



**PETRONAS**

**QUARTERLY RESULTS  
ANNOUNCEMENT**  
**Highlights for the  
Quarter Ended June 2014**  
**11 August 2014**

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# PCG Management



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Chief Financial Officer



**Akbar Md Thayoob**  
Head of Commercial



**M Yusri M Yusof**  
Head of Manufacturing



**Abdul Aziz Othman**  
Head of Strategic Planning and Ventures

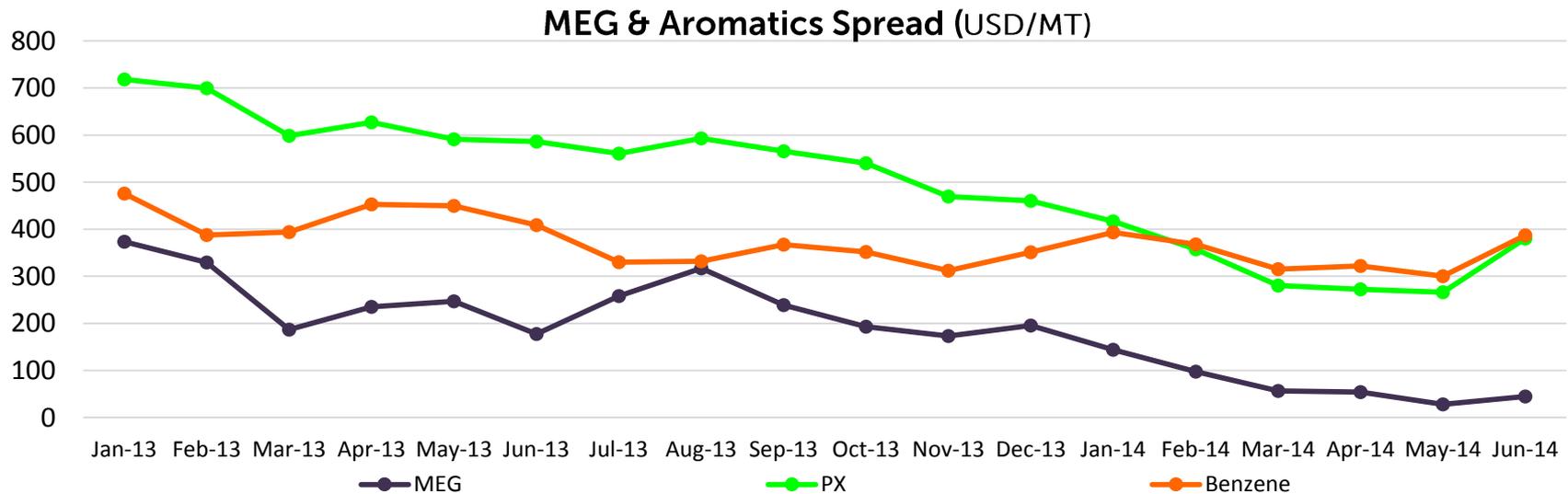
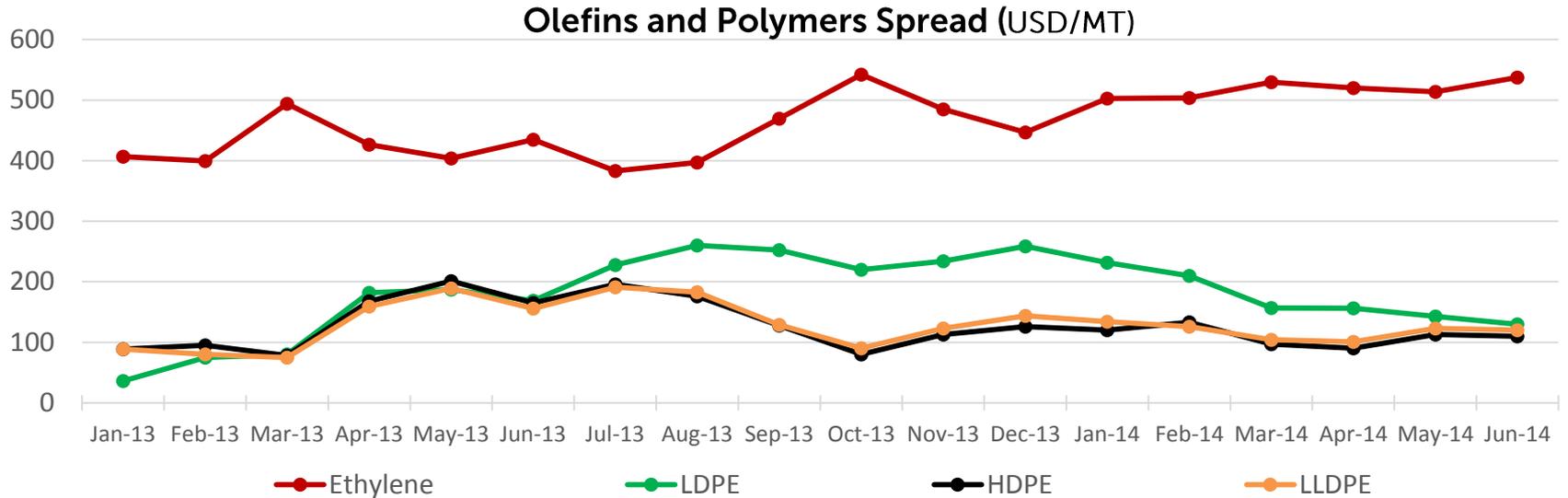


