



Transformation Management Office (TMO)
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GLCs PRIMED TO SUPPORT GOVERNMENT'S EFFORTS IN NEM IMPLEMENTATION

YAB Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak today chaired the 21st meeting of the Putrajaya Committee on GLC High Performance ("PCG"). At the meeting, the Chairmen and CEOs of Government-Linked Investment Companies¹ ("GLICs") and Government-Linked Companies ("GLCs") expressed their readiness and strong support for the Government's effort to transform the economy under the New Economic Model ("NEM").

The GLICs and GLCs were urged to accelerate the momentum of the GLC Transformation Programme as the success of the GLCs are inter-linked with the nation's economic success. It was agreed for the GLIC and GLC community to come forward and demonstrate support to achieve the 3 outcomes of the NEM, namely High Income, Inclusiveness and Sustainability.

The meeting was attended by the Minister in the Prime Minister's Department in charge of the Economic Planning Unit, YB Tan Sri Nor Mohamed Yakcop, the Second Finance Minister, YB Dato' Seri Ahmad Husni Hanadzlah, Deputy Finance Minister II, YB Senator Datuk Dr Awang Adek Hussin, senior officials from the Ministry of Finance, leaders from the five GLICs and the Chairmen and CEOs of the G-20.

During the meeting, the PCG Secretariat, on behalf of the GLICs and GLCs, reported to the Prime Minister and PCG members that GLCs proved resilient throughout the sub-prime crisis in 2008-09 and are poised for growth in 2010. This was reflected in the G-20² total shareholder returns ("TSR"), which generated a 6-year compounded return of 14.7% as at 3 May 2010, out-performing the FBMKLCI (ex-G-20) by 2.6%. Market capitalisation of the G-20 stood at RM301bn as at 3 May 2010, surpassing the pre-crisis peak of RM293bn as at 31 December 2007. Aggregate earnings of the G-20 are forecasted to increase to RM17.7bn in FY2010, a RM6bn or 52% jump from FY2009.

¹The five GLICs are, Permodalan Nasional Berhad, Employees Provident Fund, Khazanah Nasional Berhad, Lembaga Tabung Angkatan Tentera, Lembaga Tabung Haji.

²G-20 is a selection of approximately 20 larger GLCs controlled by GLIC constituents of the PCG. There are currently 19 GLCs following the Sime Darby merger and TM demerger. UEM Group has replaced UEM World following UEM's restructuring exercise. UEM Group's TSR is computed by using their listed subsidiaries' values as proxy.



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The PCG meeting also discussed five core roles that GLICs and GLCs will play in supporting the NEM. The roles are:

1. Diligently staying the course in executing the 10-year GLC Transformation programme;
2. Relentlessly executing (the transformation plans) to become regional champions;
3. Where appropriate, pioneering entry into new economy investments in line with the NEM;
4. Collaborating and co-investing with the non-GLC private sector;
5. Continuing to focus on core operations on a level playing field and exiting non-core and non-competitive assets.

The Chairmen and CEOs of the GLICs and GLCs who attended the meeting agreed that their organisations will align their transformation programmes with the recommendations outlined in the NEM. In summary:

1. GLICs and GLCs are ready and primed to support NEM and deliver transformation outcomes for the nation;
2. Continuous Government support for the GLCT Transformation Programme is critical;
3. Regulatory frameworks and policies are key to ensure a level playing field;
4. Programmes to further strengthen human capital and talent development as well as employee welfare are on-going and crucial;
5. Leverage on Government-to-Government relationships, coordination and networks to enhance regionalisation and globalisation efforts of GLICs and GLCs

END

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ABOUT PCG & THE CURRENT LIST OF G-20 COMPANIES

The GLC Transformation (“GLCT”) Programme was launched on 14 May 2004 while the PCG was formed in January 2005 as the Steering Committee for the Programme and leads the drive to transform GLCs into high-performing entities. PCG consists of representatives from the Minister of Finance Incorporated and the Prime Minister’s Office as well as participation from the heads of the Government-Linked Investment Companies (“GLIC”) namely Khazanah Nasional Berhad, Permodalan Nasional Berhad, Employees Provident Fund, Lembaga Tabung Angkatan Tentera and Lembaga Tabung Haji. The Minister in the Prime Minister’s Office in charge of the Economic Planning Unit, Chief Secretary to the Government and Chief Secretary to the Treasury have also been included as permanent members as of the 20th meeting of the PCG, as participation from these key people who are intimately involved with the transformation of the public sector will strengthen the role of the Government as an agent of the GLCT to create the right environment for the GLCT Programme goals to be met.

A secretariat to the PCG, the Transformation Management Office (“TMO”) has been established at Khazanah and given the responsibility for managing the roll-out and implementation of the GLCT Programme.

Current G-20 Companies

1. Affin Holdings Berhad
2. Axiata Group Berhad
3. BIMB Holdings Berhad
4. Boustead Holdings Berhad
5. CIMB Group Berhad
6. Chemical Company of Malaysia Berhad
7. Malayan Banking Berhad
8. Malaysian Airline System Berhad
9. Malaysia Airports Holdings Berhad
10. Malaysian Building Society Berhad
11. Malaysian Resources Corporation Berhad
12. Pos Malaysia Berhad
13. Proton Holdings Berhad
14. Sime Darby Berhad
15. Telekom Malaysia Berhad
16. Tenaga Nasional Berhad
17. TH Plantations Berhad
18. UEM Group Berhad
19. UMW Holdings Berhad