

INVESTOR UPDATE 2010

31
DEC

4TH QUARTER REPORT



PPB GROUP BERHAD

FROM THE DESK OF THE CHAIRMAN

Dear Shareholders,

We are pleased to announce that PPB Group revenue increased by 10% to RM2.3 billion for year 2010. The increase was mainly due to higher revenue registered by the flour and feed milling division complemented by the flour mill in Indonesia. The environmental engineering, chemicals trading and manufacturing, film exhibition and distribution divisions also contributed higher revenue in 2010.

PPB Group posted an unaudited profit before tax for continuing operations of RM1.1 billion for year 2010, representing a decline of 23% from the year before. However, profit for the year increased to RM1.9 billion with the gain of RM841 million from the completion of the disposal of the Group's sugar related assets in January 2010 resulting in an improved earnings per share of 158.90 sen compared with 136.31 sen in year 2009.

The profit before tax for continuing operations decreased mainly due to lower profit contribution of RM0.678 billion from Wilmar International Limited, an 18.3% associate company of PPB, as compared with RM1.211 billion in year 2009. Wilmar's results was affected by the weaker performance of its oilseeds and grains segment. On the other hand, higher profits were recorded by the flour and feed milling division due to higher sales and better margins whilst film exhibition and distribution division also registered higher profits arising mainly from increased admissions and contribution from newly opened cinemas.

The Board of Directors have recommended a final single tier dividend of 18 sen per share for the financial year ended 31 December 2010. The final dividend is payable on 10 June 2011 subject to shareholders' approval at the forthcoming Annual General Meeting. Together with the interim single tier dividend and special single tier dividend of 5 sen and 65 sen per share respectively, the total dividend paid and payable for financial year 2010 would be 88 sen per share.

GOING FORWARD

Rising commodity prices and fuel costs, coupled with fluctuating currency exchange rates are the main challenging factors which are expected to impact the Group's operating results in 2011.

Notwithstanding the above, the outlook for consumer demand in Malaysia and the Asian region remains positive. The Group is confident that the performance for 2011 will be satisfactory.

HAPPENINGS / CSR ACTIVITIES

For the 6th consecutive year, Golden Screen Cinemas Sdn Bhd (GSC), PPB's wholly-owned subsidiary, was the official venue provider for the 11th European Union Film Festival (EUFF) held over 11 days from 11 to 21 November 2010. The 11th EUFF featured 18 acclaimed and award-winning movies from some of the European Union member states, offering intimate insights, quirky perspectives, romantic musings and breathtaking panoramas of the landscape, life and culture in Europe.

GSC organised a Movie Treasure Hunt in which 400 participants took the challenge to unravel movie clues and discover treasures while raising RM150,000 for Hospis Malaysia.

In conjunction with the Hari Raya celebration, PPB organised a movie outing for 85 children from three welfare homes to GSC Mid Valley to watch a movie entitled "Scenario : Assam Garam".

PPB also embarked on a new CSR project known as "Project Sole" whereby PPB gave away new school shoes and socks to poor students in Klang.

Caring for the environment, on 27 November 2010, 35 staff of PPB Group together with their friends and family volunteered their efforts to plant 400 Mahang saplings at the peat swamp in the Raja Muda Forest Reserve (RMFR) located in northern Selangor state. The tree planting at RMFR would help rehabilitate the forest. PPB also gave a cash donation of RM8,000 towards this cause.

In efforts to improve the well-being of its employees, a "Road Survival Programme" was organised to give PPB employees an important guide and travel safety tips for daily road users.

Datuk Oh Siew Nam
Chairman
8 March 2011

L-R Ms Koh, H.E Dr. Frank Van de Craen, Y.B Senator Datuk Ma



L-R, Puan Sri K.Johari, Amy Pang



11TH EUROPEAN UNION FILM FESTIVAL



L-R,Eric Bonnet,Fabienne Ricordel, Agnes Corray



L-R,Wan Azuar Datuk Wan Daud, Nanda Lal,
Dr.Azlina Firzah Ab

HAPPENINGS

11TH EUROPEAN UNION FILM FESTIVAL

The European Union Film Festival (EUFF) once again brought Malaysians on a journey through Europe, offering a unique perspective into the rich and diverse cultures of the European Union in the cosy comforts of the cinema hall. Officially launched at GSC Pavilion with a special screening of a German movie “John Rabe” for invited guests and dignitaries, the 11th edition of the EUFF was held over 11 days from 11 to 21 November 2010 at GSC International Screens. Playing host at the launch was His Excellency Dr Frank Van de Craen, Ambassador of Belgium to Malaysia. Guests were treated to cocktails and light refreshments catered by Nikko Hotel.

The 11th EUFF featured 18 acclaimed and award-winning films from some of the European Union member states, offering intimate insights, quirky perspectives, romantic musings and breathtaking panoramas of the landscape, life and culture in Europe.

