



PETRONAS

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

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 30 September 2013 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 22.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

<i>In RM Mil</i>	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2013	2012	2013	2012
Revenue		3,527	3,935	11,853	12,220
Cost of revenue		(2,514)	(2,718)	(7,527)	(7,963)
Gross profit		1,013	1,217	4,326	4,257
Selling and distribution expenses		(145)	(162)	(475)	(508)
Administration expenses		(117)	(137)	(329)	(408)
Other expenses		(22)	(14)	(77)	(51)
Other income		118	89	365	302
Operating profit	B5	847	993	3,810	3,592
Financing costs		-	(33)	-	(82)
Share of profit of equity accounted investees, net of tax		78	70	151	221
Profit before taxation		925	1,030	3,961	3,731
Tax expense	B6	(213)	(235)	(955)	(882)
PROFIT FOR THE PERIOD		712	795	3,006	2,849
Other comprehensive income/ (expenses)					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2	(2)	3	(2)
Share of other comprehensive income/ (expenses) of equity accounted investees		15	(26)	32	(27)
		17	(28)	35	(29)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		729	767	3,041	2,820



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)

<i>In RM Mil</i>	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2013	2012	2013	2012
Profit attributable to:					
Owners of the Company		635	742	2,697	2,616
Non-controlling interests		77	53	309	233
PROFIT FOR THE PERIOD		712	795	3,006	2,849
Total comprehensive income attributable to:					
Owners of the Company		652	714	2,732	2,587
Non-controlling interests		77	53	309	233
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		729	767	3,041	2,820
Basic earnings per share attributable to shareholders of the Company					
Based on ordinary shares issued (sen)	B16	8	9	34	33

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	As at 30 September 2013	As at 31 December 2012
ASSETS		
Property, plant and equipment	12,607	11,697
Investments in associates	556	521
Investments in jointly controlled entities	149	147
Intangible assets	10	12
Long term receivables	17	28
Deferred tax assets	457	661
TOTAL NON-CURRENT ASSETS	13,796	13,066
Trade and other inventories	1,198	1,237
Trade and other receivables	1,718	2,036
Current tax assets	142	119
Cash and cash equivalents	10,571	9,307
	13,629	12,699
Assets classified as held for sale	156	155
TOTAL CURRENT ASSETS	13,785	12,854
TOTAL ASSETS	27,581	25,920
EQUITY		
Share capital	800	800
Reserves	20,483	19,511
Total equity attributable to shareholders of the Company	21,283	20,311
Non-controlling interests	1,736	1,595
TOTAL EQUITY	23,019	21,906
LIABILITIES		
Deferred tax liabilities	980	1,040
Other long term liabilities and provisions	545	576
TOTAL NON-CURRENT LIABILITIES	1,525	1,616
Trade and other payables	2,657	2,161
Dividend payable	48	-
Current tax payables	272	222
	2,977	2,383
Liabilities classified as held for sale	60	15
TOTAL CURRENT LIABILITIES	3,037	2,398
TOTAL LIABILITIES	4,562	4,014
TOTAL EQUITY AND LIABILITIES	27,581	25,920

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to owners of the Company</i>					<i>Distributable</i>	<i>Total</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>
	<i>Non-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	RM Mil	RM Mil
As at 1 January 2012	800	8,071	3	(204)	102	9,320	18,092	1,550	19,642
Foreign currency translation difference for foreign operations	-	-	(2)	-	-	-	(2)	-	(2)
Share of other comprehensive income of equity accounted investees	-	-	-	-	(27)	-	(27)	-	(27)
Total other comprehensive income for the period	-	-	(2)	-	(27)	-	(29)	-	(29)
Profit for the period	-	-	-	-	-	2,616	2,616	233	2,849
Total comprehensive income for the period	-	-	(2)	-	(27)	2,616	2,587	233	2,820
Redemption of Redeemable Preference Shares by a subsidiary	-	-	-	-	-	-	-	(54)	(54)
Transfer to capital reserves	-	-	-	-	10	(10)	-	-	-
Dividends	-	-	-	-	-	(640)	(640)	(193)	(833)
Others	-	-	-	-	6	-	6	-	6
Total contribution from/(distribution to) owners	-	-	-	-	16	(650)	(634)	(247)	(881)
Balance at 30 September 2012	800	8,071	1	(204)	91	11,286	20,045	1,536	21,581

