

SUPPORTING NATIONAL TRANSFORMATION

SELECTED GLC CONTRIBUTION TOWARDS THE 7 NKRA's OF THE GOVERNMENT TRANSFORMATION PROGRAMME



Reducing Crime Home Security System packaged together with mortgage loan	Fighting Corruption Corporate Integrity Pledge	Raising Low Income Household Telecommunication connectivity for low income families
Improving Student Outcomes Participation in PINTAR programme	Improving Rural Basic Infrastructure Rural electrification	Improving Urban Public Transport Integrated TouchNGo ticketing for LRT and RapidKL
Address Cost of Living Utilities allowance for low income workers		

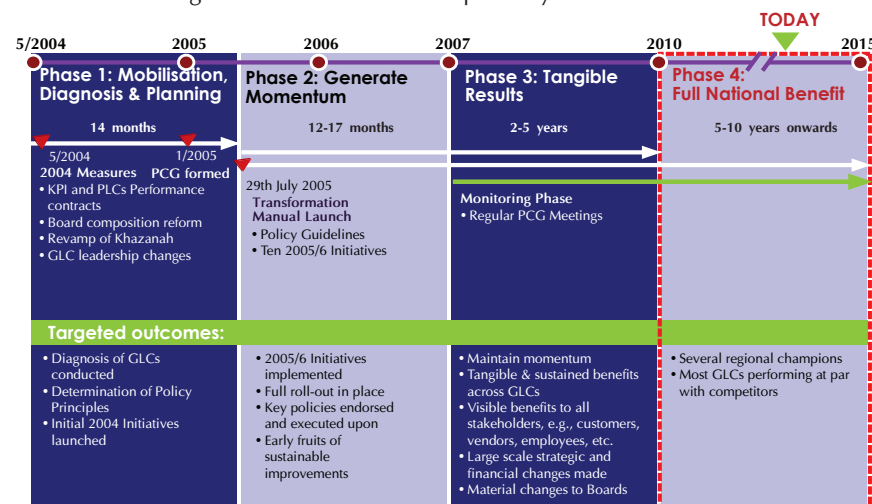
SELECTED GLC CONTRIBUTION IN 11 OF THE ECONOMIC TRANSFORMATION PROGRAMME'S 12 NKEAs



Oil, Gas & Energy Drilling activities in Berantai field	Education Increase research capabilities	Palm Oil & Rubber Crop harvesting mechanization
Healthcare Medical centres in Ara Damansara and Desa Park City	Financial Services Regional Banking Franchise	Communication, Content & Infrastructure Cable system linking Malaysia to Japan and Hong Kong
Tourism Factory Outlet in KLIA	Agriculture Paddy demo lot in IADA Penang to demonstrate 100% yield	Business Services Maintenance, Repair & Overhaul services
Greater Klang Valley Cleaning and beautification of Klang River	Wholesale & Retail Development of Big Box Boulevard in Nusajaya	Overall, the G20 have committed to invest RM7.4b in various Entry Point Projects under the ETP.

THE JOURNEY CONTINUES

The programme is now in the 8th year of the 10-year GLCT Programme – efforts need to be intensified to create regional and domestic champions by 2015.



As the programme approaches its final phase, GLCs must relentlessly stay the course set out by the programme to create champions, be “best-of-breed” and regionalised whilst continuing to support the national transformation and development agenda, including the New Economic Model.

Source: G20 Reporting, PCG Analysis

PUTRAJAYA COMMITTEE ON GLC HIGH PERFORMANCE (PCG)



GOVERNMENT-LINKED INVESTMENT COMPANIES (GLICs)



G20



GLCs PERFORMANCE REPORT CARD

MAY 2012



For further information,
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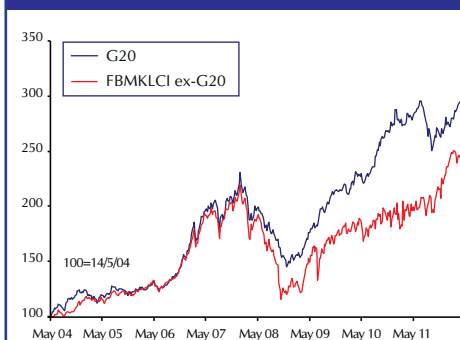
THE PROGRAMME HAS DELIVERED FINANCIAL VALUE

Since the launch of the Government-Linked Company Transformation (GLCT) Programme in May 2004, the G20¹ have significantly improved in most key areas of their financial performance.

