



PETROLIAM NASIONAL BERHAD
(20076-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THIRD QUARTER 2012

The Board of Directors of Petroliam Nasional Berhad ("PETRONAS" or the "Company") is pleased to announce the following unaudited condensed consolidated financial statements of PETRONAS Group for the third quarter ended 30 September 2012 which should be read in conjunction with the Explanatory Notes on pages 6 to 20 and Appendix 1 on pages 21 to 26.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended		Cumulative quarter ended	
	2012	2011	2012	2011
<i>In RM Mil</i>				
Revenue	68,340	71,843	214,210	210,427
Cost of revenue	(43,478)	(41,245)	(129,403)	(120,521)
Gross profit	<u>24,862</u>	<u>30,598</u>	<u>84,807</u>	<u>89,906</u>
Selling and distribution expenses	(1,101)	(1,143)	(3,313)	(3,513)
Administration expenses	(2,590)	(2,293)	(8,638)	(11,073)
Other expenses	(565)	(517)	(1,426)	(2,026)
Other income	845	468	3,557	6,063
Operating profit	<u>21,451</u>	<u>27,113</u>	<u>74,987</u>	<u>79,357</u>
Financing costs	(625)	(783)	(2,094)	(2,514)
Share of profit after tax and non-controlling interests of equity accounted associates and jointly controlled entities	385	412	1,027	1,563
Profit before taxation	<u>21,211</u>	<u>26,742</u>	<u>73,920</u>	<u>78,406</u>
Tax expense	(6,835)	(8,402)	(23,580)	(25,590)
PROFIT FOR THE PERIOD	<u>14,376</u>	<u>18,340</u>	<u>50,340</u>	<u>52,816</u>
Other comprehensive (expenses)/ income				
Net movements from exchange differences	(5,406)	6,207	(4,764)	5,409
Available-for-sale financial assets				
- Changes in fair value	358	(1,851)	765	(906)
- Transfer to profit or loss upon disposal	-	-	(1,326)	(3,068)
Other comprehensive (expenses)/ income	(2)	(65)	119	58
	<u>(5,050)</u>	<u>4,291</u>	<u>(5,206)</u>	<u>1,493</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>9,326</u>	<u>22,631</u>	<u>45,134</u>	<u>54,309</u>
Profit attributable to:				
Shareholders of the Company	12,439	15,937	43,418	45,879
Non-controlling interests	1,937	2,403	6,922	6,937
PROFIT FOR THE PERIOD	<u>14,376</u>	<u>18,340</u>	<u>50,340</u>	<u>52,816</u>
Total comprehensive income attributable to:				
Shareholders of the Company	7,979	19,608	38,680	47,094
Non-controlling interests	1,347	3,023	6,454	7,215
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>9,326</u>	<u>22,631</u>	<u>45,134</u>	<u>54,309</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	As at 30.9.2012	As at 31.12.2011	As at 1.4.2011
ASSETS			
Property, plant and equipment	217,732	205,555	190,949
Investment properties, land held for development and prepaid lease payments	13,228	13,250	12,753
Investments in associates and jointly controlled entities	12,154	12,323	11,561
Intangible assets	19,692	20,614	13,272
Fund and other investments	7,674	3,495	11,824
Cash and cash equivalents	96	89	108
Other non-current assets	7,927	7,971	7,268
TOTAL NON-CURRENT ASSETS	278,503	263,297	247,735
Trade and other inventories	13,433	12,366	10,274
Trade and other receivables	35,361	37,349	33,099
Fund and other investments	22,779	35,383	37,869
Cash and cash equivalents	131,555	125,358	106,556
Other current assets	940	1,393	792
TOTAL CURRENT ASSETS	204,068	211,849	188,590
TOTAL ASSETS	482,571	475,146	436,325
EQUITY			
Share capital	100	100	100
Reserves	297,482	286,797	262,172
Total equity attributable to shareholders of the Company	297,582	286,897	262,272
Non-controlling interests	31,947	32,079	31,283
TOTAL EQUITY	329,529	318,976	293,555
LIABILITIES			
Borrowings	35,712	39,674	44,354
Deferred tax liabilities	11,293	13,267	12,865
Other long term liabilities and provisions	27,215	23,977	24,544
TOTAL NON-CURRENT LIABILITIES	74,220	76,918	81,763
Trade and other payables	46,712	50,408	38,122
Borrowings	6,912	12,849	3,457
Taxation	18,198	15,995	13,428
Dividend payable	7,000	-	6,000
TOTAL CURRENT LIABILITIES	78,822	79,252	61,007
TOTAL LIABILITIES	153,042	156,170	142,770
TOTAL EQUITY AND LIABILITIES	482,571	475,146	436,325



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In RM Mil</i>	<i>Attributable to shareholders of the Company</i>			
	Share Capital	Capital Reserves	Foreign Currency Translation Reserve	Available-for-sale Reserve
	Non-distributable			
Quarter ended 30 September 2011				
Balance at 1 January 2011	100	13,110	(12,666)	5,583
Net movements from exchange differences	-	-	5,183	-
Available-for-sale financial assets				
- Changes in fair value	-	-	-	(914)
- Transfer to profit or loss upon disposal	-	-	-	(3,068)
Other comprehensive income	-	14	-	-
Total other comprehensive income/(expenses) for the period	-	14	5,183	(3,982)
Profit for the period	-	-	-	-
Total comprehensive income/ (expenses) for the period	-	14	5,183	(3,982)
Additional issuance of shares to non-controlling interests	-	-	-	-
Additional equity interest in a subsidiary	-	-	-	-
Dividends	-	-	-	-
Other movements	-	431	-	-
Total contribution from/ (distribution to) shareholders	-	431	-	-
	100	13,555	(7,483)	1,601
Effect of transition to MFRS	-	-	13,403	-
Balance at 30 September 2011	100	13,555	5,920	1,601
Quarter ended 30 September 2012				
Balance at 1 January 2012	100	13,405	4,305	1,974
Net movements from exchange differences	-	-	(4,257)	-
Available-for-sale financial assets				
- Changes in fair value	-	-	-	745
- Transfer to profit or loss upon disposal	-	-	-	(1,326)
Other comprehensive income	-	100	-	-
Total other comprehensive income/(expenses) for the period	-	100	(4,257)	(581)
Profit for the period	-	-	-	-
Total comprehensive income/ (expenses) for the period	-	100	(4,257)	(581)
Additional issuance of shares to non-controlling interests	-	-	-	-
Additional equity interest in a subsidiary	-	-	-	-
Dividends	-	-	-	-
Other movements	-	(17)	-	-
Total distribution to shareholders	-	(17)	-	-
Balance at 30 September 2012	100	13,488	48	1,393

