



PPB GROUP BERHAD

INVESTOR UPDATE

31 MARCH 2011



1st QUARTERLY REPORT

FROM THE DESK OF THE CHAIRMAN

Dear Shareholders, We are pleased to announce that PPB Group's revenue was up 15% to RM580 million for the period ended 31 March 2011 compared with the previous corresponding period. The increase was largely due to higher flour sales in Indonesia and Vietnam and increased grains trading volume recorded by the grains trading, flour and feed milling divisions. The environmental engineering, chemicals trading and manufacturing division as well as the livestock farming division also contributed higher revenue for the quarter under review.

PPB Group posted a pre-tax profit of RM283 million for the period ended 31 March 2011, a decline of 6% from the previous corresponding period. The grains trading, flour and feed milling division contributed higher profits due to higher sales whilst livestock farming registered a profit compared with a loss previously. However, profit contribution from PPB's 18.3% associate, Wilmar International Limited, decreased by RM32 million due mainly to changes in fair value of embedded derivatives in convertible bonds.

Profit for the period reduced to RM273 million from RM1.128 billion in the year before which registered a gain of RM838 million from the completion of the disposal of the Group's sugar-related assets in early January 2010. As a result, earnings per share for the period ended 31 March 2011 stood at RM22.37 compared with RM94.93 achieved in the same period last year.

HAPPENINGS

PPB held its first Press and Analyst Briefing for the year on 3 March 2011, to review the final results for year 2010 and other latest developments in the Group. The Briefing was attended by analysts, fund managers and press from the local publications.

The Hong Kong Film Festival 2011 was launched at GSC Pavilion on 16 March 2011 with a gala premiere attended by more than 250 guests invited from the Malaysian government, business and media sectors. Organised by the Hong Kong Economic and Trade Office in Singapore with the support of 988 Radio Station Malaysia and Golden Screen Cinemas Sdn Bhd, a wholly-owned subsidiary of PPB Group, this 3rd Hong Kong film festival offered 11 movie titles including six popular blockbusters from the 1980s to 2000s to the Malaysian audience.

FFM Marketing Sdn Bhd, a wholly-owned indirect subsidiary of PPB, successfully launched its new frozen food products, Marina Hawaiian Chicken Nuggets and Marina Chicken Fries. FFM Marketing also launched two new flavoured drinks, orange and mango under its brandname "Shamu".

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

CSR ACTIVITIES

In conjunction with the Chinese New Year celebration, PPB organised a buffet luncheon and games for the residents of Lovely Nursing Centre located in Petaling Jaya besides giving away canned food, oils and toiletries to the Centre.

PROSPECTS FOR 2011

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

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

Datuk Oh Siew Nam

CHAIRMAN

24 MAY 2011



▲ L-R Derek Tsang (Director), Kay Tse (Actress), Jimmy Wan (Director)

3rd Hong Kong Film Festival



▲ L-R Kay Tse, Derek Tsang, YB Senator Datuk Maglin Dennis D'Cruz (Deputy Minister of Information, Communication and Culture)

HAPPENINGS

3RD HONG KONG FILM FESTIVAL

The 3rd Hong Kong Film Festival was officially launched at GSC Pavilion, Kuala Lumpur on 16 March 2011 with a special screening of “Lover’s Discourse” for invited guests and dignitaries.



L-R Subrina Chow (HKETO Director), Kay Tse, Derek Tsang, Jimmy Wan, Victor Gu (RFM 988 Marketing Director)



As a prelude to the festival which ran from March 17 - 20, 2011, the directors and a cast member of “Lover’s Discourse”, Derek Tsang, Jimmy Wan and Kay Tse, attended the press conference and the gala premiere. A film-making workshop for students and members of public was also conducted during the festival.

Subrina Chow, director of the Hong Kong Economic & Trade Office in Singapore, and RFM 988 were the hosts for the evening with guests of honour including Yang Berhormat Senator Datuk Maglin Dennis D’Cruz, Deputy Minister of Information, Communication and Culture; His Excellency Cai Xi, Chinese Ambassador to Malaysia and his wife; Encik Mahyidin Mustakim, Director General of Finas; Mr. Victor Gu, Marketing Director of RFM 988; and Ms Koh Mei Lee, Chief Executive Officer of GSC Group.

“Lover’s Discourse” won the Best New Director Award at the 47th Golden Horse Awards 2010 and Best Original Film Song at the 30th Hong Kong Film Awards 2010. It was nominated for New Current Awards Competition at the 15th Pusan International Film Festival 2010.

