



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

The Board of Directors of PETRONAS Chemicals Group Berhad (“PCG” or “the Company”) is pleased to announce the following unaudited condensed consolidated financial statements for the third quarter ended 31 December 2011 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 26.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
		2011	2010 Restated	2011	2010 Restated
<i>In RM Mil</i>					
Revenue		3,904	3,895	11,887	10,224
Cost of revenue		(2,562)	(2,696)	(7,522)	(7,328)
Gross profit		<u>1,342</u>	<u>1,199</u>	<u>4,365</u>	<u>2,896</u>
Selling and distribution expenses		(138)	(87)	(410)	(259)
Administration expenses		(154)	(134)	(479)	(331)
Other expenses		(17)	(7)	(96)	(61)
Other income		78	75	341	239
Operating profit	B5	<u>1,111</u>	<u>1,046</u>	<u>3,721</u>	<u>2,484</u>
Financing costs		(26)	(37)	(97)	(75)
Share of profit after tax and non-controlling interests of equity accounted associates and jointly controlled entity		<u>54</u>	<u>264</u>	<u>273</u>	<u>550</u>
Profit before taxation		<u>1,139</u>	<u>1,273</u>	<u>3,897</u>	<u>2,959</u>
Tax expense	B6	(313)	(275)	(985)	(660)
PROFIT FOR THE PERIOD		<u>826</u>	<u>998</u>	<u>2,912</u>	<u>2,299</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		-	1	3	3
Share of other comprehensive income of associates and jointly controlled entity		(3)	(109)	35	(100)
		<u>(3)</u>	<u>(108)</u>	<u>38</u>	<u>(97)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>823</u>	<u>890</u>	<u>2,950</u>	<u>2,202</u>



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(continued)

	Note	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
		2011	2010 Restated	2011	2010 Restated
<i>In RM Mil</i>					
Profit attributable to:					
Owners of the Company		735	873	2,621	2,059
Non-controlling interests		91	125	291	240
PROFIT FOR THE PERIOD		826	998	2,912	2,299
Total comprehensive income attributable to:					
Owners of the Company		732	765	2,659	1,962
Non-controlling interests		91	125	291	240
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		823	890	2,950	2,202
Earnings per share attributable to shareholders of the Company					
Based on weighted average number of shares issued (sen)	B18	9	12	33	28

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2011	As at 31 March 2011 Restated
<i>In RM Mil</i>		
ASSETS		
Property, plant and equipment	12,646	13,057
Investments in associates	651	875
Investment in jointly controlled entity	71	70
Intangible assets	2,016	2,142
Long term receivables	54	64
Deferred tax assets	484	623
TOTAL NON-CURRENT ASSETS	15,922	16,831
Trade and other inventories	1,341	1,173
Trade and other receivables	1,671	2,308
Tax recoverable	122	124
Fund and other investments	-	10
Cash and cash equivalents	9,380	8,904
TOTAL CURRENT ASSETS	12,514	12,519
TOTAL ASSETS	28,436	29,350
EQUITY		
Share capital	800	800
Reserves	19,272	18,778
Total equity attributable to shareholders of the Company	20,072	19,578
Non-controlling interests	1,550	1,406
TOTAL EQUITY	21,622	20,984
LIABILITIES		
Borrowings	241	3,282
Deferred tax liabilities	1,620	1,638
Other long term liabilities and provisions	430	467
TOTAL NON-CURRENT LIABILITIES	2,291	5,387
Trade and other payables	1,984	2,368
Borrowings	2,152	407
Taxation	387	204
TOTAL CURRENT LIABILITIES	4,523	2,979
TOTAL LIABILITIES	6,814	8,366
TOTAL EQUITY AND LIABILITIES	28,436	29,350