The highlight of the EUFF was the film “The Only One” (Belgium) by Geoffrey Enthoven which was awarded at the International Film Festival of Mannheim Heidelberg. The other attractions were “My Nikifor” (Poland) which won multiple prizes at the Karlovy Vary International Film Festival, the Chicago and Valladolid Film Festivals, and the emotional and Austrian docudrama “For All Eternity”.

GSC has become the venue provider for various film festivals after introducing its GSC International Screens in 1999. GSC International Screens located at GSC Mid Valley, GSC 1-Utama, GSC Pavilion and GSC Gurney Plaza are the first of their 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 Malaysians as well as expatriates. To date, GSC International Screens have carved a niche market for themselves amongst discerning viewers.



Emcee_Heikki Vandermader_
Organizer (Belgium)

CSR ACTIVITIES

MOVIE OUTING FOR CHILDREN IN CONJUNCTION WITH THE HARI RAYA CELEBRATION

On 9 October 2010, PPB staff took 85 children from two homes namely, Rumah Titian Kasih in Taman Tasik Titiwangsa and Rumah Anak Yatim Limpahan Kasih in Puchong, as well as an NGO providing tuition classes for children known as Mentari Project in Desa Mentari, Petaling Jaya to a movie entitled “Scenario : Assam Garam” at GSC Mid Valley in conjunction with the Hari Raya celebration.

The children and their guardians enjoyed the movie and were treated to soft drinks, GSC’s famous caramel popcorn and 1901 hotdogs. After the movie, they were each given a bag of goodies and toiletries to take home.



TREE PLANTING AT RAJA MUSA FOREST RESERVE

Caring for the environment, 35 staff of PPB Group together with their friends and family volunteered to plant 400 Mahang saplings at the peat swamp in the Raja Musa Forest Reserve (RMFR) on 27 November 2010.

RMFR which covers 23,000 hectares is located near Batang Berjuntai/Berjuntai Bestari in northern Selangor state. Some 1,000 hectares of peat swamp forest in RMFR have been illegally burnt and cleared for farming activities which caused environmental hazards such as haze. Tree planting at RMFR will help rehabilitate the forest.



CSR ACTIVITIES (cont'd)



TREE PLANTING AT RAJA MUSA FOREST RESERVE

We were blessed with good weather and a group of energetic volunteers all ready to help! The volunteers helped carry the Mahang saplings and planting tools to the planting area; dug holes in semi-soft ground; got themselves dirty and some were scratched by tall “lalang”. Despite the blazing sun, the volunteers did not complain but displayed much team work to complete the tree-planting exercise before noon.

After much hard work, everyone was rewarded with a scrumptious Chinese lunch at a Chinese Muslim restaurant in Bukit Beruntung.

CSR ACTIVITIES (cont'd)

CSR ACTIVITIES

PROJECT SOLE

PPB embarked on a new CSR project in 2010 known as “Project Sole” whereby PPB gave away new school shoes and socks to school children from poor families.



CSR ACTIVITIES (cont'd)

Five schools from Klang were identified and they were, SK Kapar, SJK (T) Ladang Bukit Cheraka, SJK (T) Ladang Acob, SJK (T) Ladang Vallambrosa and SJK (C) Pui Teh. Ms Koh Mei Lee, Senior Manager (Corporate Affairs) of PPB Group Berhad, presented the school shoes to representatives of the respective schools on 15 November 2010. PPB spent RM30,000 to purchase a total of 1,932 pairs of Bata school shoes complete with socks and shoe whitener for the students.



PROJECT SOLE



CSR ACTIVITIES (cont'd)

ROAD SURVIVAL PROGRAMME

On 8 October 2010, PPB organised a “Road Survival” programme as part of its CSR activities for its employees. The programme which was facilitated by a well-known safety activist, Captain K Balasupramaniam, was well received with a good turnout of about 100 persons.





Captain Bala, an affable and amusing speaker, captivated the attendees for 2.5 hours with his experiences, video presentation complete with gory pictures to remind us of the consequences of negligence on the road, practical demonstrations and tips on road safety. The topics covered were amongst others, dealing with car breakdowns and accidents, extinguishing a car fire, handling flooded roads, preparation for emergencies, car-jacking and other road hazards.

After the programme, the attendees gathered for some refreshment whilst catching up with one another. Overall, the attendees enjoyed the session and asked for more awareness talks.



CSR ACTIVITIES (cont'd)



RM150,000 RAISED THROUGH MOVIE TREASURE HUNT

400 participants took the challenge to unravel movie clues and discover treasures while raising funds for Hospis Malaysia as they took part in GSC-100Plus Treasure Hunt held on 2 October 2010. The Hunt attracted a fair share of well-seasoned treasure hunters, novice hunters and also participants from the cinema chain itself.

The Hunt which was a CSR initiative by Golden Screen Cinemas Sdn Bhd, a 100% subsidiary of PPB Group, managed to raise RM150,000 for Hospis Malaysia. The title sponsor was 100Plus while the main sponsors included EON Bank, United Carpets, Sine Classics, Lee Choon Engineering Sdn Bhd, Macau Government Tourist Office, Fuji Global Sdn Bhd as well as PPB Group Berhad.