HAPPENINGS

PRESS AND ANALYST BRIEFING

PPB held its first Press and Analyst Briefing for the year on 3 March 2011 at Wisma Jerneh which was well attended by analysts and fund managers from various local as well as foreign research houses and securities firms. Also present at the briefing were 20 members of the local press.

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

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



▲ Left to Right: Mah Teck Keong, Leong Choy Ying, Tan Gee Sooi and Koh Mei Lee.



▲ Ms Koh presenting PPB's results.



▲ Briefing attended by analysts, fund managers and members of the local press.

HAPPENINGS

FFM MARKETING LAUNCHES NEW PRODUCTS

FFM Marketing Sdn Bhd (FFMM), an indirect subsidiary of PPB, successfully launched three (3) new products under the "Marina" frozen food portfolio, namely, Marina Hawaiian Chicken Nuggets; and Marina Chicken Fries in black pepper or original flavour. These products are now available at all major supermarkets and hypermarkets throughout Malaysia.



FFMM's flavoured drinks "Shamu", has another two (2) new variants, mango and orange, added to its existing range. Shamu now has a total of four (4) variants of refreshing fruit-flavoured drinks to offer to consumers.



NEW PRODUCTS



Chinese New Year Celebration with the residents of Lovely Nursing Centre



CSR ACTIVITIES



On 14 February 2011, PPB hosted a buffet luncheon for 55 residents from Lovely Nursing Centre at their centre in SS3/80, Petaling Jaya in conjunction with the Chinese New Year celebration. The staff of PPB, socialised and played games with the residents of the centre, who also enjoyed Chinese New Year cookies made and served by PPB staff.



CSR ACTIVITIES *(cont'd)*

PPB made a cash donation to the centre which was used to pay their outstanding utility bills, and also provided them products distributed by PPB's indirect subsidiary, FFM Marketing Sdn Bhd, comprising canned food, oils and toiletries.

Lovely Nursing Centre was founded by Mr Gopinath and his mother, Madam Thanaletchumi in 1999. It is an NGO with a team of well-trained and professional staff to take care of abandoned senior citizens, disabled and terminally-ill patients.



CSR ACTIVITIES *(cont'd)*



SHARE ANALYSIS

For The 1st Quarter Of 2010



The KLCI rose by 26.2 points to end the first quarter at 1,545.1. The KLCI's performance in the first quarter, however, was not as strong as in the previous quarter, reflecting trends broadly similar to trends in the global and regional markets due to higher risk aversion caused by unrest in the Middle East and North Africa region and the earthquake in Japan. Nevertheless, optimism in the domestic market was supported by positive economic data as well as the announcement of the planned implementation of the Entry Point Projects (EPP). In addition, strong US corporate earnings also helped lift investor sentiments globally. Market capitalization increased to RM1.31 trillion at end-March 2011 (4Q10 : RM1.28 trillion) while the daily average turnover increased substantially to 1.73 billion units (4Q10 : 1.28 billion units) during the quarter.

