



PPB GROUP BERHAD

PRESS AND ANALYST BRIEFING 1H2014 Results

3 September 2014

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.

Agenda

-  **Group Financial Highlights**
-  **Review of Major Operations**
-  **Key Achievements in 1H2014**
-  **Developments in 2H2014**
-  **5-Year Financial Performance**
-  **Capital Commitments**
-  **Dividend Record**
-  **Share Price Performance**
-  **Prospects for 2014**



Group Financial Highlights

Financial Results FOR THE 6 MONTHS ENDED 30 JUNE 2014

(Figures in RM)	1H2014	1H2013	CHANGE
Revenue	1.84 bil	1.58 bil	↑ 16%
Operating Expenses	1.71 bil	1.51 bil	↑ 13%
Share of Wilmar's Profit	196 mil	300 mil	↓ 35%
PBT	366 mil	455 mil	↓ 20%
Profit for the Period	326 mil	427 mil	↓ 24%
EPS	26.20 sen	35.08 sen	↓ 25%

Financial Ratios FOR THE 6 MONTHS ENDED 30 JUNE 2014

	1H2014	1H2013
EPS	26.20 sen	35.08 sen
ROE Attributable to Owners of the Parent	2.0%	2.8%
Net Assets Per Share Attributable to Owners of the Parent	RM13.04	RM12.51

Segmental Information FOR THE 6 MONTHS ENDED 30 JUNE 2017

**TOTAL
REVENUE
RM 1.84 bil**

61% Flour & Feed Milling, & Grains Trading

**12% Marketing, Distribution & Manufacturing
of Consumer Products**

10% Film Exhibition & Distribution

**3% Environmental Engineering, Waste
Management & Utilities**

3% Property Investment & Development

11% Chemicals, Livestock, Investments & Others*

* Chemicals Trading & Manufacturing [3%], Livestock Farming [3%], Bakery [3%], Frozen Food [1%] & Others [1%]

Segmental Information FOR THE 6 MONTHS ENDED 30 JUNE 2017

**TOTAL
SEGMENT
PROFITS
RM 167mil**

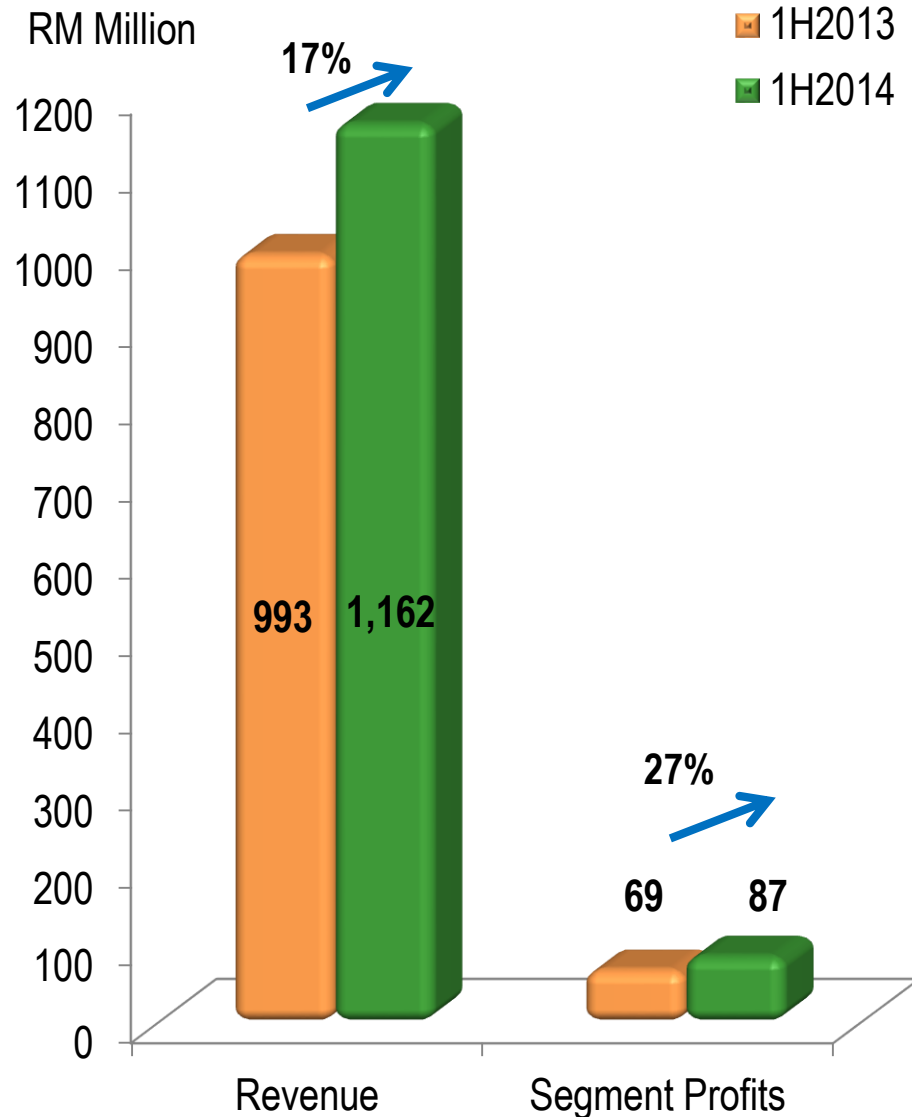
52%	Flour & Feed Milling, & Grains Trading
19%	Film Exhibition & Distribution
10%	Property Investment & Development
9%	Marketing, Distribution & Manufacturing of Consumer Products
1%	Environmental Engineering, Waste Management & Utilities
9%	Chemicals, Livestock, Investments & Others*