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 December 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to owners of the Company</i>								
	<i>Non-Distributable</i>					<i>Distributable</i>			
	Share Capital RM Mil	Share Premium RM Mil	Foreign Currency Translation Reserve RM Mil	Merger Reserve RM Mil	Other Reserves RM Mil	Retained Profits RM Mil	Total RM Mil	Non- controlling Interests RM Mil	Total Equity RM Mil
As at 1 April 2010									
- As previously reported	1	-	(3)	5,925	247	10,899	17,069	1,979	19,048
- Effects of adopting IC 4, net of tax	-	-	-	-	-	(65)	(65)	(3)	(68)
As at 1 April 2010, restated	1	-	(3)	5,925	247	10,834	17,004	1,976	18,980
Foreign currency translation differences for foreign operations	-	-	3	-	-	-	3	-	3
Share of other comprehensive income of associates and jointly controlled entity	-	-	-	-	(100)	-	(100)	-	(100)
Total other comprehensive income for the period	-	-	3	-	(100)	-	(97)	-	(97)
Profit for the period	-	-	-	-	-	2,059	2,059	240	2,299
Total comprehensive income for the period	-	-	3	-	(100)	2,059	1,962	240	2,202
Adjustment arising from settlement of debt	-	-	-	-	(83)	-	(83)	-	(83)
Effect on common control transfer of subsidiaries, associates and jointly controlled entities	729	4,561	-	(6,129)	-	-	(839)	-	(839)
Additional equity interest in subsidiaries	-	-	-	-	-	-	-	(273)	(273)
Pre-merger dividends	-	-	-	-	-	(2,962)	(2,962)	(468)	(3,430)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(30)	(30)
Issuance of ordinary shares (net of expenses incurred)	70	3,510	-	-	-	-	3,580	-	3,580
Others	-	-	-	-	13	(12)	1	(32)	(31)
Total contribution from/(distribution to) owners	799	8,071	-	(6,129)	(70)	(2,974)	(303)	(803)	(1,106)
Balance at 31 December 2010	800	8,071	-	(204)	77	9,919	18,663	1,413	20,076



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 December 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	<i>Attributable to owners of the Company</i>							Non-controlling Interests	Total Equity
	<i>Non-Distributable</i>			<i>Distributable</i>					
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Merger Reserve	Other Reserves	Retained Profits	Total	RM Mil	RM Mil
	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil
As at 1 April 2011									
- As previously reported	800	8,071	(3)	(204)	61	10,922	19,647	1,409	21,056
- Effects of adopting IC 4, net of tax	-	-	-	-	-	(69)	(69)	(3)	(72)
As at 1 April 2011, restated	800	8,071	(3)	(204)	61	10,853	19,578	1,406	20,984
Foreign currency translation differences for foreign operations	-	-	3	-	-	-	3	-	3
Share of other comprehensive income of associates and jointly controlled entity	-	-	-	-	35	-	35	-	35
Total other comprehensive income for the period	-	-	3	-	35	-	38	-	38
Profit for the period	-	-	-	-	-	2,621	2,621	291	2,912
Total comprehensive income for the period	-	-	3	-	35	2,621	2,659	291	2,950
Redemption of Redeemable Preference Shares	-	-	-	-	-	-	-	(36)	(36)
Transfer to capital reserves	-	-	-	-	11	(11)	-	-	-
Dividends	-	-	-	-	-	(2,160)	(2,160)	(109)	(2,269)
Others	-	-	-	-	(5)	-	(5)	(2)	(7)
Total contribution from/(distribution to) owners	-	-	-	-	6	(2,171)	(2,165)	(147)	(2,312)
Balance at 31 December 2011	800	8,071	-	(204)	102	11,303	20,072	1,550	21,622

