



## CATALYSING GLC TRANSFORMATION TO ADVANCE MALAYSIA'S DEVELOPMENT

### GLC Fast Facts

- There are currently 50 listed GLCs that represent 8% of total listed companies, with their collective market capitalisation of approximately RM295 billion, representing 36% of Bursa Malaysia and 41% of the market capitalisation of the benchmark KLCI.
- The G-20 companies have created an additional RM59 billion in market capitalisation, which is about an additional third of what they were worth at the launch of the Programme in 2004.
- Listed GLCs spent about RM8.1 billion worth of incremental fixed investment (Gross Fixed Capital Formation) in 2005, representing 15% of the nation's Gross Fixed Capital Formation.
- Most listed GLCs are engaged in the strategic sectors, and they have larger multiplier effects. With listed GLCs collectively having a multiplier of 1.4x. In other words, a RM1 investment by all listed GLCs would yield RM1.40 of incremental output.
- Listed GLCs employed about 340,000 workers in 2005. This number as a percentage of the nation's total workforce is relatively small at 3%; which is consistent with their capital intensive nature. However total salaries and wages paid accounted for a bigger proportion, at 7% of that for the whole economy.

### Selected GLC Achievements

#### Restructuring of business

- Malaysia Airlines launched its Business Turnaround Plan in February 2006. Malaysia Airlines announced a net profit of RM240 million for the quarter ending September 2006 - the first profit recorded by the airline since the unveiling of its business turnaround plan in February this year.
- BCHB/CIMB implemented a highly transformational restructuring plan in 2005 that has allowed the group to create a significant new growth platform that has included selected major acquisitions.
- Bank Islam outlined a strategic plan in 2005 which included a revamped debt recovery division focused on the bank's high NPLs; while its parent company recapitalised the bank with investments from the Dubai Investment Group.
- Proton has been undergoing restructuring since the beginning of 2006 and is expected to release a "Recovery Plan" by the end of 2006. TM has released a detailed Performance Improvement Plan (PIP) in 2006.

### Total Return To Shareholders (TRS) Index

As of 24 November 2006



### Increasing productivity

- TNB has reduced transmission and disruption losses by 9.5% and thus SAIDI (System Average Interruption Duration Index) to 133 minutes in FY 2006.
- Kumpulan Guthrie's Fresh Fruit Bunch (FFB) production has increased by 6.5% in Malaysia and 17.3% in Indonesia in FY 2005, while Golden Hope's average oil extraction rate has increased steadily to 21.5%, above the industry average of 19.5%
- Through separation schemes, organizations have been increasingly right-sized, including redeployment of 1,300 employees from Bumiputera-Commerce Finance (to other parts of the group), reduction of employee numbers by 6% in TM through voluntary separation scheme (VSS), and a mutual separation scheme for over approximately 2,600 employees at MAS.

### Regionalisation

- TM continues to expand its footprint (beyond Sri Lanka, Bangladesh, Malawi, Guinea, and Cambodia) by acquiring significant stakes in PT Excelcomindo in Indonesia, MobileOne in Singapore, MultiNet in Pakistan, MTCE in Iran and Spice Telecom in India.
- BCHB has similarly expanded its securities business overseas by acquiring GK Goh in Singapore and BNP Paribas Peregrine Securities in Thailand, increased its stake in Bank Niaga in Indonesia, and set up an Islamic bank joint-venture in Bahrain.

### Consolidation (for growth)

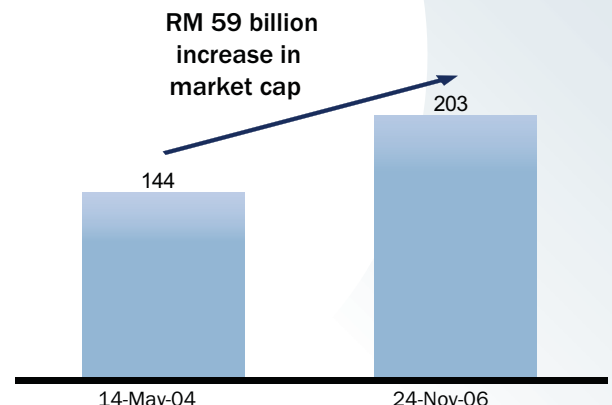
- Maybank through Maybank Fortis, acquired and integrated MNI Holdings, a leading insurance company in 2005
- BCHB acquired Southern Bank Berhad in June 2006, where synergies are expected to create RM200 million in profit per year over the next three years;
- Sime Darby, Golden Hope and Kumpulan Guthrie and other GLCs from the PNB group are currently undergoing a proposed merger to form the world's largest listed palm oil company accounting for 6% of global output.

### New businesses

- Golden Hope is increasing its bio-diesel capacity and aims to become Malaysia's largest bio-diesel producer by 2008, with an annual output of 0.4 million tones of fuel from 20 biodiesel plants
- UEM World has been awarded projects under the Ninth Malaysia Plan such as the second Penang Bridge, and an increasing involvement in the development of the Iskandar Development Region in South Johor.

### Market Capitalisation of G20

RM billions



\* A selection of 20 GLCs controlled by the GLIC constituents of PCG

\*\* Compounded Annual Growth Rate for the period 14 May 2004 to 24 November 2006