** Livestock Farming [5%] & Investment Income [4%]*



Review Of Major Operations

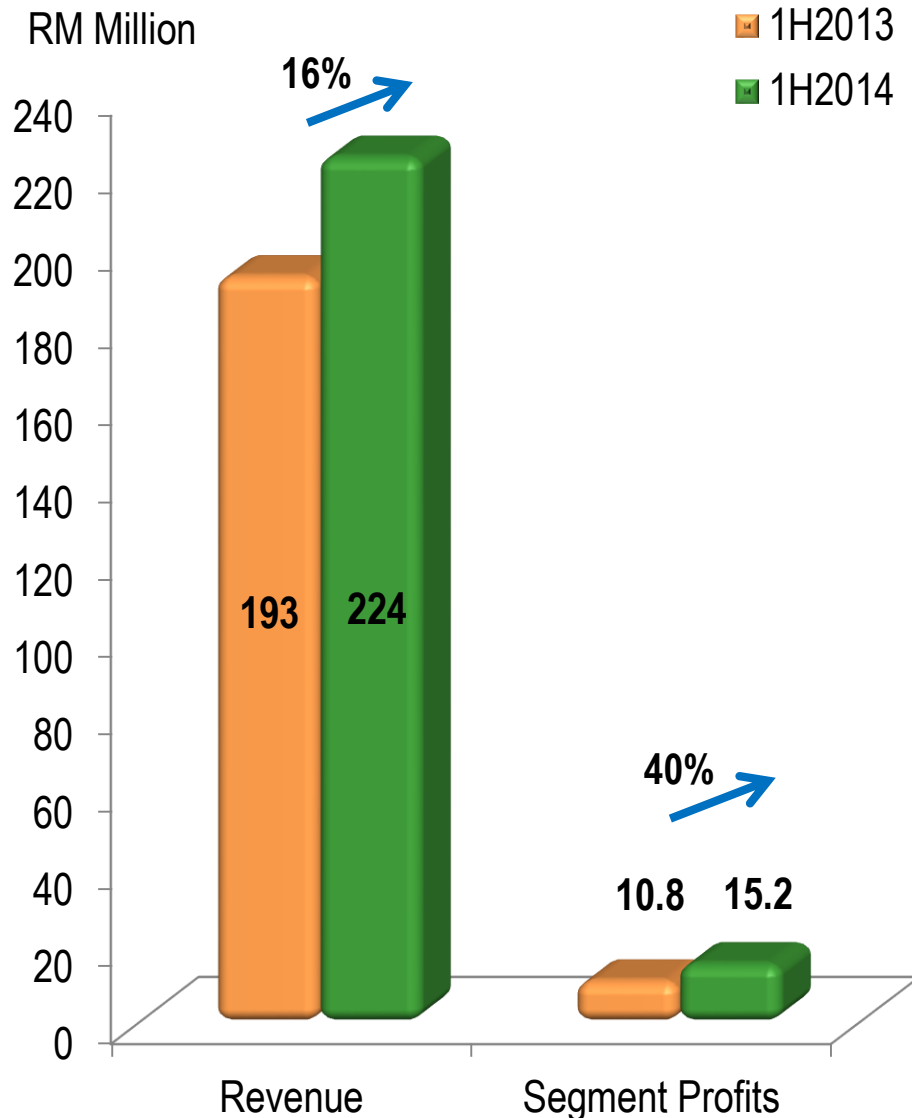
Review of Major Operations



FLOUR & FEED MILLING, & GRAINS TRADING

- Revenue increased in 1H2014 mainly due to:-
 - Higher sales volume of flour in Indonesia, Vietnam & Malaysia
 - Increased animal feed sales volume & improved selling prices in Malaysia
- Segment profit increased in 1H2014 mainly due to:-
 - Higher sales volume of feed with improved profit margins
 - Higher sales volume of flour

