



PPB GROUP BERHAD

PRESS AND ANALYST BRIEFING 1H2016 Results

30 August 2016

Disclaimer:

The contents of this presentation include materials which may be capable of being interpreted as forward-looking statements. Such statements are merely estimates and targets, based on circumstances and reasonable assumptions which apply only at the date of such statements. Accordingly, no reliance should be placed on any forward-looking statements, express or implied, contained in this presentation.

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Key Events in 1H2016 & Developments in 2H2016**

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Share Price Performance

Prospects for 2016

Shariah-compliant



Business Segments

Business Segments

Grains & Agribusiness	Consumer Products	Film Exhibition & Distribution	Environmental Engineering & Utilities	Property	Investments in Equities	Other Operations
<ul style="list-style-type: none">• flour milling• animal feed manufacturing• wheat & maize trading• production of day-old-chicks, eggs & related downstream activities• oil palm plantations	<ul style="list-style-type: none">• marketing & distribution of edible oils & consumer products• production & distribution of frozen food & bakery products• manufacturing of toiletry requisites & household products	<ul style="list-style-type: none">• exhibition & distribution of cinematograph films	<ul style="list-style-type: none">• construction works specialising in water & environmental industries• provision of waste management services	<ul style="list-style-type: none">• letting of commercial properties• development of residential & commercial properties	<ul style="list-style-type: none">• investments in quoted & unquoted shares	<ul style="list-style-type: none">• chemicals trading & manufacturing• packaging• investment holding• others