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Head of Investor Relations

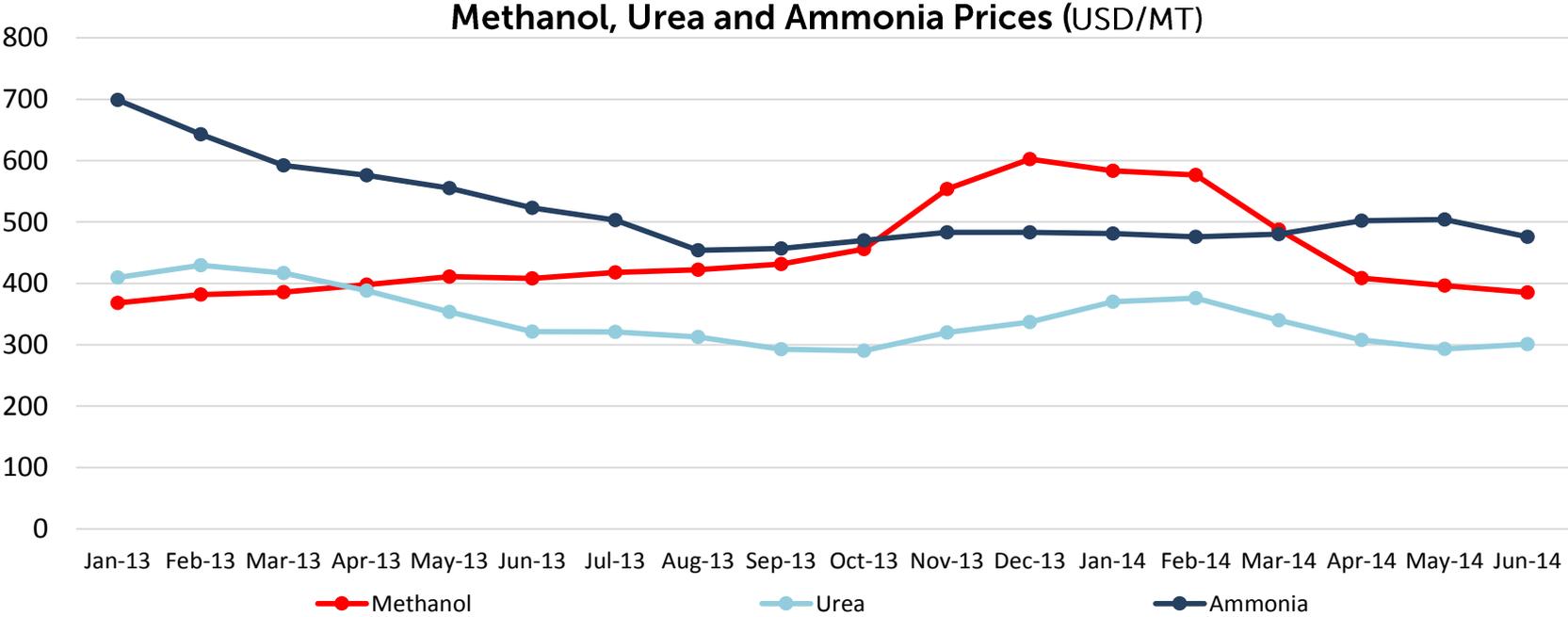
# Key Highlights

- Completed divestment of Phu My Plastics Chemical Company
- Developed innovative customer solution for solar panel cutting fluid applications