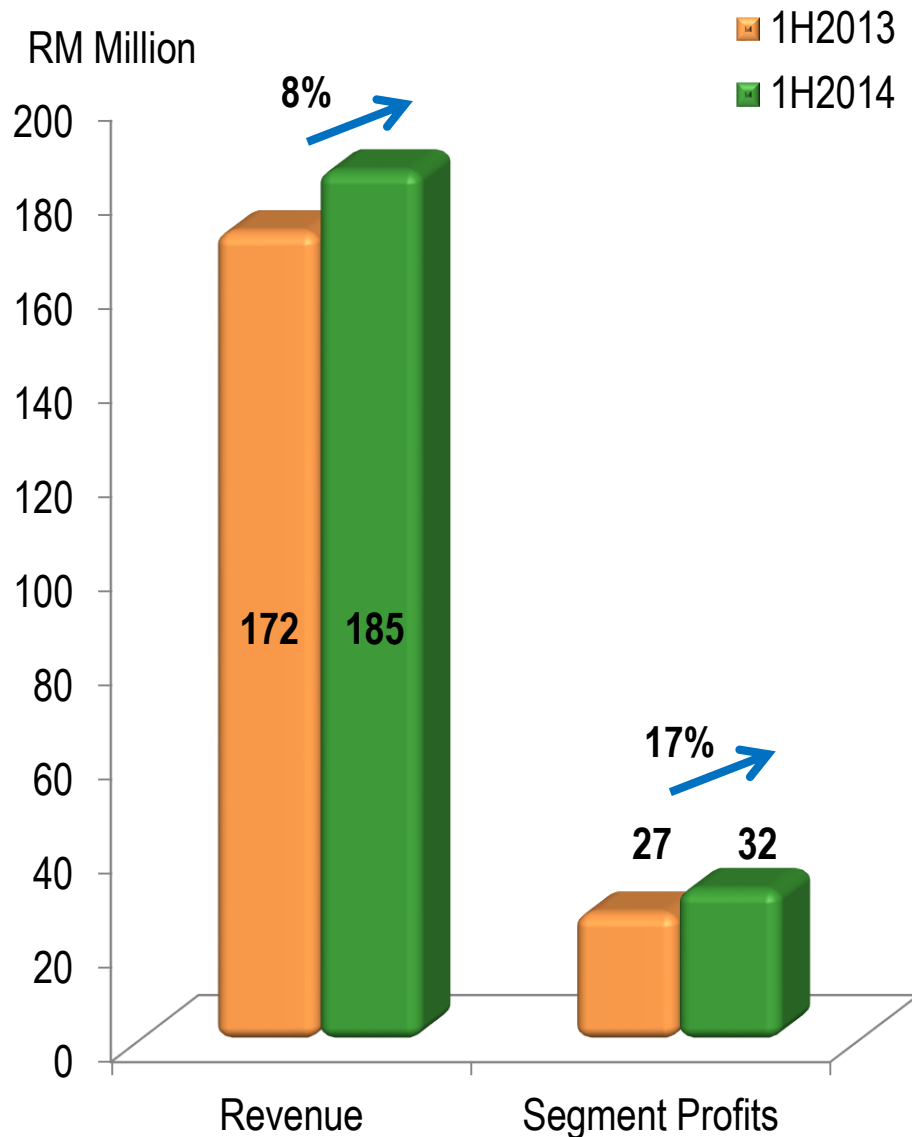
Review of Major Operations



MARKETING, DISTRIBUTION & MANUFACTURING OF CONSUMER PRODUCTS

- Revenue increased in 1H2014 mainly due to:-
 - Enlarged distributorship of an agency product since August 2013
 - Improved sales from other existing agency products
- Segment profit increased in 1H2014 mainly due to:-
 - In line with revenue growth
 - Improved sales of agency products with better margins