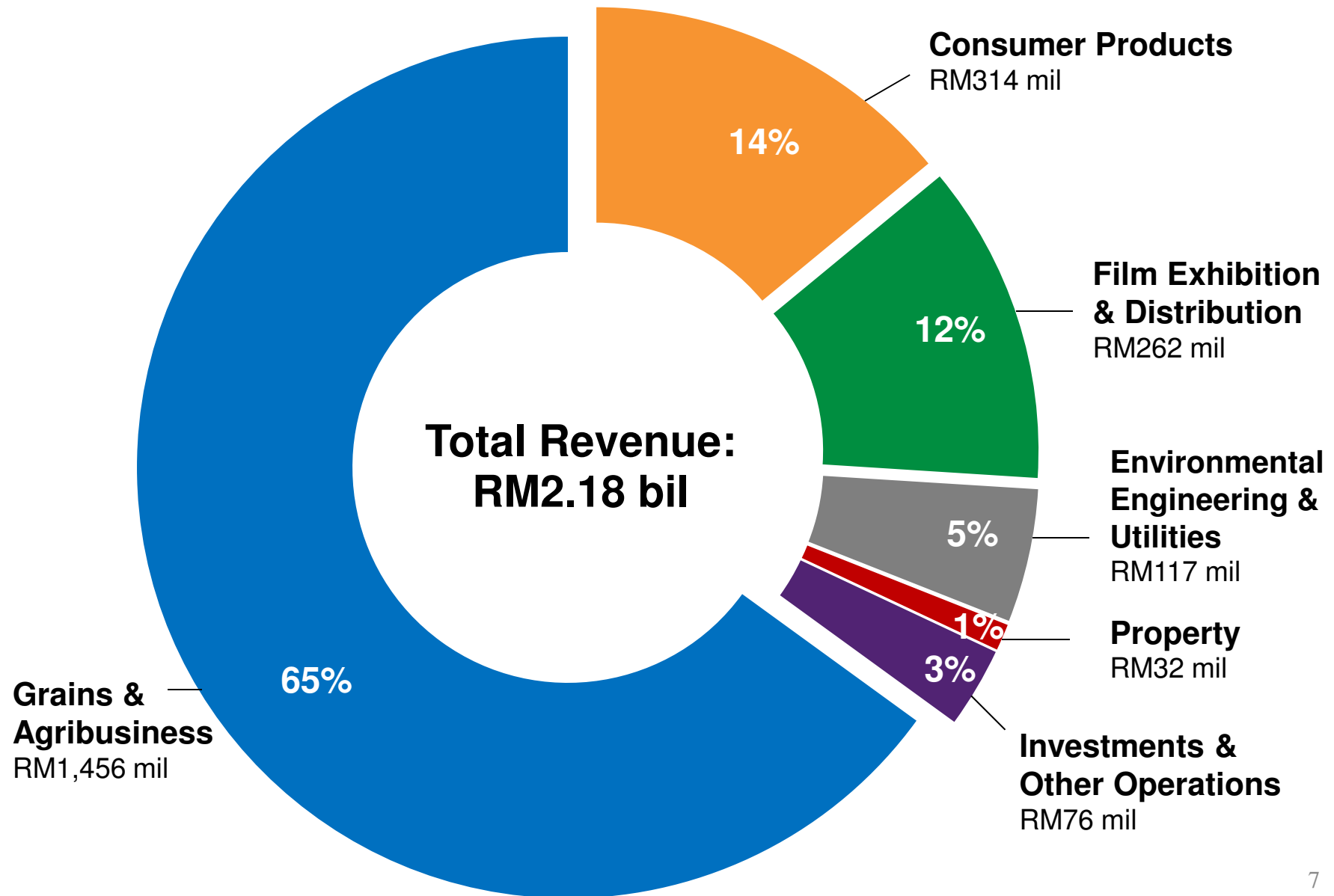


Group Financial Highlights

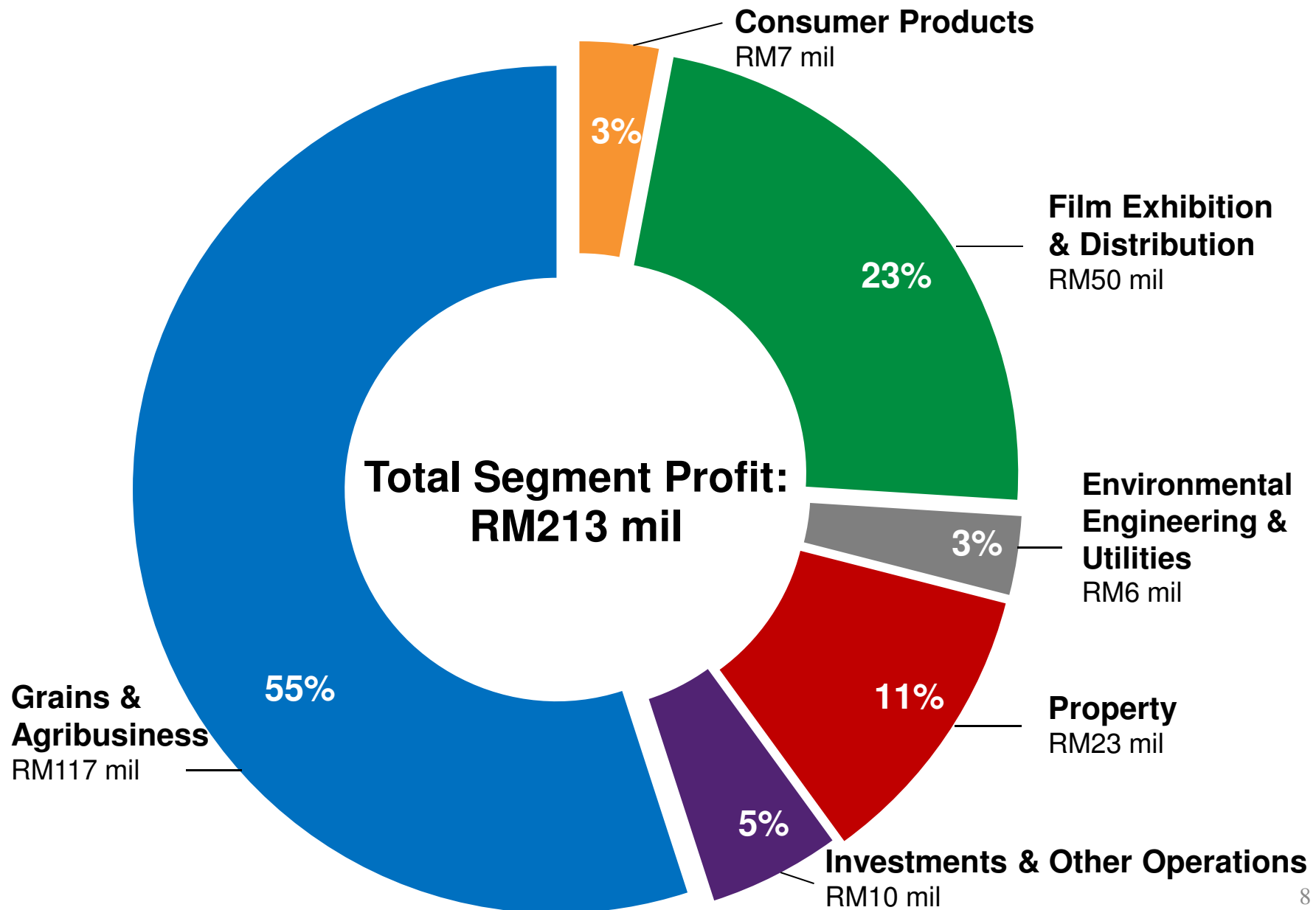
Financial Results FOR THE 6 MONTHS ENDED 30 JUNE 2016

(Figures in RM)	1H2016	1H2015	Change
Revenue	2.18 bil	1.96 bil	▲ 11%
Operating Expenses	2.07 bil	1.88 bil	▲ 10%
Share of Wilmar's Profit	11 mil	294 mil	▼ 96%
PBT	255 mil	465 mil	▼ 45%
Profit for the Period	200 mil	418 mil	▼ 52%
EPS	14.13 sen	35.05 sen	▼ 60%
Net Assets Per Share Attributable to Owners of the Parent	RM15.78	RM15.13	▲ 4%