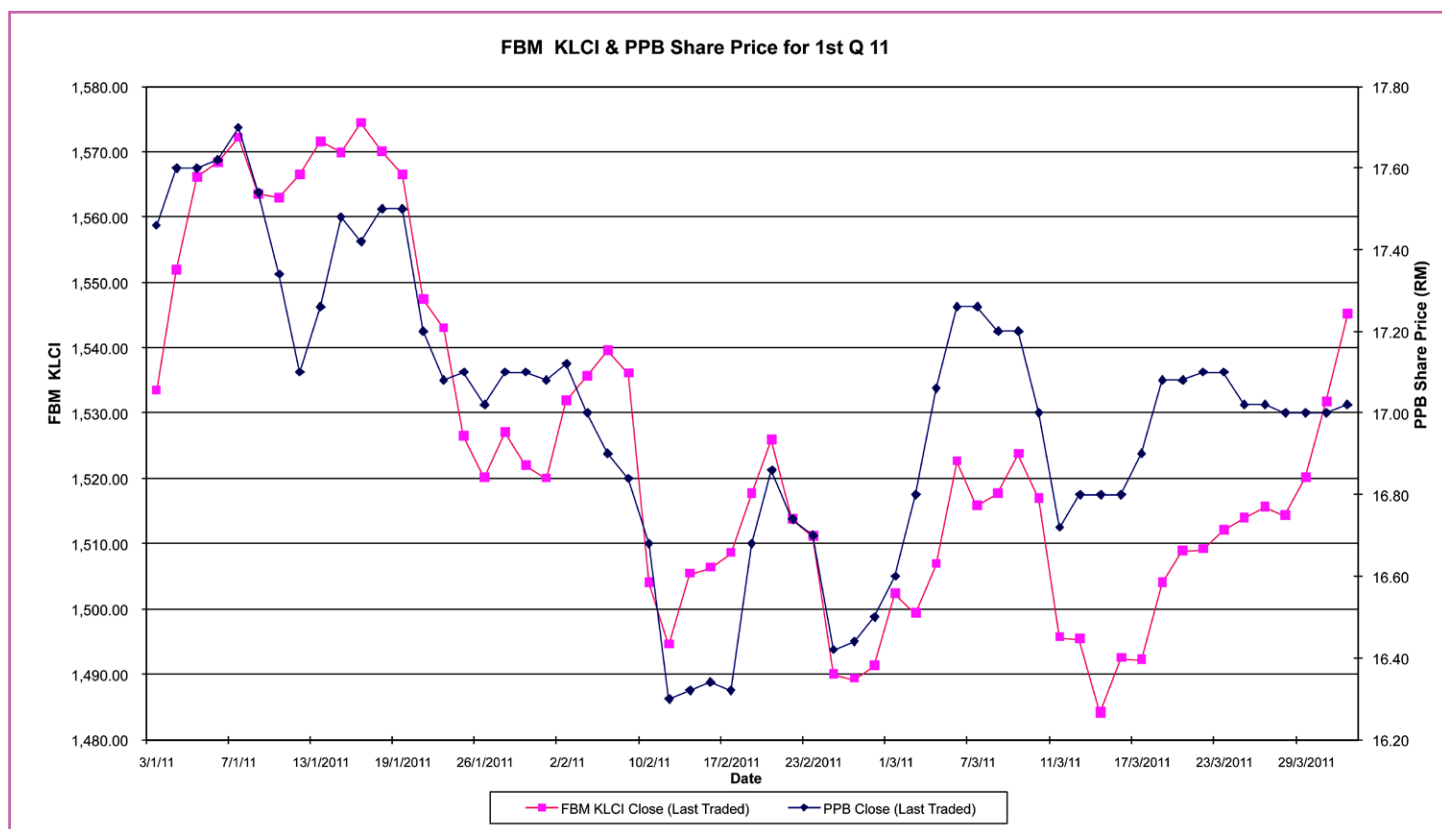
[Source : Bank Negara Malaysia website]

PPB's share price closed 1.4% lower at RM17.02 compared with RM17.26 in the preceding quarter to record a market capitalization of RM20,177 million. The average daily volume of PPB shares also reduced marginally by 2%.

SHARE ANALYSIS

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index
Performance For 1st Q 2011

	1st Q 2011	4th Q 2010	% change
PPB share price			
Closing price (high)	17.70	19.54	-9.42%
Closing price (low)	16.30	16.74	-2.63%
Month end closing price	17.02	17.26	-1.39%
Weighted share price	17.01	17.87	-4.81%
Market capitalization (RM' million)	20,177.21	20,461.73	-1.39%
PPB share volume			
Daily volume (high)	2,229,300	4,252,200	-47.57%
Daily volume (low)	326,200	115,200	>100%
Average daily volume	1,006,241	1,026,671	-1.99%
FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)			
FBM KLCI closing (high)	1,574.49	1,528.01	3.04%
FBM KLCI closing (low)	1,484.14	1,462.27	1.50%
FBM KLCI month end closing	1,545.13	1,518.91	1.73%
FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) volume			
Daily Volume (high)	316,364,300	277,808,100	13.88%
Daily Volume (low)	88,653,200	45,783,400	93.64%
Average Daily Volume	153,984,832	132,568,231	16.16%