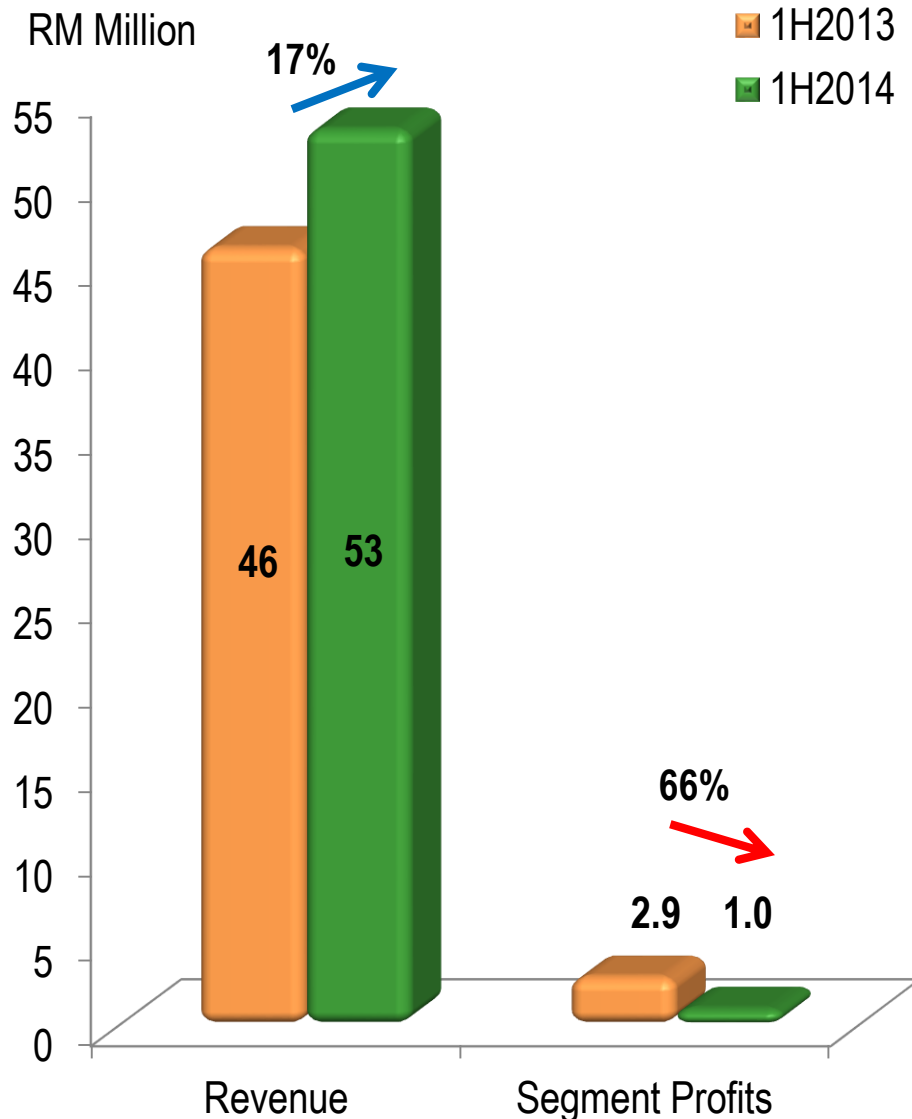
Review of Major Operations



FILM EXHIBITION & DISTRIBUTION

- Revenue increased in 1H2014 mainly due to:-
 - Improved cinema collections from blockbuster movies
 - Higher contribution from concessions & screen advertising income
 - Additional revenue from new cinemas opened in 2013
- Segment profit in 1H2014 increased mainly due to increase in revenue.