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

<i>In RM Mil</i>	<i>Attributable to shareholders of the Company</i>			Non- controlling Interests	Total Equity
	<i>Distributable</i>				
	General Reserve	Retained Profits	Total		
Quarter ended 30 September 2011					
Balance at 1 January 2011	12,000	240,620	258,747	32,372	291,119
Net movements from exchange differences	-	-	5,183	226	5,409
Available-for-sale financial assets					
- Changes in fair value	-	-	(914)	8	(906)
- Transfer to profit or loss upon disposal	-	-	(3,068)	-	(3,068)
Other comprehensive income	-	-	14	44	58
Total other comprehensive income/(expenses) for the period	-	-	1,215	278	1,493
Profit for the period	-	45,879	45,879	6,937	52,816
Total comprehensive income/ (expenses) for the period	-	45,879	47,094	7,215	54,309
Additional issuance of shares to non-controlling interests	-	-	-	66	66
Additional equity interest in a subsidiary	-	-	-	(18)	(18)
Dividends	-	(30,000)	(30,000)	(6,180)	(36,180)
Other movements	-	(278)	153	(4)	149
Total contribution from/ (distribution to) shareholders	-	(30,278)	(29,847)	(6,136)	(35,983)
	12,000	256,221	275,994	33,451	309,445
Effect of transition to MFRS	-	(14,919)	(1,516)	(843)	(2,359)
Balance at 30 September 2011	12,000	241,302	274,478	32,608	307,086
Quarter ended 30 September 2012					
Balance at 1 January 2012	12,000	255,113	286,897	32,079	318,976
Net movements from exchange differences	-	-	(4,257)	(507)	(4,764)
Available-for-sale financial assets					
- Changes in fair value	-	-	745	20	765
- Transfer to profit or loss upon disposal	-	-	(1,326)	-	(1,326)
Other comprehensive income	-	-	100	19	119
Total other comprehensive income/(expenses) for the period	-	-	(4,738)	(468)	(5,206)
Profit for the period	-	43,418	43,418	6,922	50,340
Total comprehensive income/ (expenses) for the period	-	43,418	38,680	6,454	45,134
Additional issuance of shares to non-controlling interests	-	9	9	63	72
Additional equity interest in a subsidiary	-	19	19	(27)	(8)
Dividends	-	(28,000)	(28,000)	(6,568)	(34,568)
Other movements	-	(6)	(23)	(54)	(77)
Total distribution to shareholders	-	(27,978)	(27,995)	(6,586)	(34,581)
Balance at 30 September 2012	12,000	270,553	297,582	31,947	329,529

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	Cumulative quarter ended 30 September	
	2012	2011
Cash receipts from customers	211,536	203,902
Cash paid to suppliers and employees	<u>(124,941)</u>	<u>(113,054)</u>
	86,595	90,848
Interest income from fund and other investments	3,038	2,125
Interest expenses paid	(1,612)	(2,576)
Taxation paid	<u>(23,138)</u>	<u>(24,686)</u>
Cash flows from operating activities	<u>64,883</u>	<u>65,711</u>
Acquisition of/additional interest in subsidiaries, net of cash acquired	-	(34)
Investment in securities	(12,362)	(9,141)
Proceeds from disposal of:		
- investment in subsidiaries, net of cash disposed	-	595
- property, plant and equipment, prepaid lease payments and intangible assets	1,343	1,907
- securities and other investment	21,360	10,861
Purchase of property, plant and equipment, prepaid lease payments and intangible assets	(31,953)	(34,389)
Others	857	(119)
Cash flows from investing activities	<u>(20,755)</u>	<u>(30,320)</u>
Repayment of borrowings	(11,421)	(3,935)
Drawdown of borrowings	3,116	7,592
Dividends paid	(19,977)	(21,000)
Dividends paid to non-controlling interests	(6,568)	(6,180)
Others	<u>(200)</u>	<u>(7)</u>
Cash flows from financing activities	<u>(35,050)</u>	<u>(23,530)</u>
Net increase in cash and cash equivalents	9,078	11,861
Decrease in deposits restricted	163	23
Net foreign exchange differences	(960)	749
Cash and cash equivalents at beginning of the period	<u>124,283</u>	<u>102,327</u>
Cash and cash equivalents at end of the period	<u>132,564</u>	<u>114,960</u>
Cash and cash equivalents		
Cash and bank balances and deposits	131,651	115,727
Negotiable certificate of deposits	1,679	491
Bank overdrafts	(159)	(352)
Less: Deposits restricted	<u>(607)</u>	<u>(906)</u>
	<u>132,564</u>	<u>114,960</u>



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements has been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* other than the presentation of comparative information as described in the first quarter report. The results for this interim period are unaudited and should be read in conjunction with the Group's audited consolidated financial statements and the accompanying notes for the period ended 31 December 2011.

The explanatory notes attached to these condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the period ended 31 December 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2012 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2011 other than that disclosed in the first quarter report relating to first time adoption of MFRS and its impact as of 1 April 2011. The impact of the election of MFRS 1 transitional exemptions as disclosed in the first quarter report for 30 September 2011 are set out in Appendix 1.