- Steady global economy but mixed key market environment
- Completed major turnaround activities
- Financial performance reflected challenging market conditions and heavier turnaround/maintenance activities

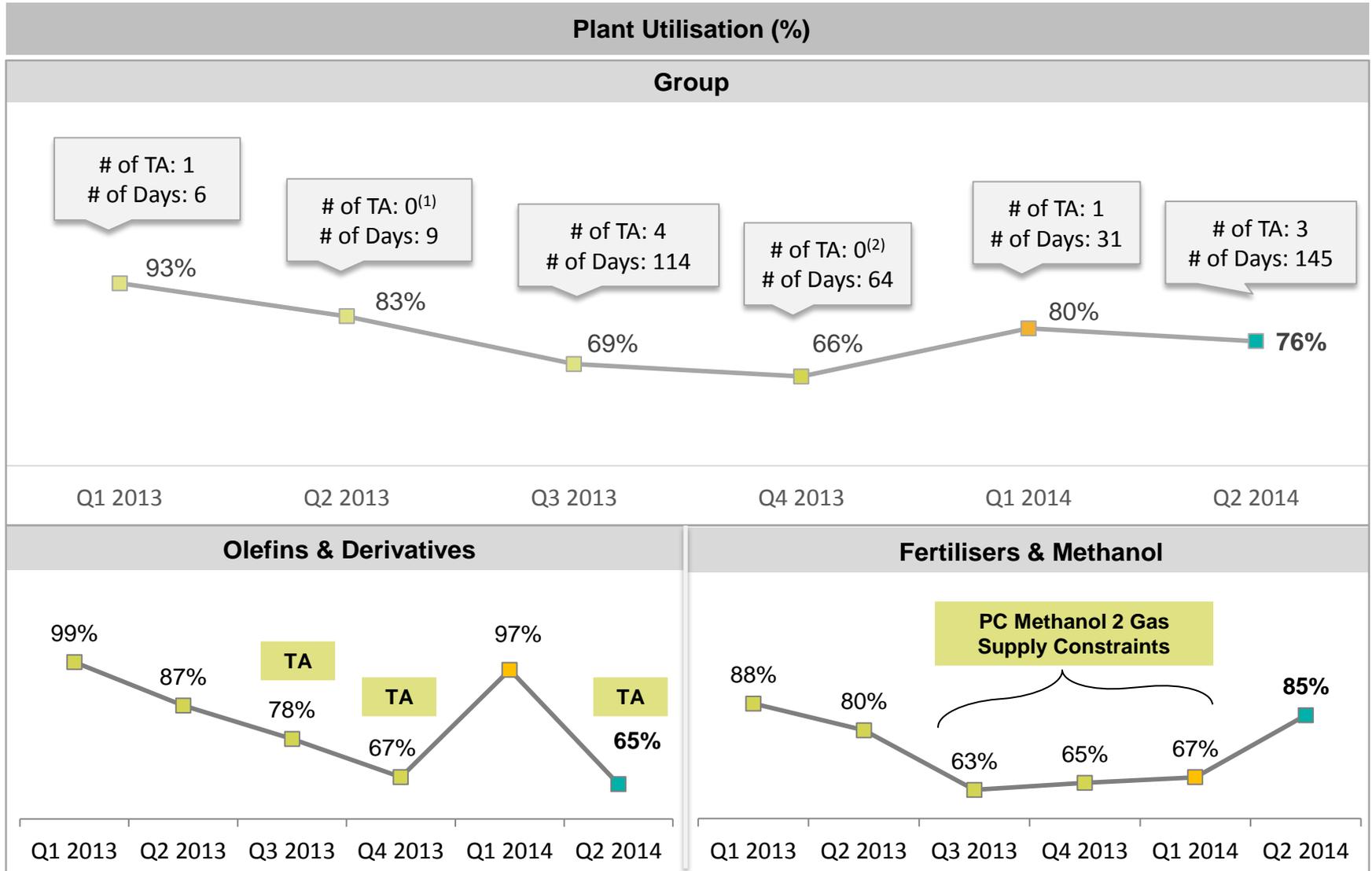
# Market Environment – Key Spreads (Olefins & Derivatives)



