

INVESTOR UPDATE 2010

30
JUN

2ND QUARTER REPORT



PPB GROUP BERHAD

FROM THE DESK OF THE CHAIRMAN

Dear Shareholders,

PPB Group posted a pre-tax profit for continuing operations of RM628 million for the 1H10 which is marginally higher than the same period last year. The flour and feed milling division contributed higher profits due to increase in sales volume and better margins, whilst film exhibition and distribution also registered higher profits arising mainly from increased admissions and contribution from new cinemas. Wilmar International Limited (“Wilmar”) in which PPB Group has 18.34% stake, registered lower profits of RM452 million for the 1H10 down 12.9% from the same period last year.

Group revenue of RM1.08 billion for the 1H10 was about 4% higher compared with RM1.04 billion for the same period last year. The increase was mainly due to higher revenue achieved by the film exhibition and distribution division, and the chemicals trading and manufacturing division.

Profit for the period increased to RM1.447 billion with the gain of RM838 million from the completion of the disposal of the Group’s sugar-related assets in early January 2010. Earnings per share for the 1H10 stood at 121.73 sen compared with 56.46 sen achieved in the same period last year.

INTERIM DIVIDEND

PPB’s Board of Directors declared a special single tier dividend of 65 sen per share and an interim dividend of 5 sen per share for the financial year ending 31 December 2010 payable on Tuesday, 28 September 2010.

GOING FORWARD

The global economic recovery continues to be slow and uncertain for the remaining period of 2010. The recent increase in commodity prices and uncertainties in currency exchange rates would have an impact on the Group’s operating results. Nevertheless, the Group had put in measures to manage these factors and the results for the remaining period of 2010 should be satisfactory. With the gain from the sale of the sugar-related assets, profit for the financial year 2010 will be higher than that of the previous year.

HAPPENINGS

In the 2Q10, PPB held its 41st Annual General Meeting (“AGM”) which was well attended by shareholders and proxies.

Golden Screen Cinemas Sdn Bhd (GSC), PPB’s 99% indirect subsidiary, expanded its cinema chain by 8 screens with the opening of GSC Suria Sabah in Kota Kinabalu, Sabah with a total seating capacity of 1,465 seats. During the 2nd Quarter, two (2) film festivals namely, The French Film Festival and The Japanese Film Festival were held at GSC’s key locations. GSC has become the choice venue provider for various film festivals after introducing its GSC International Screens in 1999.

FFM Marketing Sdn Bhd (FMSB), a wholly-owned indirect subsidiary of PPB, took over the marketing and distribution of Kart’s products. Kart’s specialises in producing Halal Malaysian and Western frozen snacks such as Roti Canai, Pau, Pizza, Murtabak, Samosa, Spring Roll and Curry Puff. The new product line will further expand the turnover of FMSB’s frozen food business.

CSR ACTIVITY

Having a heart for the community, PPB contributed clothes, toiletries and food to feed and clothe 280 hungry street people who will gather at Grace Community Centre at Jalan Masjid India on Sunday evenings. On 20 July 2010, the staff of PPB and their family members helped to pack the new clothings, prepare drinks and food for distribution to the street people. It is hoped that PPB’s giving and caring, is able to lift the spirits of the street people and provide them with some relief from their difficulties.

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
25 August 2010



HAPPENINGS

41ST ANNUAL GENERAL MEETING

The 41st Annual General Meeting (“AGM”) of PPB held on 19 May 2010 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 2009. All the resolutions tabled at the AGM were passed.





Smile.. (Shrek with Ms Koh – CEO GSC)



Seeing it with 3D (L-R: Humphrey Tan kook Yee (Managing Director Makamewah Sdn Bhd); Ms Koh Mei Lee (CEO GSC); Mr Irving Chee (GM GSC) Datuk Iliyas Ibrahim (DBKK Mayor)



Shrek ears anyone..?

>> OPENING OF GSC SURIA SABAH



VIPS with their 3D glasses



Irving Chee showing the 3D projector to members of the media

HAPPENINGS

OPENING OF GSC SURIA SABAH

On 20 May 2010, PPB's 99% subsidiary, Golden Screen Cinemas Sdn Bhd, expanded its cinema chain by 8 screens with the opening of GSC Suria Sabah located in the heart of Kota Kinabalu to complement its other 8-screen multiplex at One Borneo Hypermall located 7 km from Kota Kinabalu city centre. Built at the cost of RM15.5 million, GSC Suria Sabah offers an additional 1,465 seats in Kota Kinabalu and is equipped with the first digital projection system in Kota Kinabalu. It is also equipped with e-payment and disabled-friendly facilities.

With this new cinema , GSC currently has a total of 183 screens in 23 locations nationwide.