3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualified audit report issued by the auditors in the annual financial statements for the period ended 31 December 2011.

4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations, on overall, are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

5. EXCEPTIONAL ITEMS

There was no exceptional item during the quarter under review.

6. DIVIDENDS

During the period ended 30 September 2012, the Company paid a dividend of RM21.0 billion, being the first six installments of the approved tax exempt final dividend under Section 84 of the Petroleum (Income Tax) Act, 1967 of RM280,000 per ordinary share amounting to RM28.0 billion in respect of the financial period ended 31 December 2011. The dividend payment was made in the form of cash payment and set-off against certain amounts earlier paid by the Company on behalf of the shareholder.

The remaining amount of the tax exempt final dividend amounting to RM7.0 billion will be paid in installments between October and November 2012.



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

7. SIGNIFICANT AND SUBSEQUENT EVENT

In October 2012, the Ministry of Petroleum and Mining of the Republic of South Sudan (“RSS”) issued a Ministerial Order for resumption of crude oil production and other petroleum-related operations in South Sudan. The Group has since undertaken rigorous efforts towards resuming its operations in South Sudan. However, on 14 November 2012, the Government of the RSS issued a “Postponement Notice to Oil Production Resumption”. Currently, the Group and other operators continue to undertake technical preparation and maintenance activities as allowed by the Government of the RSS.

8. CHANGES IN COMPOSITION OF THE GROUP

There was no material change in the composition of the Group.

9. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities. The Company’s related parties include subsidiaries, associates, jointly controlled entities as well as the Government of Malaysia and its related entities as the Company is wholly-owned by the Government of Malaysia.

In addition to related party transactions disclosed in the Group’s annual consolidated financial statements for 31 December 2011, the Group had the following significant transactions with the Government of Malaysia and its related entities during the quarter under review:

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	30 September		30 September	
	2012	2011	2012	2011
Federal and State Governments of Malaysia				
Petroleum proceeds	2,927	2,665	9,256	7,965
Sale of petroleum products	126	103	364	293
Government of Malaysia’s related entities				
Sales of petroleum products, processed gas and utilities	1,673	1,587	4,605	4,358

The above transactions have been entered into in the normal course of business and have been established on a commercial basis. Items which are statutory in nature including among others, taxation and export duties, are not considered related party transactions for the purpose of MFRS 124 *Related Party Disclosures* and therefore not included in the above disclosure.



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

10. OPERATING SEGMENTS

The Group has four reportable operating segments comprising Exploration and Production, Gas and Power, Downstream and Corporate and Others. Corporate and Others segment comprises primarily maritime and logistics segment, property segment and central treasury function.

Performance is measured based on segment net operating profit after tax (“NOPAT”), which is derived from net profit after tax excluding financing cost, share of profits of associates and jointly controlled entities and other non-operating income and expenses, as included in the internal management reports. Segment NOPAT is used to measure performance as the Group chief operating decision maker, which in this case is the PETRONAS Executive Committee, believes that such information is the most relevant in evaluating the results of the segments.

10.1 Revenue

<i>In RM Mil</i>	Individual quarter ended 30 September							
	2012		2011		2012		2011	
	Third Parties		Inter-segment		Gross Total			
Exploration and Production ¹	9,847	12,210	13,708	15,627	23,555	27,837		
Gas and Power	18,245	17,685	1,474	1,815	19,719	19,500		
Downstream	36,613	38,387	495	936	37,108	39,323		
Corporate and Others	3,635	3,561	1,205	1,139	4,840	4,700		
Total	68,340	71,843	16,882	19,517	85,222	91,360		

<i>In RM Mil</i>	Cumulative quarter ended 30 September							
	2012		2011		2012		2011	
	Third Parties		Inter-segment		Gross Total			
Exploration and Production ¹	35,312	39,608	44,393	43,352	79,705	82,960		
Gas and Power	58,957	50,571	4,984	5,669	63,941	56,240		
Downstream	109,056	110,624	1,442	1,549	110,498	112,173		
Corporate and Others	10,885	9,624	3,061	4,454	13,946	14,078		
Total	214,210	210,427	53,880	55,024	268,090	265,451		

¹ Inter-segment includes deemed sales between Exploration and Production and Gas and Power segments



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

10. OPERATING SEGMENTS (continued)

10.2 NOPAT

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	30 September		30 September	
	2012	2011	2012	2011
Exploration and Production	8,077	12,314	27,301	35,007
Gas and Power	2,778	4,289	12,411	9,480
Downstream	1,896	1,785	4,616	5,199
Corporate and Others	880	693	2,451	742
Total NOPAT for reportable segments	13,631	19,081	46,779	50,428
Elimination of inter-segment transactions	132	(586)	1,483	(1,090)
Consolidated NOPAT	13,763	18,495	48,262	49,338

10.3 Reconciliation of reportable segment NOPAT

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	30 September		30 September	
	2012	2011	2012	2011
Consolidated NOPAT	13,763	18,495	48,262	49,338
Financing cost, net of tax	(423)	(538)	(1,426)	(1,686)
Share of profits of associates and jointly controlled entities, net of tax	385	412	1,027	1,563
Unrealised foreign exchange gains/(losses)	310	(336)	217	254
Other non-operating income, net of tax	341	307	2,260	3,347
Profit for the period	14,376	18,340	50,340	52,816



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PART B – OTHER EXPLANATORY NOTES

11. REVIEW OF GROUP PERFORMANCE

Cumulative quarter ended		<i>In RM Mil</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
210,427	214,210	Revenue	68,340	70,697	71,843
52,816	50,340	Profit for the period	14,376	15,220	18,340
49,338	48,262	NOPAT	13,763	15,176	18,495
91,837	89,045	EBITDA ²	26,520	27,441	30,497

<i>In RM Mil</i>	As at 30.9.2012	As at 31.12.2011
Total assets	482,571	475,146
Shareholders' equity	297,582	286,897
Total debt to total assets	0.09x	0.11x
ROACE ³	19.3%	20.4%

Third quarter PETRONAS Group recorded a decline in revenue of RM68.3 billion compared with RM71.8 billion in the corresponding quarter a year ago. Profit for the quarter was RM14.4 billion compared with RM18.3 billion in the corresponding quarter a year ago.