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 December 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	2011	Cumulative quarter ended 31 December 2010 Restated
Cash receipts from customers	12,635	10,233
Cash paid to suppliers and employees	(7,910)	(10,194)
	4,725	39
Interest income received	220	129
Taxation paid	(595)	(396)
Cash flows generated from/(used in) operating activities	4,350	(228)
Dividend received from associates	532	281
Net cash paid resulting from acquisition of shares in subsidiaries	-	(945)
Purchase of property, plant and equipment	(424)	(322)
Proceeds from other receivables	18	21
Proceeds from disposal of securities	10	5
Cash flows generated from/(used in) investing activities	136	(960)
Proceeds from issues of shares (at premium)	-	3,640
Dividends paid to:		
- Petroliaam Nasional Berhad ("PETRONAS")	(1,390)	(2,781)
- Others (third parties)	(770)	-
- Non-controlling interests of subsidiaries	(346)	(468)
Redemption of preference shares		
- PETRONAS	-	(48)
- Non-controlling interests of subsidiaries	(36)	(32)
Drawdown of:		
- PETRONAS loans and advances	-	1,367
- revolving credit and bankers' acceptance	285	2,278
Balance carried forward	(2,257)	3,956



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM Mil</i>	2011	Cumulative quarter ended 31 December 2010 Restated
Balance brought forward	(2,257)	3,956
Repayment of:		
- PETRONAS loans and advances	(1,000)	(5)
- Islamic financing facilities	(66)	(92)
- Term loans	(93)	(30)
- Revolving credits and bankers' acceptance	(443)	(2,476)
- Finance lease liabilities	(51)	(51)
Interest expenses paid	(79)	(55)
Cash flows used in/(from) financing activities	(3,989)	1,247
Net increase in cash and cash equivalents	497	59
Increase in deposits restricted	(31)	-
Net foreign exchange difference	(21)	(6)
Cash and cash equivalents at beginning of the period	8,821	7,443
Cash and cash equivalents at end of the period	9,266	7,496
 Cash and cash equivalents		
Cash and bank balances and deposits	9,380	7,582
Less: Deposits restricted	(114)	(86)
	9,266	7,496

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

A1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements (“Bursa Malaysia Listing Requirements”), and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2011 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries, and the Group’s interest in associates and a jointly controlled entity as at and for the period ended 31 December 2011.

A2. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the consolidated financial statements for the period ended 31 December 2011.

- (a) As of 1 April 2011, the Group and the Company have adopted the following FRSs and Statement of Interpretation which are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011:

Effective for annual periods beginning on or after 1 July 2010

FRS 1	<i>First-time Adoption of Financial Reporting Standard (Revised)</i>
FRS 3	<i>Business Combinations (Revised)</i>
FRS 127	<i>Consolidated and Separate Financial Statements (Revised)</i>
Amendment to FRS 127	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 138	<i>Intangible Assets</i>
Amendments to IC Interpretation 9	<i>Reassessment of Embedded Derivatives</i>

Effective for annual periods beginning on or after 1 January 2011

Amendments to FRS 1	<i>First-time Adoption of Financial Reporting Standard - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>
Amendments to FRS 7	<i>Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments</i>
IC Interpretation 4	<i>Determining whether an Arrangement contains a Lease</i>
IC Interpretation 18	<i>Transfer of Assets from Customers</i>



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (continued)

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The adoption of the above FRSs and Amendments do not have material impact on these financial statements other than discussed below.

IC Interpretation 4 addresses the determination on whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, Leases. Where an arrangement is within the scope of FRS 117, the Group applies FRS 117 in determining whether the arrangement is a finance or an operating lease. The adoption of IC Interpretation 4 results in certain arrangements being accounted for as finance leases. This change has been applied retrospectively in accordance with FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of this change has been disclosed in Note A15.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) Framework.

The Group and Company’s financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the MFRSs issued by MASB and International Financial Reporting Standards (“IFRSs”).

The first reported results under MFRS will be in the Group’s interim financial report for the period ending 31 March 2012.