# Market Environment – Prices (Fertilisers & Methanol)



# Quarterly Group Plant Utilisation

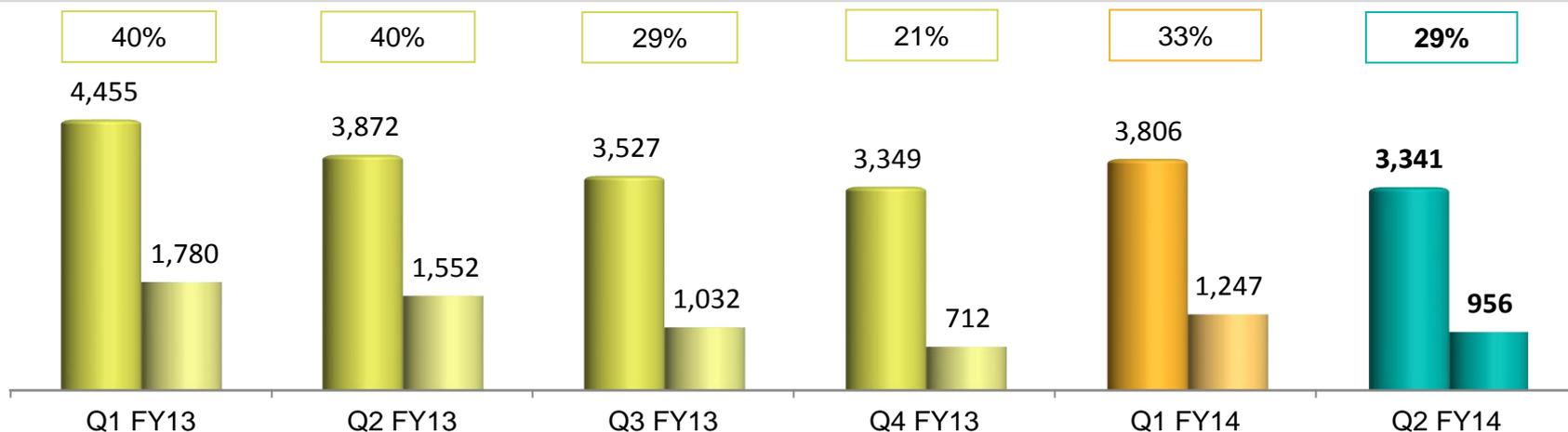


<sup>(1)</sup> TA started in Q1 ended in Q2 <sup>(2)</sup> TA started in Q3 ended in Q4

