

INVESTOR UPDATE 2010

30
SEPT

3RD QUARTER REPORT



PPB GROUP BERHAD

FROM THE DESK OF THE CHAIRMAN

Dear Shareholders,

We are pleased to announce that PPB Group revenue increased by 7% to RM1.66 billion for the 3rd Quarter of 2010 mainly due to higher revenue achieved by most divisions except for environmental engineering, waste management and utilities which recorded lower revenue due to the competition for projects.

Group profit before tax for continuing operations of RM946 million was lower by about 17% compared with the same period last year. Profit contribution from the flour and feed milling division was higher arising from increase in sales volume and better margins. Film exhibition and distribution also registered higher profits mainly due to increase admissions. However, profit contribution from its 18.34% associate, Wilmar International Limited, reduced by RM344 million largely due to weaker performance in its oilseeds and grains segment.

Profit for the period increased to RM1.74 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 period ended 30 September 2010 stood at 146.02 sen compared with 106.66 sen achieved in the same period last year.

PROSPECTS FOR 2010

The fluctuations in commodity prices and currency exchange rates are expected to be the major factors that would impact PPB Group's operating results for the remaining quarter of 2010.

Whilst the performance from all the operating divisions are expected to be satisfactory, the gain from the sale of the sugar-related assets will increase the profit for 2010, surpassing the results achieved in 2009.

HAPPENINGS

PPB conducted a full day in-house training session on 22 September 2010 which was attended by 80 participants comprising directors, senior managers and officers of PPB Group companies and affiliates. The topics covered included Competition Act 2010; Goods and Services Tax (GST); an Overview of the Global and Local Economic Recovery and Outlook; Protocol in the Business World; and an Insight of Wilmar's Corporate Sustainability in Palm Oil.

The 2nd Press and Analyst Briefing of PPB was held on 2 September 2010 to review the interim results for year 2010 and other latest developments in the Group.

CSR ACTIVITIES

In January 2010, PPB completed the sale of its sugar-related assets including its sugar cane plantation of approximately 5,797 hectares in Chuping, Perlis. PPB's operations in Chuping employ about 500 employees, many of whom have worked for the Company from day one.

In appreciation for the relatively large parcel of land leased from the state of Perlis for PPB's cane plantation activities, PPB donated a total sum RM10.0 million to Kuok Foundation Berhad to establish an endowment fund known as "PPB-KF Welfare Fund for Perlis" to improve the welfare of the community and to benefit the underprivileged and the poor in the state of Perlis.

During the quarter under review, PPB also organized English Language competitions for SJK (T) Castlefield, Puchong in line with PPB's "Cultivating the Love for Reading" project with the aim of encouraging students to read the Ladybird Keyword Reading Scheme books contributed by PPB and to build interest in the English Language in a fun way.

FFM Farms Sdn Bhd, a wholly-owned indirect subsidiary of PPB Group, participated in the "Green Your Community" project by educating the community on industrial scale composting by reusing chicken waste into organic fertilizer. FFM Farms also distributed 500 packs of its "Organic" fertilizer towards the project which was jointly organized by Rotary Club of Pudu, Dewan Bandaraya Kuala Lumpur (DBKL) and Grant Thornton.

Another of PPB Group's wholly-owned subsidiary, FFM Marketing Sdn Bhd, helped to raise funds for the Down Syndrome Foundation National Centre at the Kiwanis Annual Food and Fun Fair by setting up a booth selling their own frozen products "Seri Murni" chicken nuggets and sausages to good response. In another occasion, FFM Marketing sponsored 500 bottles of "V-Soy" soya bean drink, a leading product distributed by FFM Marketing, to participants of the Annual UTAR Counseling and Wellness Week.

As part of PPB's CSR activity for its employees and a way to appreciate the staff for their contribution towards PPB Group, PPB staff was treated to a 3 days/2 nights holiday in Singapore including a visit to Universal Studios.

GREETINGS

As the year is coming to a close, I wish to take this opportunity to wish all our shareholders, business associates and staff of PPB Group, A BLESSED CHRISTMAS AND A BETTER 2011!

Datuk Oh Siew Nam
Chairman
22 NOVEMBER 2010



DIRECTORS' TRAINING



HAPPENINGS

DIRECTORS' TRAINING

On 22 September 2010, PPB conducted a full day in-house directors' training session which was well-attended by over 80 participants comprising directors, senior managers and officers of PPB Group of companies and affiliates.