CSR ACTIVITIES (cont'd)

CSR ACTIVITIES

GSC Senior Manager, Ms Liew Aing Suan flagged off the motor hunt at 1 Utama Shopping Complex in Petaling Jaya in the early hours of the morning; the hunt ended at Putrajaya International Convention Centre (PICC) for high tea and results presentation in the evening.

100 cars which participated in the 8-hour hunt were seen traipsing to key GSC cinemas in the Klang Valley. Reminded of the 3R elements – Reduce, Reuse and Recycle, the participants had to collect old newspapers and used 100Plus cans for recycling purposes. A quick visit to the Hospis Malaysia in Cheras to purchase a plant to help “green” the world was one of the checkpoints.

Hospis Malaysia is a non-profit organization offering Palliative Care free-of-charge to patients suffering from life-limiting illnesses which may be anything from cancer, AIDS or motor neuron disease.

Overall, the Hunt was a success as it created awareness and raised funds for Hospis Malaysia besides encouraging greater practice of the 3R elements.



SHARE ANALYSIS FOR THE 4TH QUARTER OF 2010

4th Quarter Share Analysis

After rising by 11.4% in 3Q2010, the FBM KLCI continued to strengthen in 4Q2010 to register a gain of 3.8% and closed at 1,518.9 points. Commencing the quarter at 1,463.5 points, the FBM KLCI briefly rose above 1,500 points in mid-October 2010 in line with the rebound in offshore markets. The FBM KLCI strengthened further to touch a record high of 1,531.9 points on 10 November 2010 supported by buying of blue chip index stocks. The FBM KLCI subsequently closed at 1,518.9 points to register a gain of 3.8% for the quarter.

(Source : Public Mutual website)

PPB share price closed marginally higher at RM17.26 compared with RM17.20 in the preceding quarter and market capitalization increased to RM20,462 million. The average daily volume of PPB shares however increased significantly by 36.21% to 1,026,671 shares.

SHARE ANALYSIS FOR THE 4TH QUARTER OF 2010

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index Performance For 4th Q 2010

	4th Q 2010	3rd Q 2010	% change
PPB share price			
Closing price (high)	19.54	17.90	9.16%
Closing price (low)	16.74	15.92	5.15%
Month-end closing price	17.26	17.20	0.35%
Weighted share price	17.87	17.19	3.96%
Market capitalisation (RM' million)	20,461.73	20,390.60	0.35%

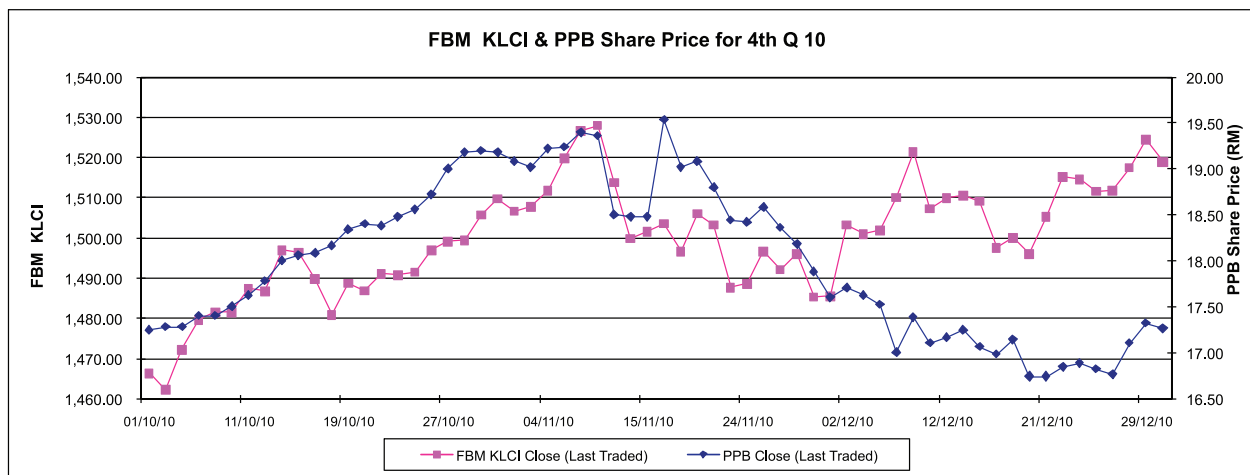
PPB share volume			
Daily volume (high)	4,252,200	2,487,300	70.96%
Daily volume (low)	115,200	171,900	-32.98%
Average daily volume	1,026,671	753,725	36.21%

FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)

FBM KLCI closing (high)	1,528.01	1,475.99	3.52%
FBM KLCI closing (low)	1,462.27	1,299.50	12.53%
FBM KLCI month-end closing	1,518.91	1,463.50	3.79%