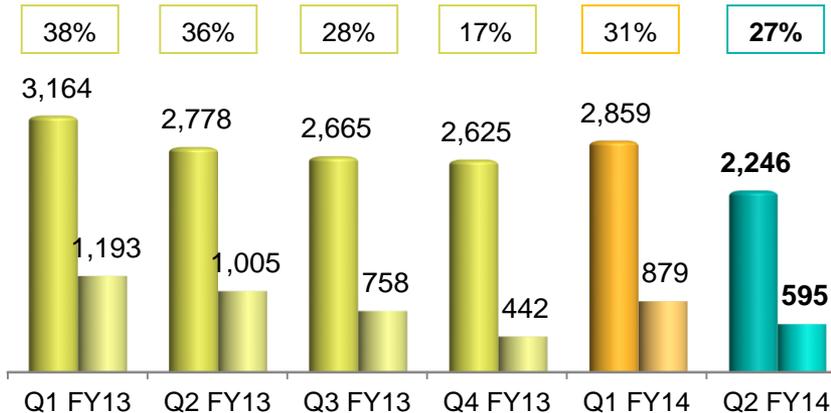
# Quarterly Group Financial Performance

## Revenue, EBITDA (RM million) & EBITDA Margin (%)

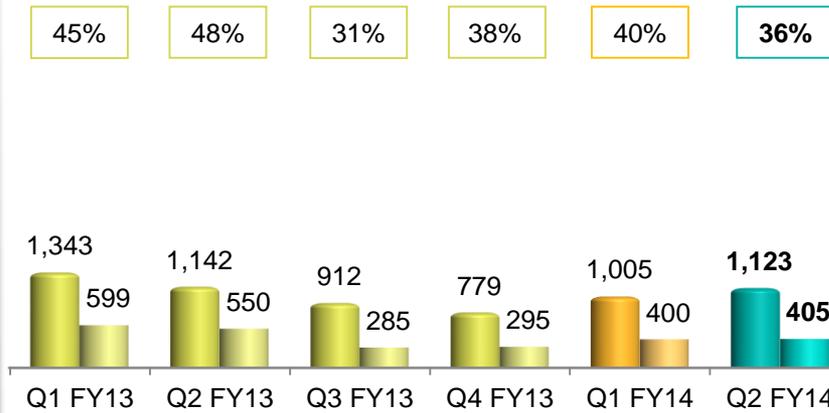
### Group



### Olefins & Derivatives



### Fertilisers & Methanol



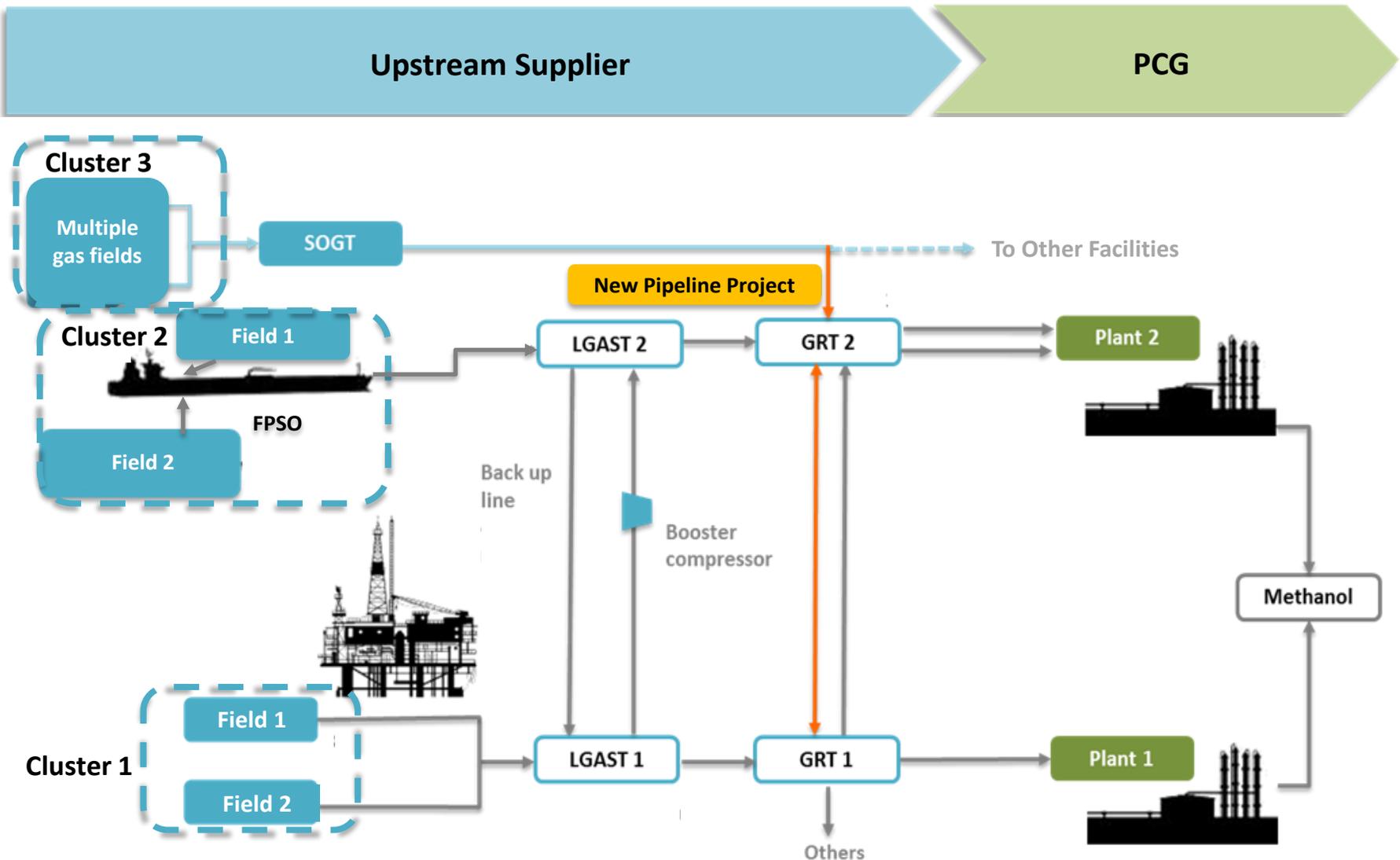
# Group Cash Flow

<i>(RM million)</i>	Quarter Ended 30 June 2014	Quarter Ended 30 June 2013	Change
Cash flows generated from operating activities	<b>2,228</b>	2,822	(594)
Cash flows used in investing activities	<b>(1,274)</b>	(345)	(929)
Cash flows (used in)/generated from financing activities	<b>(1,018)</b>	(1,275)	257
Net increase/ (decrease) in cash & cash equivalents	<b>(64)</b>	1,202	(1,266)
Cash & cash equivalents at beginning of the period	<b>10,155</b>	9,307	848
Cash & cash equivalents at end of the period	<b>10,087</b>	10,534	(447)

# Key Strategies for Operational Excellence

- Focused and effective turnaround
  - Core team assignment
  - Qualified contractors with strong track record
- Enhancing internal reliability
  - Continuous augmentation of plant maintenance program
- Strengthening supplier management program
  - Synchronisation of production schedule

# Methanol Feedstock Supply Chain



# Market Highlights

In 2H 2014, we expect product prices to improve slightly, with the exception for urea and aromatics given weak demand and long supply situations.