L: Crowd at GSC Suria Sabah
R: Signing on the medieval paper





(From left) En. Mohd Mahyidin Mustakim (Director General of FINAS), Datin R.A Djuenah Latiff (President of Alliance Française de Kuala Lumpur), Ms Koh Mei Lee (Chief Executive Officer, Golden Screen Cinemas), Mr Marc Baréty (Ambassador of France to Malaysia), Mr Irving Chee (General Manager, Golden Screen Cinemas), Mr C. K. Tan (Managing Director, Martell Pernod Ricard Malaysia), Mr Daniel Blaize (Cooperation, Scientific and Cultural Counsellor of the French Embassy), Mr Bruno Plasse, Director of Alliance Française de Kuala Lumpur.



Guests of French Art & Film Festival and Datin Djuenah Latiff (President of the Alliance Française de Kuala Lumpur) (first on right)

(From Left to Right): Ms. Juliette Lemarchand (spouse of Mr. Laurent Lemarchand, First Counselor, French Embassy), Ms. Anne-Marie Bijon (spouse of Mr. Jean-François Bijon, Economic Counsellor, French Embassy), Ms. Laurence Poitrimolt (Association Francophone de Malaisie), Ms. Nadine Henry (President of the Association Francophone de Malaisie)

>> FRENCH ART AND FILM FESTIVAL 2010



(From Left to Right): M. Omar El Khayari (Counselor, Embassy of Morocco), His Excellency Mr. Marc Baréty & Spouse (The Ambassador of France to Malaysia and Spouse), Ms. Koh Mei Lee (Chief Executive Officer of GSC)

(From Left to Right): Jean-Michel Lenoir (Consul, French Embassy), Jacques Cadhilac (French Embassy)

HAPPENINGS

FRENCH AND JAPAN FILM FESTIVALS 2010

During the 2nd Quarter of 2010, two (2) film festivals were held at GSC cinemas namely, the 2010 French Art & Film Festival and Japanese Film Festival 2010.

The French Art and Film Festival was officially launched at GSC Pavilion on 12 May 2010 with a special screening of the French movie “Coco before Chanel” for invited guests and dignitaries. Playing hosts at the launch was His Excellency Mr Marc Barety, Ambassador of France to Malaysia. Guests were treated with cocktails and light refreshments catered by Hilton Hotel.



Ms. Koh Mei Lee (Chief Executive Officer, Golden Screen Cinemas (right) and En. Mohd Mahyidin Mustakim (Director General of FINAS) (left).



L-R (Mr. ISEDA Junichi - President of the Japan Club of Kuala Lumpur, Mr. Royce Tan – MYFM DJ, Ms Wan Wai Fun – MYFM DJ, Ms Koh Mei Lee – GSC Chief Executive Officer, Mr TOYODA Shoichi – Director of the Japan Foundation Kuala Lumpur)

>> JAPAN FILM FESTIVAL 2010



L-R (Mr Isogaya Hiroyuki - Head of Japanese Language Dept, Mr. Bruno PLASSE – Director of Alliance Française de Kuala Lumpur and Ms. OSHIMA Sachi - Head of Cultural Affair Dept of Japan Foundation KL)

L-R (Ms. OSHIMA Sachi - Head of Cultural Affair Dept of Japan Foundation KL, Ms Yumiko Fujiwara – Director of Japan Information Service, Embassy of Japan, Mr TOYODA Shoichi – Director of the Japan Foundation Kuala Lumpur)



L-R (Ms Koh Mei Lee – GSC Chief Executive Officer, Mr TOYODA Shoichi – Director of the Japan Foundation Kuala Lumpur)

HAPPENINGS

FRENCH AND JAPAN FILM FESTIVALS 2010 (cont'd)

The Japanese Film Festival is the biggest annual event held by the Japan Foundation Kuala Lumpur to promote cultural exchanges between Malaysia and Japan. On 15 May 2010, the Japanese Film Festival was launched at GSC Mid Valley with a special screening of the Japanese movie “Dear Doctor”. A total of eight (8) movies were offered during the festival, among which included four (4) new titles which were released in 2009.

GSC has become the venue provider for various film festivals after introducing its GSC International Screens in 1999. GSC International Screens located exclusively at GSC Mid Valley, GSC 1-Utama, GSC Pavilion and GSC Gurney Plaza are the first of its kind in Malaysia dedicated to the screening of non-mainstream, art house and foreign language films. The audience profile of the GSC International Screens range from students to adults, comprising middle to upper income group, made up mostly of locals as well as expatriates. To date, GSC International Screens have carved a niche market for itself amongst discerning viewers.



HAPPENINGS

FFM MARKETING ACQUIRES 45% STAKE IN KART'S

With the acquisition of 45% shareholding in Kart's Food Industries Sdn Bhd by FFM Berhad Group, FFM Marketing Sdn Bhd (FMSB) has taken over the marketing and distribution of Kart's products.