A3. AUDIT QUALIFICATION

The audited financial statements of PCG and its subsidiaries for the year ended 31 March 2011 were not subject to any audit qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The prices of petrochemical products and their underlying feedstock are subject to significant fluctuations as they are influenced both by global supply and demand as well as movements in the prices of key commodities such as crude oil and natural gas. Consequently, margins have historically been cyclical and are sensitive to supply and demand imbalances both domestically and internationally. Supply is affected by significant capacity expansions by producers, and if such additions are not matched by corresponding growth in demand, which is generally linked to the level of economic activity, average industry operating margins will face downward pressures. As a result, the petrochemical cycle is characterised by periods of tight supply, leading to high capacity utilisation rates and margins, followed by periods of oversupply, primarily resulting from significant capacity additions, leading to reduced capacity utilisation rates and margins.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (continued)

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the period ended 31 December 2011.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of PCG and its subsidiaries for the year ended 31 March 2011 that may have a material effect in the current financial period results.

A7. DEBTS AND EQUITY SECURITIES

There were no material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period ended 31 December 2011.

A8. DIVIDENDS PAID

During the financial period, the Company paid:

- (i) A single tier final dividend of 19 sen per ordinary share amounting to RM1,520 million in respect of the financial year ended 31 March 2011 on 25 August 2011; and
- (ii) A single tier interim dividend of 8 sen per ordinary share amounting to RM640 million in respect of the financial period ended 31 December 2011 on 22 December 2011.

A9. SEGMENT RESULTS AND REPORTING

- Olefins and Derivatives - activities include the supply and trading, manufacturing, marketing and transportation of a wide range of olefin and polymer products, which are used as basic feedstock for other products, to intermediate products including basic and high performance chemicals.
- Fertilisers and Methanol - activities include producing and selling methanol and a range of nitrogen, phosphate and compound fertilisers.
- Others - comprises other businesses that support the petrochemicals' business operations and unallocated income and expenses.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (continued)

A9. SEGMENT RESULTS AND REPORTING (continued)

9.1 Revenue

<i>In RM Mil</i>	Cumulative quarter ended 31 December					
	External customers		Inter segment		Gross total revenue	
	2011	2010 Restated	2011	2010	2011	2010 Restated
Olefins and Derivatives	8,804	7,897	5	4	8,809	7,901
Fertilisers and Methanol	3,054	2,281	70	58	3,124	2,339
Others	29	46	24	31	53	77
Total	11,887	10,224	99	93	11,986	10,317

9.2 Profit for the period ⁽¹⁾

<i>In RM Mil</i>	Cumulative quarter ended 31 December	
	2011	2010 Restated
	Olefins and Derivatives	2,138
Fertilisers and Methanol	824	186
Others	(50)	85
Total	2,912	2,299

(1) Included within profit for the period for Olefins and Derivatives, Fertilisers and Methanol and Others segments are depreciation and amortisation expenses amounting to RM728 million (2010: RM580 million), RM269 million (2010: RM230 million) and RM9 million (2010: RM9 million) respectively.

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluation of property, plant and equipment during the period under review. As at 31 December 2011, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (continued)

A11. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period under review.

A12. CHANGES IN COMPOSITION OF THE GROUP

- (i) On 30 June 2011, the Company acquired two ordinary shares of RM1.00 each representing 100% equity interest in PETRONAS Chemical Fertiliser Sabah Sdn. Bhd. ("PCFS") (formerly known as Styrene Monomer (Malaysia) Sdn. Bhd. ("SMSB")) from Petroliaam Nasional Berhad ("PETRONAS") for a total cash consideration of RM2.00.

PCFS was acquired as a special purpose vehicle to undertake the development of the new world-scale fertiliser plant in Sipitang, Sabah.

- (ii) On 30 June 2011, PETRONAS Chemicals Marketing Sdn. Bhd. (formerly known as Malaysian International Trading Corporation Sdn. Bhd.), a wholly-owned subsidiary of the Company has incorporated a wholly-owned subsidiary, PETRONAS Chemicals Trading (Labuan) Ltd ("PCTL") in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act 1990. The certificate of incorporation of a Labuan company dated 30 June 2011 was received on 5 July 2011.

