



PETRONAS

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

INTERIM FINANCIAL REPORT FOR FOURTH QUARTER 2013

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 fourth quarter ended 31 December 2013 which should be read in conjunction with the Explanatory Notes on pages 6 to 22 and Appendix 1 on pages 23 to 27.

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

	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2013	2012 Restated	2013	2012 Restated
<i>In RM Mil</i>				
Revenue	84,807	76,878	317,314	291,226
Cost of revenue	(59,414)	(54,054)	(204,781)	(183,347)
Gross profit	25,393	22,824	112,533	107,879
Selling and distribution expenses	(1,215)	(1,142)	(4,918)	(4,455)
Administration expenses	(8,682)	(10,712)	(15,910)	(19,137)
Other expenses	(269)	(1,218)	(1,859)	(2,553)
Other income	2,666	5,936	5,767	9,335
Operating profit	17,893	15,688	95,613	91,069
Financing costs	(597)	(832)	(2,752)	(2,904)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	271	433	1,397	1,576
Profit before taxation	17,567	15,289	94,258	89,741
Tax expense	(4,804)	(6,492)	(28,672)	(30,217)
PROFIT FOR THE PERIOD/YEAR	12,763	8,797	65,586	59,524
Other comprehensive income/(expenses)				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net movements from exchange differences	953	(737)	8,695	(5,525)
Available-for-sale financial assets				
- Changes in fair value	(458)	1,131	(907)	1,896
- Transfer to profit or loss upon disposal	(66)	-	(196)	(1,326)
Others	107	39	18	150
	536	433	7,610	(4,805)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	13,299	9,230	73,196	54,719
Profit attributable to:				
Shareholders of the Company	9,582	6,057	54,114	49,922
Non-controlling interests	3,181	2,740	11,472	9,602
PROFIT FOR THE PERIOD/YEAR	12,763	8,797	65,586	59,524
Total comprehensive income attributable to:				
Shareholders of the Company	9,875	6,514	60,799	45,607
Non-controlling interests	3,424	2,716	12,397	9,112
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	13,299	9,230	73,196	54,719



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2013	As at 31.12.2012 Restated	As at 1.1.2012 Restated
<i>In RM Mil</i>			
ASSETS			
Property, plant and equipment	243,537	224,518	204,656
Investment properties, land held for development and prepaid lease payments	13,598	13,292	13,250
Investments in associates and joint ventures	12,075	11,258	11,824
Intangible assets	34,364	33,340	20,685
Fund and other investments	9,252	8,209	3,495
Cash and cash equivalents	-	164	89
Other non-current assets	17,288	10,063	7,971
TOTAL NON-CURRENT ASSETS	330,114	300,844	261,970
Trade and other inventories	16,107	14,187	12,366
Trade and other receivables	50,425	42,574	38,218
Fund and other investments	14,534	22,319	36,378
Cash and cash equivalents	117,118	108,474	126,799
Other current assets	362	755	631
TOTAL CURRENT ASSETS	198,546	188,309	214,392
TOTAL ASSETS	528,660	489,153	476,362
EQUITY			
Share capital	100	100	100
Reserves	335,703	306,871	289,527
Total equity attributable to shareholders of the Company	335,803	306,971	289,627
Non-controlling interests	36,502	32,001	31,741
TOTAL EQUITY	372,305	338,972	321,368
LIABILITIES			
Borrowings	29,002	30,773	38,930
Deferred tax liabilities	11,483	14,331	13,408
Other long term liabilities and provisions	28,506	26,458	23,938
TOTAL NON-CURRENT LIABILITIES	68,991	71,562	76,276
Trade and other payables	64,790	58,365	50,072
Borrowings	12,844	9,964	12,651
Taxation	4,730	9,751	15,995
Dividend payable	5,000	539	-
TOTAL CURRENT LIABILITIES	87,364	78,619	78,718
TOTAL LIABILITIES	156,355	150,181	154,994
TOTAL EQUITY AND LIABILITIES	528,660	489,153	476,362