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to owners of the Company							Non-controlling Interests RM Mil	Total Equity RM Mil
	Non-Distributable					Distributable			
	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		
As at 1 January 2013	800	8,071	1	(204)	95	11,548	20,311	1,595	21,906
Foreign currency translation difference for foreign operations	-	-	3	-	-	-	3	-	3
Share of other comprehensive income of equity accounted investees	-	-	-	-	32	-	32	-	32
Total other comprehensive income for the period	-	-	3	-	32	-	35	-	35
Profit for the period	-	-	-	-	-	2,697	2,697	309	3,006
Total comprehensive income for the period	-	-	3	-	32	2,697	2,732	309	3,041
Dividends	-	-	-	-	-	(1,760)	(1,760)	(169)	(1,929)
Others	-	-	-	-	-	-	-	1	1
Total contribution from /(distribution to) owners	-	-	-	-	-	(1,760)	(1,760)	(168)	(1,928)
Balance at 30 September 2013	800	8,071	4	(204)	127	12,485	21,283	1,736	23,019

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	Cumulative quarter ended 30 September	
	2013	2012
Cash receipts from customers	12,300	12,121
Cash paid to suppliers and employees	(7,761)	(7,847)
	4,539	4,274
Interest income received	238	217
Taxation paid	(835)	(830)
Cash flows generated from operating activities	3,942	3,661
Dividends received from equity accounted investees	147	224
Purchase of property, plant and equipment	(945)	(775)
Proceeds from other long term receivables	-	11
Proceeds from finance lease receivables	9	9
Cash flows used in investing activities	(789)	(531)
Dividend paid to:		
- PETRONAS	(1,133)	(412)
- Other (third parties)	(627)	(228)
- Non-controlling interests of subsidiaries	(121)	(193)
Payment to non-controlling interests on redemption of shares	-	(54)
Interest expenses paid to:		
- PETRONAS	-	(85)
- Others (third parties)	-	(29)
Repayment of :		
- Shareholder's loan (PETRONAS)	-	(1,920)
- Islamic financing facilities	-	(274)
- Term loans, notes and bonds	-	(163)
- Revolving credit and bankers' acceptance	-	(15)
- Finance lease liabilities	(51)	(51)
Cash flows used in financing activities	(1,932)	(3,424)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

<i>In RM Mil</i>	Cumulative quarter ended 30 September	
	2013	2012
Net increase / (decrease) in cash and cash equivalents	1,221	(294)
Decrease in deposits restricted	-	114
Net foreign exchange difference	43	(7)
Cash and cash equivalents at beginning of the period	9,307	9,266
Cash and cash equivalents at end of the period	10,571	9,079

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



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed financial statements are unaudited and have been prepared in accordance with IAS 34, MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. They should also be read in conjunction with the financial statements of the Group for the year ended 31 December 2012 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 jointly controlled entities as at and for the quarter ended 30 September 2013.

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 31 December 2012.

As of 1 January 2013, the Group and the Company have adopted the following MFRSs and amendments (collectively referred to as "pronouncements") which are effective for annual periods beginning on or after 1 January 2013.

Effective for annual periods beginning on or after 1 January 2013

MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (2011)</i>
MFRS 127	<i>Separate Financial Statements (2011)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (2011)</i>
MFRS 137	<i>Provisions, Contingent Assets & Contingent Liabilities</i>
Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joint Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>



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**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
(continued)**

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to MFRS 101	<i>Presentation of Financial Statement (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)</i>

The adoption of the above pronouncements does not have any material impact on the financial statements.

A3. AUDIT QUALIFICATION

The audited financial statements of PCG and its subsidiaries for the year ended 31 December 2012 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.