A13. CONTINGENCIES

There were no material contingent liabilities or contingent assets since the last consolidated statement of financial position as at 31 March 2011.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (continued)

A14. CAPITAL COMMITMENTS

Capital expenditures which have not been provided for at the end of each reporting period are as follows:

<i>In RM Mil</i>	As at 31 December 2011	As at 31 March 2011
Property, plant and equipment:		
Approved and contracted for	3,583	274
Approved but not contracted for	511	340
	4,094	614

Included in the above is an amount of RM3,706 million relating to the development of a new world scale fertiliser plant in Sipitang, Sabah (referred to as the "SAMUR" project).



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (continued)

A15. COMPARATIVE FIGURES

Comparative figures of the Group have been restated as a result of application of IC Interpretation 4 as stated in Note A2.

	31 March 2011	
<i>In RM Mil</i>	As restated	As previously stated
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Property, plant and equipment	13,057	12,706
Long term receivables	64	28
Deferred tax assets	623	597
Trade and other receivables	2,308	2,296
EQUITY		
Reserves	18,778	18,847
Non-controlling interests	1,406	1,409
LIABILITIES		
Deferred tax liabilities	1,638	1,637
Other long term liabilities and provisions	467	24
Trade and other payables	2,368	2,315
31 December 2010		
<i>In RM Mil</i>	As restated	As previously stated
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	10,224	10,233
Cost of revenue	(7,328)	(7,304)
Selling and distribution expenses	(259)	(286)
Other income	239	236
STATEMENT OF CASH FLOWS		
Cash receipts from customers	10,233	10,363
Cash paid to suppliers and employees	(10,194)	(10,358)
Proceeds from other receivables	21	3
Repayment of finance lease liabilities	(51)	-



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF GROUP PERFORMANCE

(a) Performance of the current quarter against the corresponding quarter

<i>In RM Mil</i>	Quarter Ended 31 December					
	Group		Olefins and Derivatives		Fertilisers and Methanol	
	2011	2010 Restated	2011	2010 Restated	2011	2010 Restated
Revenue	3,904	3,895	2,925	3,079	999	837
Profit	826	998	615	863	245	69
EBITDA ¹	1,369	1,253	1,000	1,093	397	181

Group

Group revenue was RM3.9 billion, marginally higher by RM9 million or 0.2% compared to corresponding quarter on the back of higher product prices and strengthening USD, which offset lower sales volumes in the quarter.

The Group achieved higher production with improved plant utilisation driven by the Fertiliser and Methanol business segment. In comparison, the Olefins and Derivatives business segment recorded lower production after a strong performance in the corresponding quarter. As a result, Group sales volume was lower overall.

Profit for the quarter was lower by RM172 million or 17% at RM826 million. This follows lower contribution from our associates and jointly controlled entity as a result of lower production and full utilisation of tax benefits in one of the associate companies in the previous year.

EBITDA, meanwhile, grew by 9% to RM1.4 billion.

1) EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of associates and jointly controlled entities and other exceptional items. EBITDA in the corresponding quarter has also been restated retrospectively due to the impact of adopting IC Interpretation 4 – "Determining whether an Arrangement contains a Lease". The restatement is as follows:

<i>In RM Mil</i>	<i>As restated</i>	<i>As previously stated</i>
<i>Group EBITDA</i>		
<i>For the quarter ended 31 December 2010</i>	1,253	1,282



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

Olefins and Derivatives

Market conditions were more favourable this quarter for olefins and derivatives compared to the corresponding quarter. Constraints in regional product supply and strong demand growth, particularly for ethylene and propylene derivatives from China, led to significantly elevated prices globally.

In the corresponding quarter, our Olefins and Derivatives business segment recorded a strong performance supported by superior plant performance and healthy prices. This quarter, despite higher prices in line with market, revenue for the segment was lower by 5% at RM2.9 billion. The lower revenue follows lower sales volume recorded in line with lower production.