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

Daily volume (high)	277,808,100	194,903,000	42.54%
Daily volume (low)	45,783,400	61,807,900	-25.93%
Average daily volume	132,568,231	115,109,749	15.17%



FINANCIAL STATISTICS FOR THE 4TH QUARTER OF 2010

Financial year ended (All figures in RM million)	12 MONTHS		% Change
	31.12.10	31.12.09	
INCOME STATEMENT			
<u>Continuing operations</u>			
Revenue	2,274	2,005	13.4
Profit before taxation	1,123	1,455	(22.8)
Profit for the year from continuing operations, net of tax	1,062	1,409	(24.6)
<u>Discontinued operations</u>			
Revenue	*	1,407	(100.0)
Profit before taxation	(2)	277	>(100.0)
Profit for the year from discontinued operations, net of tax	(2)	220	>(100.0)
Gain on sale of discontinued operations	841	0	>100.0
<u>Group total</u>			
Revenue	2,274	3,461	(34.3)
Profit before taxation	1,121	1,732	(35.3)
Profit for the year	1,060	1,629	(34.9)
Profit attributable to Shareholders of the Company	1,884	1,616	16.6
BALANCE SHEET			
Non-current assets	12,227	12,771	(4.3)
<u>Current assets</u>			
Cash, bank balances and deposits	924	589	56.9
Non-current assets/disposal group classified as held for sale	10	925	(98.9)
Others	753	782	(3.7)
Total current assets	1,687	2,296	(26.5)
Total assets	13,914	15,067	(7.7)
<u>Equity</u>			
Share capital	1,186	1,186	0.0
Reserves	12,089	12,901	(6.3)
Equity attributable to Shareholders of the Company	13,275	14,087	(5.8)
Minority interests	185	172	7.6
Total equity	13,460	14,259	(5.6)
<u>Non-current liabilities</u>			
Bank borrowings	39	83	(53.0)
Others	70	72	(2.8)
Total non-current liabilities	109	155	(29.7)

Financial year ended (All figures in RM million)	12 MONTHS		% Change
	31.12.10	31.12.09	
Current liabilities			
Bank borrowings	75	38	97.4
Others	270	349	(22.6)
Liabilities directly associated with disposal group classified as held for sale	0	266	(100.0)
Total current liabilities	345	653	(47.2)
Total liabilities	454	808	(43.8)
Total equity and liabilities	13,914	15,067	(7.7)
RATIOS			
Return on equity attributable to shareholders of the Company	(%)	14.2	11.5
Earnings per share	(sen)	158.9	136.3
Interest coverage	(times)	236.6	221.9
Current ratio	(times)	4.9	3.5
Total borrowings/Equity	(%)	0.9	0.8
Long term borrowings/Equity	(%)	0.3	0.6
Net assets per share attributable to shareholders of the Company	(RM)	11.2	11.9
Net dividend per share	(sen)	88.0	73.0
STOCK MARKET INFORMATION			
Share price	(RM)	17.26	15.96
Market capitalisation	(RM million)	20,470	18,929
PE ratio	(times)	19.6*	11.7

* Negligible

* * Exclude the one-time gain from disposal of sugar-related assets amounting to RM841 million.

ANNOUNCEMENTS

12 NOV	Chemquest Sdn Bhd (“CQSB”), a 55%-subsidiary of PPB entered into a sale and purchase agreement with PGEO Group Sdn Bhd (“PGEO”) to dispose of CQSB’s entire 100% equity interest of 2,500,000 ordinary shares of RM1 each in Minsec Engineering Services Sdn Bhd (“Minsec”) to PGEO, for a cash consideration of RM35 million (“Minsec Disposal”).
22 NOV	Release of PPB’s quarterly report for the 3rd quarter ended 30 September 2010.
26 NOV	The Minsec Disposal was completed on 26 November 2010 and Minsec ceased to be an indirect subsidiary of PPB.
2 DEC	<p>Announcement by CIMB Investment Bank Berhad on behalf of PPB of the following proposals :</p> <p>(I) proposed issuance of 55,781,250 new ordinary shares of RM1 each in FFM Berhad (“FFM”), a wholly-owned subsidiary of PPB, to PGEO Group Sdn Bhd (“PGEO”), a wholly-owned subsidiary of Wilmar International Limited (“Wilmar”); and</p> <p>(II) potential acquisition(s) 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.</p>
3 DEC	FFM acquired the entire issued and paid-up share capital of RM2 in The Italian Baker Sdn Bhd (“TIBSB”), for a cash consideration of RM2. Arising therefrom, TIBSB has become an indirect subsidiary of PPB.