Segmental Information FOR THE 6 MONTHS ENDED 30 JUNE 2016



Segmental Information FOR THE 6 MONTHS ENDED 30 JUNE 2016





Review of Major Operations- 1H2016
Key Events- 1H2016
Developments- 2H2016

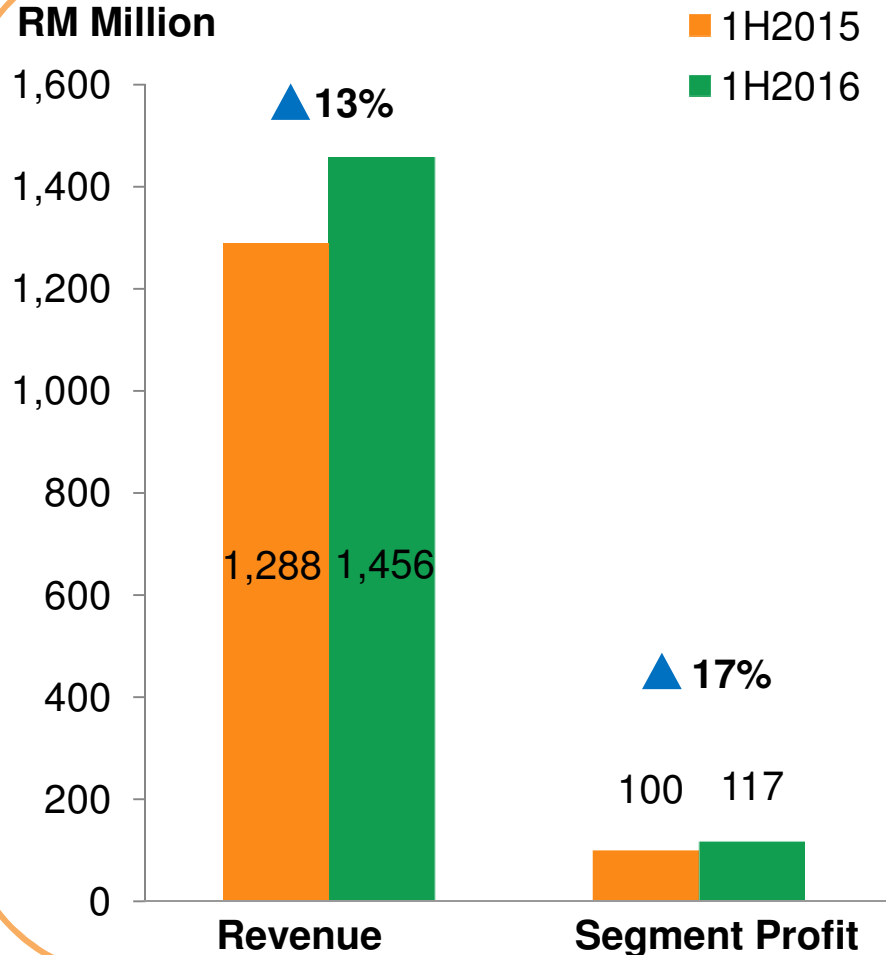


grains & agribusiness

Grains & Agribusiness

Review of Major Operations

RM Million



1H2015
1H2016



The increase in revenue was mainly driven by higher flour sales volume in Vietnam as well as higher selling prices and sales volume in Indonesia.



The higher segment profit was contributed mainly by the Group's Indonesian flour mill which turned around to register a profit from higher sales volume and improved selling prices. The segment also benefitted from better margins arising from favourable wheat prices.

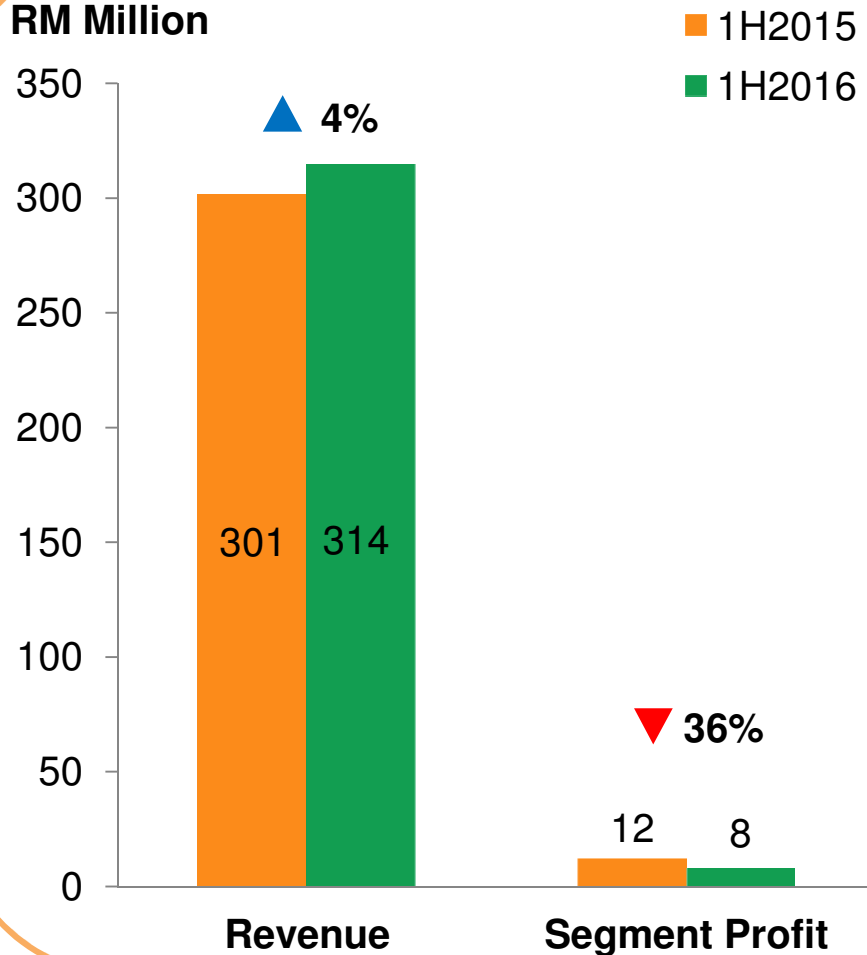


consumer products

Consumer Products

Review of Major Operations

RM Million



The increase in revenue was due to new agency products distribution and higher sales of existing agency products.