The new product line will further expand the turnover of FMSB's frozen food business. Kart's has been the household brand for many consumers in Malaysia since 1988. The company specializes in producing Halal Malaysian and Western frozen snacks for the local retail, institutional, government and selected export markets. The products are Roti Canai/Paratha, Pau, Pizza, Murtabak, Samosa, Spring Roll and Karipap. Kart's products are available at all major hypermarkets and supermarkets.





>> CSR ACTIVITY



CSR ACTIVITY

PPB GROUP FEEDS AND CLOTHES THE STREET PEOPLE

On 20 July, fifteen staff of PPB Group Berhad and their family members gathered at Grace Community Centre located at Jalan Masjid India, Kuala Lumpur to participate in a “Feeding and Clothing Programme” for the street people.

The Feeding and Clothing Programme spearheaded by Grace Community Services began in 2002 and every Sunday, the street people will gather at the regular meeting point at Jalan Masjid India to collect free food and clothes. Running simultaneously with the said programme, is the Clinic for the Poor where free medical services are provided.

Life is very difficult for the street people who are known as the “sampah masyarakat”. They are rejected by their friends, family and the public. They cannot meet their basic necessities and many times it is not really their choice to be homeless. Some are living on the streets because of their past involvement in drugs and crime resulting in their inability to secure employment. What they need is a listening ear, basic necessities and a smile that will give them a sense of acceptance and encouragement.

PPB contributed 700 pieces of new track pants and jeans; 1000 pieces of toothbrushes; and 30 dozens of towels,

socks and underwear each towards the Clothing Programme. In addition, PPB sponsored delicious nasi lemak from the famous Alor Corner Nasi Lemak, biscuits, milo drinks, bananas and cheese buns specially baked by FFM Berhad, a wholly-owned subsidiary of PPB which were all distributed to 280 hungry street people on the said Sunday. One could see how happy and thankful the street people were when they received their food which they ate heartily.

The volunteers from PPB assisted in preparing the drinks, packing new clothings and toiletries given by PPB before distributing them to the street people. Although there was much work to be done and the staff had sacrificed their Sunday afternoon for the event, many expressed happiness at being able to contribute to a meaningful cause. It was truly an eye-opener for those who volunteered. Seeing the need of the street people, some of PPB volunteers have decided to make avail themselves on a regular basis to assist in Grace’s Feeding and Clothing Programme. Many sympathised with the elderly and hoped that PPB’s giving and caring, is able to lift their spirits a little and hopefully, one day they are able to escape from the rut they are living in.

For those who wish to contribute towards Grace Community Feeding and Clothing Programme, you may contact Mr Richard Thong at 016-3096340.

SHARE ANALYSIS FOR THE 2ND QUARTER OF 2010

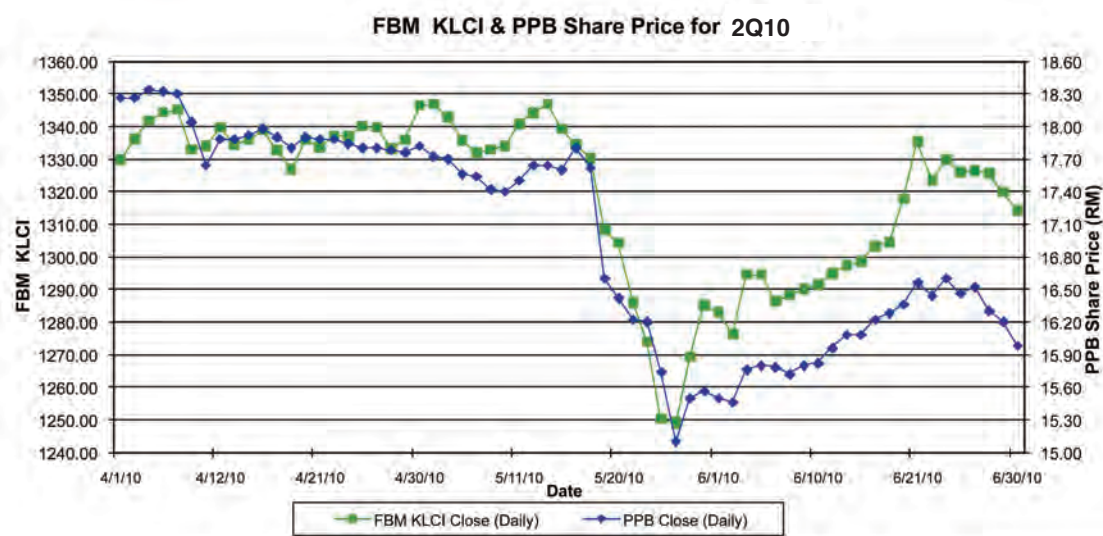
After registering a gain of 3.8% in 1Q2010, the FBM KLCI eased slightly in 2Q2010 to register a loss of 0.5% and closed at 1,314 points. Commencing the quarter at 1,320.6 points, the FBM KLCI rose to a 25-month high of 1,346.38 points in late April 2010 on buying of selected index stocks. The FBM KLCI retreated in May 2010 due to a sell-off in global and regional equity markets. The FBM KLCI subsequently rose to a 5-week high of 1,335.3 points on 21 June 2010 as news of the change in China's currency regime fuelled expectations that a stronger Renminbi would boost Malaysia's exports to China. The FBM KLCI closed at 1,314 points to register a loss of 0.5% for the quarter.