QUARTERLY REPORT CONDENSED CONSOLIDATED INCOME STATEMENTS

for the year ended 31 December 2010

(The figures have not been audited)

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
<u>Continuing operations</u>				
Revenue	614,780	503,640	2,274,036	2,053,769
Operating expenses	(541,713)	(469,322)	(2,031,244)	(1,893,233)
Other operating income	20,251	17,188	111,755	60,657
Share of net profits less losses of associates	85,048	272,016	772,053	1,239,603
Share of profit of jointly controlled entity	190	388	1,189	1,144
Finance costs	(1,103)	(1,492)	(4,759)	(6,550)
Profit before tax	177,453	322,418	1,123,030	1,455,390
Income tax expense	(16,988)	(19,070)	(61,001)	(46,182)
Profit for the year from continuing operations	160,465	303,348	1,062,029	1,409,208
<u>Discontinued operations</u>				
Profit for the year from discontinued operations, net of tax	(2,514)	50,216	(2,253)	219,831
Gain on sale of discontinued operations	2,546	-	840,994	-
Profit for the year	160,497	353,564	1,900,770	1,629,039
<u>Attributable to :-</u>				
Shareholders of the Company	152,672	351,525	1,883,763	1,615,964
Minority interests	7,825	2,039	17,007	13,075
Profit for the year	160,497	353,564	1,900,770	1,629,039
<u>Basic earnings per share (sen)</u>				
- continuing operations	12.88	25.42	88.15	117.77
- discontinuing operations	*	4.23	70.75	18.54
	12.88	29.65	158.90	136.31

* Negligible

(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 year ended 31 December 2010

	<i>Individual Quarter 3 months ended 31 December</i>		<i>Cumulative Quarter 12 months ended 31 December</i>	
	<i>2010 RM'000</i>	<i>2009 RM'000</i>	<i>2010 RM'000</i>	<i>2009 RM'000</i>
Profit for the year	160,497	353,564	1,900,770	1,629,039
<u>Other comprehensive (loss)/income, net of tax</u>				
Exchange differences on translation of foreign operations:-				
- Losses arising during the year	(12,004)	(172,737)	(1,076,059)	(156,634)
- Reclassification adjustment for gains included in profit or loss	1,396	1	1,396	(7)
Fair value of available-for-sale financial assets:-				
- Gains arising during the year	50,481	12,995	34,574	281,312
- Reclassification adjustment for gains included in profit or loss	(37)	(474)	(94)	(1,285)
Fair value adjustments arising from acquisition of additional shares in an existing subsidiary	1,630	-	1,630	-
Share of associates' other comprehensive income/(loss)	4,610	(16,764)	(25,048)	(134,178)
Total comprehensive income	206,573	176,585	837,169	1,618,247
Attributable to:-				
Shareholders of the Company	197,078	175,368	820,935	1,602,988
Minority interests	9,495	1,217	16,234	15,259
Total comprehensive income	(206,573)	176,585	837,169	1,618,247

(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 31-Dec-2010 RM'000	As at 31-Dec-2009 RM'000 (Restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	957,177	922,405
Investment properties	212,649	209,879
Biological assets	2,743	2,889
Goodwill	74,617	72,444
Other intangible assets	1,503	1,969
Land held for property development	11,484	11,268
Investments in associates	10,000,272	10,628,430
Investment in jointly controlled entity	25,914	29,518
Other investments	936,126	886,440
Deferred tax assets	4,366	5,479
	<u>12,226,851</u>	<u>12,770,721</u>
Current Assets		
Inventories	316,738	377,835
Biological assets	14,525	14,320
Other intangible assets	6,723	6,334
Property development costs	35,385	30,793
Receivables	380,194	352,338
Derivative financial instruments	271	193
Cash, bank balances and deposits	923,682	589,003
	<u>1,677,518</u>	<u>1,370,816</u>
Non-current assets/disposal group classified as held for sale	9,721	925,423
	<u>1,687,239</u>	<u>2,296,239</u>
TOTAL ASSETS	<u>13,914,090</u>	<u>15,066,960</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	12,088,726	12,901,042
Equity attributable to shareholders of the Company	<u>13,274,226</u>	<u>14,086,542</u>
Minority interests	185,284	172,817
Total equity	<u>13,459,510</u>	<u>14,259,359</u>

(cont'd) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 31-Dec-2010 RM'000</i>	<i>As at 31-Dec-2009 RM'000 (Restated)</i>
Non-current Liabilities		
Long term borrowings	39,167	82,813
Deferred tax liabilities	69,637	71,552
	<u>108,804</u>	<u>154,365</u>
Current Liabilities		
Payables	255,670	342,336
Derivative financial instruments	467	212
Short term borrowings	75,093	37,654
Taxation	14,546	6,785
	<u>345,776</u>	<u>386,987</u>
Liabilities directly associated with disposal group classified as held for sale	-	266,249
	<u>345,776</u>	<u>653,236</u>
Total liabilities	<u>454,580</u>	<u>807,601</u>
TOTAL EQUITY AND LIABILITIES	<u>13,914,090</u>	<u>15,066,960</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>11.20</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 year ended 31 December 2010