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**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
(continued)**

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the period ended 30 September 2013.

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 December 2012 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 30 September 2013.

A8. DIVIDENDS PAID

During the financial year, the Company paid:

- (i) A single tier final dividend of 14 sen per ordinary share amounting to RM1,120 million in respect of the financial year ended 31 December 2012 was paid to shareholders on 25 June 2013.
- (ii) A single tier interim dividend of 8 sen per ordinary share amounting to RM640 million in respect of the financial year ending 31 December 2013 was paid to shareholders on 25 September 2013.

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.



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

A9. SEGMENT RESULTS AND REPORTING (continued)

9.1 Revenue

<i>In RM Mil</i>	Cumulative quarter ended 30 September					
	External customers		Inter segment		Gross total revenue	
	2013	2012	2013	2012	2013	2012
Olefins and Derivatives	8,599	8,879	8	5	8,607	8,884
Fertilisers and Methanol	3,226	3,308	171	172	3,397	3,480
Others	28	33	28	28	56	61
Total	11,853	12,220	207	205	12,060	12,425

9.2 Profit for the period ⁽¹⁾

<i>In RM Mil</i>	Cumulative quarter ended 30 September	
	2013	2012
Olefins and Derivatives	2,027	2,011
Fertilisers and Methanol	902	806
Others	77	32
Total	3,006	2,849

⁽¹⁾Included within profit for the period for Olefins and Derivatives, Fertilisers and Methanol and Others segments are depreciation and amortisation expenses amounting to RM508 million (2012: RM556 million), RM281 million (2012: RM260 million) and RM9 million (2012: RM9 million) respectively.

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment for the year ended 31 December 2012. As at 30 September 2013, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.



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**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
(continued)**

A11. CONTINGENCIES

There were no material contingent liabilities or contingent assets since the last consolidated statement of financial position as at 31 December 2012.

A12. 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 30 September 2013	As at 31 December 2012
Property, plant and equipment:		
Approved and contracted for	2,516	3,786
Approved but not contracted for	1,224	904
	<u>3,740</u>	<u>4,690</u>

Included in the above is an amount of RM2,383 million relating to the development of a new world scale fertiliser plant in Sipitang, Sabah (referred to as the "SAMUR" project).



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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 30 September					
	Group		Olefins and Derivatives		Fertilisers and Methanol	
	2013	2012	2013	2012	2013	2012
Revenue	3,527	3,935	2,665	2,917	912	1,068
Profit	712	795	531	617	157	171
EBITDA ⁽¹⁾	1,032	1,248	758	900	285	361

The Group recorded revenue of RM3.5 billion, lower by RM408 million or 10% compared to the corresponding quarter following lower sales volumes across both segments.

During the quarter, the Group undertook maintenance at its main cracker which also affected the related downstream facilities. Accordingly, production and sales volumes were lower.

Group profit for the quarter, however, only decreased by RM83 million or 10% to RM712 million as the impact of lower volumes was cushioned by lower operating expenses and finance cost. In addition, profit for the corresponding quarter was affected by a once-off adjustment relating to amortisation expenses amounting to RM56 million.

EBITDA declined by RM216 million or 17% at RM1,032 million.

⁽¹⁾ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit of equity accounted investees and other exceptional items.



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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Olefins and Derivatives

The olefins and derivatives market saw stronger market fundamentals during the current quarter with healthier downstream demand amidst supply constraints following maintenance activities at key regional producers.

The Group's Olefins and Derivatives segment undertook maintenance at its main cracker and related downstream facilities. Consequently, sales volume was lower.

As a result of lower volume, revenue for the segment dropped by RM252 million or 9% to RM2,665 million.

Profit for the quarter was lower by RM86 million or 14% at RM531 million mainly attributable to lower volume of ethane-based products. This was partially negated by lower operating expenses following discontinuation of vinyl production and lower finance cost.

Correspondingly, EBITDA was lower by RM142 million or 16% at RM758 million.