FINANCIAL STATISTICS

For The 1st Quarter Of 2011

Financial period ended (All figures in RM million)	3 months			12 months
	31.3.11	31.3.10	% change	31.12.10
INCOME STATEMENT				
<u>Continuing operations</u>				
Revenue	580	504	15.1	2,274
Profit before tax	283	303	(6.6)	1,123
Profit for the period from continuing operations, net of tax	273	289	(5.5)	1,062
<u>Discontinued operations</u>				
Revenue	-	-	-	*
Profit before tax	-	-	-	(2)
Profit for the period from discontinued operations, net of tax	-	-	-	(2)
Gain on sale of discontinued operations	-	838	(>100)	841
<u>Group total</u>				
Revenue	580	504	15.1	2,274
Profit before tax	283	303	(6.6)	1,121
Profit for the period	273	1,127	(75.8)	1,060
Profit attributable to shareholders of the Company	265	1,125	(76.4)	1,884
STATEMENT OF FINANCIAL POSITION				
Non-current assets	12,332	12,554	(1.8)	12,227
<u>Current assets</u>				
Cash, bank balances and deposits	1,175	1,326	(11.4)	924
Others	872	886	(1.6)	763
Total current assets	2,047	2,212	(7.5)	1,687
Total assets	14,379	14,766	(2.6)	13,914
<u>Equity</u>				
Share capital	1,186	1,186	-	1,186
Reserves	12,350	12,961	(4.7)	12,089
Equity attributable to shareholders of the Company	13,536	14,147	(4.3)	13,275
Minority interests	417	175	>100	185
Total equity	13,953	14,322	(2.6)	13,460
<u>Non-current liabilities</u>				
Bank borrowings	35	76	(53.9)	39
Deferred tax liabilities	70	71	(1.4)	70
Total non-current liabilities	105	147	(28.6)	109

FINANCIAL STATISTICS

For The 1st Quarter Of 2011 (cont'd)

Financial period ended (All figures in RM million)	3 months		% change	12 months
	31.3.11	31.3.10		31.12.10
Current liabilities				
Bank borrowings	60	60	-	75
Others	261	237	10.1	270
Total current liabilities	321	297	8.1	345
 Total liabilities	 426	 444	 (4.1)	 454
 Total equity and liabilities	 14,379	 14,766	 (2.6)	 13,914

RATIOS

Return on equity attributable to shareholders of the Company	(%)	2.0	8.0	14.2
Earnings per share	(sen)	22.4	94.9	158.9
Interest coverage	(times)	262.3	206.8	236.6
Current ratio	(times)	6.4	7.4	4.9
Total borrowings/Equity	(%)	0.7	0.9	0.9
Long term borrowings/Equity	(%)	0.3	0.5	0.3
Net assets per share attributable to shareholders of the Company	(RM)	11.4	11.9	11.2
Net dividend per share	(sen)	-	50.0	88.0

STOCK MARKET INFORMATION

Share price	(RM)	17.02	18.00	17.26
Market capitalisation	(RM million)	20,186	21,348	20,470
PE ratio	(times)	19.0	**18.6	**19.6

* Negligible

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

ANNOUNCEMENTS

JAN

25

Golden Screen Cinemas Sdn Bhd, an indirect wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of RM2 each in a shelf company, Emerging Channel Sdn Bhd (“ECSB”), for a cash consideration of RM1,600/-. Arising therefrom, ECSB has become an indirect subsidiary of PPB.

FEB

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Announcement by CIMB Investment Bank Berhad (“CIMB”) on behalf of PPB of the following :

- (i) The Ministry of International Trade and Industry (“MITI”) had vide its letter dated 23 February 2011, approved the proposed issuance of 55,781,250 new ordinary shares of RM1 each in FFM Berhad, a wholly-owned subsidiary of PPB, to PGEO Group Sdn Bhd, a wholly-owned subsidiary of Wilmar International Limited (“Wilmar”) (“FFM Share Issuance”) subject to certain conditions, and the FFM Share Issuance had become unconditional.
- (ii) The relevant parties are reviewing the terms and documentation pertaining to the 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.

Release of PPB’s quarterly report for the 4th quarter ended 31 December 2010.

The Board recommended the payment of a final single tier dividend of 18 sen per share for the financial year ended 31 December 2010, payable on 10 June 2010 subject to shareholders’ approval at the 42nd Annual General Meeting (“AGM”) of the Company. (See note below).*

ANNOUNCEMENTS

MAR

04

Commencement of members' voluntary winding up of Central Kedah Rubber Estates Sdn Bhd, an indirect wholly-owned subsidiary of PPB pursuant to Section 254(1) of the Companies Act 1965; and the appointment of Mr Loo Hin Lam of Info-Search Consultancy Sdn Bhd as the liquidator for the purpose of the winding up.

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Announcement by CIMB on behalf of PPB of the completion of the FFM Share Issuance.

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ECSB subscribed for 60% equity interest in Kerry Golden Screen Limited ("KGSL") comprising 1,200,000 ordinary shares of HKD1 each for cash at par. Arising therefrom, KGSL has become an indirect 60%-owned subsidiary of PPB.