Revenue for the quarter declined primarily due to lower sales volume and lower price of crude oil. Crude oil sales volume decreased on the back of lower entitlements from natural field depletion and operational challenges including geopolitical challenges. Meanwhile, lower crude oil price was in tandem with benchmark crude prices which registered a slight downward trend during the quarter. Quarterly average prices of Dated Brent and Tapis OSP decreased by 3.4% and 4.0% respectively on a quarter-on-quarter comparison. Poor economic outlook of world's major economies was the key factor behind this decline.

Profit, NOPAT and EBITDA for the quarter decreased by RM4.0 billion, RM4.7 billion and RM4.0 billion respectively as compared to the same quarter last year which were primarily contributed by lower revenue and lower margins.

Cumulative quarter PETRONAS Group recorded a 1.8% growth in revenue for the nine-month period ended 30 September 2012 at RM214.2 billion compared with RM210.4 billion a year ago on the back of higher crude oil and LNG prices but partially offset by lower sales volume of crude oil.

Profit, NOPAT and EBITDA for the period decreased by RM2.5 billion, RM1.1 billion and RM2.8 billion respectively as compared to the same period last year on the back of lower margins. During the financial period, the Group disposed of its entire investment in Centrica Plc, APA Group, Proton and certain portion of its investment in Gas Malaysia Berhad resulting in a total gain of RM1.5 billion. Similarly, profit of corresponding period last year includes a net gain of RM2.6 billion from disposal of Cairn India Ltd. Excluding these gains, profit and EBITDA decreased by RM1.5 billion and RM1.8 billion respectively in line with lower margins.

² EBITDA consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation and impairment loss on property, plant and equipment and intangible assets and financing costs, and the exclusion of interest income.

³ Return on average capital employed (ROACE) is calculated as NOPAT divided by average shareholders' equity and long term debt during the period/year.



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PART B – OTHER EXPLANATORY NOTES (continued)

11. REVIEW OF GROUP PERFORMANCE (continued)

Total assets increased to RM482.6 billion as at 30 September 2012 compared to RM475.1 billion as at 31 December 2011 primarily as a result of profits recorded during the period. Shareholders' equity of RM297.6 billion as at 30 September 2012 showed a slight increase of RM10.7 billion compared to 31 December 2011 due to the combined impact of equity increase from profits generated during the period and equity reduction from approved final dividend amounting to RM28.0 billion in respect of financial period ended 31 December 2011.

Total debt to total assets ratio decreased to 0.09x as at 30 September 2012 compared to 0.11x as at 31 December 2011 due to lower debt from repayment of bond during the financial period against higher total assets. ROACE decreased to 19.3% as at 30 September 2012 compared to 20.4% as at 31 December 2011 in line with lower NOPAT.



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PART B – OTHER EXPLANATORY NOTES (continued)

12. REVIEW OF PERFORMANCE - EXPLORATION AND PRODUCTION SEGMENT

Cumulative quarter ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
		Revenue			
39,608	35,312	Third party	9,847	11,581	12,210
43,352	44,393	Inter-segment	13,708	14,591	15,627
82,960	79,705		23,555	26,172	27,837
35,007	27,301	NOPAT	8,077	7,986	12,314

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
		Production ('000 boe ⁴ per day)			
819	710	Crude oil and condensates	683	665	814
1,253	1,275	Natural gas	1,221	1,185	1,219
2,072	1,985		1,904	1,850	2,033
		Oil and gas entitlement ('000 boe ⁴ per day)			
550	494	Crude oil and condensates	446	475	508
891	911	Natural gas	874	832	818
1,441	1,405		1,320	1,307	1,326

Third quarter Revenue for the quarter ended 30 September 2012 was RM23.6 billion compared to RM27.8 billion in the corresponding period last year. The lower revenue mainly due to lower entitlements of crude oil and condensates following geopolitical challenges in some international operations. NOPAT decreased to RM8.1 billion compared to RM12.3 billion in the corresponding quarter last year on the back of lower revenue from international operations as explained above.

Total production for the quarter was 1,904 thousand boe per day compared to 2,033 thousand boe per day in the corresponding quarter last year. Crude oil and condensates production was lower by 131 thousand boe per day mainly due to natural field depletion and operational challenges including geopolitical challenges offsetting new production stream from Iraq operation. Natural gas production was marginally higher compared to the same quarter last year mainly due to production optimization initiative at international operation offsetting lower production from Malaysia operations.

Cumulative quarter Revenue for the quarter ended 30 September 2012 was RM79.7 billion compared to RM83.0 billion in the corresponding quarter a year ago. The lower revenue reflected the impact of lower crude oil and condensates entitlement mainly due to stop order instruction in Sudan operation. Similarly, NOPAT decreased by RM7.7 billion or 22.0% compared to the corresponding quarter last year mainly due to lower revenue as explained above.

Total production for the quarter was 1,985 thousand boe per day compared to 2,072 thousand boe per day in the corresponding quarter last year. Crude oil and condensates production was lower by 13.3% mainly due to natural field depletion, reservoir performance and operational challenges including geopolitical challenges in some international operations. Natural gas production was higher by 1.8% compared to the same quarter last year mainly due to first production at certain international operations.