Fertilisers and Methanol

The market for fertilisers was weaker compared to the corresponding quarter with both urea and ammonia prices on a declining trend. Urea price was affected by excess supply amidst a weak market whilst softening demand in the downstream market exerted downward pressure on ammonia price. Conversely, methanol prices strengthened as a result of limited supply availability.

The Group's Fertilisers and Methanol segment saw marginally improved operational performance during the quarter. However, sales volumes were lower with less product purchases to support system sales, in line with market conditions.

Revenue for the segment was lower by RM156 million or 15% to RM912 million following lower prices for urea and ammonia as well as lower volumes.

Similarly, profit for the quarter decreased by RM14 million or 8% to RM157 million. In addition, profit for the corresponding quarter included a once-off adjustment relating to amortisation expenses amounting to RM56 million.

Hence EBITDA declined by RM76 million or 21% at RM285 million.



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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

<i>In RM Mil</i>	Cumulative quarter ended 30 September					
	Group		Olefins and Derivatives		Fertilisers and Methanol	
	2013	2012	2013	2012	2013	2012
Revenue	11,853	12,220	8,607	8,884	3,397	3,480
Profit	3,006	2,849	2,027	2,011	902	806
EBITDA ⁽¹⁾	4,364	4,252	2,951	2,917	1,439	1,368

Against the corresponding period, Group revenue was slightly lower by 3% or RM367 million at RM11.9 billion driven by lower volumes.

Operational performance for the period was comparable with similar levels of maintenance activities in both periods.

Group profit rose by RM157 million or 6% to RM3.0 billion, mainly attributable to higher availability of system volumes for F&M and lower financing cost. EBITDA similarly increased by RM112 million or 3% to RM4.4 billion.

⁽¹⁾ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit of equity accounted investees and other exceptional items.



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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Olefins and Derivatives

Market conditions for olefins and derivatives were more robust compared to the corresponding period as product prices were lifted by demand upturn and higher ethylene feedstock prices due to limited supply availability.

The operational performance for the Group's Olefins and Derivatives segment was affected by higher level of plant maintenance activities particularly at its main cracker and related downstream facilities in the third quarter. Consequently, the segment recorded lower plant utilisation and production volumes.

As a result of lower volumes, revenue for the segment fell by 3% or RM277 million.

Profit for the period, however, was marginally higher at RM2.0 billion due to improved product spreads. Similarly, EBITDA also increased marginally to RM3.0 billion.

Fertilisers and Methanol

The fertilisers and methanol market was mixed during the period. Urea prices were notably weaker with additional capacities coming onstream amidst softening demand. In contrast, methanol and ammonia prices were higher due to supply constraints.

Operationally, the Group's Fertilisers and Methanol segment achieved stronger operational performance with lower level of maintenance activities in the period. However, sales volumes were lower with less product purchases to support system sales, in line with market conditions.

Revenue for the segment declined slightly by RM83 million or 2% to RM3.4 billion as a result of lower volumes.

In contrast, profit improved by RM96 million or 12% to RM902 million driven by higher availability of system volumes this period. EBITDA also increased by RM71 million or 5% to RM1,439 million.



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

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

The Group's revenue was lower by RM345 million or 9% at RM3.5 billion compared to the preceding quarter mainly attributable to lower volumes.

The Group undertook higher level of plant maintenance activities in the current quarter which resulted in lower plant utilisation and sales volumes.

Group profit decreased by RM347 million or 33% as lower sales volumes, particularly ethane-based products. EBITDA was lower by RM520 million or 33% at RM1.0 billion.

B3. COMMENTARY ON PROSPECTS

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

a) Olefins and Derivatives

Demand for olefins and derivatives products is anticipated to continue outstripping supply, driven by economic growth in key markets of Asia Pacific albeit at slower pace than anticipated. In the near term, the level of prices and demand will be affected by the pace of economic recovery in Europe and US, as well as the strength of GDP growth in Asia-Pacific.

b) Fertilisers and Methanol

Global demand for fertilisers is driven by the agriculture industry and should remain steady, backed by world population growth. In the near term, urea price is expected to stabilise with seasonal year-end demand. Demand for methanol should remain robust in line with anticipated economic growth in key markets.