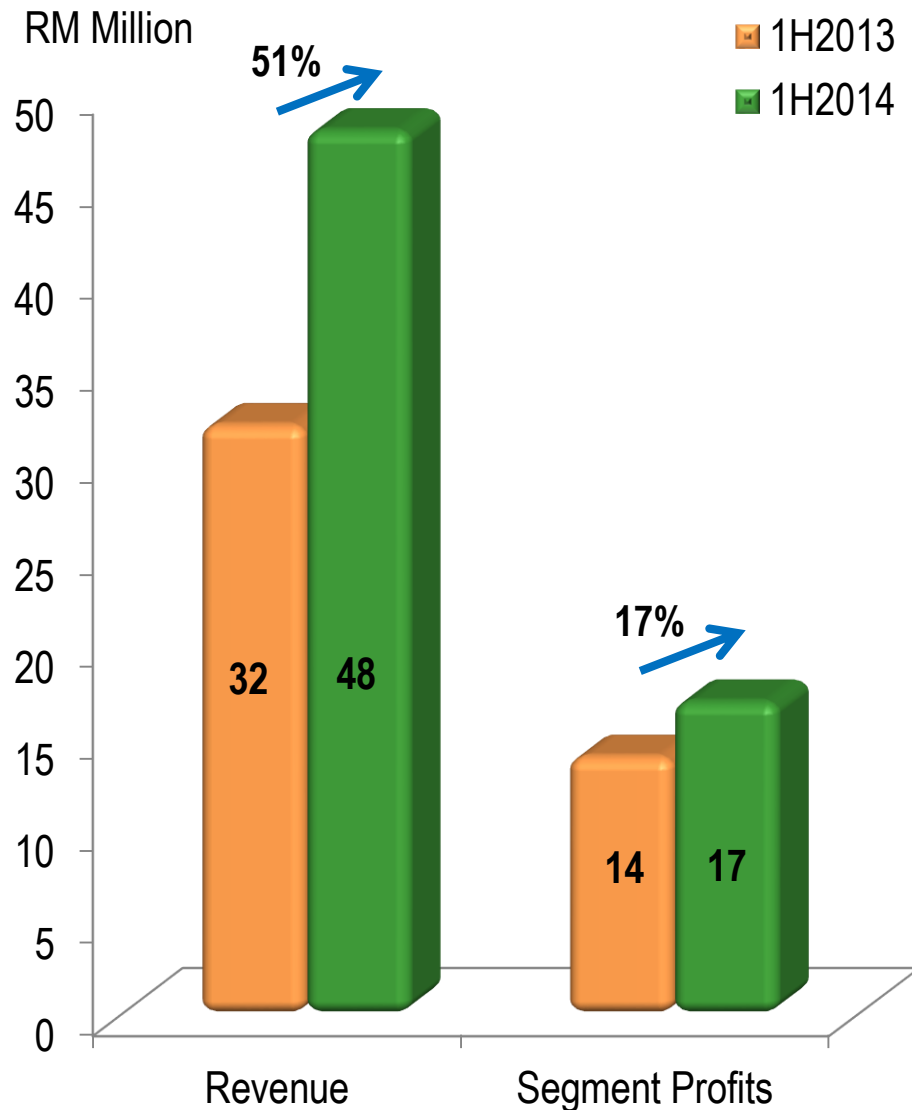
Review of Major Operations



ENVIRONMENTAL ENGINEERING, WASTE MANAGEMENT & UTILITIES

- Revenue increased in 1H2014 due to more on-going projects.
- Segment profit decreased in 1H2014 due to new projects at design approval stage and yet to contribute significantly.
- In 1H2013, higher profits from completed projects.

Review of Major Operations



PROPERTY INVESTMENT & DEVELOPMENT



Revenue increased in 1H2014 due to:-

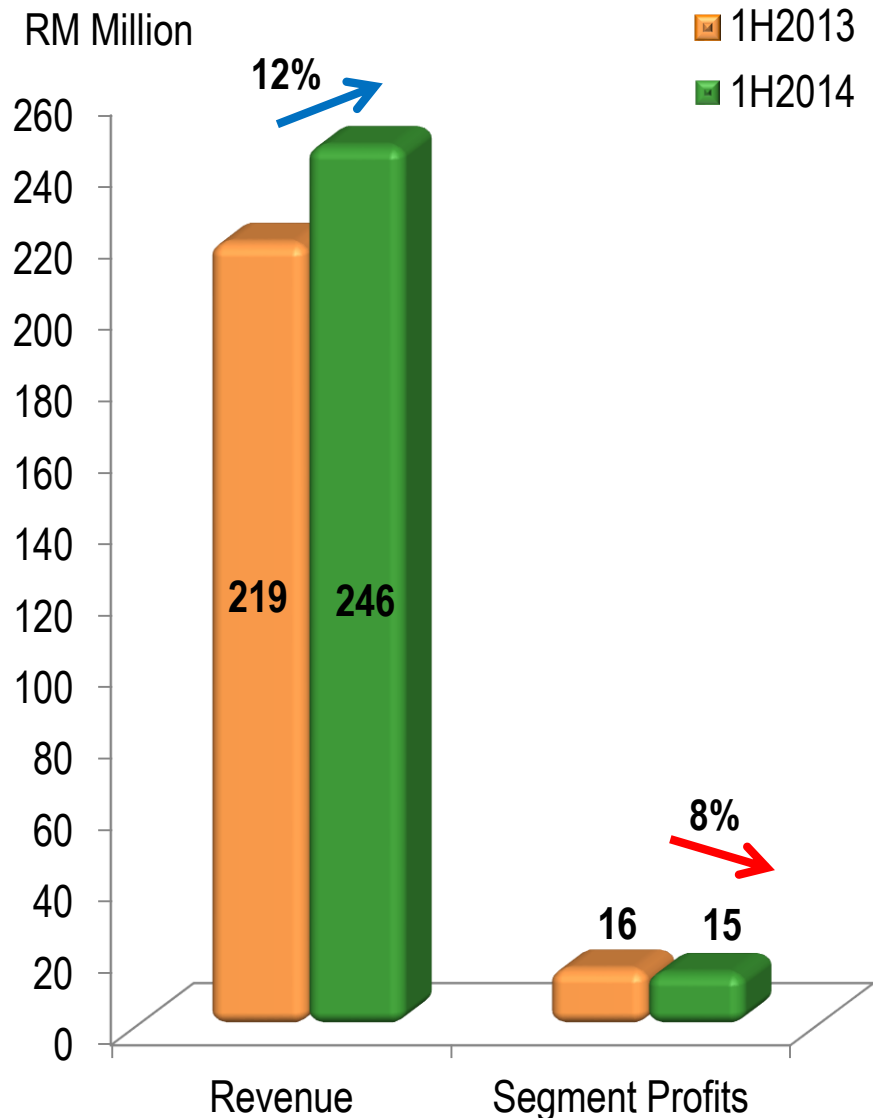
- Revenue recognition upon delivery of vacant possession of bungalows in Bukit Segar
- Higher rental rates from renewal of tenancies