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Notice of intention to seek shareholders' approval at the 42nd AGM for the proposed new shareholders' mandate for PPB's subsidiaries to enter into recurrent related party transactions. (See note below).*

** Note : PPB shareholders have approved the resolutions pertaining to these matters at the 42nd AGM held on 19 May 2011.*

QUARTERLY REPORT

Condensed Consolidated Income Statements

For The Period Ended 31 March 2011

(The figures have not been audited)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Continuing operations</u>				
Revenue	579,837	503,633	579,837	503,633
Operating expenses	(538,933)	(477,289)	(538,933)	(477,289)
Other operating income	19,510	25,313	19,510	25,313
Share of net profits less losses of associates	223,293	252,105	223,293	252,105
Share of profit of jointly controlled entity	871	298	871	298
Finance costs	(1,083)	(1,472)	(1,083)	(1,472)
Profit before tax	283,495	302,588	283,495	302,588
Income tax expense	(10,432)	(13,123)	(10,432)	(13,123)
Profit for the period from continuing operations	273,063	289,465	273,063	289,465
<u>Discontinued operations</u>				
Gain on sale of discontinued operations	-	838,448	-	838,448
Profit for the period	273,063	1,127,913	273,063	1,127,913
<u>Attributable to :</u>				
Shareholders of the Company	265,231	1,125,354	265,231	1,125,354
Minority interests	7,832	2,559	7,832	2,559
Profit for the period	273,063	1,127,913	273,063	1,127,913
 Basic earnings per share (sen)	 22.37	 24.20	 22.37	 24.20
- continuing operations	-	70.73	-	70.73
- discontinued operations	22.37	94.93	22.37	94.93

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

QUARTERLY REPORT

Condensed Consolidated Statement Of Comprehensive Income
For The Period Ended 31 March 2011

(The figures have not been audited)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the period	273,063	1,127,913	273,063	1,127,913
Other comprehensive (loss)/income, net of tax				
Exchange differences on translation of foreign operations	(210,827)	(465,232)	(210,827)	(465,232)
Fair value of available-for-sale financial assets :-				
- Losses arising during the period	(34,183)	(5,380)	(34,183)	(5,380)
- Reclassification adjustments to profit or loss upon disposal	(647)	-	(647)	-
Share of associates' other comprehensive income/ (loss)	65,835	(3,692)	65,835	(3,692)
Total comprehensive income	93,241	653,609	93,241	653,609
Attributable to :				
Shareholders of the Company	86,283	651,697	86,283	651,697
Minority interests	6,958	1,912	6,958	1,912
Profit for the period	93,241	653,609	93,241	653,609

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

QUARTERLY REPORT

Condensed Consolidated Statement Of Financial Position

	As at 31-Mar-11 RM'000	As at 31-Dec-10 RM'000 (Restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	971,870	957,177
Investment properties	212,994	212,649
Biological assets	2,710	2,743
Goodwill	74,617	74,617
Other intangible assets	1,387	1,503
Land held for property development	11,763	11,484
Investments in associates	10,083,455	10,000,272
Investment in jointly controlled entity	47,660	47,290
Other investments	922,589	936,126
Deferred tax assets	3,358	4,366
	<u>12,332,403</u>	<u>12,248,227</u>
Current Assets		
Inventories	405,373	316,738
Biological assets	14,359	14,525
Other intangible assets	7,328	6,723
Property development costs	35,863	35,385
Receivables	399,661	380,194
Derivative financial instruments	631	271
Cash, bank balances and deposits	1,174,577	923,682
	<u>2,037,792</u>	<u>1,677,518</u>
Non-current assets classified as held for sale	9,009	9,721
	<u>2,046,801</u>	<u>1,687,239</u>
TOTAL ASSETS	<u>14,379,204</u>	<u>13,935,466</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	12,350,131	12,091,726
Equity attributable to shareholders of the Company	13,535,631	13,277,226
Minority interests	416,615	203,660
Total equity	<u>13,952,246</u>	<u>13,480,886</u>

QUARTERLY REPORT

Condensed Consolidated Statement Of Financial Position (cont'd)

	As at 31-Mar-11 RM'000	As at 31-Dec-10 RM'000 (Restated)
Non-current Liabilities		
Long term borrowings	35,419	39,167
Deferred tax liabilities	70,108	69,637
	<u>105,527</u>	<u>108,804</u>
Current Liabilities		
Payables	245,726	255,670
Derivative financial instruments	3,851	467
Short term borrowings	59,965	75,093
Taxation	11,889	14,546
	<u>321,431</u>	<u>345,776</u>
Total liabilities	<u>426,958</u>	<u>454,580</u>
TOTAL EQUITY AND LIABILITIES	<u>14,379,204</u>	<u>13,935,466</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>11.42</u>	<u>11.20</u>