Puan Faizah Jamaludin, a partner of Skrine, kicked off the session with a presentation on the Competition Act 2010, which is scheduled to come into force on 1 January 2012.

The next topic was 'Goods and Services Tax ("GST") – An introduction, rationale, issues and the way forward', which covered the GST mechanism and potential implications on the businesses of PPB Group companies and affiliates. This topic was delivered by Mr Kang Beng Hoe and Ms Renuka Bhubalan, executive directors of Taxand Malaysia Sdn Bhd.

Next, Mr Lee Heng Guie, Senior Vice President-Economic Research of CIMB Investment Bank Berhad, gave an overview of the economic recovery and outlook, globally as well as in Malaysia and the surrounding region.

The session continued after lunch with a talk entitled 'Sustainable palm oil – The issues, challenges and opportunities', jointly presented by Mr Jeremy Goon, Group Head Corporate Social Responsibility, and Mr Simon Siburat, Group Sustainability Controller of Wilmar International Limited.

The last item for the day was a soft skills topic on 'Protocol in the Business World' by Puan Sri TD Ampikaipakan, who shared with the participants the do's and don'ts of business and social etiquettes and protocols.

HAPPENINGS

PRESS AND ANALYST BRIEFING

On 2 September 2010, PPB held its 2nd and final Press and Analyst Briefing for the year at Wisma Jerneh. The event was attended by 70 analysts and fund managers from various local research houses and securities firms as well as members of the local and foreign press.

The Briefing was held to provide the press and analysts with a review of the Group's half-year financial results for 2010 as well as an update of its latest developments.

During the Q&A session, Mr Tan Gee Sooi, Managing Director; Ms Koh Mei Lee, Senior Manager (Corporate Affairs); Ms Leong Choy Ying, Chief Financial Officer; and Mr Mah Teck Keong, Company Secretary of PPB dealt with the questions posed by the attendees. A press conference took place subsequently, followed by lunch.





PRESS AND ANALYST BRIEFING



CSR ACTIVITIES



CULTIVATING THE LOVE FOR READING WITH CHILDREN OF SJK (T) CASTLEFIELD

In line with PPB's "Cultivating the Love for Reading" project, English Language competitions were organised for children of SJK (T) Castlefield, Puchong on 3 September 2010. PPB staff carried out Crossword Puzzles, Word Search, Spelling competitions and impromptu reading of Ladybird books by the students who were randomly chosen and participated eagerly.



CULTIVATING THE LOVE FOR READING WITH CHILDREN OF SJK (T) CASTLEFIELD



Through these competitions, the children were encouraged to read the Ladybird Key Word Reading Scheme (LKRS) books contributed by PPB to the school as well as to build their interest in the English Language in a fun way. Book prizes were given away for the competitions.

CSR ACTIVITIES (cont'd)

FFM FARMS SUPPORTS “GREEN YOUR COMMUNITY” PROJECT

On 19 September 2010, FFM Farms Sdn Bhd, a wholly-owned indirect subsidiary of PPB Group, participated in the “Green Your Community” project jointly organized by Rotary Club of Pudu, Dewan Bandaraya Kuala Lumpur (DBKL) and Grant Thornton in Cheras, Kuala Lumpur.

In the event, FFM Farms had the opportunity to educate the community on industrial scale composting by reusing chicken waste into organic fertilizer. In line with the green message, FFM Farms distributed 500 packs of its “Organic” fertilizer whilst DBKL gave away potted plants to visitors at the event.

In recognition of its role at the event, FFM Farms was given the award for “Most Significant Contribution” to the Project.



CSR ACTIVITIES (cont'd)

CSR ACTIVITIES

CSR ACTIVITIES BY FFM MARKETING

During the 3rd Quarter of 2010, FFM Marketing Sdn Bhd, a wholly-owned indirect subsidiary of PPB Group, helped to raise funds for the Down Syndrome Foundation National Centre at the Kiwanis Annual Food and Fun Fair by setting up a booth selling their own frozen products “Seri Murni” chicken nuggets and sausages to good response. The event managed to raise about RM75,000 which went towards funding the Centre’s expenses.



CSR ACTIVITIES (cont'd)



CSR ACTIVITIES BY FFM MARKETING

In another occasion, FFM Marketing sponsored 500 bottles of “V-Soy” soya bean drink, a leading product distributed by FFM Marketing, to participants of the Annual UTAR Counselling and Wellness Week.