Segment profit in 1H2014 increased due to:-

- Higher progress billings
- Increase in rental income

Review of Major Operations



CHEMICALS, LIVESTOCK, INVESTMENTS & OTHER OPERATIONS



Combined segment revenue for 1H2014 increased mainly due to:-

- Higher revenue by livestock farming arising from increased sales volume & higher selling prices of day-old-chicks & eggs
- Most of the other segments reported better performance



Combined segment profit for 1H2014 decreased due to:-

- There was a one-time gain of RM16 million on disposal of Tradewinds shares in March 2013



Key Achievements in 1H2014

Key Achievements in 1H2014

FILM EXHIBITION AND DISTRIBUTION







GSC commenced renovations in GSC Mid Valley to increase the number of screens from 18 to 21.



GSC extended its second Dolby Atmos hall at GSC KL Pavilion on 12 June 2014.

Key Achievements in 1H2014

ENVIRONMENTAL ENGINEERING, WASTE MANAGEMENT & UTILITIES

-  Handed over 4 sewage treatment plants under Greater KL scheme.
-  Secured subcontract for mechanical and electrical works for Project Air Mentah RAPID in Pengerang, Johor.
-  Commissioned the Ngoi-ngoi Water Treatment Plant in mid-April 2014, augmenting drinking water supply in Negeri Sembilan by 150,000m³/day
-  Accumulated construction order book close to RM500 million.

Key Achievements in 1H2014

PROPERTY INVESTMENT & DEVELOPMENT



Following the launch of the 14 units of luxury bungalows at Taman Tanah Aman in Seberang Prai in February 2014, the project has achieved 50% sales to-date.



Masera Bukit Segar comprising 13 units of luxury bungalows have been fully sold and 9 units have been handed over to buyers in March 2014. The project achieved a GDV of RM104 million.

Key Achievements in 1H2014

BAKERY



The Bakery Division commenced commercial production of its new production line of 6,000 loaves-per-hour bread line end-May 2014.





Launch of “Chiffon-in-a-Cup” cake range.



Developments in 2H2014



Developments in 2H2014

FLOUR & FEED MILLING AND GRAINS TRADING

-  In July 2014, Johor Bahru Flour Mill S/B completed the acquisition of a neighbouring piece of land measuring 2.3 hectares in Pasir Gudang, Johor for expansion of its feed milling activities.
-  The construction of a new 500-mt per day flour mill in northern Vietnam by VFM-Wilmar is expected to be completed by 4Q2014.

Developments in 2H2014

FILM EXHIBITION AND DISTRIBUTION

-  **GSC opened its 10-screen cinema at Palm Mall Seremban on 23 July 2014.**
-  **GSC will be opening 3 new cinemas in Klang Parade (8 screens), NU Sentral, KL (11 screens) and Quill City Mall, KL (10 screens) in 4Q2014.**
-  **There are another 9 new cinema projects in the pipeline to be opened in the next 2 years.**