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

PPB share price also closed lower by 11.2% at RM15.98 compared with RM18.00 in the preceding quarter. Accordingly, the market capitalization reduced to RM18,944 million. However the average daily volume of PPB shares increased by 23.17%.

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index Performance For 2Q10

	2Q10	1Q10	% change
PPB share price			
Closing price (high)	18.34	18.06	1.55%
Closing price (low)	15.10	15.38	-1.82%
Month end closing price	15.98	18.00	-11.22%
Weighted share price	16.46	16.75	-1.73%
Market capitalization (RM' million)	18,944.29	21,339.00	-11.22%
PPB share volume			
Daily volume (high)	5,010,600	2,807,700	78.46%
Daily volume (low)	19,100	102,300	-81.33%
Average daily volume	851,667	691,449	23.17%
FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)			
FBM KLCI closing (high)	1,346.92	1,328.22	1.41%
FBM KLCI closing (low)	1,248.94	1,233.86	1.22%
FBM KLCI month end closing	1,314.02	1,320.57	-0.50%
FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) volume			
Daily volume (high)	194,649,700	194,749,000	-0.05%
Daily volume (low)	51,568,700	56,508,100	-8.74%
Average daily volume	92,438,866	108,991,629	-15.19%



FINANCIAL STATISTICS FOR THE 2ND QUARTER OF 2010

(The figures have not been audited)

Financial period ended (All figures in RM million)	6 MONTHS		Change %	12 MONTHS 31.12.09
	30.6.10	30.6.09		
INCOME STATEMENT				
<u>Continuing operations</u>				
Revenue	1,085	1,039	4.4	2,053
Profit before taxation	628	626	0.3	1,455
Profit for the period from continuing operations, net of tax	608	610	(0.3)	1,409
<u>Discontinued operations</u>				
Revenue	1	613	(99.8)	1,407
Profit before taxation	-	88	(100.0)	277
Profit for the period from discontinued operations, net of tax	-	66	(100.0)	220
Gain on sale of discontinued operations	838	-	>100.0	-
<u>Group total</u>				
Revenue	1,086	1,652	(34.3)	3,460
Profit before taxation	628	714	(12.0)	1,732
Profit for the period	608	676	(10.1)	1,629
Profit attributable to Shareholders of the Company	1,443	669	>100.0	1,616
BALANCE SHEET				
Non-current assets	12,524	12,696	(1.4)	12,771
<u>Current assets</u>				
Cash, bank balances and deposits	1,476	394	>100.0	589
Non-current assets/disposal group classified as held for sale	9	9	0.0	925
Others	745	1,147	(35.0)	782
Total current assets	2,230	1,550	43.9	2,296
Total assets	14,754	14,246	3.6	15,067
<u>Equity</u>				
Share capital	1,186	1,186	0.0	1,186
Reserves	12,961	12,273	5.6	12,901
Equity attributable to Shareholders of the Company	14,147	13,459	5.1	14,087
Minority interests	175	169	3.6	172
Total equity	14,322	13,628	5.1	14,259
<u>Non-current liabilities</u>				
Bank borrowings	81	102	(20.6)	83
Others	72	74	(2.7)	72
Total non-current liabilities	153	176	(13.1)	155

(cont'd) FINANCIAL STATISTICS FOR THE 2ND QUARTER OF 2010

Financial period ended (All figures in RM million)		6 MONTHS		Change	12 MONTHS
		30.6.10	30.6.09	%	31.12.09
Current liabilities					
Bank borrowings		55	151	(63.6)	38
Others		224	291	(23.0)	349
Liabilities directly associated with disposal group classified as held for sale		-	-	-	266
Total current liabilities		279	442	(36.9)	653
Total liabilities		432	618	(30.1)	808
Total equity and liabilities		14,754	14,246	3.6	15,067
<hr/>					
RATIOS					
Return on equity attributable to shareholders of the Company	(%)	10.2	5.0		11.5
Earnings per share	(sen)	121.7	56.5		136.3
Interest coverage	(times)	267.7	189.5		221.9
Current ratio	(times)	8.0	3.5		3.5
Total borrowings/Equity	(%)	0.9	1.9		0.8
Long term borrowings/Equity	(%)	0.6	0.8		0.6
Net assets per share attributable to shareholders of the Company	(RM)	11.9	11.3		11.9
Net dividend per share	(sen)	70.0	5.0		73.0
STOCK MARKET INFORMATION					
Share price	(RM)	15.98	11.60		15.96
Market capitalisation	(RM million)	18,952	13,758		18,929
PE ratio	(times)	6.6	10.3		11.7

ANNOUNCEMENTS

26 April

Issue of Notice of 41st Annual General Meeting ("AGM") dated 27 April 2010 and 2009 Annual Report.