CSR ACTIVITIES (cont'd)

CSR ACTIVITIES

PPB'S COMPANY TRIP TO SINGAPORE

On 23rd July 2010, 30 staff of PPB headed down south to Singapore for their Company trip. The first stop for the 3days/2nights stay was at Orchard Road where PPB staff went on their shopping spree. Later in the night, the staff visited the Night Safari and were entertained by half an hour of non-stop action show by the creatures of the night.





On the second day, the staff were treated to a full day visit to Universal Studios. Many enjoyed the big rides especially the scary and thrilling ones and exploring all the other attractions at the park. They also found themselves posing at every corner of the movie park, capturing their favourite “Kodak” moments besides shopping. The visit to the Universal Studios ended on a high note with the spectacular fireworks display for memorabilia.

On the final day, the staff took a tour around the Merlion Park, Marina Bay Sands and Chinatown before heading back to home sweet home!



SHARE ANALYSIS FOR THE 3RD QUARTER OF 2010

3rd Quarter Share Analysis

The FBM KLCI ended the third quarter substantially higher at 1,463.5, up 11.4% since 2Q10. The robust performance was due to prospects of strong domestic corporate earnings arising from the favourable economic growth. Market capitalisation increased to RM1.15 trillion at end-September 2010 (2Q10 : RM1.04 trillion) and the daily average turnover was higher at 921 million units (2Q10 : 849 million units) during the quarter.

On 18 November 2010, the KLCI closed higher at 1,496.65 points (since end 2009 : 17.6%) with market capitalisation of RM1.2 trillion (since end 2009 : 21%).

(Source : Bank Negara Malaysia website)

In line with the FBM KLCI, PPB share price also closed higher by 7.63% at RM17.20 compared with RM15.98 in the preceding quarter. Accordingly, the market capitalization improved to RM20.39 billion. However, the average daily volume of PPB shares decreased by 11.5%.

SHARE ANALYSIS FOR THE 3RD QUARTER OF 2010

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index Performance For 3rd Q 2010

	3rd Q 2010	2nd Q 2009	% change
PPB share price			
Closing price (high)	17.90	18.34	-2.40%
Closing price (low)	15.92	15.10	5.43%
Month-end closing price	17.20	15.98	7.63%
Weighted share price	17.19	16.46	4.43%
Market capitalisation (RM' million)	20,390.60	18,944.29	7.63%

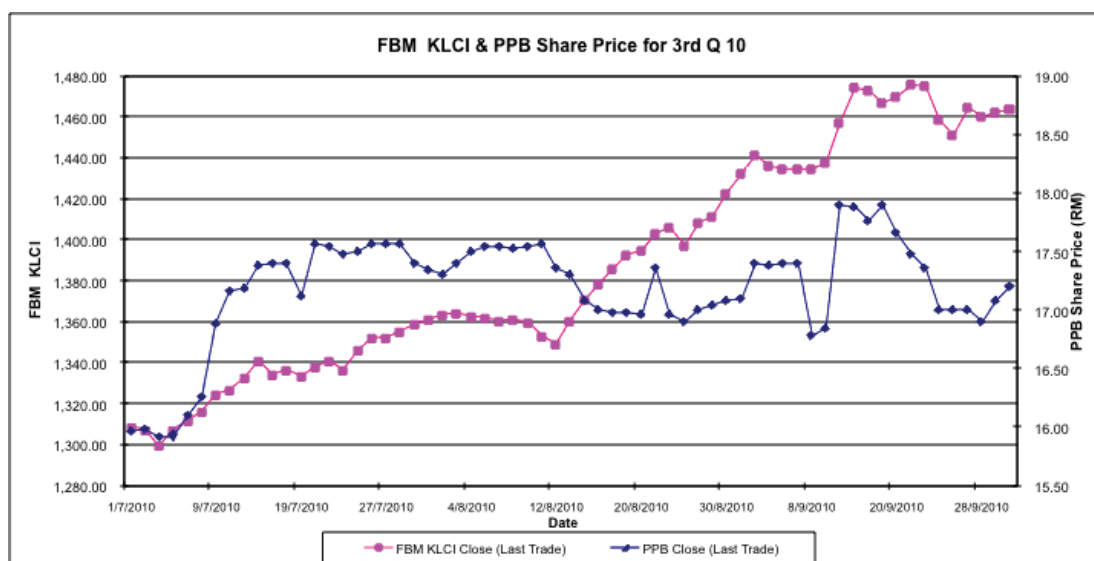
PPB share volume			
Daily volume (high)	2,487,300	5,010,600	>50.36%
Daily volume (low)	171,900	19,100	>100%
Average daily volume	753,725	851,667	-11.50%

FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)

FBM KLCI closing (high)	1,475.99	1,346.92	9.58%
FBM KLCI closing (low)	1,299.50	1,248.94	4.05%
FBM KLCI month-end closing	1,463.50	1,314.02	11.38%

FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) volume

Daily volume (high)	194,903,000	194,649,700	0.13%
Daily volume (low)	61,807,900	51,568,700	19.86%
Average daily volume	115,109,749	92,438,866	24.53%



FINANCIAL STATISTICS FOR THE 3RD QUARTER OF 2010

Financial period ended (All figures in RM million)	9 MONTHS		% Change	12 MONTHS 31.12.09
	30.9.10	30.9.09		
INCOME STATEMENT				
<u>Continuing operations</u>				
Revenue	1,659	1,550	7.0	2,053
Profit before taxation	946	1,133	(16.5)	1,455
Profit for the period from continuing operations, net of tax	902	1,106	(18.4)	1,409
<u>Discontinued operations</u>				
Revenue	1	1,032	(99.9)	1,407
Profit before taxation	-	225	(100.0)	277
Profit for the period from discontinued operations, net of tax	-	170	(100.0)	220
Gain on sale of discontinued operations	838	-	>100.0	-
<u>Group total</u>				
Revenue	1,660	2,582	(35.7)	3,460
Profit before taxation	946	1,358	(30.3)	1,732
Profit for the period	902	1,276	(29.3)	1,629
Profit attributable to Shareholders of the Company	1,731	1,264	36.9	1,616
BALANCE SHEET				
Non-current assets	12,070	13,026	(7.3)	12,771
<u>Current assets</u>				
Cash, bank balances and deposits	867	543	59.7	589
Non-current assets/disposal group classified as held for sale	9	9	0.0	925
Others	768	1,222	(37.2)	782
Total current assets	1,644	1,774	(7.3)	2,296
Total assets	13,714	14,800	(7.3)	15,067
<u>Equity</u>				
Share capital	1,186	1,186	0.0	1,186
Reserves	11,891	12,738	(6.6)	12,901
Equity attributable to Shareholders of the Company	13,077	13,924	(6.1)	14,087
Minority interests	178	174	2.3	172
Total equity	13,255	14,098	(6.0)	14,259
<u>Non-current liabilities</u>				
Bank borrowings	42	112	(62.5)	83
Others	72	74	(2.7)	72
Total non-current liabilities	114	186	(38.7)	155

Financial period ended (All figures in RM million)		9 MONTHS		% Change	12 MONTHS 31.12.09
		30.9.10	30.9.09		
Current liabilities					
Bank borrowings		87	185	(53.0)	38
Others		258	331	(22.1)	349
Liabilities directly associated with disposal group classified as held for sale		-	-	-	266
Total current liabilities		345	516	(33.1)	653
Total liabilities		459	702	(34.6)	808
Total equity and liabilities		13,714	14,800	(7.3)	15,067
RATIOS					
Return on equity attributable to shareholders of the Company	(%)	13.2	9.1		11.5
Earnings per share	(sen)	146.0	106.7		136.3
Interest coverage	(times)	259.8	230.5		221.9
Current ratio	(times)	4.8	3.4		3.5
Total borrowings/Equity	(%)	1.0	2.1		0.8
Long term borrowings/Equity	(%)	0.3	0.8		0.6
Net assets per share attributable to shareholders of the Company	(RM)	11.0	11.7		11.9
Net dividend per share	(sen)	70.0	5.0		73.0
STOCK MARKET INFORMATION					
Share price	(RM)	17.20	15.40		15.96
Market capitalisation	(RM million)	20,399	18,264		18,929
PE ratio	(times)	17.1*	10.8		11.7

* Exclude the one-time gain from disposal of sugar-related assets amounting to RM838 million.