Developments in 2H2014

PROPERTY INVESTMENT AND DEVELOPMENT

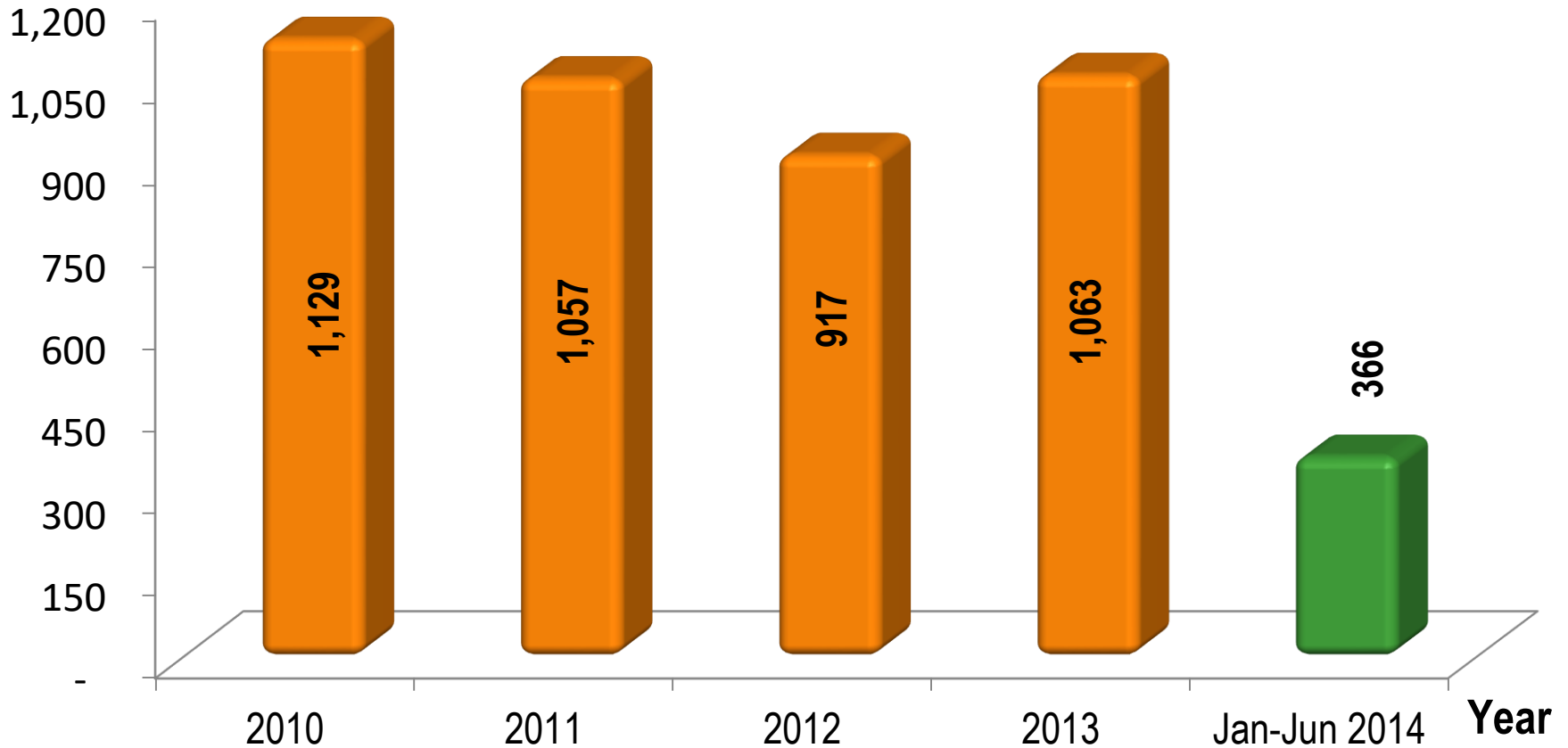
-  **Southern Marina Development S/B in which PPB has 28% effective interest is targeting to launch the 1st phase of residential units in its integrated waterfront development in Puteri Harbour, Iskandar Malaysia in 4Q2014.**



5-Year Financial Performance

5-Year PBT of PPB Group

RM Million



Note : PBT for FY2010 excludes the gain of RM841 million from the disposal of the sugar-related assets. If the profit is included, the PBT would be RM1.970 billion.



Capital Commitments

Capital Commitments AS AT 30 JUNE 2014

(All figures in RM'Million)	2014
As reported previously (6 March 2014)	440
Additions/ Project Revision	53
	493
Amount Spent	(151)
Balance to be Spent	342

Capital Commitments AS AT 30 JUNE 2014

**CAPITAL
COMMITMENTS
RM 342 mil**

RM188 mil

Film Exhibition & Distribution

- Opening of 12 new cinemas
- Upgrading of existing cinema equipment

RM103 mil

Flour & Feed Milling, & Grains Trading

- 500 mt/day flour mill in Vietnam
- Investment in China associates
- Expansion & upgrading of plant & machinery

RM20 mil

Frozen Food Processing

- Processing plant expansion

RM10 mil

Bakery

- Acquisition of bakery machinery, support equipment & sales vans

RM6 mil

Marketing, Dist. & Mftg of Consumer Products

- New warehouse & office buildings
- Upgrading of machinery & equipment

RM6 mil

Property Investment & Development

- Upgrading of facilities in shopping mall & office building

RM9 mil

Others



Dividend Record

Dividend Record

	Dividend Per Share		Net Dividend	Net Dividend	Payout Ratio	
	Gross	Net	Paid/payable	Yield	Group	Company
Year	(sen)	(sen)	(RM Million)	(%)	(%)	(%)
2014 Interim#	7	7	83	0.5	26.7	44.4
2013	25	25	296	1.6	30.1	155.0
2012	20	20	237	1.7	28.1	62.9
2011	23	23	273	1.3	27.9	28.5
2010*	88	88	1,043	5.1	100.0	293.8