Lower segment profit was mainly due to higher staff and distribution costs.

Consumer Products

Key Events in 1H2016

Consumer Products

In February 2016, FFM Marketing Sdn Bhd commenced distribution of a wide range of brands under Reckitt Benckiser (RB) in areas covered by FFM's Prai branch. Distribution coverage was expanded to Ipoh in May. Some of the notable brands under RB are Dettol, Strepsils, Durex, Glucolin, Harpic, Shieldtox & Mortein, Scholl, Optrex and Veet's.

Bakery

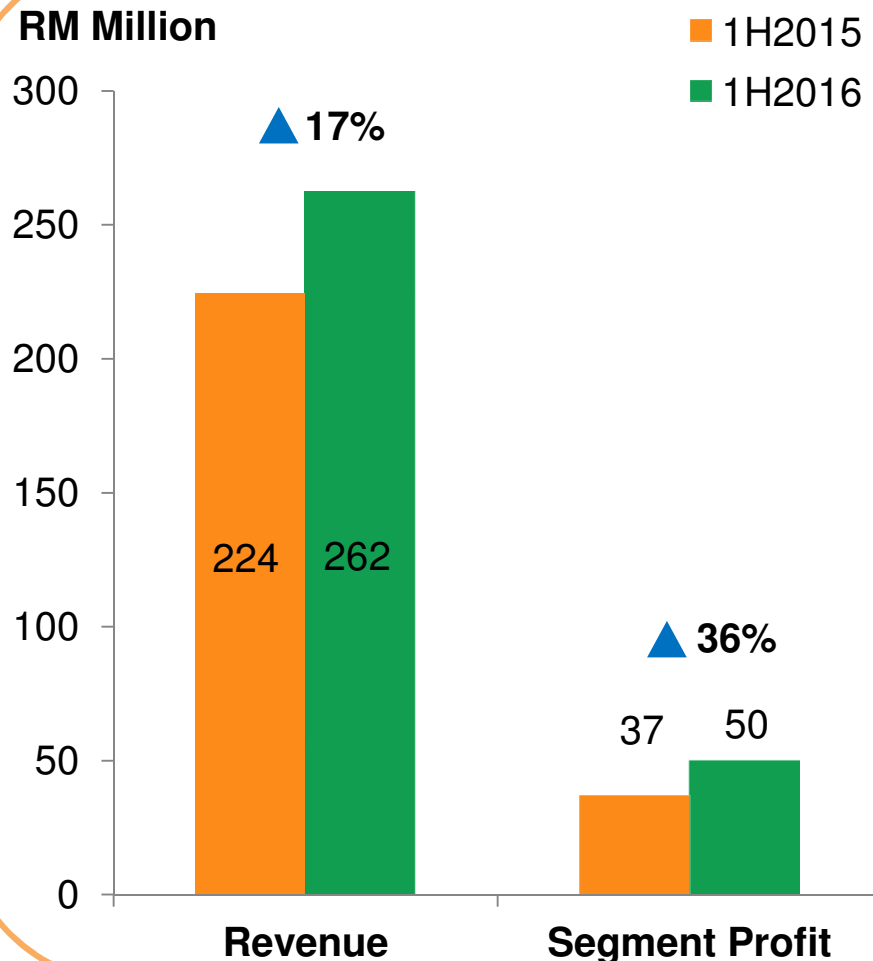
The Italian Baker Sdn Bhd successfully launched a new product, Massimo Fine Wholemeal Loaf (420g) on 8 March 2016. The bread loaf is available at RM2.80 per loaf.



film exhibition & distribution

Film Exhibition & Distribution




Review of Major Operations



The higher revenue and profit in 1H2016 were due mainly to improved cinema collections from the opening of new cinemas in 2015; higher number of strong local and blockbuster movies released, higher concession sales and screen advertising income.



Film Exhibition & Distribution

Key Events in 1H2016

-  Galaxy Studio JSC in Vietnam, in which the Group has 40% equity interest, opened a new 5-screen cinema in Ben Tre, Mekong Delta in January 2016.
-  For the 1H2016, GSC installed Dolby Atmos technology in 4 cinemas namely, GSC Setia City Mall, GSC CityOne Megamall, GSC Queensbay Mall and GSC Signature . D-Box was installed in GSC Suria Sabah Mall, GSC CityOne Megamall, GSC AEON Bandaraya Melaka and GSC Ipoh Parade.
-  As at 30 June 2016, Dolby Atmos is available in 20 screens at 19 GSC cinemas and D-Box is available in 8 cinemas.

Film Exhibition & Distribution

Developments in 2H2016

-  GSC opened an additional 4 screens in GSC Mid Valley, increasing its total to 21 screens in July 2016. To date, GSC has a total of 306 screens in 33 locations.
-  There are another 8 cinema projects in the pipeline to be opened in the next 3 years.