Subject to completion of maintenance activities at the Group's key facilities, we anticipate the results of our operations for the financial year ending 31 December 2013 to be within expectation.



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**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 30 September		Cumulative quarter ended 30 September	
	2013	2012	2013	2012
<i>Included in operating profit are the following charges:</i>				
Interest expense	-	33	-	82
Depreciation and amortisation	269	269	798	825
Impairment losses on trade receivables	-	-	1	-
Loss on foreign exchange	26	40	70	49
<i>and credits:</i>				
Interest income	84	84	245	241
Gain on foreign exchange	31	5	108	37
Derivative gain	7	17	7	11

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.



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

B6. TAX EXPENSE

<i>In RM Mil</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2013	2012	2013	2012
Current tax expenses				
- Current period tax	194	251	802	843
- Over provision in respect of prior periods	9	(6)	9	(9)
	<u>203</u>	<u>245</u>	<u>811</u>	<u>834</u>
Deferred tax expenses				
- Origination of temporary differences	15	(10)	142	46
- Under provision in respect of prior periods	(5)	-	2	2
	<u>10</u>	<u>(10)</u>	<u>144</u>	<u>48</u>
	<u>213</u>	<u>235</u>	<u>955</u>	<u>882</u>

The Group's effective tax rates for the period ended 30 September 2013 and period ended 30 September 2012 are 24.1% and 23.6% 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.

B9. STATUS OF CORPORATE PROPOSALS

There was no new corporate proposal during the quarter under review since the last audited financial statements of 31 December 2012.



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(continued)**

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 is as follows:

	Proposed utilisation RM Mil	Actual utilisation RM Mil	Transfer RM Mil	Balance at 30 September 2013 RM Mil	Intended timeframe for utilisation from the date of listing
Expansion of business and synergistic growth acquisitions	2,344	(1,258)	1,221	2,307	Within 5 years
Working capital requirement and general corporate purposes	1,200	-	(1,200)*	-	Within 2 years
Estimated listing expenses	96	(75)	(21)*	-	Within 1 year
Total	3,640	(1,333)	-	2,307	

* The unutilised balance for working capital requirement of RM1,200 million and listing expenses of RM21 million have been reallocated towards business expansion and synergistic growth acquisitions.

B11. DERIVATIVE FINANCIAL INSTRUMENTS

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



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(continued)

B12. 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 ended 30 September 2013.

B13. 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 Requirement*, 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 30 September 2013 is disclosed as follows:

<i>In RM Mil</i>	As at 30 September 2013	As at 31 December 2012
Total retained profits of the Group:		
Realised	16,603	15,423
Unrealised	(504)	(386)
	<u>16,099</u>	<u>15,037</u>
Total share of retained profits from associates:		
Realised	275	264
Unrealised	5	(21)
	<u>280</u>	<u>243</u>
Total share of retained profits from jointly controlled entities:		
Realised	154	77
Unrealised	(31)	(16)
	<u>123</u>	<u>61</u>
Total realised and unrealised	16,502	15,341
Less: Consolidation adjustments	(4,017)	(3,793)
Total group retained profits as per consolidated account	<u>12,485</u>	<u>11,548</u>



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(continued)

B14. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B15. MATERIAL LITIGATION

There is no pending material litigation since the last audited financial statements of PCG and its subsidiaries for the year ended 31 December 2012.

B16. BASIC EARNINGS PER SHARE

<i>In RM Mil</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2013	2012	2013	2012
Profit for the period attributable to shareholders of the Company	635	742	2,697	2,616

Earnings per share attributable to shareholders of the Company:

In thousands of shares

Number of ordinary shares issued	8,000,000	8,000,000	8,000,000	8,000,000
Basic earnings per share (sen)	8	9	34	33

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

Noryati Mohd Noor (LS 0008877)

Kang Shew Meng (MAICSA 0778565)

Joint Secretaries

Kuala Lumpur

7 November 2013