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to shareholders of the Company</i>			
	<i>Non-distributable</i>			<i>Available-for-sale Reserve</i>
<i>In RM Mil</i>	<i>Share Capital</i>	<i>Capital Reserves</i>	<i>Foreign Currency Translation Reserve</i>	
Cumulative quarter ended 31 December 2012				
Balance at 1 January 2012				
- As previously reported	100	13,405	4,305	1,974
- Effect of the adoption of pronouncements	-	-	(45)	-
At 1 January 2012, restated	100	13,405	4,260	1,974
Net movements from exchange differences	-	-	(4,991)	-
Available-for-sale financial assets:				
- Changes in fair value	-	-	-	1,873
- Transfer to profit or loss upon disposal	-	-	-	(1,326)
Other comprehensive income	-	129	-	-
Total other comprehensive income/(expenses) for the year	-	129	(4,991)	547
Profit for the year	-	-	-	-
Total comprehensive income/ (expenses) for the year	-	129	(4,991)	547
Dividends	-	-	-	-
Other movements	-	(16)	-	-
Total transactions with shareholders	-	(16)	-	-
Balance at 31 December 2012	100	13,518	(731)	2,521
Cumulative quarter ended 31 December 2013				
At 1 January 2013, restated	100	13,518	(731)	2,521
Net movements from exchange differences	-	-	7,741	-
Available-for-sale financial assets:				
- Changes in fair value	-	-	-	(869)
- Transfer to profit or loss upon disposal	-	-	-	(196)
Other comprehensive (expenses)/income	-	(29)	-	-
Total other comprehensive (expenses)/income for the year	-	(29)	7,741	(1,065)
Profit for the year	-	-	-	-
Total comprehensive (expenses)/ income for the year	-	(29)	7,741	(1,065)
Dividends	-	-	-	-
Other movements	-	38	-	-
Total transactions with shareholders	-	38	-	-
Balance at 31 December 2013	100	13,527	7,010	1,456

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the Company			Non-controlling Interests	Total Equity
	Distributable		Total		
<i>In RM Mil</i>	General Reserve	Retained Profits	Total		
Cumulative quarter ended 31 December 2012					
Balance at 1 January 2012					
- As previously reported	12,000	255,113	286,897	32,079	318,976
- Effect of the adoption of pronouncements	-	2,775	2,730	(338)	2,392
At 1 January 2012, restated	12,000	257,888	289,627	31,741	321,368
Net movements from exchange differences	-	-	(4,991)	(534)	(5,525)
Available-for-sale financial assets:					
- Changes in fair value	-	-	1,873	23	1,896
- Transfer to profit or loss upon disposal	-	-	(1,326)	-	(1,326)
Other comprehensive income	-	-	129	21	150
Total other comprehensive income/(expenses) for the year	-	-	(4,315)	(490)	(4,805)
Profit for the year	-	49,922	49,922	9,602	59,524
Total comprehensive income/ (expenses) for the year	-	49,922	45,607	9,112	54,719
Dividends	-	(28,000)	(28,000)	(9,045)	(37,045)
Other movements	-	(247)	(263)	193	(70)
Total transactions with shareholders	-	(28,247)	(28,263)	(8,852)	(37,115)
Balance at 31 December 2012	12,000	279,563	306,971	32,001	338,972
Cumulative quarter ended 31 December 2013					
At 1 January 2013, restated	12,000	279,563	306,971	32,001	338,972
Net movements from exchange differences	-	-	7,741	954	8,695
Available-for-sale financial assets:					
- Changes in fair value	-	-	(869)	(38)	(907)
- Transfer to profit or loss upon disposal	-	-	(196)	-	(196)
Other comprehensive (expenses)/income	-	38	9	9	18
Total other comprehensive (expenses)/income for the year	-	38	6,685	925	7,610
Profit for the year	-	54,114	54,114	11,472	65,586
Total comprehensive (expenses)/ income for the year	-	54,152	60,799	12,397	73,196
Dividends	-	(32,000)	(32,000)	(7,958)	(39,958)
Other movements	-	(5)	33	62	95
Total transactions with shareholders	-	(32,005)	(31,967)	(7,896)	(39,863)
Balance at 31 December 2013	12,000	301,710	335,803	36,502	372,305

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	Cumulative quarter ended	
	2013	31 December 2012 Restated
Cash receipts from customers	308,423	282,568
Cash paid to suppliers and employees	(179,393)	(165,056)
	<u>129,030</u>	<u>117,512</u>
Interest income from fund and other investments	2,895	3,966
Interest expenses paid	(2,188)	(2,245)
Taxation paid	(38,772)	(41,164)
Cash flows from operating activities	<u>90,965</u>	<u>78,069</u>
Acquisition of subsidiaries, net of cash acquired	-	(17,751)
Investment in securities	(3,818)	(14,372)
Proceeds from disposal/partial disposal of:		
- investment in subsidiaries, net of cash disposed	-	145
- property, plant and equipment, prepaid lease payments and intangible assets	5,055	963
- securities and other investment	8,460	25,494
Purchase of property, plant and equipment, prepaid lease payments and intangible assets	(56,555)	(44,991)
Others	(1,563)	(22)
Cash flows from investing activities	<u>(48,421)</u>	<u>(50,534)</u>
Repayment of borrowings	(13,114)	(14,083)
Drawdown of borrowings	12,406	4,190
Dividends paid	(27,539)	(27,461)
Dividends paid to non-controlling interests	(8,954)	(6,525)
Others	62	(46)
Cash flows from financing activities	<u>(37,139)</u>	<u>(43,925)</u>
Net increase/(decrease) in cash and cash equivalents	5,405	(16,390)
Decrease in deposits restricted	308	79
Net foreign exchange differences	2,095	(786)
Cash and cash equivalents at beginning of the year	<u>108,627</u>	<u>125,724</u>
Cash and cash equivalents at end of the year	<u>116,435</u>	<u>108,627</u>
Cash and cash equivalents		
Cash and bank balances and deposits	117,118	108,638
Short term marketable securities	233	1,793
Bank overdrafts	(533)	(1,113)
Less: Deposits restricted	(383)	(691)
	<u>116,435</u>	<u>108,627</u>