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

QUARTERLY REPORT

Condensed Consolidated Statement Of Changes In Equity For The Period
Ended 31 March 2011

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000
3 months ended 31 March 2011				
At 1 January 2011				
As previously reported	1,185,500	6,715	61,398	(950,954)
Effects of adopting IC Interpretation 12	-	-	-	-
Restated	1,185,500	6,715	61,398	(950,954)
Total comprehensive income	-	-	-	(167,541)
Transfer of reserves	-	-	(114)	-
Dilution of interest in a subsidiary	-	-	-	8,180
At 31 March 2011	1,185,500	6,715	61,284	(1,110,315)
3 months ended 31 March 2010				
At 1 January 2010				
As previously reported	1,185,500	6,715	60,230	20,818
Effects of adopting IC Interpretation 12	-	-	-	-
Restated	1,185,500	6,715	60,230	20,818
Total comprehensive income	-	-	-	(442,262)
Transfer of reserves	-	-	(111)	-
Dilution of interest in an associate	-	-	-	-
Dividend	-	-	-	-
At 31 March 2010	1,185,500	6,715	60,119	(421,444)

Non-distributable			Distributable			
Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to shareholders of the Company RM'000	Minority interests RM'000	Total equity RM'000
518,837	(31,191)	305,313	12,178,608	13,274,226	185,284	13,459,510
-	-	-	3,000	3,000	18,376	21,376
518,837	(31,191)	305,313	12,181,608	13,277,226	203,660	13,480,886
(34,843)	21,988	1,448	265,231	86,283	6,958	93,241
-	-	3,978	(3,864)	-	-	-
-	-	257,654	(93,712)	172,122	205,997	378,119
483,994	(9,203)	568,393	12,349,263	13,535,631	416,615	13,952,246
484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359
-	-	-	2,071	2,071	12,697	14,768
484,454	96,648	294,561	11,939,687	14,088,613	185,514	14,274,127
(5,398)	(16,486)	(9,511)	1,125,354	651,697	1,912	653,609
-	-	(5,961)	6,072	-	-	-
-	-	-	1,808	1,808	-	1,808
-	-	-	(592,750)	(592,750)	-	(592,750)
479,056	80,162	279,089	12,480,171	14,149,368	187,426	14,336,794

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

QUARTERLY REPORT

Condensed Consolidated Statement Of Cash Flows For The Period
Ended 31 March 2011

	3 months ended 31 March	
	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	283,495	302,588
- discontinued operations	-	838,448
	283,495	1,141,036
Adjustments :-		
Non-cash items	(204,732)	(1,082,797)
Non-operating items	(8,263)	(9,034)
Operating profit before working capital changes	70,500	49,205
Working capital changes :-		
Net change in current assets	(87,153)	(234)
Net change in current liabilities	(22,650)	(57,582)
Cash used in operations	(39,303)	(8,611)
Tax paid	(15,342)	(6,276)
Net cash used in operating activities	(54,645)	(14,887)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(33,207)	(17,962)
Proceeds from disposal of property, plant and equipment and investment properties	1,133	2,940
Purchase of investments	(29,633)	(1,156)
Proceeds from sale of investments	911	1,083,081
Dividends received	6,632	103,267
Interest received	6,418	8,072
Other investing activities	(804)	10,707
Net cash (used in)/generated from investing activities	(48,550)	1,188,949
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital by a subsidiary	378,119	-
Bank borrowings	(20,625)	17,245
Interest paid	(1,892)	(1,745)
Dividends paid	-	(592,750)
Other financing activities	-	56
Net cash generated from/(used in) financing activities	355,602	(577,194)
Net increase in cash and cash equivalents	252,407	596,868
Cash and cash equivalents brought forward	923,471	731,010
Effect of exchange rate changes	(2,418)	(2,583)
Cash and cash equivalents carried forward	1,173,460	1,325,295
Cash and cash equivalents represented by :-		
Cash and bank balances	64,783	53,841
Bank deposits	1,109,794	1,271,720
Bank overdrafts	(1,117)	(266)
	1,173,460	1,325,295

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

QUARTERLY REPORT NOTES

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

A1. a) Accounting policies

The interim financial statements of the Group have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) FRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following revised FRSS, IC Interpretations, Amendments to FRSS and Amendments to IC Interpretations that are effective for financial periods beginning on or after 1 July 2010 or 1 January 2011 :-