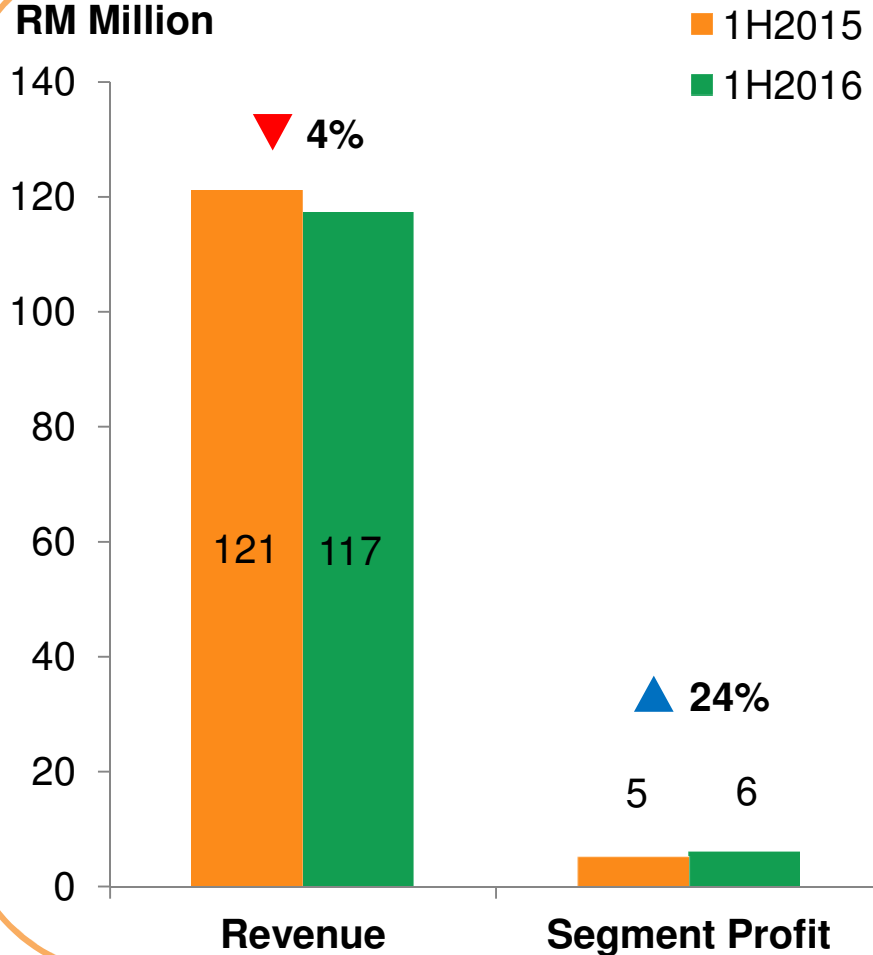


environmental engineering & utilities

Environmental Engineering & Utilities

Review of Major Operations

RM Million





Revenue was marginally lower as most of the projects are at their completion stages.



Higher segment profit was due to higher gross margins achieved from the engineering projects.

Environmental Engineering & Utilities

Key Events in 1H2016

-  Handed over two water projects in Melaka and Sarawak and three sewage projects in Selangor/Kuala Lumpur.
-  Current order book valued at RM132 million comprising two water projects and seven sewage projects.