19 May

All the resolutions tabled at the 41st AGM of the Company held on 19 May 2010 were passed by shareholders of the Company.

24 May

Release of PPB's quarterly report for the 1st quarter ended 31 March 2010.

QUARTERLY REPORT CONDENSED CONSOLIDATED INCOME STATEMENTS

for the period ended 30 June 2010

(The figures have not been audited)

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
<u>Continuing operations</u>				
Revenue	581,092	543,725	1,084,725	1,038,953
Operating expenses	(504,035)	(466,799)	(981,324)	(961,836)
Other operating income	39,686	13,561	64,999	23,597
Share of net profits less losses of associates	209,687	272,236	461,792	528,319
Share of profit of jointly controlled entity	356	254	654	499
Finance costs	(883)	(1,308)	(2,355)	(3,451)
Profit before tax	325,903	361,669	628,491	626,081
Income tax expense	(7,070)	(10,289)	(20,193)	(15,793)
Profit for the period from continuing operations	318,833	351,380	608,298	610,288
<u>Discontinued operations</u>				
Profit for the period from discontinued operations, net of tax	261	53,733	261	66,256
Gain on sale of discontinued operations	-	-	838,448	-
Profit for the period	319,094	405,113	1,447,007	676,544
Attributable to :-				
Shareholders of the Company	317,746	397,532	1,443,100	669,367
Minority interests	1,348	7,581	3,907	7,177
Profit for the period	319,094	405,113	1,447,007	676,544
Basic earnings per share (sen)	26.78	29.00	50.98	50.87
- continuing operations	0.02	4.53	70.75	5.59
- discontinued operations	26.80	33.53	121.73	56.46

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2010

	<i>Individual Quarter 3 months ended 30 June</i>		<i>Cumulative Quarter 6 months ended 30 June</i>	
	<i>2010 RM'000</i>	<i>2009 RM'000</i>	<i>2010 RM'000</i>	<i>2009 RM'000</i>
Profit for the period	319,094	405,113	1,447,007	676,544
<u>Other comprehensive (loss)/income, net of tax</u>				
Exchange differences on translation of foreign operations	(5,287)	(365,721)	(470,519)	155,472
Reclassification adjustment for exchange gain included in profit or loss	-	-	-	(8)
Fair value of available-for-sale financial assets	(83,062)	87,409	(88,442)	189,438
Share of associates' other comprehensive income	(14,366)	(61,003)	(18,058)	(108,247)
Total comprehensive income	<u>216,379</u>	<u>65,798</u>	<u>869,988</u>	<u>913,199</u>
Attributable to:-				
Shareholders of the Company	214,630	57,456	866,327	903,944
Minority interests	1,749	8,342	3,661	9,255
Total comprehensive income	<u>216,379</u>	<u>65,798</u>	<u>869,988</u>	<u>913,199</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-10 RM'000	As at 31-Dec-2009 RM'000 (Restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	938,147	927,099
Investment properties	205,562	205,185
Biological assets	2,816	2,889
Goodwill	72,444	72,444
Other intangible assets	1,774	1,969
Land held for property development	9,831	11,268
Investments in associates	10,453,164	10,628,430
Investment in jointly controlled entity	27,856	29,518
Other investments	806,599	886,440
Deferred tax assets	5,343	5,479
	<u>12,523,536</u>	<u>12,770,721</u>
Current Asset		
Inventories	340,831	377,835
Biological assets	14,855	14,320
Other intangible assets	6,646	6,334
Property development costs	32,158	30,793
Receivables	350,121	352,338
Derivative financial instruments	625	193
Cash, bank balances and deposits	<u>1,475,882</u>	<u>589,003</u>
	2,221,118	1,370,816
Non-current assets/disposal group classified as held for sale	<u>9,009</u>	<u>925,423</u>
	<u>2,230,127</u>	<u>2,296,239</u>
TOTAL ASSETS	<u>14,753,663</u>	<u>15,066,960</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	<u>12,961,378</u>	<u>12,901,042</u>
Equity attributable to shareholders of the Company	14,146,878	14,086,542
Minority interests	<u>175,239</u>	<u>172,817</u>
Total equity	<u>14,322,117</u>	<u>14,259,359</u>