FRS 3	Business Combinations (<i>revised</i>)
FRS 127	Consolidated and Separate Financial Statements (<i>revised</i>)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRSS contained in the document entitled “Improvements to FRSS (2010)”	

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

FRS 3: Business Combinations (*revised*)

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

QUARTERLY REPORT

Notes (cont'd)

FRS 127: Consolidated and Separate Financial Statements (revised)

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

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

IC Interpretation 12: Service Concession Arrangements

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

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

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

A2. Seasonal or Cyclicity of Interim Operations

The Group's operations are not materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items of an unusual nature, size or incidence that affected the assets, liabilities, equity, net income and cash flows of the Group during the current period to date under review.

A4. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in the prior financial year which have a material effect in the current interim period.

A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to date.

A6. Dividends paid

There was no dividend paid during the financial period under review.

QUARTERLY REPORT

Notes (cont'd)

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 31 March 2011

Business Segments: All figures in RM'000	Grains trading, flour and feed milling	Marketing, distribution and manufacturing of consumer products	Film exhibition and distribution	Environmental engineering, waste management and utilities
REVENUE				
External revenue	316,195	92,077	64,932	29,495
Inter-segment sales	20,461	-	-	-
Total revenue	336,656	92,077	64,932	29,495
RESULTS				
Segment results	39,632	4,892	9,926	996
Share of associates' profits less losses	3,934	-	216	599
Share of joint venture's profit	-	-	-	871
Interest income				
Finance costs				
Unallocated corporate expenses				
Profit before tax				
ASSETS				
Segment assets	977,169	167,048	211,820	56,288
Investments in associates	67,057	-	4,390	31,944
Investment in jointly controlled entity	-	-	-	47,660
Bank deposits				
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 :-

- On 25 January 2011, Golden Screen Cinemas Sdn Bhd, an indirect wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of RM2/- in Emerging Channel Sdn Bhd ("ECSB") for a cash consideration of RM1,600/-. Arising therefrom, ECSB has become an indirect subsidiary of PPB.
- On 4 March 2011, Central Kedah Rubber Estates Sdn Bhd, an indirect wholly-owned subsidiary of PPB which had ceased business operations, commenced members' voluntary winding up pursuant to Section 254(1) of the Companies Act 1965. The liquidation is in progress.

QUARTERLY REPORT

Notes (cont'd)

Chemicals trading and manufacturing	Property investment and development	Livestock farming	Investments in equities	Other operations	Elimination	Total
24,281	8,775	17,650	1,250	25,182	-	579,837
8,359	372	6,010	-	2,889	(38,091)	-
32,640	9,147	23,660	1,250	28,071	(38,091)	579,837
160	4,697	1,029	(5,605)	963	198	56,888
-	746	-	-	217,798	-	223,293
-	-	-	-	-	-	871
						7,362
						(1,083)
						(3,836)
						283,495
51,569	285,101	113,405	922,589	312,528	(36)	3,097,481
-	117,556	-	-	9,862,508	-	10,083,455
-	-	-	-	-	-	47,660
						1,109,794
						17,622
						23,192
						14,379,204

- c) With the completion of the issuance of 55,781,250 new ordinary shares of RM1 each in FFM Berhad ("FFM") to PGEO Group Sdn Bhd on 8 March 2011, PPB's equity interest in FFM has reduced to 80%.
- d) On 25 March 2011, Emerging Channel Sdn Bhd subscribed for 60% equity interest in Kerry Golden Screen Limited ("KGSL") comprising 1,200,000 ordinary shares of HKD1 each for cash at par. Arising therefrom, KGSL has become an indirect 60%-owned subsidiary of PPB.

A11. Changes in contingent liabilities or contingent assets

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

Contingent assets

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

QUARTERLY REPORT

Notes (cont'd)

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

B1. Review of performance for the financial period to date

Group revenue of RM580 million for the first quarter ended 31 March 2011 was 15% higher than the RM504 million for last year. The increase was due mainly to higher flour revenue and increased grains trading volume recorded by the grains trading, flour and feed milling divisions. The environmental engineering, chemicals trading and manufacturing division as well as the livestock farming division also contributed higher revenue for the quarter under review.

