Flows For The Period
 Ended 30 June 2011

	6 months ended 30 June	
	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	578,145	628,491
- discontinued operations	-	838,709
	578,145	1,467,200
Adjustments :-		
Non-cash items	(401,272)	(1,298,443)
Non-operating items	(34,411)	(52,019)
Operating profit before working capital changes	142,462	116,738
Working capital changes :-		
Net change in current assets	(156,711)	101,180
Net change in current liabilities	(4,530)	(47,487)
Cash used in operations	(18,779)	170,431
Tax paid	(28,132)	(13,710)
Net cash (used in)/generated from operating activities	(46,911)	156,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(70,891)	(56,681)
Proceeds from disposal of property, plant and equipment and investment properties	1,423	38,799
Purchase of investments	(29,633)	(3,361)
Proceeds from sale of investments	927	1,083,081
Dividends received	89,565	290,390
Interest received	15,594	16,294
Other investing activities	(545)	12,218
Net cash generated from investing activities	6,440	1,380,740
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital by a subsidiary	378,119	-
Bank borrowings	(27,666)	14,504
Interest paid	(2,665)	(2,580)
Dividends paid	(213,390)	(807,379)
Other financing activities	-	4,129
Net cash generated from/(used in) financing activities	134,398	(791,326)
Net increase in cash and cash equivalents	93,927	746,135
Cash and cash equivalents brought forward	923,471	731,010
Effect of exchange rate changes	(2,597)	(2,796)
Cash and cash equivalents carried forward	1,014,801	1,474,349
Cash and cash equivalents represented by :-		
Cash and bank balances	59,997	53,514
Bank deposits	955,877	1,422,368
Bank overdrafts	(1,073)	(1,533)
	1,014,801	1,474,349

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT NOTES

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

A1. a) 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 Main Market 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 2010 except for the adoption of the following revised FRSs, IC Interpretations, Amendments to FRSs and Amendments to IC Interpretations that are effective for financial periods beginning on or after 1 July 2010 or 1 January 2011 :-

FRS 3	Business Combinations (<i>revised</i>)
FRS 127	Consolidated and Separate Financial Statements (<i>revised</i>)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)”

The adoption of the above revised FRSs, IC Interpretations, Amendments to FRSs and Amendments to IC Interpretation does not have any significant financial impact on the Group except for the following :-

FRS 3: Business Combinations (*revised*)

The revised FRS 3 introduces the option to measure the minority interests in a business combination either at fair value or at the minority interest’s proportionate share of identifiable assets acquired. Goodwill on acquisition will be measured as the difference between the aggregate of fair value of consideration transferred, any minority interest in the acquiree and the fair value at the acquisition date of any previously held equity interest in the acquiree (if acquired via “piecemeal acquisition”), and the net identifiable assets acquired. Any bargain purchase (ie. “negative goodwill”) will be recognised directly in the income statement. Any consideration transferred is to be measured at fair value as of the acquisition date. All acquisition-related costs are expensed off in the income statement.

FRS 127: Consolidated and Separate Financial Statements (*revised*)

The revised FRS 127 requires that total comprehensive income must be proportionately allocated to the minority interests, even if the minority interests are in deficit position. Change in ownership interest which does not result in a loss of control is accounted for within equity instead of the income statement. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and a gain or loss is recognised in the income statement.

The changes in the revised FRS 3 and FRS 127 will be applied prospectively and only affect future acquisitions or loss of control of subsidiaries and transactions with minority interests.

QUARTERLY REPORT Notes (cont'd)

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 12 applies to service concession operators and prescribes how to account for the obligations undertaken and rights received in concession arrangements. The operator shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

The Group has an indirect investment in a jointly controlled entity that is engaged in service concession arrangements. Upon adoption of IC Interpretation 12, the jointly controlled entity has applied the interpretation retrospectively and the comparative figures as at 31 December 2010 have been restated as follow :-

	As previously reported RM'000	Effects RM'000	Restated RM'000
Condensed Consolidated			
<u>Statement of Financial Position</u>			
Investment in jointly controlled entity	25,914	21,376	47,290
Minority interests	185,284	18,376	203,660
Condensed Consolidated			
<u>Statement of Changes in Equity</u>			
Retained earnings	12,178,608	3,000	12,181,608

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 affected the assets, liabilities, equity, net income and cash flows of the Group during the current period to date under review.

A4. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in the prior financial year 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 or 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 period to date.