(cont'd) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 30-Jun-10 RM'000</i>	<i>As at 31-Dec-2009 RM'000 (Restated)</i>
Non-current Liabilities		
Long term borrowings	81,244	82,813
Deferred tax liabilities	71,418	71,552
	<u>152,662</u>	<u>154,365</u>
Current Liabilities		
Payables	211,839	342,336
Derivative financial instruments	80	212
Short term borrowings	54,533	37,654
Taxation	12,432	6,785
	<u>278,884</u>	<u>386,987</u>
Liabilities directly associated with disposal group classified as held for sale	-	266,249
	<u>278,884</u>	<u>653,236</u>
Total liabilities	<u>431,546</u>	<u>807,601</u>
TOTAL EQUITY AND LIABILITIES	<u>14,753,663</u>	<u>15,066,960</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>11.93</u>	<u>11.88</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2010

	6 months ended 30 June	
	2010	2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	628,491	626,081
- discontinued operations	838,709	87,820
	1,467,200	713,901
Adjustments :		
Non-cash items	(1,298,443)	(496,840)
Non-operating items	(52,019)	(48,281)
Operating profit before working capital changes	116,738	168,780
Working capital changes		
Net change in current assets	101,180	96,495
Net change in current liabilities	(47,487)	(79,615)
Cash generated from operations	170,431	185,660
Tax paid	(13,710)	(46,977)
Net cash generated from operating activities	156,721	138,683
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(56,681)	(77,704)
Proceeds from disposal of property, plant and equipment and investment properties	38,799	150
Purchase of investments	(3,361)	(71)
Proceeds from sale of investments	1,226,444	7,120
Net cash disposed of from discontinued operations	(143,363)	-
Dividends received	290,390	175,504
Interest received	16,294	3,872
Other investing activities	12,218	3,948
Net cash generated from investing activities	1,380,740	112,819
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	14,504	(134,157)
Interest paid	(2,580)	(3,379)
Dividends paid	(807,379)	(214,118)
Other financing activities	4,129	2,252
Net cash used in financing activities	(791,326)	(349,402)
Net increase/(decrease) in cash and cash equivalents	746,135	(97,900)
Cash and cash equivalents brought forward	731,010	489,022
Effect of exchange rate changes	(2,796)	132
Cash and cash equivalents carried forward	1,474,349	391,254
Cash and cash equivalents represented by:-		
Cash and bank balances	53,514	77,141
Bank deposits	1,422,368	316,350
Bank overdrafts	(1,533)	(2,237)
	1,474,349	391,254

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2010

6 months ended 30 June 2010

At 1 January 2010
 Total comprehensive income
 Transfer of reserves
 Reversal to land held for property development
 Dilution of interest in associate
 Dividends
 At 30 June 2010

Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000
1,185,500	6,715	60,230	20,818
-	-	-	(442,624)
-	-	(222)	-
-	-	(1,659)	-
-	-	-	-
-	-	-	-
1,185,500	6,715	58,349	(421,806)
1,185,500	6,715	60,675	172,631
-	-	-	-
1,185,500	6,715	60,675	172,631
-	-	-	148,816
-	-	(222)	-
-	-	-	-
1,185,500	6,715	60,453	321,447

6 months ended 30 June 2009

At 1 January 2009
 As previously stated
 Effect on adopting FRS 139
 Restated
 Total comprehensive income
 Transfer of reserves
 Dividend
 At 30 June 2009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2010

Non-distributable			Distributable		Minority interests RM'000	Total equity RM'000
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		
484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359
(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	12,581,291	14,146,878	175,239	14,322,117
-	-	254,191	10,553,079	12,232,791	168,088	12,392,879
204,561	267,585	-	63,373	535,519	137	535,656
204,561	267,585	254,191	10,616,452	12,768,310	160,225	12,928,535
189,398	(107,179)	3,542	669,367	903,944	9,255	913,199
-	-	12,232	(12,010)	-	-	-
-	-	-	(213,390)	(213,390)	(728)	(214,118)
393,959	160,406	269,965	11,060,419	13,458,864	168,752	13,627,616

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 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 2009 except for the adoption of the following new/revised FRSs and Amendments to FRSs that are effective for financial periods beginning on or after 1 July 2009 or 1 January 2010 :-

FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property

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

FRS 101: Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

Amendment to FRS 117 Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land that had an indefinite economic life and with title that was not expected to pass to the lessee at the end of the lease term was classified as operating lease. Upfront payments for the rights to use the leasehold land over a predetermined period were accounted for as prepaid lease payments and amortised on a straight-line basis over the remaining period of the lease.

Upon adoption of the Amendment to FRS 117 in relation to classification of leasehold land, the Group reassessed the classification of leasehold land as a finance lease or an operating lease based on the extent of risks and rewards associated with the land. The Group has determined that all leasehold land of the Group are in substance finance leases and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment.