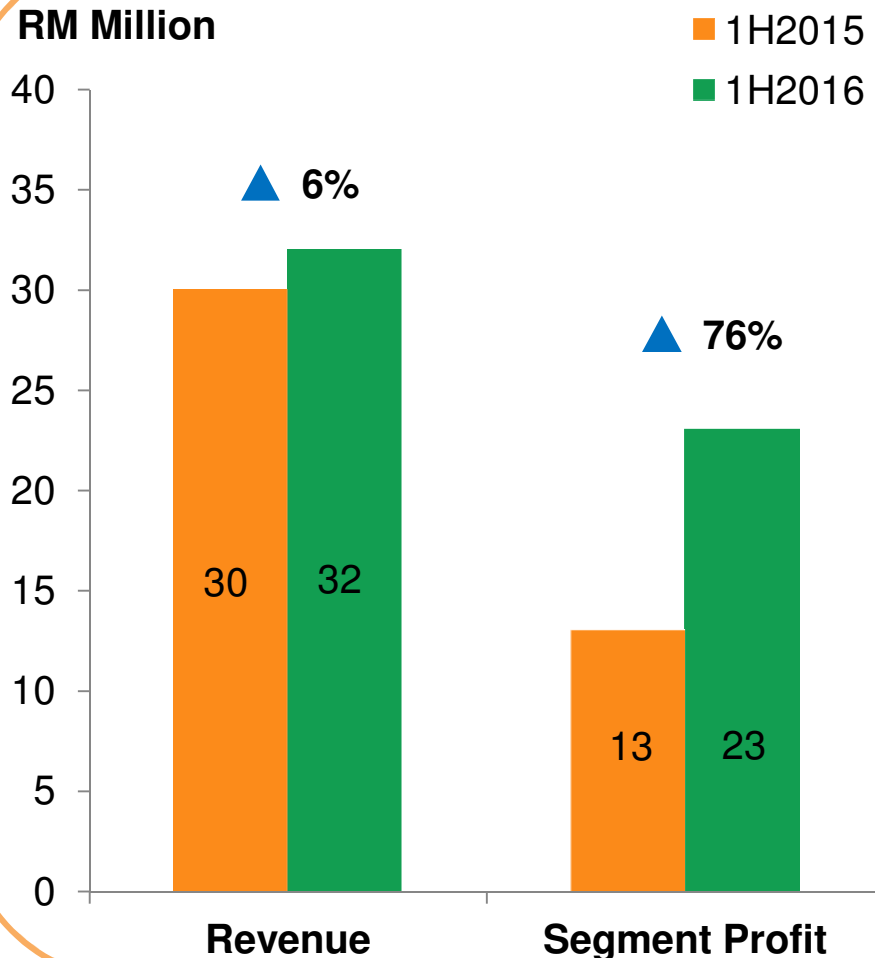


property

Property

Review of Major Operations

RM Million




The improved revenue was mainly from higher progress billings for the bungalows in Taman Tanah Aman in Penang. The revenue was partly offset by reduced rental income from lower occupancy rate in New World Park, Penang.



Higher segment profit was due to a gain on disposal of factory land and building as well as higher progress billings.

Property



Key Events in 1H2016

 PPB Hartabina Sdn Bhd, a wholly owned subsidiary of PPB, acquired two pieces of freehold land measuring 5.818 acres in Penang.

This land is proposed for residential development comprising affordable housing and mid-high end condominiums.

Property

Developments in 2H2016

-  The Development Orders for the Taman Megah land in Petaling Jaya and New World Park in Penang for mixed development are pending authorities' approvals. More information will be disclosed when approvals from authorities are secured.
-  Cheras LeisureMall, the shopping mall owned and managed by PPB, located in Taman Segar, Cheras is expected to commence extension works, refurbishment and construction of a link bridge to the upcoming MRT station early next year.

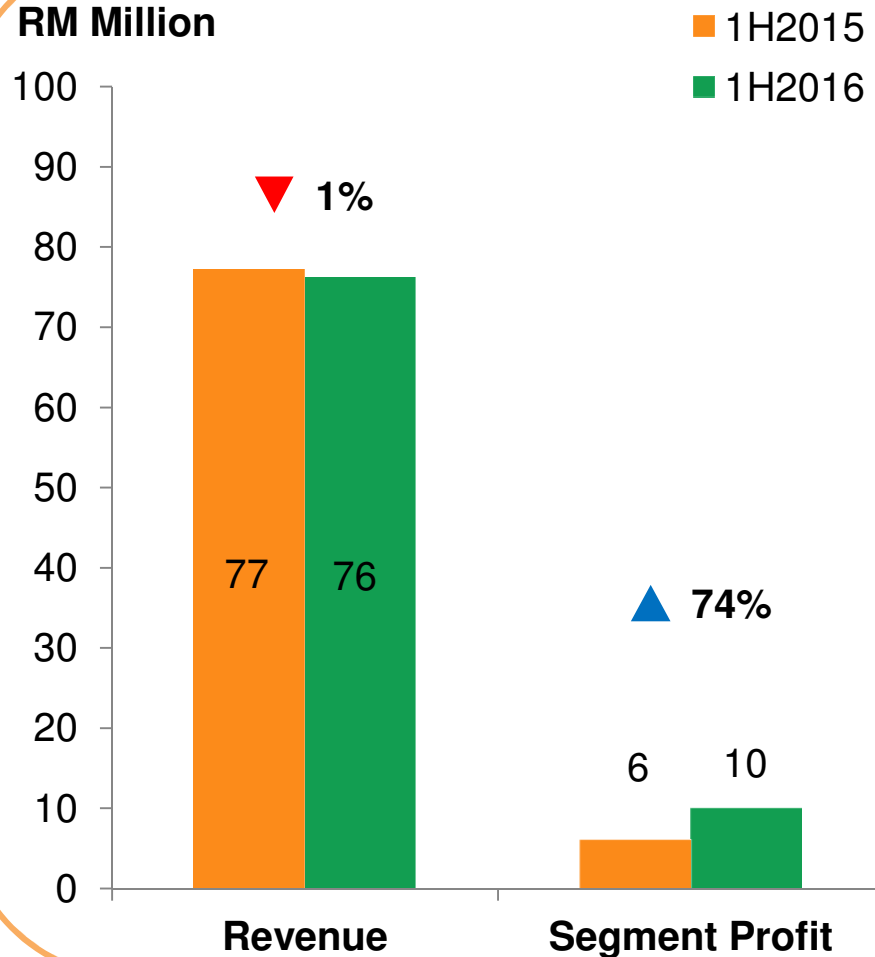


investments & other operations

Investments & Other Operations

Review of Major Operations

RM Million



Revenue for the combined segment was marginally lower mainly due to a drop in packaging revenue that was partly offset by higher chemicals manufacturing revenue.