	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	1,123,030	1,455,390
- discontinued operations	838,741	277,087
	1,961,771	1,732,477
Adjustments :		
Non-cash items	(1,582,299)	(1,166,566)
Non-operating items	(74,910)	(53,775)
Operating profit before working capital changes	304,562	512,136
Working capital changes		
Net change in current assets	61,198	(8,050)
Net change in current liabilities	9,799	46,184
Cash generated from operations	375,559	550,270
Tax paid	(46,191)	(77,411)
Net cash generated from operating activities	329,368	472,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(141,906)	(163,559)
Deposits for sale of investments	-	64,624
Proceeds from disposal of property, plant and equipment and investment properties	39,669	1,218
Purchase of investments	(7,134)	(2,064)
Proceeds from sale of investments	1,252,241	8,727
Net cash disposed of from discontinued operations	(143,363)	-
Return of capital from jointly controlled entity	3,474	17,370
Dividends received	459,467	269,071
Interest received	34,375	8,611
Other investing activities	17,305	(5,493)
Net cash generated from investing activities	1,514,128	198,505
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(636)	(128,303)
Interest paid	(5,126)	(12,598)
Dividends paid	(1,638,216)	(275,156)
Other financing activities	(6)	(12,519)
Net cash used in financing activities	(1,643,984)	(428,576)
Net increase in cash and cash equivalents	199,512	242,788
Cash and cash equivalents brought forward	731,010	489,022
Effect of exchange rate changes	(7,051)	(800)
Cash and cash equivalents carried forward	923,471	731,010
Cash and cash equivalents represented by:-		
Cash and bank balances	59,820	55,480
Bank deposits	863,862	676,886
Bank overdrafts	(211)	(1,356)
	923,471	731,010

(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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2010

for the year ended 31 December 2010

12 months ended 31 December 2010

At 1 January 2010
Total comprehensive income
Transfer of reserves
Dilution of interest in associate
Acquisition of an existing subsidiary
Dividend
At 31 December 2010

Share capital RM'000	Share premium RM'000	Non-distributable					Distributable		Minority interests RM'000	Total equity RM'000
		Revaluation reserve RM'000	Exchange translation reserve 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		
1,185,500	6,715	60,230	20,818	484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359
-	-	1,163	(971,351)	34,383	(127,839)	366	1,883,763	820,935	16,234	837,169
-	-	(445)	-	-	-	(3,281)	3,726	-	-	-
-	-	-	(421)	-	-	-	3,160	2,739	-	2,739
-	-	-	-	-	-	-	-	-	(1,541)	(1,541)
-	-	-	-	-	-	-	(1,635,990)	(1,635,990)	(2,226)	(1,638,216)
1,185,500	6,715	61,398	(950,954)	518,837	(31,191)	291,646	12,192,275	13,274,226	185,284	13,459,510
1,185,500	6,715	60,675	172,631	-	-	254,191	10,553,079	12,232,791	160,088	12,392,879
-	-	-	-	204,560	267,585	-	50,741	522,886	137	523,023
1,185,500	6,715	60,675	172,631	204,560	267,585	254,191	10,603,820	12,755,677	160,225	12,915,902
-	-	-	(151,813)	279,894	(170,937)	29,880	1,615,964	1,602,988	15,259	1,618,247
-	-	(445)	-	-	-	10,490	(10,045)	-	-	-
-	-	-	-	-	-	-	542	542	-	542
-	-	-	-	-	-	-	-	-	(176)	(176)
-	-	-	-	-	-	-	(272,665)	(272,665)	(2,491)	(275,156)
1,185,500	6,715	60,230	20,818	484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359

(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 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 and investment properties.

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 :-

<u>Condensed Consolidated Statement of Financial Position</u>	<i>As previously reported RM'000</i>	<i>Effects RM'000</i>	<i>As restated RM'000</i>
Property, plant and equipment	860,666	61,739	922,405
Investment properties	167,923	41,956	209,879
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 year ended 31 December are as follows :-

	<i>Individual Quarter 3 months ended 31 December</i>		<i>Cumulative Quarter 12 months ended 31 December</i>	
	<i>2010 RM'000</i>	<i>2009 RM'000</i>	<i>2010 RM'000</i>	<i>2009 RM'000</i>
Revenue	(655)	375,366	119	1,406,975
Operating expenses	(1,860)	(321,749)	(2,374)	(1,148,403)
Other operating income	1	12,928	2	27,488
Share of net profits less losses of associates	-	(14,302)	-	(7,681)
Finance costs	-	(432)	-	(1,292)
Profit before taxation	(2,514)	51,811	(2,253)	277,087
Income tax expense	-	(1,595)	-	(57,256)
Profit for the year	(2,514)	50,216	(2,253)	219,831

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 year to date.