A6. Dividends paid

	Individual Quarter 3 months ended 30-Jun-11 RM'000	Cumulative Quarter 6 months ended 30-Jun-11 RM'000
<u>Dividend paid on ordinary shares</u>		
2010 : Final dividend - 18 sen per share single tier	213,390	213,390

QUARTERLY REPORT Notes (cont'd)

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 June 2011

Business Segments: All figures in RM'000	Grains trading, flour and feed milling	Marketing, distribution and manufacturing of consumer products	Film exhibition and distribution	Environmental engineering, waste management and utilities
REVENUE				
External revenue	687,709	185,254	136,825	72,040
Inter-segment sales	43,703	-	-	626
Total revenue	731,412	185,254	136,825	72,666
RESULTS				
Segment results	60,982	8,921	21,386	5,957
Share of associates' profits less losses	7,703	-	562	1,142
Share of joint venture's profit	-	-	-	1,710
Interest income				
Finance costs				
Unallocated corporate expenses				
Profit before tax				
ASSETS				
Segment assets	1,033,131	174,641	225,622	72,824
Investments in associates	69,764	-	4,736	32,735
Investment in jointly controlled entity	-	-	-	46,346
Bank deposits				
Taxation				
Other unallocated corporate assets				
Total assets				

A8. 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.

A9. 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 subsidiaries and long-term investments, restructurings, and discontinued operations for the current interim period and year to date under review, except for the following :-

- a) On 25 January 2011, Golden Screen Cinemas Sdn Bhd, an indirect wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of RM2/- in Emerging Channel Sdn Bhd ("ECSB") for a cash consideration of RM1,600/-. Arising therefrom, ECSB has become an indirect subsidiary of PPB.
- b) On 4 March 2011, Central Kedah Rubber Estates Sdn Bhd, an indirect wholly-owned subsidiary of PPB which had ceased business operations, commenced members' voluntary winding up pursuant to Section 254(1) of the Companies Act 1965. The liquidation is in progress.
- c) With the completion of the issuance of 55,781,250 new ordinary shares of RM1 each in FFM Berhad ("FFM") to PGEO Group Sdn Bhd on 8 March 2011, FFM is now an 80%-owned subsidiary of PPB.

QUARTERLY REPORT Notes (cont'd)

Chemicals trading and manufacturing	Property investment and development	Livestock farming	Investments in equities	Other operations	Elimination	Total
50,676	17,550	38,384	18,755	48,886	-	1,256,079
16,971	764	11,674	-	6,360	(80,098)	-
67,647	18,314	50,058	18,755	55,246	(80,098)	1,256,079
1,236	8,110	4,181	15,496	(471)	182	125,980
-	2,472	-	-	434,425	-	446,304
-	-	-	-	-	-	1,710
						16,248
						(2,053)
						(10,044)
						578,145
56,056	286,145	117,104	814,540	322,774	(70)	3,102,767
-	119,559	-	-	10,055,455	-	10,282,249
-	-	-	-	-	-	46,346
						955,877
						17,364
						10,232
						14,414,835

- d) On 25 March 2011, Emerging Channel Sdn Bhd subscribed for 60% equity interest in Kerry Golden Screen Limited ("KGSL") comprising 1,200,000 ordinary shares of HKD1 each for cash at par. Arising therefrom, KGSL has become an indirect 60%-owned subsidiary of PPB.

A10. Changes in contingent liabilities or contingent assets

	As at 30-Jun-11 RM'000	As at 31-Dec-10 RM'000
Contingent liabilities		
Unsecured guarantees issued in consideration of credit facilities given to an associate	-	2,550

Contingent assets

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

QUARTERLY REPORT

Notes (cont'd)

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

B1. Review of performance for the financial period to date

Group revenue of RM1.26 billion for the half year ended 30 June 2011 was 16% higher than the RM1.08 billion for the same period last year. The increase was due mainly to higher flour revenue and increased grains trading volume recorded by the grains trading, flour and feed milling divisions. The environmental engineering, film exhibition and distribution, chemicals trading and manufacturing divisions as well as livestock farming also contributed higher revenue for the period under review.

Group profit before tax declined by 8% to RM578 million compared with the corresponding period last year. The grains trading, flour and feed milling division contributed higher profits due to higher sales whilst livestock farming registered a profit compared with a loss previously.

However, there was a one-off gain of RM22.3 million from sale of investment property in 2010, and a lower profit was registered in the investments in equities due to a fair value loss in the current period. Wilmar International Limited, an associate of the Group, contributed RM432 million for the period under review which was marginally lower than RM452 million last year.

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

Group profit before tax improved marginally by 4% to RM295 million for the quarter under review compared with RM283 million in the preceding quarter. Although the grains trading, flour and feed milling division registered lower profits due to lower margins, this was offset by a higher dividend income from quoted investments.

B3. Prospects for current financial year

Volatile commodity prices, rising fuel costs coupled with fluctuating currency exchange rates are the main challenging factors which would continue to affect the Group's operating results for the present financial year 2011.

Notwithstanding the above, the outlook for consumer demand in Malaysia and the Asian region remains encouraging and the Group is optimistic that the performance for the year 2011 will be satisfactory.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

Taxation comprises :-	Individual Quarter 3 months ended 30-Jun-11 RM'000	Cumulative Quarter 6 months ended 30-Jun-11 RM'000
Malaysian taxation based on profit for the year		
Current	9,238	20,894
Deferred	226	710
	9,464	21,604
Foreign taxation		
Current	308	840
	9,772	22,444
Under/(Over)provision		
Current	957	(1,270)
Deferred	(3,445)	(3,458)
	7,284	17,716

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

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

There were no sales of unquoted investments. However there was a RM0.3 million gain on the disposal of property for the current quarter and financial period to date.