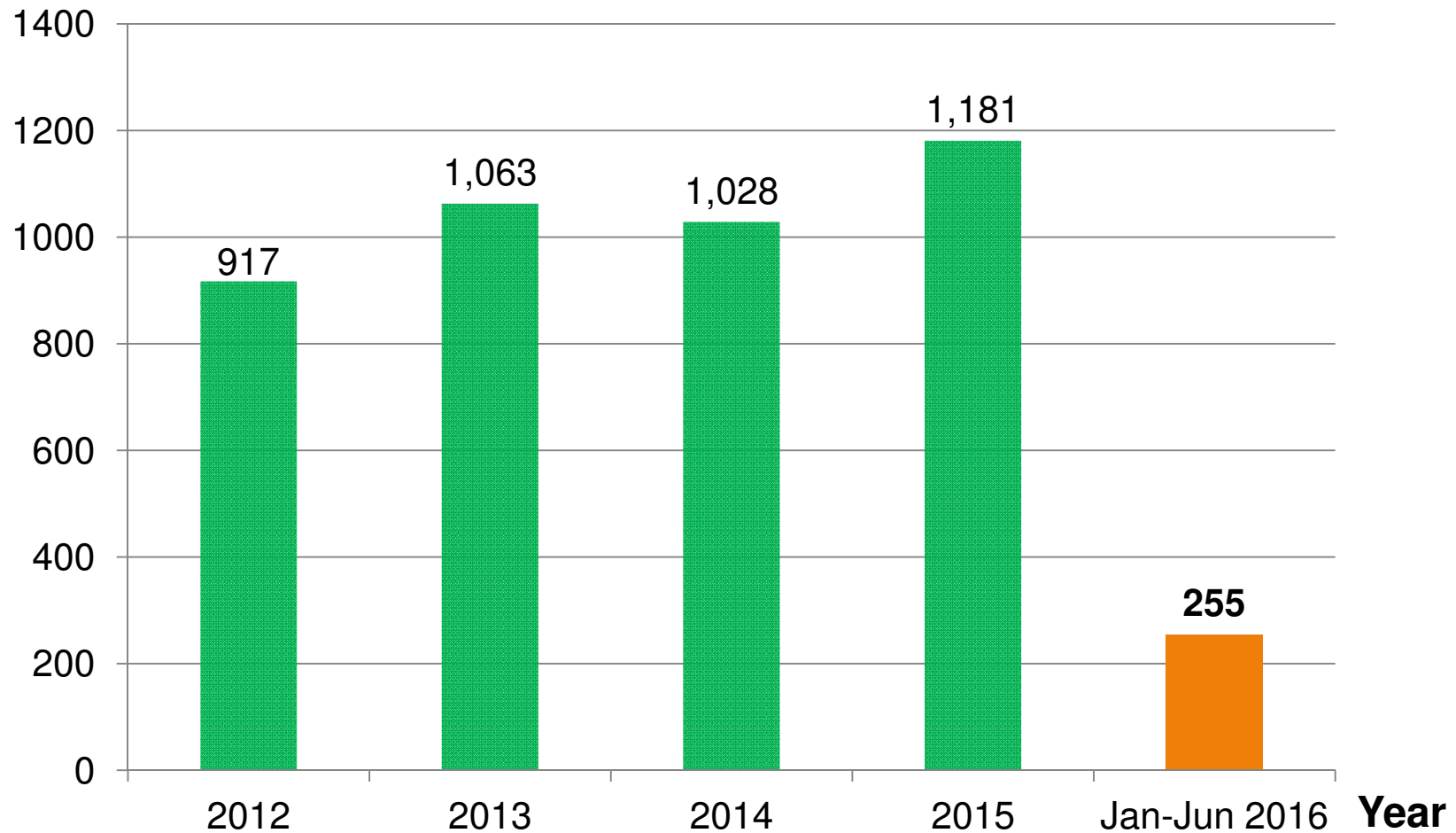
The combined segment collectively registered a higher profit mainly from improved chemicals manufacturing profits.



5-Year Financial Performance

5-Year PBT of PPB Group

RM Million





Capital Commitments

Capital Commitments AS AT 30 JUNE 2016

(All figures in RM'million)	2016
As reported previously (1 March 2016)	383
Additions/ Project Revision	107
	<hr/>
	490
Amount Spent	(50)
	<hr/>
Balance to be Spent	440

Capital Commitments AS AT 30 JUNE 2016

RM175 mil	RM187 mil	RM65 mil	RM4 mil	RM4 mil	RM5 mil
<ul style="list-style-type: none"> • Grains & Agribusiness • Investments in China flour mills • 500 mt/day medium to hard wheat flour mill in Pasir Gudang • Construction of a 500 mt/day flour mill in Vietnam 	<ul style="list-style-type: none"> • Film Exhibition & Distribution • 8 new cinemas • Extension of 2 existing cinemas • Investment in Cambodia • Upgrading of existing cinema equipment 	<ul style="list-style-type: none"> • Property • Purchase of land for development in Penang • Upgrading of facilities in shopping mall 	<ul style="list-style-type: none"> • Environmental Engineering & Utilities • Renovation, upgrading of equipment & motor vehicles 	<ul style="list-style-type: none"> • Consumer Products • Purchase of new vehicles • Upgrading of machinery & equipment 	<ul style="list-style-type: none"> • Others • Upgrading of machinery & equipment

TOTAL CAPITAL COMMITMENTS : RM440 mil



Dividend Record

Dividend Record

Year	Single Tier Dividend Per Share (sen)	Net Dividend Paid/ Payable (RM Million)	Net Dividend Yield (%)	Payout Ratio	
				Group (%)	Company (%)
2016 Interim[#]	8	95	0.5	56.5	44.6
2015	25	296	1.6	28.2	80.0
2014	23	273	1.6	29.7	96.4
2013	25	296	1.6	30.2	155.2
2012	20	237	1.7	28.2	63.0

The interim single tier dividend of 8 sen per share is payable on 28 September 2016.