14.5% p.a.
Total Shareholder Return

● Total shareholder return grew 14.5% p.a. from 14 May 2004 till 13 April 2012, outperforming the rest of the FBMKLCI by 2.4% p.a.

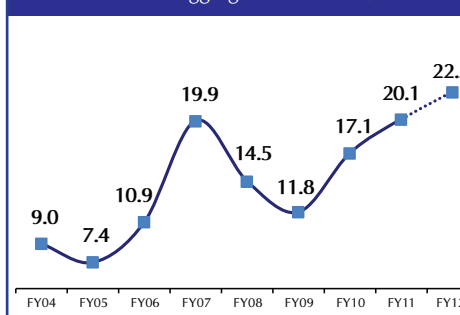
CHART 1: G20 Total Shareholder Return Index



18.2% p.a.
Earnings Growth

● G20 aggregate earnings grew 18.2% p.a., from RM9.0b in 2004 to an all time high of RM20.1b in 2011. Aggregate earnings equivalent to RM13.8b p.a. over the 8 years has improved significantly compared to RM4.9b p.a. earned prior to 2004.

CHART 3: G20 Aggregate Net Profit (RM b)



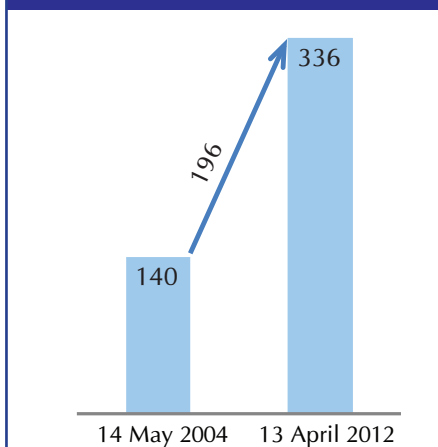
11.8%
Return on Equity (ROE)

● G20 ROE was 11.8% in 2011, up from 10.6% in 2010, but lower than FBMKLCI's ROE of 21.6% in 2011.

RM196b
Growth in Market Capitalisation

● In the same period, market capitalisation of the G20 grew RM196b or 140% to RM336b.

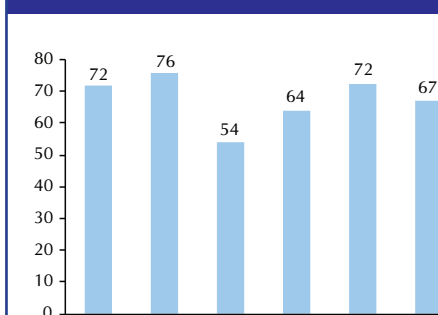
CHART 2: G20 Market Capitalisation (RM b)



67%
Headline KPIs Achieved

● The G20 achieved 67% of their key financial and operational performance indicators for 2011, slightly lower than the 72% achieved in 2010, due to stretched targets set for the year.

CHART 4: G20 Headline KPIs (% achievement)



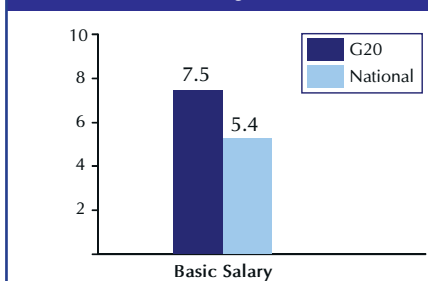
1. A selection of originally 20 larger GLCs controlled by the Government-Linked Investment Companies constituents of the Putrajaya Committee on GLC High Performance. There are currently 17 GLCs in the G20 due to various mergers, de-mergers, divestments and other corporate exercises.
2. Bloomberg Analyst Consensus Estimates

Source: G20 Reporting, Bloomberg, PCG Analysis

SHARING GAINS WITH STAKEHOLDERS

The GLCT Programme has delivered benefits on all fronts, touching lives of all key stakeholder groups, including the general public and the GLCs' own employees.

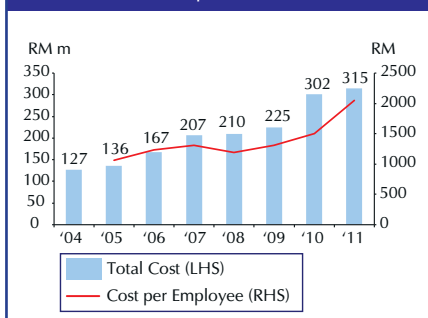
CHART 5: G20 Non-Executive Compensation 2007-2010 (% annual growth)



● G20 are responsible for almost 360,000 employees, having been net creator of 16,210 jobs in 2011. Besides job creation, G20 have continued to focus on employee welfare, with non-executive salaries growing by 7.5% annually on average over the last three years, higher than the national average of 5.4% p.a.