⁴ boe: barrels of oil equivalent



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PART B – OTHER EXPLANATORY NOTES (continued)

13. REVIEW OF PERFORMANCE - GAS AND POWER SEGMENT

Cumulative quarter ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
50,571	58,957	Revenue			
5,669	4,984	Third party	18,245	19,323	17,685
56,240	63,941	Inter-segment	1,474	1,674	1,815
9,480	12,411	NOPAT	19,719	20,997	19,500
			2,778	4,503	4,289

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
2,373	2,503	Malaysia average sales gas volume (mmscfd) ⁵	2,551	2,449	2,356
20.51	18.80	LNG sales volume (million tonnes)	5.88	5.87	6.04

Third quarter Gas and Power segment registered RM19.7 billion revenue for the quarter ended 30 September 2012, an increase of RM0.2 billion or 1.1% compared to the corresponding quarter in 2011 on the back of higher realised LNG prices.

Total LNG sales volume for the quarter was lower by 0.16 million tonnes or 2.6% as compared to the previous year due to lower sales from the PETRONAS LNG Complex in Bintulu, Sarawak as well as lower entitlement volume from operations in Egypt.

Average sales gas volume was higher by 195 mmscfd or 8.3% compared to the same period last year mainly from higher feedgas supply from MT JDA and Kertih, Terengganu.

The segment registered lower NOPAT at RM2.8 billion for the period, a decrease of RM1.5 billion compared to the corresponding quarter a year ago despite having higher revenue. This is due to higher cost from increase in feedgas prices.

Cumulative quarter Gas and Power segment registered RM63.9 billion revenue for the period ended 30 September 2012, an increase of RM7.7 billion or 13.7% compared to the corresponding period in 2011 on the back of higher realised LNG prices.

Total LNG sales volume for the period was lower by 1.71 million tonnes or 8.3% as compared to the previous year due to lower sales from the PETRONAS LNG Complex in Bintulu, Sarawak as well as lower entitlement volume from operations in Egypt.

Average sales gas volume was higher by 130 mmscfd or 5.5% compared to the same period last year mainly from higher feedgas supply from MT JDA, Sarawak and Kertih, Terengganu.

The segment registered higher NOPAT at RM12.4 billion for the period, an increase of RM2.9 billion compared to the corresponding period last year, in line with the increase in revenue but partially offset by higher cost from increase in feedgas prices.

⁵ mmscfd: million standard cubic feet per day



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PART B – OTHER EXPLANATORY NOTES (continued)

14. REVIEW OF PERFORMANCE – DOWNSTREAM SEGMENT

Cumulative quarter ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
110,624	109,056	Revenue			
1,549	1,442	Third party	36,613	36,180	38,387
112,173	110,498	Inter-segment	495	451	936
5,199	4,616	NOPAT	37,108	36,631	39,323
			1,896	615	1,785

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
221.8	216.7	Petroleum products sales volume (in million barrels)	74.0	72.3	72.2
135.9	113.9	Crude oil sales volume (in million barrels)	33.7	36.9	46.6
4.9	5.0	Petrochemical sales volume (in million metric tonnes)	1.6	1.6	1.7

Third quarter Revenue for the quarter was RM37.1 billion, a decrease of RM2.2 billion compared to the corresponding quarter in 2011. The lower revenue was mainly due to the lower realised prices of crude oil and petroleum products, as well as lower crude oil sales volume.

Petroleum products sales volume was 74.0 million barrels, 1.8 million barrels higher as compared to corresponding quarter in 2011 mainly contributed by higher sales volume from trading activities.

Crude oil sales volume was 33.7 million barrels in the third quarter, lower than corresponding quarter in 2011 by 12.9 million barrels mainly due to persisting geopolitical issues in Sudan and lower crude trading activities.

Downstream's NOPAT was higher by RM0.1 billion than the corresponding quarter in 2011. Despite the declining trend of prices from corresponding quarter in 2011, the higher NOPAT mainly contributed by inventory gain following improved prices for crude oil and petroleum products.

Cumulative quarter Revenue was RM110.5 billion, slightly lower than the revenue from corresponding period in 2011 by RM1.7 billion mainly due to the lower petroleum products and crude oil sales volume which resulted from persisting geopolitical issues.

Petroleum products sales volume was 216.7 million barrels, 5.1 million barrels lower as compared to corresponding period in 2011 mainly due to limited trading opportunities affected by the high price environment.

Crude oil sales volume was 113.9 million barrels, lower by 22.0 million barrels as compared to corresponding period in 2011 mainly due to lower crude oil trading activities.

Downstream NOPAT was RM4.6 billion this quarter, RM0.6 million lower as compared to corresponding period in 2011 mainly due to lower inventory gain recorded in current period.



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PART B – OTHER EXPLANATORY NOTES (continued)

15. REVIEW OF PERFORMANCE - CORPORATE AND OTHERS SEGMENT

Cumulative quarter ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Individual quarter ended		
30.9.2011	30.9.2012		30.9.2012	30.6.2012	30.9.2011
		Revenue			
9,624	10,885	Third party	3,635	3,613	3,561
4,454	3,061	Inter-segment	1,205	979	1,139
<u>14,078</u>	<u>13,946</u>		<u>4,840</u>	<u>4,592</u>	<u>4,700</u>
742	2,451	NOPAT	880	905	693

Third quarter Revenue for the quarter was RM4.8 billion, higher by RM0.1 billion or 3.0% as compared to the corresponding quarter a year ago mainly due to higher fund investment income coupled with higher revenue contributed by other business segment. NOPAT stood at RM0.9 billion compared to the previous quarter's net operating profit of RM0.7 billion.

Cumulative quarter Revenue was RM13.9 billion, compared to RM14.1 billion for the financial period ended 30 September 2011. The revenue was lower by RM0.1 billion or 0.9% contributed by lower maritime and logistics revenue but partially offset by higher fund investment income. Despite the lower revenue, the segment recorded a higher NOPAT of RM2.5 billion, compared to RM0.7 billion for the period ended 30 September 2011 in line with higher fund investment income.