A6. Dividends paid

	<i>Individual Quarter 3 months ended 31-Dec-10 RM'000</i>	<i>Cumulative Quarter 12 months ended 31-Dec-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
Interim dividend - 5 sen per share single tier	-	59,275
	-	1,635,990

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2010

Business Segments:
All figures in RM'000

REVENUE

External revenue
Inter-segment sales
Total revenue

RESULTS

Segment results
Share of associates' profits less losses
Share of joint venture's profit
Interest income
Finance costs
Unallocated corporate expenses
Profit before tax

ASSETS

Segment assets
Investments in associates
Investment in jointly controlled entity
Bank Deposits
Taxation
Other unallocated corporate assets
Total assets

Continuing operations											Discontinued Operation	Total Operations
Grains trading, flour and feed milling	Marketing, distribution and manufacturing of consumer products	Film exhibition and distribution	Environmental engineering, waste management and utilities	Chemicals trading and manufacturing	Property investment and development	Livestock farming	Investments in equity	Other operations	Elimination	Total	Cane plantation	
177,189	369,484	252,554	108,649	91,100	40,467	75,192	42,549	116,852	-	2,274,036	119	2,274,155
83,530	-	-	90	25,912	1,467	19,970	-	19,064	(150,033)	-	-	-
1,260,719	369,484	252,554	108,739	117,012	41,934	95,162	42,549	135,916	(150,033)	2,274,036	119	2,274,155
154,910	16,044	43,967	5,480	1,496	38,053	7,995	58,961	34,753	(6,725)	354,934	(2,253)	352,681
14,852	-	1,334	2,806	-	1,743	-	-	751,318	-	772,053	-	772,053
-	-	-	1,189	-	-	-	-	-	-	1,189	-	1,189
										33,771	-	33,771
										(4,759)	-	(4,759)
										(34,158)	-	(34,158)
										1,123,030	(2,253)	1,120,777
877,299	166,466	228,137	69,024	46,642	263,613	111,728	936,126	304,734	(42)	3,003,727	-	3,003,727
69,820	-	4,174	32,564	-	116,681	-	-	9,777,033	-	10,000,272	-	10,000,272
-	-	-	25,914	-	-	-	-	-	-	25,914	-	25,914
										863,862	-	863,862
										14,732	-	14,732
										5,583	-	5,583
										13,914,090	-	13,914,090

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 todate under review, except for the following :-

a) 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.

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.

d) On 12 November 2010, Chemquest Sdn Bhd ("CQSB"), a 55%-subsidiary of PPB entered into a sale and purchase agreement with PGEO Group Sdn Bhd ("PGEO") to dispose of its entire 100% equity interest of 2,500,000 ordinary shares of RM1 each in Minsec Engineering Services Sdn Bhd ("Minsec") to PGEO, for a cash consideration of RM35 million ("Minsec Disposal"). The Minsec Disposal was completed on 26 November 2010 and Minsec has ceased to be an indirect subsidiary of PPB.

e) On 3 December 2010, FFM acquired the entire issued and paid-up share capital of RM2 in The Italian Baker Sdn Bhd ("TIBSB"), for a cash consideration of RM2/-. Arising therefrom, TIBSB has become an indirect subsidiary of PPB.

A11. Changes in contingent liabilities or contingent assets

	<i>As at 31-Dec-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 for continuing operations of RM2.3 billion for the financial year ended 31 December 2010 was 10% higher than the RM2.1 billion last year. The increase was mainly due to higher revenue registered by the flour and feed milling division complemented by the flour mill in Indonesia. The environmental engineering, chemicals trading and manufacturing, film exhibition and distribution divisions also contributed higher revenue for the year under review.

Group profit before tax for continuing operations declined 23% to RM1.1 billion compared with that of last year. The flour and feed milling division contributed higher profits due to higher sales and better margins whilst film exhibition and distribution also registered higher profits arising mainly from increased admissions. However, profit contribution for the year from our associate Wilmar International Limited ("Wilmar") decreased by RM533 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 reduced 44% to RM177 million for the quarter under review compared with the preceding quarter. The flour and feed milling and livestock divisions contributed higher profits due to better margins which was offset by a lower profit contribution from Wilmar and other associates.

B3. Prospects for current financial year

Rising commodity prices and fuel costs, coupled with fluctuating currency exchange rates are the main challenging factors which are expected to impact the Group's operating results in the financial year 2011.

Notwithstanding the above, the outlook for consumer demand in Malaysia and the Asian region remains positive. The Group is confident that the performance for 2011 will be satisfactory.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

Taxation comprises:-

Malaysian taxation based on profit for the year

Current

Deferred

Foreign taxation

Current

Deferred

(Over)/Underprovision

Current

Deferred

*Individual Quarter
3 months ended
31-Dec-10
RM'000*

*Cumulative Quarter
12 months ended
31-Dec-10
RM'000*

16,703

(5,371)

11,332

2,315

1,894

15,541

(541)

1,988

16,988

59,756

(5,350)

54,406

3,754

1,894

60,054

(1,300)

2,247

61,001

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 year to date.

