



Transformation Management Office (TMO)
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MEDIA STATEMENT

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GLCs record continued success, making strong progress in regionalisation and contributing further to Malaysia's economy

- *G20 TSR outperformed non-G20 FBMKLCI by 0.8% p.a., growing at 13.7% p.a. from 14 May 2004 to 18 May 2012*
- *G20 net income grew 18.2% p.a. from RM9.0bn (FY2004) to an all-time high of RM20.1bn (FY2011)*
- *G20 foreign sales grew from 26% to 33% (FY2004 to FY2011) while foreign assets increased from 13% to 26%*
- *G20 returned RM62bn in dividends and RM40bn in taxes from 2004 to 2011 whilst investing RM92bn domestically.*

The Secretariat to the Putrajaya Committee on GLC High Performance ("PCG"), today reported that the Government-linked Companies ("GLCs") under the GLC Transformation ("GLCT") Programme continue to make strong progress in the 8th year of its 10-year implementation plan.

The programme that began in 2005 continues to record successes, ensuring that the GLCs remain on a robust growth trajectory and become fundamentally stronger. This is reflected in the further inroads the GLCs have made in regional markets and their significant contribution to the national economy since the start of the Programme.

The Secretariat to the PCG today issued the GLCT Programme Progress Review 2012, with the following key highlights:

A. GLCT Programme continues on the path of success, with GLCs on a strong growth trajectory and becoming fundamentally stronger companies

The GLCT Programme has yielded further solid achievements, demonstrated in FY2011 results which indicate that the G20¹ are on a growth trajectory, with key financial indicators such as total shareholder return ("TSR"), net income, economic profit and other balance sheet numbers showing significant improvements.

I. GLCs on a strong growth trajectory

- G20 **TSR** outperformed the rest of **non-G20 FBMKLCI** by **0.8% p.a.** from 14 May 2004 to 18 May 2012, growing at 13.7% p.a. compared with non-G20 FBMKLCI's 12.9% p.a.
- G20 **market capitalisation** more than **doubled** from RM140bn to RM319bn over the same period.
- G20 **net income** grew **18.2% p.a.** from RM9.0bn in FY2004 to an **all-time high of RM20.1bn** in FY2011.



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- G20 delivered a **return on equity of 11.8%** in FY2011, up from 10.6% in FY2010.
- G20 **economic profit in FY2011 was RM0.7bn**, down from RM2.0bn in FY2010 but much higher than the RM5.7bn loss in FY2005.

II. GLCs are more robust and fundamentally stronger

GLCs are now fundamentally stronger companies and have shown tremendous resilience.

- **Non-financial G20 operating cashflow** grew from **RM11.5bn** in FY2005 to **RM21.0bn** in FY2011.
- **Non-financial G20 debt-to-equity ratio** improved from **50%** in FY2005 to **34%** in FY2011.

The execution and institutionalisation of the 10 GLCT initiatives have enhanced the overall management and running of GLCs.

B. GLCs are advancing further in their regional expansion aspirations

Since the start of the Programme, GLCs have made inroads into regional markets. From FY2004 to FY2011, they recorded a marked increase in both foreign sales and assets.

- G20 foreign sales **grew from 26% to 33%** (as a percentage of total sales)
- G20 foreign assets **grew from 13% to 26%** (as a percentage of total assets)

In addition, the G20 also employ 147,230 employees in 40 different countries with 1,509 branch offices in ASEAN alone.

C. GLCs are significantly contributing to the national economy, helping to transform Malaysia and providing benefits to stakeholders

I. Support for the GTP, NEM and ETP

The GLCT Programme has seen the Government-Linked Investment Companies (“GLICs”) GLICs and GLCs successfully played a key role in contributing to the Malaysian economy.

- The G20 returned **RM62bn in dividends** and **RM40bn in taxes** from 2004 to 2011
- GLCs have **invested RM92bn domestically** since the start of the Programme

GLICs and GLCs continue to invest and provide on-going support for various national transformation programmes and initiatives. In support of the New Economic Model (“NEM”), GLCs have been executing on their various transformation, turnaround, restructuring and growth programmes. In addition, they have been actively investing in New Economy Investments and contributing to national corridors developments.



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II. Providing benefits to all stakeholders

The progress achieved by the GLCs is being shared equitably with all stakeholders including customers, employees, suppliers and the society at large. This has been achieved through various an increase employee value propositions, enhanced delivery and quality of products and service, vendor development programmes and contributions to society through Programmes such as Pintar Foundation, Yayasan Sejahtera, and GEMS.

In reaching out to stakeholders, the PCG organised the **inaugural GLC Open Day in June 2011**, which attracted 30,000 people, to enhance awareness and increase the understanding of the public on the unique roles played by the GLICs and GLCs.

D. Moving forward towards 2015

The road ahead for GLCs will be challenging. In addition, the Government has intensified the transformation effort with the recent introduction of various transformation programmes. The GLCs' active involvements in these initiatives are critical as the fraternity forms a significant part of the country's economy. There have also been new expectations on GLCs to lead in areas related to nation building such as supplying talents and investing in human capital, driving innovation and promoting equitable distribution. The GLCT fraternity has started embarking on these initiatives.

End

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About The Putrajaya Committee on GLC High Performance (“PCG”)

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 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 committee to create the right environment for the GLCT Programme goals to be met.

Khazanah has been given the responsibility to as the secretariat to the PCG and entrusted to manage the roll-out and implementation of the GLCT Programme.

1. A selection of 20 GLCs controlled by the GLIC constituents of the PCG. There are currently 17 GLCs in the G20 due to various mergers, demergers and other corporate restructuring exercises.