Amendment to FRS 140 Investment Property

Prior to the adoption of the Amendment to FRS 140, assets under construction for future use as investment property were classified as property, plant and equipment.

Upon adoption of the Amendment to FRS 140, these assets are reclassified to investment properties.

The reclassification has been made retrospectively in the Condensed Consolidated Statement of Financial Position and the following comparative figures have been restated as follows :-

	<i>As previously reported RM'000</i>	<i>Effect RM'000</i>	<i>As restated RM'000</i>
<u>Condensed Consolidated Statement of Financial Position</u>			
Property, plant and equipment	860,666	66,433	927,099
Investment properties	167,923	37,262	205,185
Prepaid lease payments	103,695	(103,695)	-

The comparative figures in the Condensed Consolidated Income Statement have been restated to reflect the effects of the financial results of the disposal group in relation to the sale of the sugar-related assets.

b) Discontinued operations

The financial results of the discontinued operations for the period ended 30 June are as follows :-

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	774	335,677	774	613,345
Operating expenses	(514)	(267,052)	(514)	(530,276)
Other operating income	1	175	1	1,270
Share of net profits less losses of associates	-	2,650	-	3,817
Finance costs	-	(30)	-	(336)
Profit before taxation	261	71,420	261	87,820
Income tax expense	-	(17,687)	-	(21,564)
Profit for the period	261	53,733	261	66,256

A2. Seasonal or Cyclical 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 under review except for the completion of the disposal of the sugar-related assets as previously reported.

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.

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 June 2010

	Continuing operations			
Business Segments: <i>All figures in RM'000</i>	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	536,718	178,104	127,940	33,374
Inter-segment sales	41,079	-	-	-
Total revenue	<u>577,797</u>	<u>178,104</u>	<u>127,940</u>	<u>33,374</u>
RESULTS				
Segment results	58,399	7,188	23,660	268
Unallocated corporate expenses				
Share of associates' profits less losses	6,573	-	762	1,635
Share of joint venture's profit	-	-	-	654
Finance costs				
Profit before tax				
ASSETS				
Segment assets	849,417	160,453	208,096	40,722
Investments in associates	61,910	-	5,478	31,438
Investment in jointly controlled entity	-	-	-	27,856
Taxation				
Other unallocated corporate assets				
Total assets				

A6. Dividends paid

Dividends Paid On Ordinary Shares

Financial year ended 31.12.2009:-

Special dividend - 50 sen per share single tier

Final dividend - 18 sen per share single tier

<i>Individual Quarter 3 months ended 30-Jun-10 RM'000</i>	<i>Cumulative Quarter 6 months ended 30-Jun-10 RM'000</i>
---	---

-	592,750
213,390	213,390
213,390	806,140

						Discontinued Operation	
Chemicals trading and manufacturing	Property investment and development	Livestock farming	Other operations	Elimination	Total	Cane Plantation	Total Operations
46,804	22,631	34,416	104,738	-	1,084,725	774	1,085,499
14,342	730	8,636	7,548	(72,335)	-	-	-
61,146	23,361	43,052	112,286	(72,335)	1,084,725	774	1,085,499
483	10,101	(111)	92,463	569	193,020	261	193,281
-	-	-	-	-	(24,620)	-	(24,620)
-	309	-	452,513	-	461,792	-	461,792
-	-	-	-	-	654	-	654
					(2,355)	-	(2,355)
					628,491	261	628,752
47,694	284,368	105,963	2,549,872	(1,736)	4,244,849	-	4,244,849
-	114,812	-	10,239,526	-	10,453,164	-	10,453,164
-	-	-	-	-	27,856	-	27,856
					22,500	-	22,500
					5,294	-	5,294
					14,753,663	-	14,753,663

A8. Valuation of Property, Plant and Equipment

There were no changes 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 subsidiaries and long-term investments, restructurings, and discontinued operations for the current interim period and year-to-date under review, except for the following :-

With the completion of the disposal of 36,360,000 ordinary shares of RM1 each equivalent to 100% equity interest in Malayan Sugar Manufacturing Company Berhad ("MSM") on 1 January 2010, MSM, MSM Properties Sdn Bhd and Astakonas Sdn Bhd ceased to be subsidiaries of PPB with effect from 1 January 2010.

A11. Changes in contingent liabilities or contingent assets

	<i>As at 30-Jun-10 RM'000</i>	<i>As at 31-Dec-09 RM'000</i>
<u>Contingent liabilities</u>		
Unsecured guarantees issued in consideration of credit facilities given to an associate	2,550	2,550

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 year-to-date

Group revenue of RM1.08 billion for the 6 months ended 30 June 2010 was about 4% higher than the RM1.04 billion in the same period last year. The increase was mainly due to higher revenue achieved by the film exhibition and distribution division, and the chemicals trading and manufacturing division for the period under review.