B7. Quoted securities

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

	<i>Individual Quarter 3 months ended 31-Dec-10 RM'000</i>	<i>Cumulative Quarter 12 months ended 31-Dec-10 RM'000</i>
Total purchases	58	1,214
Total proceeds from disposals	112	234
Net profit on disposal	35	92

(b) Total investments in quoted securities as at 31 December 2010 were as follows :-

	<i>RM'000</i>
At cost	410,701
At carrying amount	935,700

B8. Status of corporate proposals

On 2 December 2010, FFM Berhad ("FFM"), a wholly-owned subsidiary of PPB entered into a subscription agreement with PGEO, a wholly-owned subsidiary of Wilmar for the proposed issuance of 55,781,250 new ordinary shares of RM1 each in FFM to PGEO ("Proposed FFM Share Issuance"). The Ministry of International Trade and Industry had vide its letter dated 23 February 2011 and received by PPB on 28 February 2011, approved the Proposed FFM Share Issuance. The Proposed FFM Share Issuance is targeted to be 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 currently reviewing the terms and documents in respect of one of the Selected Companies.

B9. Group borrowings

Total Group borrowings as at 31 December 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 (USD)	40,544	40,544	-
Long term bank loans (RMB)	10,492	-	10,492
Hire purchase liabilities (SGD)	49	49	-
Repayments due within the next 12 months	<u>(11,918)</u>	<u>(9,290)</u>	<u>(2,628)</u>
	<u>39,167</u>	<u>31,303</u>	<u>7,864</u>
Short term bank borrowing			
Short term loans	1,479	-	1,479
Short term loans (USD)	61,485	-	61,485
Current portion of long term loans	11,907	9,279	2,628
Hire purchase liabilities (SGD)	11	11	-
	<u>74,882</u>	<u>9,290</u>	<u>65,592</u>
Bank overdrafts	211	-	211
	<u>75,093</u>	<u>9,920</u>	<u>65,803</u>

B10. Financial Instruments

The outstanding forward currency contracts as at 31 December 2010 were as follows :-

	<u>Currency</u>	<u>Contract/ Notional Value RM'000</u>	<u>Fair Value RM'000</u>
<u>Less than 1 year</u>			
- Buy position	USD	61,687	61,220
- Sell position	USD	13,068	12,797

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 21 February 2011.

B12. Dividend

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2010 of 18 sen per share (2009 : 18 sen per share single tier) payable on Friday, 10 June 2011 subject to the approval of shareholders at the 42nd Annual General Meeting to be held on Thursday, 19 May 2011. Together with the special single tier dividend of 65 sen per share and interim single tier dividend of 5 sen per share paid on 28 September 2010, the total dividend paid and payable for the financial year ended 31 December 2010 would be 88 sen per share single tier (2009 : 73 sen per share single tier).

Dividend entitlement/payment date

Notice is hereby given that, subject to shareholders' approval, the final dividend is payable on Friday, 10 June 2011 to shareholders whose names appear in the Record of Depositors at the close of business on Tuesday, 24 May 2011.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Tuesday, 24 May 2011 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 BMSB.

Dividend Paid / Payable

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 (all single tier)	Payment Date
2009	Interim dividend	5 sen	25 September 2009
2009	Special dividend	50 sen	15 March 2010
2009	Final dividend	18 sen	8 June 2010
2010	Special dividend	65 sen	} 28 September 2010
2010	Interim dividend	5 sen	
2010	Final dividend (proposed)	18 sen	10 June 2011

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 year.

There is no diluted earnings per share for the current quarter or financial year 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.

B15. Realised and Unrealised Profits/Losses

The retained profits of the Group as at 31 December 2010 and 30 September 2010 are analysed as follows :-

	<i>At the end of Current Quarter 31-Dec-10 RM'000</i>	<i>At the end of Preceding Quarter 30-Sep-10 RM'000</i>
Total retained profits of the Company and its subsidiaries :-		
- Realised	11,596,784	11,501,827
- Unrealised	(21,107)	(17,862)
	<u>11,575,677</u>	<u>11,483,965</u>
Total share of retained profits from associates :-		
- Realised	85,559	86,146
- Unrealised	(1,992)	(1,832)
- Wilmar International Limited *	2,394,898	2,324,579
Total share of retained profits from jointly controlled entity :-		
- Realised	4,498	13,438
	<u>14,058,640</u>	<u>(13,906,296)</u>
Less : Consolidation adjustments	(1,866,365)	(1,858,386)
Total Group retained profits as per consolidated accounts	<u>12,192,275</u>	<u>12,047,910</u>

* 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
28 February 2011

By Order of the Board
Mah Teck Keong
Company Secretary

INVESTOR
UPDATE
2010
31 DEC
4TH QUARTER REPORT

REGISTERED OFFICE:

PPB GROUP BERHAD 8167-W

17th Floor, Wisma Jemeh,
38 Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.

Tel : 603 2117 0888

Fax : 603 2117 0999 (General)

Fax : 603 2117 0998 (Corporate Affairs)

Email : corporateaffairs@ppb.com.my

Website : www.ppbgroup.com