16. COMPARISON WITH PRECEDING QUARTER'S RESULT

<i>In RM Mil</i>	Individual quarter ended	
	30.9.2012	30.6.2012
Revenue	68,340	70,697
Profit for the period	14,376	15,220
NOPAT	13,763	15,176
EBITDA	26,520	27,441

The Group recorded revenue of RM68.3 billion, lower by RM2.4 billion or 3.3% compared to the preceding quarter, primarily due to lower realised prices of LNG and crude oil as well as lower sales volume of crude oil. During the quarter, 3-month rolling JCC price, which is the benchmark price of LNG for Asia Pacific, dropped by 11.9% from USD17.89/mmbtu to USD15.77/mmbtu.

Accordingly, profit, NOPAT and EBITDA decreased by RM0.8 billion, RM1.4 billion and RM0.9 billion respectively. However, excluding the impact of net gain of RM1.1 billion on disposal of investments recorded in the preceding quarter, profit and EBITDA increased by RM0.2 billion and RM0.1 billion respectively.



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PART B – OTHER EXPLANATORY NOTES (continued)

17. CURRENT FINANCIAL YEAR PROSPECTS

Sluggish global economic growth and geopolitical uncertainties remain as key risks to the oil and gas industry. Amidst these challenges and the continued high cost environment, results for the year is expected to be lower than last year.

18. TAXATION

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	30 September		30 September	
	2012	2011	2012	2011
Current tax expenses				
Malaysia	7,076	7,811	23,801	22,950
Overseas	555	664	1,984	2,545
Deferred tax expenses				
Origination and reversal of temporary differences	(796)	(73)	(2,205)	95
	<u>6,835</u>	<u>8,402</u>	<u>23,580</u>	<u>25,590</u>
Effective tax rate	32.2%	31.4%	31.9%	32.6%

The Group's effective tax rates for the current quarter and period-to-date are 32.2% and 31.9% respectively. The current quarter effective tax rate is slightly higher than the corresponding quarter in 2011 of 31.4% mainly due to higher non-deductible expenses recorded in the current quarter. The effective tax rate for the cumulative quarter, excluding non-recurring gains from both periods, is 32.6%, lower than the corresponding period in 2011 of 33.7%, mainly due to higher non-deductible expenses incurred a year ago.



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PART B – OTHER EXPLANATORY NOTES (continued)

19. CASH, FUND AND OTHER INVESTMENTS

In %	As at 30.9.2012	As at 31.12.2011
By Currency		
RM	62.6	78.6
USD	27.2	16.5
CAD	6.1	-
Others	4.1	4.9
	100.0	100.0
By Maturity⁶		
< 1 year	92.9	95.7
1 to 5 years	5.3	4.0
5 to 10 years	1.8	0.3
	100.0	100.0
By Type		
Money market	85.9	78.3
Government securities	6.6	13.7
Corporate bonds	4.3	2.0
Equities	3.2	6.0
	100.0	100.0

There was no material purchase and sale of quoted securities for the current quarter.

⁶ Refers to instrument maturity dates; exclude equities.



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PART B – OTHER EXPLANATORY NOTES (continued)

20. BORROWINGS

The details of the Group borrowings as at 30 September 2012 are as follows:

<i>In RM Mil</i>	As at 30.9.2012	As at 31.12.2011
Non-Current		
Secured		
Term loans	3,055	3,380
Islamic financing facilities	1,392	1,863
Total non-current secured borrowings	4,447	5,243
Unsecured		
Term loans	4,354	7,672
Notes and Bonds	18,436	19,039
Islamic financing facilities	8,475	7,720
Total non-current unsecured borrowings	31,265	34,431
Total non-current borrowings	35,712	39,674
Current		
Secured		
Term loans	520	743
Islamic financing facilities	469	300
Total current secured borrowings	989	1,043
Unsecured		
Term loans	3,190	675
Notes and Bonds	-	6,357
Islamic financing facilities	173	1,137
Revolving credits	2,401	2,729
Bank overdrafts	159	908
Total current unsecured borrowings	5,923	11,806
Total current borrowings	6,912	12,849
Total borrowings	42,624	52,523



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PART B – OTHER EXPLANATORY NOTES (continued)

20. BORROWINGS (continued)

<i>In RM Mil</i>	As at		As at	
	30.9.2012	%	31.12.2011	%
By Currency				
USD	28,862	67.7	36,575	69.6
RM	8,300	19.5	9,824	18.7
EUR	3,516	8.2	3,678	7.0
JPY	633	1.5	653	1.2
ZAR	272	0.6	1,019	1.9
Others	1,041	2.5	774	1.6
	42,624	100.0	52,523	100.0
By Repayment Schedule				
< 1 year	6,912	16.2	12,849	24.5
1 to 5 years	19,043	44.7	24,129	45.9
5 to 10 years	14,614	34.3	11,539	22.0
10 to 20 years	2,055	4.8	4,006	7.6
	42,624	100.0	52,523	100.0

21. STATUS OF CORPORATE PROPOSALS

Proposed acquisition of Progress Energy Resources Corporation

Subsequent to the decision by the Canadian officials on 19 October 2012, PETRONAS has recently filed an application for review to the Canadian Authorities in respect of the proposed acquisition of Progress Energy Resources Corporation.

Discontinuation of the Group's vinyl business

On 29 October 2012, PETRONAS Chemicals Group Berhad, which is a subsidiary of PETRONAS listed on Bursa Malaysia, announced its plan to discontinue its vinyl business as part of the group's portfolio optimisation. As a consequence of the discontinuation, the Group will record a charge of approximately RM560 million in the fourth quarter of 2012 which mainly relates to provision for decommissioning and site remediation expenses, provision for contract termination dues and impairment expense.

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off balance sheet financial instrument for the quarter ended 30 September 2012.

23. MATERIAL LITIGATION

There has been no material litigation filed for and against the Company in the current quarter. The legal suit brought against the Company by the Kelantan State Government in 2010 in respect of payment of petroleum proceeds as disclosed in the previous interim reports, is still on-going as at quarter end.