Driven by lower revenue and lower share of profits from associates, profit for the quarter fell by 29% at RM615 million. EBITDA decreased by 9% at RM1.0 billion.

Fertilisers and Methanol

Prices for fertiliser and methanol products continued to be on an uptrend for the quarter. Healthy demand together with bullish US crop prices lent support to higher urea prices while methanol prices were bolstered by increased consumption from China and India as well as tight supply from the Asian region.

The Fertiliser and Methanol business segment registered higher revenue by 19% at RM999 million as a result of higher prices. The segment recorded improved plant utilisation rate and production volumes as the corresponding quarter was limited by rejuvenation work at our fertiliser plant and water supply issues at our methanol facility. Despite higher production, sales volume was lower with less trading activities.

Profit more than tripled at RM245 million driven by favourable spreads. EBITDA also rose in tandem by 119% at RM397 million.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

(b) Performance of the current period against the corresponding period

<i>In RM Mil</i>	Cumulative Quarter Ended 31 December					
	Group		Olefins and Derivatives		Fertilisers and Methanol	
	2011	2010	2011	2010	2011	2010
	Restated		Restated		Restated	
Revenue	11,887	10,224	8,809	7,901	3,124	2,339
Profit	2,912	2,299	2,138	2,027	824	186
EBITDA ¹	4,508	3,207	3,279	2,685	1,316	470

Group

Group revenue for the period rose by 16% to RM11.9 billion on the back of higher prices, with both segments recording increases in revenue. The Group achieved higher average prices by 29% overall. This more than compensated the effect of lower sales volume by 7% and exchange rate movements during the period.

Lower sales volume was in line with lower production as a result of heavy plant maintenance activities in the Olefins and Derivatives segment and methane gas supply limitations in the Fertiliser and Methanol segment.

The Group's share of profits from associates and jointly controlled entity declined by 50% to RM273 million as a result of lower production and full utilisation of tax benefits in one of the associates company.

Profits rose by 27% to RM2.9 billion while EBITDA grew by 41% to RM4.5 billion for the period.

1) EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of associates and jointly controlled entities and other exceptional items. EBITDA in the corresponding quarter has also been restated retrospectively due to the impact of adopting IC Interpretation 4 – "Determining whether an Arrangement contains a Lease". The restatement is as follows:

<i>In RM Mil</i>	<i>As restated</i>	<i>As previously stated</i>
Group EBITDA		
<i>For the year ended 31 December 2010</i>	3,207	3,182



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

Olefins and Derivatives

The olefins and derivatives market was buoyant, particularly in the first two quarters of the period. Despite looming uncertainty over the global economy, demand for products remained strong in Asia Pacific, fuelled by sustained domestic consumption in China. This, coupled with tight supply in the region, resulted in higher prices globally compared to the corresponding period.

Against this backdrop of strong prices, the Olefins and Derivatives business segment recorded a growth in revenue of 11% at RM8.8 billion. This was despite lower sales volumes, in line with lower production as a result of heavy plant maintenance carried out during the period.

Profit for the period was higher by 5% at RM2.1 billion. Excluding the effect of lower share of profits from associates, profit for the period would be higher by 25%. EBITDA for the period grew by 22% at RM3.3 billion.

Fertilisers and Methanol

Market conditions and prices for fertilisers and methanol products were favourable during the period. Healthy demand for agriculture and robust crop prices provided support for higher urea prices throughout the period while methanol prices were also stronger following growing demand from China and India, depleting inventory levels and tight supply situation in Asia.

Riding on the favourable market conditions and prices, the Fertilisers and Methanol business segment registered a revenue increase of 33% at RM3.1 billion for the period. The period saw lower production levels as gas supply limitations constrained the production of methanol, particularly in the final quarter. As a result, sales volume was lower for the period.