ANNOUNCEMENTS

13 JULY	Announcements by Wilmar International Limited (“Wilmar”), an 18.4%-associate of PPB, to the Singapore Exchange Securities Trading Limited (“SGX”) in relation to the proposed acquisition of 100% equity interest in Sucrogen Limited by Wilmar Australia Pty Ltd, a wholly-owned subsidiary of Wilmar. *
22 JULY	Announcement by Wilmar to SGX in relation to the proposed acquisition by PGEO Group Sdn Bhd (“PGEO”), a 100%-subsidiary of Wilmar of 91.38% equity interest in Natural Oleochemicals Sdn Bhd (“Natoleo”) from Kulim (Malaysia) Berhad (“Kulim”). *
25 AUGUST	Release of PPB’s quarterly report for the 2nd quarter ended 30 June 2010.
25 AUGUST	The Board declared the payment of 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.
27 AUGUST	Announcement by Wilmar to SGX on the proposed acquisition by PGEO of the remaining 8.62% equity interest in Natoleo from National Land Finance Co-Operative Society Limited (“NLFCSL”). *
7 SEPTEMBER	Commencement of members’ voluntary winding up of Chemquest Trading (Malaysia) Sdn Bhd and Asia Pacific Microspheres Sdn Bhd, both indirect subsidiaries of PPB, pursuant to Section 254(1)(b) of the Companies Act 1965.

9 SEPTEMBER

Acquisition by PPB of the entire issued and paid-up share capital comprising 2 ordinary shares of RM1 each in Forward Prestige Sdn Bhd (now known as “Federal Flour Mills Holdings Sdn Bhd” (FFMH), for a cash consideration of RM1,600/-. Arising therefrom, FFMH has become a wholly-owned subsidiary of PPB.

24 SEPTEMBER

Announcement by Wilmar to SGX on the completion of PGEO’s acquisition of 91.38% equity interest in Natoleo. *

28 SEPTEMBER

Announcement by Wilmar to SGX on the completion of PGEO’s acquisition of the remaining 8.62% equity interest in Natoleo. *

** These are copies of announcements by Wilmar to SGX, and released by PPB to Bursa Malaysia for Shareholders’ information.*

QUARTERLY REPORT CONDENSED CONSOLIDATED INCOME STATEMENTS

for the period ended 30 September 2010

(The figures have not been audited)

	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
<u>Continuing operations</u>				
Revenue	574,531	511,176	1,659,256	1,550,129
Operating expenses	(508,207)	(462,075)	(1,489,531)	(1,423,911)
Other operating income	26,505	19,872	91,504	43,469
Share of net profits less losses of associates	225,213	439,268	687,005	967,587
Share of profit of jointly controlled entity	345	257	999	756
Finance costs	(1,301)	(1,607)	(3,656)	(5,058)
Profit before tax	317,086	506,891	945,577	1,132,972
Income tax expense	(23,820)	(11,319)	(44,013)	(27,112)
Profit for the period from continuing operations	293,266	495,572	901,564	1,105,860
<u>Discontinued operations</u>				
Profit for the period from discontinued operations, net of tax	-	103,359	261	169,615
Gain on sale of discontinued operations	-	-	838,448	-
Profit for the period	293,266	598,931	1,740,273	1,275,475
<u>Attributable to :-</u>				
Shareholders of the Company	287,991	595,072	1,731,091	1,264,439
Minority interests	5,275	3,859	9,182	11,036
Profit for the period	293,266	598,931	1,740,273	1,275,475
Basic earnings per share (sen)	24.29	41.48	75.27	92.35
- continuing operations	0.00	8.72	70.75	14.31
- discontinued operations	24.29	50.20	146.02	106.66

(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 September 2010

	<i>Individual Quarter 3 months ended 30 September</i>		<i>Cumulative Quarter 9 months ended 30 September</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	293,266	598,931	1,740,273	1,275,475
<u>Other comprehensive (loss)/income, net of tax</u>				
Exchange differences on translation of foreign operations:-				
- (Losses)/gains arising during the period	(593,536)	(139,369)	(1,064,055)	16,103
- Reclassification to profit or loss on liquidation of an associate	-	-	-	(8)
Fair value of available-for-sale financial assets:-				
- Gains/(losses) arising during the period	72,535	78,879	(15,907)	268,317
- Reclassification adjustment for gains included in profit or loss	(57)	(811)	(57)	(811)
Share of associates' other comprehensive income	(11,600)	(9,167)	(29,658)	(117,414)
Total comprehensive income	<u>(239,392)</u>	<u>528,463</u>	<u>630,596</u>	<u>1,441,662</u>
Attributable to:-				
Shareholders of the Company	(242,470)	523,676	623,857	1,427,620
Minority interests	3,078	4,787	6,739	14,042
Total comprehensive income	<u>(239,392)</u>	<u>528,463</u>	<u>630,596</u>	<u>1,441,662</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-Sep-2010 RM'000	As at 31-Dec-2009 RM'000 (Restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	937,813	927,099
Investment properties	204,830	205,185
Biological assets	2,785	2,889
Goodwill	72,445	72,444
Other intangible assets	1,439	1,969
Land held for property development	11,494	11,268
Investments in associates	9,921,836	10,628,430
Investment in jointly controlled entity	25,591	29,518
Other investments	887,413	886,440
Deferred tax assets	4,772	5,479
	<u>12,070,418</u>	<u>12,770,721</u>
Current Assets		
Inventories	342,819	377,835
Biological assets	14,726	14,320
Other intangible assets	7,318	6,334
Property development costs	33,263	30,793
Receivables	368,976	352,338
Derivative financial instruments	223	193
Cash, bank balances and deposits	867,449	589,003
	<u>1,634,774</u>	<u>1,370,816</u>
Non-current assets/disposal group classified as held for sale	9,009	925,423
	<u>1,643,783</u>	<u>2,296,239</u>
TOTAL ASSETS	<u>13,714,201</u>	<u>15,066,960</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	11,890,717	12,901,042
Equity attributable to shareholders of the Company	<u>13,076,217</u>	<u>14,086,542</u>
Minority interests	178,317	172,817
Total equity	<u>13,254,534</u>	<u>14,259,359</u>