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PART B – OTHER EXPLANATORY NOTES (continued)

24. PROFIT FOR THE PERIOD

<i>In RM Mil</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2012	2011	2012	2011
Included in profit for the period are the following charges:				
Bad debt written off	15	23	28	169
Depreciation and amortisation	5,053	3,934	13,861	10,181
Impairment losses on:				
- receivables	-	-	873	311
- intangible assets	636	-	2,339	441
- property, plant and equipment	66	34	230	3,908
Loss on derivatives	-	11	154	52
Net loss on foreign exchange	213	366	91	1,335
and credits:				
Dividend income	119	-	182	93
Gain on disposal of investments and properties	151	146	1,823	2,897
Interest income	1,080	789	3,400	2,670
Gain on derivatives	163	63	166	63
Write back of impairment losses on:				
- receivables	-	-	61	458
- intangible assets	-	44	7	44
- property, plant and equipment	-	-	-	146

25. DIVIDENDS

As disclosed in Note 6.

26. EXCHANGE RATES

	Individual quarter ended			Cumulative period ended		
	30.9.2012	30.6.2012	30.9.2011	30.9.2012	30.9.2011	31.12.2011
US dollar/RM						
Average rate	3.1242	3.1138	3.0199	3.0990	3.0278	3.0634
Closing rate	3.0685	3.1965	3.1825	3.0685	3.1825	3.1715

By order of the Board

Faridah Haris Hamid (LS 0008785)
Company Secretary
Kuala Lumpur
29 November 2012



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APPENDIX 1 – EXPLANATION OF TRANSITION TO MFRS

a) Effect of first time adoption of MFRS

The impact of the selection of MFRS 1 transitional exemptions for 30 September 2011 are set out below:

i. Retrospective application of MFRS 3 *Business Combinations*

Consolidated statement of profit or loss and other comprehensive income	1.7.2011 to 30.9.2011	1.1.2011 to 30.9.2011
<i>In RM Mil</i>		
Decrease in amortisation of intangible assets	42	84
Increase in deferred tax expense	(11)	(22)

Consolidated statement of financial position	As at 30.9.2011
<i>In RM Mil</i>	
Decrease in intangible assets	(2,033)
Decrease in deferred tax liabilities	(352)
Decrease in non-controlling interests	(599)
Decrease in retained profits	(1,082)

ii. Fair value of property, plant and equipment as deemed cost

Consolidated statement of profit or loss and other comprehensive income	1.7.2011 to 30.9.2011	1.1.2011 to 30.9.2011
<i>In RM Mil</i>		
Decrease in depreciation of property, plant and equipment	25	48

Consolidated statement of financial position	As at 30.9.2011
<i>In RM Mil</i>	
Decrease in property, plant and equipment	(579)
Decrease in deferred tax liabilities	(20)
Decrease in non-controlling interests	(202)
Decrease in retained profits	(357)

iii. Cumulative currency translation differences deemed as zero

Consolidated statement of profit or loss and other comprehensive income	1.7.2011 to 30.9.2011	1.1.2011 to 30.9.2011
<i>In RM Mil</i>		
Decrease in other income	(67)	(67)
Increase in net movement from exchange differences	67	67

Consolidated statement of financial position	As at 30.9.2011
<i>In RM Mil</i>	
Increase in foreign currency translation reserve	13,470
Decrease in retained profits	(13,470)



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APPENDIX 1 – EXPLANATION OF TRANSITION TO MFRS (continued)

a) Effect of first time adoption of MFRS (continued)

iv. Others

Consolidated statement of profit or loss and other comprehensive income	1.7.2011	1.1.2011
<i>In RM Mil</i>	to	to
	30.9.2011	30.9.2011
Increase/ (Decrease) in property development revenue	12	(15)
(Increase)/ Decrease in property development cost	(10)	12
Decrease in income tax expense	-	2

Consolidated statement of financial position	As at
<i>In RM Mil</i>	30.9.2011
Decrease in other non-current assets	(9)
Increase in trade and other inventories	612
Decrease in trade and other receivables	(42)
Decrease in other current assets	(469)
Decrease in deferred tax liabilities	(14)
Increase in trade and other payables	116
Decrease in non-controlling interests	(4)
Decrease in retained profits	(6)



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APPENDIX 1 – EXPLANATION OF TRANSITION TO MFRS (continued)

b) Reconciliation adjustments to the statement of financial position

<i>In RM Mil</i>	Note	FRS	Effect of transition to MFRS 30 September 2011	MFRS
ASSETS				
Property, plant and equipment	(a)(ii)	205,845	(579)	205,266
Investment properties, land held for development and prepaid lease payments		13,153	-	13,153
Investments in associates and jointly controlled entities		12,240	-	12,240
Intangible assets	(a)(i)	21,358	(2,033)	19,325
Fund and other investments		10,346	-	10,346
Cash and cash equivalents		73	-	73
Other non-current assets	(a)(iv)	7,286	(9)	7,277
TOTAL NON-CURRENT ASSETS		270,301	(2,621)	267,680
Trade and other inventories	(a)(iv)	11,540	612	12,152
Trade and other receivables	(a)(iv)	40,551	(42)	40,509
Fund and other investments		32,853	-	32,853
Cash and cash equivalents		115,654	-	115,654
Other current assets	(a)(iv)	1,545	(469)	1,076
TOTAL CURRENT ASSETS		202,143	101	202,244
TOTAL ASSETS		472,444	(2,520)	469,924
EQUITY				
Share capital		100	-	100
Other reserves	(a)(iii),(d)	19,606	13,470	33,076
Retained profits	(d),(f)(i)	256,217	(14,915)	241,302
Total equity attributable to shareholders of the Company		275,923	(1,445)	274,478
Non-controlling interests	(d),(f)(ii)	33,413	(805)	32,608
TOTAL EQUITY		309,336	(2,250)	307,086
LIABILITIES				
Borrowings		40,863	-	40,863
Deferred tax liabilities	(a)(i),(a)(ii), (a)(iv)	13,213	(386)	12,827
Other long term liabilities and provisions		28,344	-	28,344
TOTAL NON-CURRENT LIABILITIES		82,420	(386)	82,034
Trade and other payables	(a)(iv)	43,648	116	43,764
Borrowings		12,095	-	12,095
Taxation		15,945	-	15,945
Dividend payable		9,000	-	9,000
TOTAL CURRENT LIABILITIES		80,688	116	80,804
TOTAL LIABILITIES		163,108	(270)	162,838
TOTAL EQUITY AND LIABILITIES		472,444	(2,520)	469,924