Profit for the segment increased by 343% at RM824 million, supported by stronger spreads. Similarly, EBITDA improved by 180% at RM1.3 billion.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

Group revenue fell by 16% or RM734 million, due to lower sales volume by 15% compared to the preceding quarter and a drop in average product prices by 6%. Both segments registered lower volumes. The Olefins and Derivatives plants were affected by the softening in certain product markets and power interruption at PETRONAS Chemicals Ethylene Sdn Bhd (formerly known as Ethylene Malaysia Sdn Bhd) while the Fertilisers and Methanol segment was constrained by gas supply limitations.

Overall, Group profit was lower by RM446 million or 35% in line with narrowing spreads and lower production for Olefins and Derivatives, and lower share of profits from associates and jointly controlled entity. The lower share of profits was due to lower production by one of the associate companies compared to the preceding quarter. EBITDA¹, at RM1.4 billion, was also lower by 28% compared to the preceding quarter.

B3. COMMENTARY ON PROSPECTS

Moving forward, the results of our operations are expected to be primarily influenced by fluctuations in international petrochemical products prices, global economic conditions and utilisation rate of our production facilities.

Subject to sufficient availability of methane gas supply, we expect that the results of our operations for the next financial year ending 31 December 2012 to be satisfactory.

Olefins and Derivatives

Demand for Olefins and Derivatives products is anticipated to continue outstripping supply, driven by economic growth in the key markets of Asia Pacific, Central Europe, Middle East and South America. In the near term, the level of prices and demand may be affected by continuing economic uncertainties in Europe and US, and its impact on GDP growth in Asia-Pacific, particularly China. Barring severe economic downturn, we expect the Olefins and Derivatives Segment to continue being the key contributor to the Group's results.

Fertilisers and Methanol

Global demand for fertilisers is driven by the agriculture industry and should increase in tandem with anticipated growth in world population. Demand for methanol in key markets will likely remain positive as well in line with anticipated economic growth. With this and subject to sufficient availability of methane supply, we expect the performance of the Fertiliser and Methanol Segment to continue to be satisfactory.

1) *EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of associates and jointly controlled entities and other exceptional items.*



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 D DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group does not publish any profit forecast.

B5. OPERATING PROFIT

<i>In RM Mil</i>	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2011	2010 Restated	2011	2010 Restated
<i>Included in operating profit are the following charges:</i>				
Interest expense	26	37	97	75
Depreciation and amortisation	347	273	1,006	819
Impairment losses on trade receivables	-	-	1	1
Loss on realised foreign exchange	21	4	35	46
Loss on unrealised foreign exchange	(11)	2	20	9
<i>and credits:</i>				
Interest income	78	37	220	124
Gain on realised foreign exchange	35	8	64	16
Gain on unrealised foreign exchange	(54)	1	21	34



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B6. TAX EXPENSE

<i>In RM Mil</i>	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2011	2010	2011	2010
Current tax expenses				
- Current period tax	311	235	880	615
- (Over)/under provision in respect of prior periods	(20)	20	(16)	20
	291	255	864	635
Deferred tax expenses				
- Origination and reversal of temporary differences	42	20	149	25
- Over provision in respect of prior periods	(20)	-	(28)	-
	22	20	121	25
	313	275	985	660

The Group's effective tax rates for the 9 months period ended 31 December 2011 and 31 December 2010 are 25% and 22% respectively.

B7. SALES OF UNQUOTED INVESTMENTS/PROPERTIES

There were no material disposals of unquoted investments or properties by the Group for the current quarter and financial period under review.

B8. QUOTED SECURITIES

There were no material dealings in quoted securities during the financial period under review.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B9. STATUS OF CORPORATE PROPOSALS

Memorandum of Understanding between PETRONAS and BASF

On 6 December 2010, PETRONAS and BASF signed a Memorandum of Understanding to undertake a joint feasibility study to produce specialty chemicals in Malaysia. The final scope of the investments will be determined following the outcome of the joint feasibility study, which is currently in progress.

For the subsequent phases of the collaboration, PCG will jointly evaluate with BASF, the outcome of the feasibility study and may adopt it as part of PCG's strategic growth plans, if technically and commercially viable.