## Olefins & Derivatives

- Firm olefins and derivatives on supply tightness, demand improvement and strengthening feedstock prices

- Ethylene 
- Polymers 
- MEG 
- Aromatics 

## Fertilisers & Methanol

- Softer urea and ammonia markets on rising supply
- Steady ammonia and methanol prices on balanced supply demand fundamentals

- Urea 
- Ammonia 
- Methanol 

# Appendix: Financial Summary

<i>(RM million)</i>	<b>Quarter ended 30 Jun 2014</b>	<b>Quarter ended 30 Jun 2013</b>	<b>Quarter ended 31 Mac 2014</b>	<b>Period ended 30 Jun 2014</b>	<b>Period ended 30 Jun 2013</b>
Revenue	<b>3,341</b>	3,872	3,806	<b>7,147</b>	8,327
Operating profit	<b>748</b>	1,374	1,047	<b>1,795</b>	2,964
Share of profit of equity accounted investees	<b>38</b>	12	49	<b>87</b>	73
PBT	<b>782</b>	1,386	1,092	<b>1,874</b>	3,037
Profit attributable to shareholders	<b>555</b>	958	749	<b>1,304</b>	2,063
EPS*	<b>7 sen</b>	12 sen	9 sen	<b>16 sen</b>	26 sen
EBITDA	<b>956</b>	1,552	1,247	<b>2,203</b>	3,332
EBITDA margin	<b>29%</b>	40%	33%	<b>31%</b>	40%

\* Earnings per share, based on weighted average number of shares issued.

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# Thank You

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