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APPENDIX 1 – EXPLANATION OF TRANSITION TO MFRS (continued)

c) Reconciliation adjustments to the statement of comprehensive income

	Note	FRS	Effect of transition to MFRS 1.7.2011 to 30.9.2011	MFRS
<i>In RM Mil</i>				
Revenue	(a)(iv)	71,831	12	71,843
Cost of revenue	(a)(ii),(a)(iv)	(41,260)	15	(41,245)
Gross profit		30,571	27	30,598
Selling and distribution expenses		(1,143)	-	(1,143)
Administration expenses	(a)(i)	(2,335)	42	(2,293)
Other expenses		(517)	-	(517)
Other income	(a)(iii)	535	(67)	468
Operating profit		27,111	2	27,113
Financing costs		(783)	-	(783)
Share of profit after tax and non-controlling interests of equity accounted associates and jointly controlled entities		412	-	412
Profit before taxation		26,740	2	26,742
Tax expense	(a)(i),(a)(iv)	(8,391)	(11)	(8,402)
PROFIT FOR THE PERIOD		18,349	(9)	18,340
Other comprehensive income/ (expenses)				
Net movements from exchange differences	(a)(iii),(d)	6,140	67	6,207
Available-for-sale financial assets				
- Changes in fair value		(1,851)	-	(1,851)
- Transfer to profit or loss upon disposal		-	-	-
Other comprehensive expenses		(65)	-	(65)
		4,224	67	4,291
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		22,573	58	22,631
Profit attributable to:				
Shareholders of the Company		15,967	(30)	15,937
Non-controlling interests		2,382	21	2,403
PROFIT FOR THE PERIOD		18,349	(9)	18,340
Total comprehensive income attributable to:				
Shareholders of the Company		19,571	37	19,608
Non-controlling interests		3,002	21	3,023
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		22,573	58	22,631



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APPENDIX 1 – EXPLANATION OF TRANSITION TO MFRS (continued)

c) Reconciliation adjustments to the statement of comprehensive income (continued)

	Note	FRS	Effect of transition to MFRS 1.1.2011 to 30.9.2011	MFRS
<i>In RM Mil</i>				
Revenue	(a)(iv)	210,442	(15)	210,427
Cost of revenue	(a)(ii),(a)(iv)	(120,581)	60	(120,521)
Gross profit		89,861	45	89,906
Selling and distribution expenses		(3,513)	-	(3,513)
Administration expenses	(a)(i)	(11,157)	84	(11,073)
Other expenses		(2,026)	-	(2,026)
Other income	(a)(iii)	6,130	(67)	6,063
Operating profit		79,295	62	79,357
Financing costs		(2,514)	-	(2,514)
Share of profit after tax and non-controlling interests of equity accounted associates and jointly controlled entities		1,563	-	1,563
Profit before taxation		78,344	62	78,406
Tax expense	(a)(i),(a)(iv)	(25,570)	(20)	(25,590)
PROFIT FOR THE PERIOD		52,774	42	52,816
Other comprehensive income/ (expenses)				
Net movements from exchange differences	(a)(iii),(d)	5,342	67	5,409
Available-for-sale financial assets				
- Changes in fair value		(906)	-	(906)
- Transfer to profit or loss upon disposal		(3,068)	-	(3,068)
Other comprehensive income		58	-	58
		1,426	67	1,493
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		54,200	109	54,309
Profit attributable to:				
Shareholders of the Company	(d)	45,875	4	45,879
Non-controlling interests	(d)	6,899	38	6,937
PROFIT FOR THE PERIOD		52,774	42	52,816
Total comprehensive income attributable to:				
Shareholders of the Company		47,023	71	47,094
Non-controlling interests		7,177	38	7,215
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		54,200	109	54,309



PETROLIAM NASIONAL BERHAD
(20076-K)
(Incorporated in Malaysia)

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APPENDIX 1 – EXPLANATION OF TRANSITION TO MFRS (continued)

d) Reconciliation adjustments to the statement of changes in equity

The effect of the selection of MFRS 1 transitional exemptions from 1 April 2011 to 30 September 2011 can be reconciled as follows:

<i>In RM Mil</i>	Note	Other reserves	Retained profits	Non-controlling interests
Impact as at 1 April 2011		13,403	(14,919)	(843)
Movement during the period	(c)	67	4	38
Impact as at 30 September 2011	(b)	13,470	(14,915)	(805)

e) Reconciliation adjustments to the statement of cash flows

The adoption of MFRS does not result in material differences to the Group's statement of cash flows.

f) Notes to reconciliations

i. Retained profits

The changes that affected retained profits are as follows:

<i>In RM Mil</i>	Note	As at 30.9.2011
Retrospective application of MFRS 3 and MFRS 127	(a)(i)	1,082
Fair value of property, plant and equipment as deemed cost	(a)(ii)	357
Cumulative currency translation differences deemed as zero	(a)(iii)	13,470
Others	(a)(iv)	6
Decrease in retained profits		14,915

ii. Non-controlling interests

The changes that affected non-controlling interests are as follows:

<i>In RM Mil</i>	Note	As at 30.9.2011
Retrospective application of MFRS 3 and MFRS 127	(a)(i)	599
Fair value of property, plant and equipment as deemed cost	(a)(ii)	202
Others	(a)(iv)	4
Decrease in non-controlling interests		805