B10. UTILISATION OF PROCEEDS

The status of the utilisation of listing proceeds of RM3,640 million raised from the Public Issue as at date of this report are as follows;

	Proposed utilisation RM Mil	Actual utilisation RM Mil	Transfer RM Mil	Balance at 31 December 2011 RM Mil	Intended timeframe for utilisation from the date of listing
Expansion of business and synergistic growth acquisitions	2,344	(12)	-	2,332	Within 5 years
Working capital requirement and general corporate purposes	1,200	-	22*	1,222	Within 2 years
Estimated listing expenses	96	(74)	(22)*	-	Within 1 year
Total	3,640	(86)	-	3,554	

* The unutilised balance of RM22 million allocated for estimated listing expenses has been reallocated towards working capital requirement and general corporate purposes.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B11. BORROWINGS

The details of the Group borrowings as at 31 December 2011 are as follows:

<i>In RM Mil</i>	<u>As at 31 December 2011</u>	<u>As at 31 March 2011</u>
Current		
<i>Secured</i>		
Term loans (USD)	169	162
Islamic financing facilities	40	65
	209	227
<i>Unsecured</i>		
Term loans (USD)	7	7
Revolving credits (RM)	-	132
Revolving credits (USD)	16	-
PETRONAS loans and advances	1,920	-
Others	-	41
	1,943	180
	2,152	407
Non-Current		
<i>Secured</i>		
Term loans (USD)	-	75
Islamic financing facilities	233	273
	233	348
<i>Unsecured</i>		
Term loans (USD)	8	14
PETRONAS loans and advances	-	2,920
	8	2,934
	241	3,282
Total	2,393	3,689

B12. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any material derivative financial instruments as at the date of this report.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B13. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the current quarter and cumulative quarter ended 31 December 2011.

B14. DISCLOSURE OF REALISED AND UNREALISED PROFIT

This information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia.

The Group's balance of realised and unrealised retained profits as at 31 December 2011 are disclosed as follows:

<i>In RM Mil</i>	<u>As at 31 December 2011</u>	<u>As at 31 March 2011 Restated</u>
Total retained profits of PCG and its subsidiaries:		
Realised	13,710	12,620
Unrealised	(799)	(665)
	12,911	11,955
Total share of retained profits from associates:		
Realised	312	539
Unrealised	(53)	(26)
	259	513
Total share of retained profits from jointly controlled entity:		
Realised	95	98
Unrealised	(21)	(21)
	74	77
Total realised and unrealised	13,244	12,545
Less: Consolidation adjustments	(1,941)	(1,692)
Total group retained profits as per consolidated accounts	11,303	10,853



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any off balance sheet financial instruments as at the date of this report.

B16. MATERIAL LITIGATION

The Group has no material litigation as at the date of this report.

B17. DIVIDEND PROPOSED

The Directors propose a single tier final dividend of 8 sen per ordinary share amounting to RM640 million for shareholders' approval at the forthcoming Annual General Meeting, payable on a date to be announced later.



PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS
(continued)

B18. EARNINGS PER SHARE

<i>In RM Mil</i>	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2011	2010 Restated	2011	2010 Restated
Profit for the period attributable to shareholders of the Company	735	873	2,621	2,059
<i>Earnings per share attributable to shareholders of the Company:</i>				
<i>In thousands of shares</i>				
Number of shares issued	8,000,000	8,000,000	8,000,000	8,000,000
Weighted average number of shares issued	8,000,000	7,513,796	8,000,000	7,389,458
Earning per share (sen)*	9	12	33	28

* Based on weighted average number of shares issued.

As at the date of the statement of financial position, the Company does not have any instruments which may have a dilutive impact on the basic earnings per share.

By order of the Board

Muhammad Isa Bin Othman (LS 0004695)
Kang Shew Meng (MAICSA 0778565)
Joint Secretaries

Kuala Lumpur
27 February 2012