QUARTERLY REPORT Notes (cont'd)

B7. Quoted securities

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

	Individual Quarter 3 months ended 30-Jun-11 RM'000	Cumulative Quarter 6 months ended 30-Jun-11 RM'000
Total purchases	-	29,598
Total proceeds from disposals	16	927
Net profit on disposals	8	655

(b) Total investments in quoted securities as at 30 June 2011 were as follows :-

	RM'000
At cost	439,999
At carrying amount	814,112

B8. Status of corporate proposals

On 2 December 2010, FFM Berhad ("FFM"), then a wholly-owned subsidiary of PPB entered into a subscription agreement with PGEO Group Sdn Bhd ("PGEO"), a wholly-owned subsidiary of Wilmar International Limited ("Wilmar") for the proposed issuance of 55,781,250 new ordinary shares of RM1 each in FFM to PGEO ("FFM Share Issuance"). The FFM Share Issuance was completed on 8 March 2011.

FFM had on 2 December 2010 also entered into a memorandum of understanding with Wilmar for the proposed acquisition by Waikari Sdn Bhd, a wholly-owned subsidiary of FFM, of 20% equity interests in selected subsidiaries of Wilmar in the People's Republic of China ("Selected Companies"). The parties are finalising the terms and documentation in respect of one of the Selected Companies.

B9. Group borrowings

Total Group borrowings as at 30 June 2011 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	44,383	44,383	-
Long term bank loans (RMB)	10,513	-	10,513
Hire purchase liabilities (SGD)	45	45	-
Repayments due within the next 12 months	(12,304)	(9,671)	(2,633)
	42,637	34,757	7,880
Short term bank borrowings			
Bills payable	10,310	-	10,310
Short term loans	1,050	-	1,050
Short term loans (USD)	21,746	-	21,746
Current portion of long term loans	12,289	9,656	2,633
Hire purchase liabilities (SGD)	15	15	-
	45,410	9,671	35,739
Bank overdrafts	1,073	-	1,073
	46,483	9,671	36,812

QUARTERLY REPORT

 Notes (cont'd)

B10. Financial Instruments

The outstanding forward currency, commodity futures and options contracts as at 30 June 2011 were as follows :-

Less than 1 year	Currency	Contract/ Notional value RM'000	Fair Value RM'000
Forward currency contracts			
- Buy position	USD	156,888	156,678
- Sell position	USD	73,681	73,038
Commodity futures contracts			
- Sell position		146,004	142,288
Commodity options contracts			
- Sell position		12,605	29,978

There is no change to the related accounting policies, risks associated with the financial instruments and policies to mitigate those risks since the last financial year.

B11. Material litigation

There was no material litigation as at 16 August 2011.

B12. Dividend

The Board of Directors is pleased to declare an interim single tier dividend for the financial year ending 31 December 2011 of 10 sen per share (2010 - Interim : 5 sen per share single tier; Special : 65 sen per share single tier).

Notice is hereby given that the interim single tier dividend is payable on Wednesday, 28 September 2011 to shareholders whose names appear in the Record of Depositors at the close of business on Tuesday, 13 September 2011.

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

- Shares transferred into the Depositor's securities account before 4.00 pm on Tuesday, 13 September 2011 in respect of ordinary transfers, and
- Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of the BMSB.

Dividends Paid/Payable

Dividende paid/payable for the financial year 2010 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share (all single tier)	Date paid / payable
2010	Special dividend	65 sen	} 28 September 2010
2010	Interim dividend	5 sen	
2010	Final dividend	18 sen	10 June 2011
2011	Interim dividend	10 sen	28 September 2011

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 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 quarter or financial period to date as there were no dilutive potential ordinary shares.

QUARTERLY REPORT Notes (cont'd)

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.

B15. Realised and Unrealised Profits/Losses

The retained profits of the Group are analysed as follows :-

	As at 30-Jun-11 RM'000	As at 31-Dec-10 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries :-		
- Realised	11,760,288	11,596,784
- Unrealised	(49,192)	(21,107)
	11,711,096	11,575,677
Total share of retained profits from associates :-		
- Realised	86,702	71,892
- Unrealised	(2,110)	(1,992)
- Wilmar International Limited ("Wilmar") *	2,753,408	2,394,898
Total share of retained profits from jointly controlled entity :-		
- Realised	11,158	9,945
	14,560,254	14,050,420
Less : consolidation adjustments	(2,151,481)	(1,868,812)
Total Group retained profits as per consolidated accounts	12,408,773	12,181,608

* Wilmar is not required to disclose the breakdown of realised and unrealised profits under the Singapore Financial Reporting Standards and the Singapore Companies Act, Cap 50. As the breakdown is considered sensitive information, it would not be appropriate for Wilmar to selectively disclose such information to any particular shareholder.

Kuala Lumpur
23 August 2011

By Order of the Board
Mah Teck Keong
Company Secretary



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