(cont'd) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 30-Sep-2010 RM'000</i>	<i>As at 31-Dec-2009 RM'000 (Restated)</i>
Non-current Liabilities		
Long term borrowings	41,892	82,813
Deferred tax liabilities	72,004	71,552
	<u>113,896</u>	<u>154,365</u>
Current Liabilities		
Payables	241,316	342,336
Derivative financial instruments	80	212
Short term borrowings	86,822	37,654
Taxation	17,553	6,785
	<u>345,771</u>	<u>386,987</u>
Liabilities directly associated with disposal group classified as held for sale	-	266,249
	<u>345,771</u>	<u>653,236</u>
Total liabilities	<u>459,667</u>	<u>807,601</u>
TOTAL EQUITY AND LIABILITIES	<u>13,714,201</u>	<u>15,066,960</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>11.03</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 September 2010

	9 months ended 30 September	
	2010	2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	945,577	1,132,972
- discontinued operations	838,709	225,276
	1,784,286	1,358,248
Adjustments :		
Non-cash items	(1,517,312)	(937,762)
Non-operating items	(63,317)	(49,429)
Operating profit before working capital changes	203,657	371,057
Working capital changes		
Net change in current assets	68,327	53,753
Net change in current liabilities	(17,038)	(90,376)
Cash generated from operations	254,946	334,434
Tax paid	(25,137)	(66,643)
Net cash generated from operating activities	229,809	267,791
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(80,539)	(126,447)
Proceeds from disposal of property, plant and equipment and investment properties	39,032	454
Purchase of investments	(3,361)	(611)
Proceeds from sale of investments	1,226,566	7,120
Net cash disposed of from discontinued operations	(143,363)	-
Repayment from/(advances to) associates	14,054	(2,277)
Dividends received	451,480	263,325
Interest received	27,596	6,237
Other investing activities	10,320	6,487
Net cash generated from investing activities	1,541,785	154,288
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	11,823	(91,794)
Interest paid	(3,933)	(6,732)
Dividends paid	(1,637,229)	(273,393)
Other financing activities	(6)	4,258
Net cash used in financing activities	(1,629,345)	(367,661)
Net increase in cash and cash equivalents	142,249	54,418
Cash and cash equivalents brought forward	731,010	489,022
Effect of exchange rate changes	(6,576)	(556)
Cash and cash equivalents carried forward	866,683	542,884
Cash and cash equivalents represented by:-		
Cash and bank balances	71,423	65,731
Bank deposits	796,026	477,512
Bank overdrafts	(766)	(359)
	866,683	542,884

(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 September 2010

9 months ended 30 September 2010

At 1 January 2010
 Total comprehensive income
 Transfer of reserves
 Dilution of interest in associate
 Dividend
 At 30 September 2010

9 months ended 30 September 2009

At 1 January 2009
 As previously stated
 Effect on adopting FRS 139
 Restated
 Total comprehensive income
 Transfer of reserves
 Dilution of interest in associate
 Dividend
 At 30 September 2009

Share capital <i>RM'000</i>	Share premium <i>RM'000</i>	Revaluation reserve <i>RM'000</i>	Exchange translation reserve <i>RM'000</i>
1,185,500	6,715	60,230	20,818
-	-	-	(980,265)
-	-	(334)	-
-	-	-	-
-	-	-	-
1,185,500	6,715	59,896	(959,447)
1,185,500	6,715	60,675	172,631
-	-	-	-
1,185,500	6,715	60,675	172,631
-	-	-	14,793
-	-	(334)	-
-	-	-	-
-	-	-	-
1,185,500	6,715	60,341	187,424