Group profit before tax declined by 6% to RM283 million compared with the corresponding period in 2010. The grains trading, flour and feed milling division contributed higher profits due to higher sales. Livestock farming registered a profit compared with a loss previously. However, profit contribution for the quarter from our associate Wilmar International Limited ("Wilmar") decreased by RM32 million due mainly to changes in fair value of embedded derivatives in convertible bonds.

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

Group profit before tax improved by 60% to RM283 million for the quarter under review compared with RM177 million in the preceding quarter. Although the grains trading, flour and feed milling division registered lower profits due to higher raw material costs, this was offset by a higher profit contribution from Wilmar.

B3. Prospects for current financial year

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

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

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

Taxation comprises :-	Individual Quarter 3 months ended 31-Mar-11 RM'000	Cumulative Quarter 3 months ended 31-Mar-11 RM'000
Malaysian taxation based on profit for the year		
Current	11,656	11,656
Deferred	484	484
	<hr/> 12,140	<hr/> 12,140
Foreign taxation		
Current	532	532
	<hr/> 12,672	<hr/> 12,672
Overprovision		
Current	(2,227)	(2,227)
Deferred	(13)	(13)
	<hr/> 10,432	<hr/> 10,432

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

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

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

QUARTERLY REPORT Notes (cont'd)

B7. Quoted securities

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

	Individual Quarter 3 months ended 31-Mar-11 RM'000	Cumulative Quarter 3 months ended 31-Mar-11 RM'000
Total purchases	29,598	29,598
Total proceeds from disposals	911	911
Net profit on disposals	647	647

(b) Total investments in quoted securities as at 31 March 2011 were as follows :-

	RM'000
At cost	440,010
At carrying amount	922,161

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 Group Sdn Bhd ("PGEO"), a wholly-owned subsidiary of Wilmar International Limited ("Wilmar") for the proposed issuance of 55,781,250 new ordinary shares of RM1 each in FFM to PGEO ("FFM Share Issuance"). The Ministry of International Trade and Industry had vide its letter dated 23 February 2011 approved the FFM Share Issuance; and the FFM Share Issuance was completed on 8 March 2011.

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

B9. Group borrowings

Total Group borrowings as at 31 March 2011 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	37,303	37,303	-
Long term bank loans (RMB)	10,382	-	10,382
Hire purchase liabilities (SGD)	46	46	-
Repayments due within the next 12 months	(12,312)	(9,712)	(2,600)
	35,419	27,637	7,782
Short term bank borrowings			
Short term loans	1,010	-	1,010
Short term loans (USD)	45,526	-	45,526
Current portion of long term loans	12,298	9,698	2,600
Hire purchase liabilities (SGD)	14	14	-
	58,848	9,712	49,136
Bank overdrafts	1,117	-	1,117
	59,965	9,712	50,253

QUARTERLY REPORT

Notes (cont'd)

B10. Financial Instruments

The outstanding forward currency and commodity options contracts as at 31 March 2011 were as follows :-

Less than 1 year	Currency	Contract/ Notional value RM'000	Fair Value RM'000
Forward currency contracts			
- Buy position	USD	64,220	64,142
- Sell position	USD	29,989	29,368
Commodity options contracts			
- Sell position		4,359	3,763

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 17 May 2011.

B12. Dividend

The final single tier dividend for the financial year ended 31 December 2010 of 18 sen per share was approved by shareholders at the 42nd Annual General Meeting held on 19 May 2011, and will be paid on 10 June 2011.

The Directors do not recommend any interim dividend for the current financial period under review.

Dividends Paid / Payable

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

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

B13. Earnings per Share

The basic earnings per share has been calculated by dividing the Group's profit for the current financial period attributable to shareholders of the Company by 1,185,499,882 ordinary shares in issue during the period.

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

QUARTERLY REPORT

Notes (cont'd)

B15. Realised and Unrealised Profits/Losses

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

	As at 31-Mar-11 RM'000	As at 31-Dec-10 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries :-		
- Realised	11,832,572	11,596,784
- Unrealised	(32,970)	(21,107)
	11,799,602	11,575,677
Total share of retained profits from associates :-		
- Realised	79,375	71,892
- Unrealised	(931)	(1,992)
- Wilmar International Limited ("Wilmar") *	2,606,610	2,394,898
Total share of retained profits from jointly controlled entity :-		
- Realised	10,722	9,945
	14,495,378	14,050,420
Less : consolidation adjustments	(2,146,115)	(1,868,812)
Total Group retained profits as per consolidated accounts	12,349,263	12,181,608

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

Kuala Lumpur
24 May 2011

By Order of the Board
Mah Teck Keong
Company Secretary

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