Group profit before tax for continuing operations of RM628 million was marginally higher than that of the corresponding period last year. The flour and feed milling division contributed higher profits due to increase in sales volume and better margins, whilst film exhibition and distribution also registered higher profits arising mainly from increased admissions. However the profit contribution for the period from our associate Wilmar International Limited ("Wilmar") was lower.

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

Group profit before tax for continuing operations of RM326 million for the quarter under review was 8% higher compared with the preceding quarter. Profit contribution from the Other Operations increased mainly from dividend income, interest income and gains on disposal of properties whilst Wilmar registered a lower profit for the current quarter.

B3. Prospects for current financial year

The global economic recovery continues to be slow and uncertain for the remaining period of 2010. The recent increase in commodity prices and uncertainties in currency exchange rates would have an impact on the Group's operating results. Nevertheless, the Group had put in measures to manage these factors and the results for the remaining period of 2010 should be satisfactory. With the gain from the sale of the sugar-related assets, profit for the financial year 2010 will be higher than that of the previous year.

- B4. Variance of actual profit from forecast profit**
Not applicable.

B5. Taxation

Taxation comprises:-

Malaysian taxation based on profit for the period

Current

Deferred

Foreign taxation

Current

(Over)/Underprovision

Current

Deferred

*Individual Quarter
3 months ended
30-Jun-10
RM'000*

*Cumulative Quarter
6 months ended
30-Jun-10
RM'000*

6,170

397

6,567

508

7,075

(3)

(2)

7,070

19,713

(481)

19,232

723

19,955

63

175

20,193

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 investments. However there were gains amounting to RM22.3 million on the disposal of 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-Jun-10 RM'000</i>	<i>Cumulative Quarter 6 months ended 30-Jun-10 RM'000</i>
Total purchases	-	1,156
Total proceeds from disposals	-	-
Net loss on disposals	-	-

(b) Total investments in quoted securities as at 30 June 2010 were as follows:-

	<i>RM'000</i>
At cost	410,873
At carrying amount	806,172

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at 18 August 2010.

B9. Group borrowings

Total Group borrowings as at 30 June 2010 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	45,068	-	45,068
Long term bank loans (USD)	48,228	48,228	-
Long term bank loans (RMB)	13,530	-	13,530
Hire purchase liabilities	11	11	-
Hire purchase liabilities (SGD)	56	56	-
Repayments due within the next 12 months	(25,649)	(10,518)	(15,131)
	<u>81,244</u>	<u>37,777</u>	<u>43,467</u>
Short term bank borrowings			
Short term loans	879	-	879
Short term loans (USD)	26,472	-	26,472
Current portion of long term loans	25,624	10,493	15,131
Hire purchase liabilities	11	11	-
Hire purchase liabilities (SGD)	14	14	-
	<u>53,000</u>	<u>10,518</u>	<u>42,482</u>
Bank overdrafts	1,533	-	1,533
	<u>54,533</u>	<u>10,518</u>	<u>44,015</u>

B10. Financial Instruments

The outstanding forward currency contracts as at 30 June 2010 were as follows :-

	<u>Currency</u>	<u>Contract/ Notional Value</u>	<u>Fair Value</u>
<u>Less than 1 year</u>		<i>RM'000</i>	<i>RM'000</i>
- Buy position	USD	61,401	61,922
- Sell position	USD	12,754	12,728
- Sell position	SGD	3,394	3,397

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 pending as at 18 August 2010.

B12. Dividend

The Board of Directors is pleased to declare a special single tier dividend of 65 sen per share and an interim single tier dividend of 5 sen per share for the financial year ending 31 December 2010 (2009 : interim single tier dividend of 5 sen per share) payable on Tuesday, 28 September 2010.

Dividend payment/entitlement date

Notice is hereby given that the special and interim single tier dividends are payable on Tuesday, 28 September 2010 to shareholders whose names appear in the Record of Depositors at the close of business on Monday, 13 September 2010.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Monday, 13 September 2010 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/payable for the financial years 2009/2010 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share	Payment Date
2009	Interim dividend	5 sen single tier	25 September 2009
2009	Special dividend	50 sen single tier	15 March 2010
2009	Final dividend	18 sen single tier	8 June 2010
2010	Special dividend	65 sen single tier	} Payable on 28 September 2010
2010	Interim dividend	5 sen single tier	

B13. Earnings per Share

The basic earnings per share has been calculated by dividing the Group's profit from continuing and discontinued operations 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.

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
25 August 2010

By Order of the Board
Mah Teck Keong
Company Secretary

INVESTOR
UPDATE
2010^{30 JUN}
2ND QUARTER REPORT

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