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

Non-distributable			Distributable		Minority interests <i>RM'000</i>	Total equity <i>RM'000</i>
Fair value reserve <i>RM'000</i>	Hedge reserve <i>RM'000</i>	Capital reserve <i>RM'000</i>	Retained earnings <i>RM'000</i>	Attributable to shareholders of the Company <i>RM'000</i>		
484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359
(16,049)	(109,679)	(1,241)	1,731,091	623,857	6,739	630,596
-	-	(3,927)	4,261	-	-	-
-	-	-	1,808	1,808	-	1,808
-	-	-	(1,635,990)	(1,635,990)	(1,239)	(1,637,229)
468,405	(13,031)	289,393	12,038,786	13,076,217	178,317	13,254,534
-	-	254,191	10,553,079	12,232,791	160,088	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
267,411	(126,045)	7,022	1,264,439	1,427,620	14,042	1,441,662
-	-	29,485	(29,151)	-	-	-
-	-	-	542	542	-	542
-	-	-	(272,665)	(272,665)	(728)	(273,393)
471,972	141,540	290,698	11,579,617	13,923,807	173,539	14,097,346

(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 :-

Condensed Consolidated Statement of Financial Position	<i>As previously reported RM'000</i>	<i>Effect RM'000</i>	<i>As restated RM'000</i>
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 September are as follows :-

	<i>Individual Quarter 3 months ended 30 September</i>		<i>Cumulative Quarter 9 months ended 30 September</i>	
	<i>2010 RM'000</i>	<i>2009 RM'000</i>	<i>2010 RM'000</i>	<i>2009 RM'000</i>
Revenue	-	418,264	774	1,031,609
Operating expenses	-	(296,378)	(514)	(826,654)
Other operating income	-	13,290	1	14,560
Share of net profits less losses of associates	-	2,804	-	6,621
Finance costs	-	(524)	-	(860)
Profit before taxation	-	137,456	261	225,276
Income tax expense	-	(34,097)	-	(55,661)
Profit for the period	-	103,359	261	169,615

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 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.

A6. Dividends paid

	<i>Individual Quarter 3 months ended 30-Sep-10 RM'000</i>	<i>Cumulative Quarter 9 months ended 30-Sep-10 RM'000</i>
<u>Dividends paid on ordinary shares</u>		
Financial year ended 31.12.2009:-		
Special dividend - 50 sen per share single tier	-	592,750
Final dividend - 18 sen per share single tier	-	213,390
Financial year ending 31.12.2010 :-		
Special dividend - 65 sen per share single tier	770,575	770,575
Interim dividend - 5 sen per share single tier	59,275	59,275
	<u>829,850</u>	<u>1,635,990</u>

A7. Segmental reporting

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

	Continuing			
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	859,174	275,792	187,516	52,816
Inter-segment sales	63,611	-	-	-
Total revenue	922,785	275,792	187,516	52,816
RESULTS				
Segment results	102,193	12,809	33,351	1,890
Unallocated corporate expenses				
Share of associates' profits less losses	10,131	-	1,063	2,114
Share of joint venture's profit	-	-	-	999
Finance costs				
Profit before tax				
ASSETS				
Segment assets	885,444	170,163	202,886	46,784
Investments in associates	64,468	-	5,778	31,651
Investment in jointly controlled entity	-	-	-	25,591
Taxation				
Other unallocated corporate assets				
Total assets				

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 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.

operations						Discontinued Operations	Total Operations
Chemicals trading and manufacturing	Property investment and development	Livestock farming	Other operations	Elimination	Total	Cane plantation	
66,921	30,498	55,663	130,876	-	1,659,256	774	1,660,030
19,175	1,095	13,835	11,225	(108,941)	-	-	-
86,096	31,593	69,498	142,101	(108,941)	1,659,256	774	1,660,030
1,209	13,757	4,955	118,605	1,075	289,844	261	290,105
-	1,748	-	671,949	-	(28,615)	-	(28,615)
-	-	-	-	-	687,005	-	687,005
					999	-	999
					(3,656)	-	(3,656)
					945,577	261	945,838
42,474	278,273	108,046	2,011,818	(1,438)	3,744,450	-	3,744,450
-	116,302	-	9,703,637	-	9,921,836	-	9,921,836
-	-	-	-	-	25,591	-	25,591
					15,255	-	15,255
					7,069	-	7,069
					13,714,201	-	13,714,201

b) On 7 September 2010, Chemquest Trading (Malaysia) Sdn Bhd and Asia Pacific Microspheres Sdn Bhd, both indirect subsidiaries of PPB which had ceased business operations, were placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965. The respective liquidations are in progress.