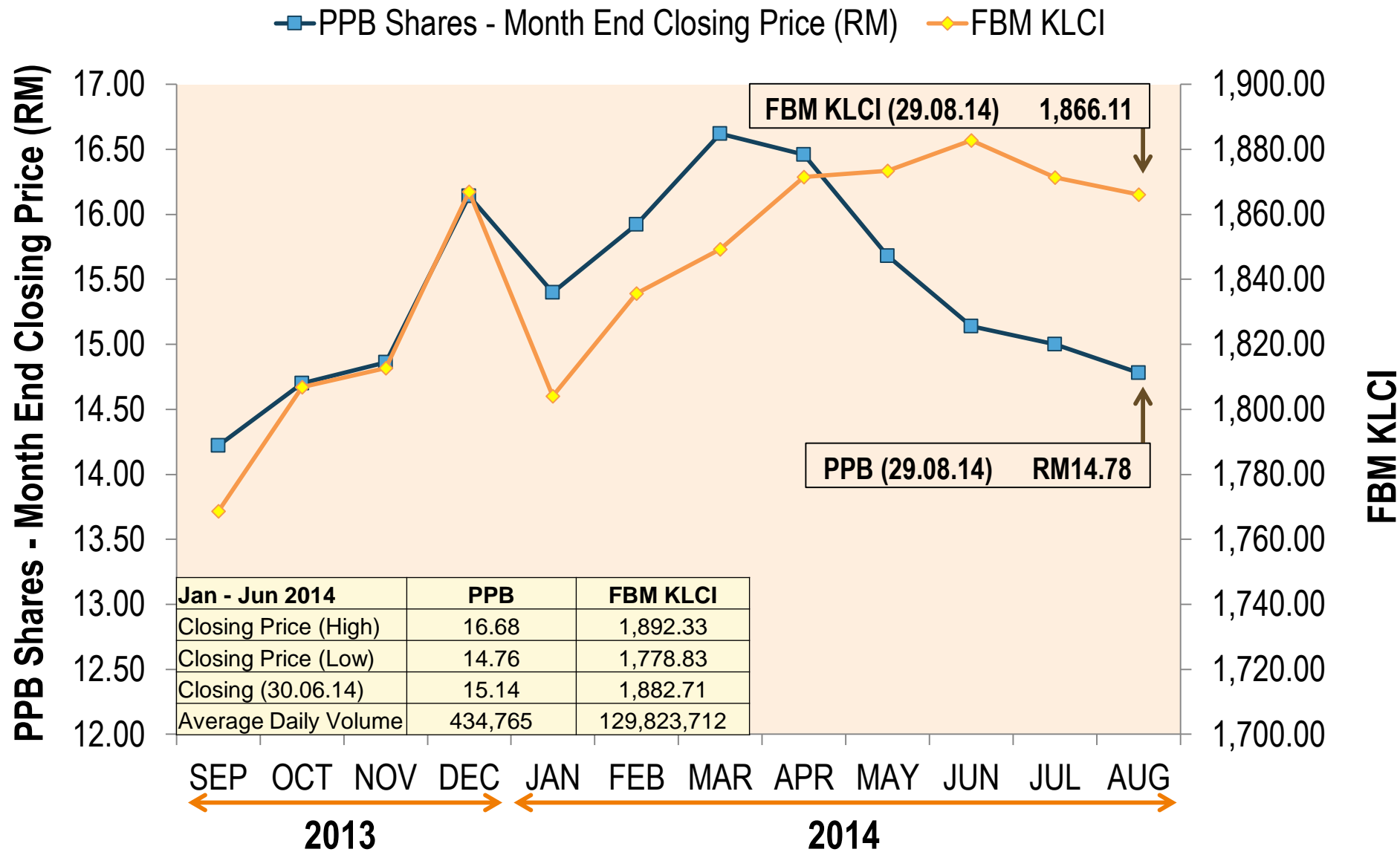
The interim single tier dividend of 7 sen per share is payable on 26 September 2014.

* Includes Special Dividend of 65 sen per share in 2010.



Share Price Performance

Share Price Performance





Prospects for 2014

Prospects for 2014

PPB Group's flour and feed milling, consumer products, film exhibition and bakery businesses are anticipated to benefit from the robust domestic consumption for the rest of the year. Several environmental engineering contracts which are scheduled to progress into the construction stage, coupled with the sales of bungalow units in Seberang Prai and Cheras will contribute positively to Group results.

For 2014, the Group's core businesses are expected to perform well; whilst its overall consolidated financial results will continue to be contingent on Wilmar, which expects better performance in the second half of 2014.



Questions & Answers