359,187
Employees

CHART 6: G20 Training & Development Cost



● G20 have ramped up on human capital development, spending RM315m on training and development in 2011, compared to RM127m in 2004, with cost per employee rising from RM1,067 to RM2,045. This has created opportunities for skills upgrading and career progression, with 9,764 non-executives promoted to executive level since 2004.

RM315m
Training and Development Costs

● PINTAR is a school adoption programme by GLCs and other corporates to improve educational outcomes of students in under-served communities, mainly in rural areas. To date, 292 schools have been adopted (including graduated schools), benefitting more than 450,000 students. In 2011, 11.2% of PINTAR students scored straight As for UPSR, compared with the national average of 9.5%.

450,000+
PINTAR Students

12,757
Graduates Trained

● 12,757 unemployed graduates have been trained and given work opportunities under the GEMS, GREEN and SL1M programmes.



● The Sejahtera Programme to alleviate hardcore poverty has benefitted 4,690 families by upskilling and providing access to housing, infrastructure and tools.

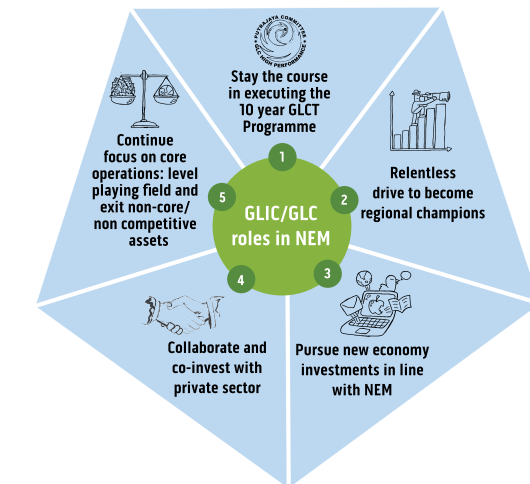
SEJAHTERA
4,690
Families Benefitted

314
Vendors Graduated

● G20 through their various vendor development programmes have supported 1,803 vendors since 2004, of which 314 have graduated to date, having developed the requisite level of skills to compete on their own.

Source: G20 Reporting, PCG Analysis, Malaysian Employers Federation

NATION BUILDING



1 Stay the course in executing the 10 year GLCT Programme.

The Programme aims to raise performance of all GLCs, contributing to New Economic Model (NEM) and Malaysia's overall efforts to become a high income nation by 2020. Thus the GLCs have been diligently implementing the 10 GLCT Initiatives and executing various transformation, turnaround, restructuring and growth programmes. As a result of these efforts the G20 have returned RM62b in dividends (RM7.8b p.a.) and paid RM40b in taxes (RM5.0b p.a.) from 2004 to 2011, which is significantly higher than the RM2.9b p.a. in dividends and RM2.9b p.a. in taxes paid prior to 2004.

RM62b
Dividends Paid Out

...since 2004, thus enriching the investing public and Malaysian trust agencies such as EPF and PNB

RM40b
Taxes Paid

...since 2004, of which an estimated 72% was to the Malaysian government, where the ultimate beneficiary is the rakyat

2 Relentless drive to become regional champions. To date, several GLCs have established an overseas presence and are well on track to becoming regional champions, whilst other companies are building capacity to reach this level within the short to medium term.

33%
Overseas Revenue

...in 2011, up from 26% in 2004, indicating growth of G20's regional footprint

3 Pursue New Economy Investments.

G20 have made RM136b of capital investments, of which RM92b have been domestic investments in order to catalyse new industries that will move the country further along the value chain towards developed nation status.

RM136b
Investments Made

4 Collaborate and co-investing with the non-GLC private sector. Selected recent examples of such collaborations include infrastructure sharing between Digi and Axiata, strategic partnership between CIMB and Tune Money on joint branding and product building, and Affin Holdings' strategic partnership with The Bank of East Asia to roll out Islamic Banking in China.

5 Focus on core businesses on a level playing field and to progressively divest out of non-core and non-competitive assets. GLCs and G20 have responded to the Government's call to divest non-core assets, where recent examples would include Proton, POS Malaysia and Titan Chemicals.

Source: G20 Reporting, PCG Analysis