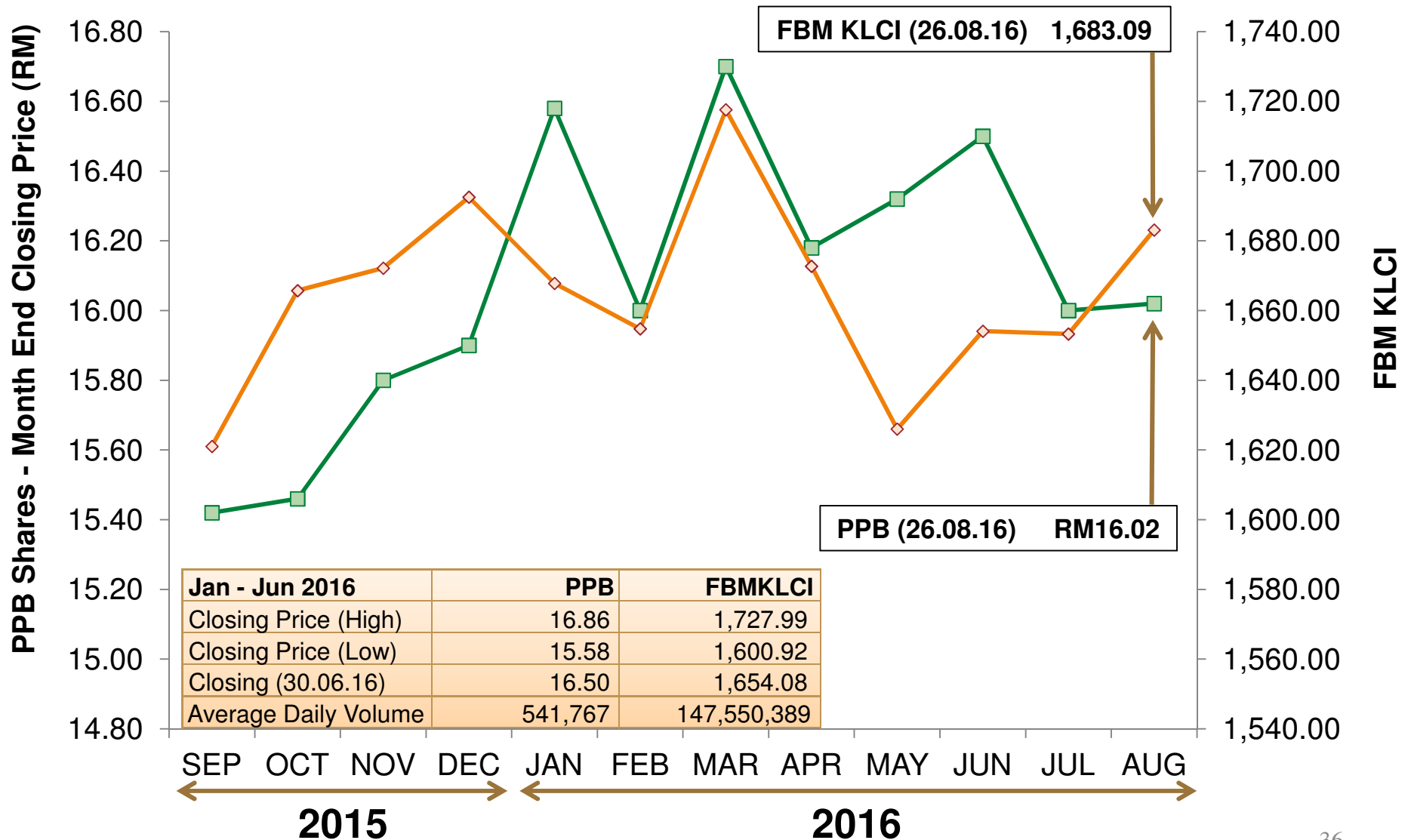


Share Price Performance

Share Performance

■ PPB Shares - Month End Closing Price (RM)

◇ FBM KLCI





Prospects for 2016

Prospects for 2016

With the current wheat price environment, competition in both the domestic and overseas flour markets is anticipated to be more intense. However, with established marketing channels and continuous adjustments to product mix, the **Grains and Agribusiness segment** is expected to maintain its performance for the year.

Despite cautious consumer spending, the new agency products should contribute to the **Consumer Products segment's** revenue.

The **Film Exhibition and Distribution business** will benefit from improved admissions from its newly-opened cinemas and the strong line-up of movie releases this year.

Prospects for 2016

The **Environmental Engineering and Utilities segment** will achieve lower revenue reflecting the current contracts in hand, and the **Property segment** is affected by slower property sales due to weak market sentiment.

Overall, the main business segments of the Group are expected to perform well in 2016. Notwithstanding the loss recorded by Wilmar in the second quarter 2016, Wilmar expects its performance for the rest of the year to be satisfactory barring unforeseen circumstances. The Group's consolidated financial results would be contingent upon Wilmar's business performance given the significant contribution by Wilmar to the Group.



Shariah-compliant

Shariah-compliant

PPB is classified shariah-compliant based on an updated list of shariah-compliant securities by the Securities Commission's Shariah Advisory Council dated 27 May 2016 .