c) On 9 September 2010, PPB acquired the entire issued and paid-up share capital comprising 2 ordinary shares of RM1 each in Forward Prestige Sdn Bhd (now known as Federal Flour Mills Holdings Sdn Bhd ("FFMH")), for a cash consideration of RM1,600/-. Arising therefrom, FFMH has become a wholly-owned subsidiary of PPB.

A11. Changes in contingent liabilities or contingent assets

Contingent liabilities

Unsecured guarantees issued in consideration of credit facilities given to an associate

As at 30-Sep-10 RM'000	As at 31-Dec-09 RM'000
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 RM1.66 billion for the 9 months ended 30 September 2010 was 7% higher than the RM1.55 billion in the same period last year. The increase was mainly due to higher revenue achieved by most divisions except for the environmental engineering, waste management and utilities divisions which recorded lower revenue.

Group profit before tax for continuing operations of RM946 million declined by 17% compared with 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, profit contribution for the period from our associate Wilmar International Limited ("Wilmar") was reduced by RM344 million largely due to weaker performance in its oilseeds and grains segment.

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

Group profit before tax for continuing operations of RM317 million for the quarter under review was marginally lower compared with the preceding quarter. The flour and feed milling and livestock divisions contributed higher profits due to better margins. This was offset by a lower profit contribution from Wilmar.

B3. Prospects for current financial year

The fluctuations in commodity prices and currency exchange rates are expected to be the major factors that would impact the Group's operating results for the remaining quarter of 2010.

For the year, the performance from all the operating divisions are expected to be satisfactory. However, with the gain from the sale of the sugar-related assets, profits for 2010 will surpass that of last year.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

Taxation comprises:-	<i>Individual Quarter 3 months ended 30-Sep-10 RM'000</i>	<i>Cumulative Quarter 9 months ended 30-Sep-10 RM'000</i>
Malaysian taxation based on profit for the period		
Current	23,340	43,053
Deferred	502	21
	<u>23,842</u>	<u>43,074</u>
Foreign taxation		
Current	716	1,439
	<u>24,558</u>	<u>44,513</u>
(Over)/Underprovision		
Current	(822)	(759)
Deferred	84	259
	<u>23,820</u>	<u>44,013</u>

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-Sep-10 RM'000</i>	<i>Cumulative Quarter 9 months ended 30-Sep-10 RM'000</i>
Total purchases	-	1,156
Total proceeds from disposals	122	122
Net profit on disposal	57	57

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

	<i>RM'000</i>
At cost	410,755
At carrying amount	886,985

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at 15 November 2010.

B9. Group borrowings

Total Group borrowings as at 30 September 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	41,318	-	41,318
Long term bank loans (USD)	42,945	42,945	-
Long term bank loans (RMB)	10,357	-	10,357
Hire purchase liabilities (SGD)	51	51	-
Repayments due within the next 12 months	(52,779)	(9,895)	(42,884)
	<u>41,892</u>	<u>33,101</u>	<u>8,791</u>
Short term bank borrowings			
Short term loans	1,529	-	1,529
Short term loans (SGD)	160	-	160
Short term loans (USD)	31,588	-	31,588
Current portion of long term loans	52,765	9,881	42,884
Hire purchase liabilities (SGD)	14	14	-
	<u>86,056</u>	<u>9,895</u>	<u>76,161</u>
Bank overdrafts	766	-	766
	<u>86,822</u>	<u>9,895</u>	<u>76,927</u>

B10. Financial Instruments

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

	<i>Currency</i>	<i>Contract/ Notional Value</i>	<i>Fair Value</i>
<u>Less than 1 year</u>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
- Buy position	USD	11,415	11,334
- Buy position	CHF	330	333
- Buy position	EUR	2,542	2,699
- Sell position	USD	2,426	2,362

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 15 November 2010.

B12. Dividend

The Directors do not recommend the payment of any interim dividend for the third quarter under review.

Dividends paid

Dividends paid 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	} 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
22 November 2010

By Order of the Board
Mah Teck Keong
Company Secretary

INVESTOR
UPDATE
2010<sup>30
SEPT</sup>
3RD QUARTER REPORT

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