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. 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 year ended 31 December 2013.

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 year ended 31 December 2012.

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 2013 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements as at 1 January 2012 and 31 December 2012 other than that disclosed in the first quarter report relating to first time adoption of MFRS 10 *Consolidated Financial Statements* and MFRS 11 *Joint Arrangements* and its impact as at 1 January 2012 and 31 December 2012. The impact of the adoption of MFRS 10 and MFRS 11 for 1 January 2012 and 31 December 2012 are set out in Appendix 1.

The Group and the Company have early adopted the amendments to MFRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* which is effective for annual periods beginning on or after 1 January 2014. The early adoption of the amendments to MFRS 132 has no impact on the financial statements other than reclassifications in the statements of financial position as 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 year ended 31 December 2012.

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 financial year, the Company paid:

- a) a remaining dividend of RM539 million out 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 billion in respect of the financial period ended 31 December 2011.
- b) a dividend of RM27 billion out of the approved tax exempt final dividend under Section 84 of the Petroleum (Income Tax) Act, 1967 of RM270,000 per ordinary share amounting to RM27 billion in respect of the financial year ended 31 December 2012.



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

6. DIVIDENDS (continued)

The Company declared a tax exempt interim dividend under Section 84 of the Petroleum (Income Tax) Act, 1967 of RM50,000 per ordinary share amounting to RM5 billion in respect of the financial year ended 31 December 2013, of which RM2 billion and RM1 billion were paid on 30 January 2014 and 28 February 2014 respectively. The remaining of RM2 billion will be paid on 31 March 2014.

The Directors propose a tax exempt final dividend under Section 84 of the Petroleum (Income Tax) Act, 1967 of RM220,000 per ordinary share amounting to RM22 billion in respect of the financial year ended 31 December 2013 for shareholders' approval at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2014.

7. SIGNIFICANT DISPOSALS AND EVENT

Sale of interest in Canadian Assets

On 26 April 2013 and 18 December 2013, the Group via its wholly-owned subsidiary Progress Energy Canada Ltd. ("PECL"), sold a 10% and 3% interest in PECL's natural gas assets in northeast British Columbia to JAPEX Montney Ltd. ("JAPEX") and PetroleumBRUNEI Montney Holdings Limited ("PetroleumBRUNEI") respectively.

Concurrently, in regard to the proposed Pacific NorthWest LNG export facility, the Group also sold a 10% and 3% interest in Pacific NorthWest LNG Limited to JAPEX Canada LNG Ltd. and PetroleumBRUNEI Canada Limited respectively. A 10% and 3% interest in Pacific NorthWest LNG Limited Partnership was also sold to JAPEX and PetroleumBRUNEI respectively. As part of the transaction, JAPEX and PetroleumBRUNEI have agreed to buy the liquefied natural gas facility's production according to their partnership units for a period of 20 years.

Acquisition of assets and facilities in Talisman Sasol Montney Partnership

On 8 November 2013, PECL entered into a Purchase and Sale Agreement with Talisman Energy Canada and Talisman Energy Inc. to acquire a 50% interest in assets and facilities in Talisman Sasol Montney Partnership, as well as a 100% interest in Montney assets in the Foothills of British Columbia for approximately CAD1.5 billion. A CAD30 million deposit has been paid for the acquisition, which is subject to relevant approvals. The transaction is expected to complete in the first quarter of 2014.

8. CHANGES IN COMPOSITION OF THE GROUP

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

9. FAIR VALUE INFORMATION

The following table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.



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

9. FAIR VALUE INFORMATION (continued)

There have been no transfers between Level 1 and Level 2 fair values during the current financial year and comparative year.

31 December 2013 <i>In RM Mil</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets			
Quoted shares	5,984	-	5,984
Short term marketable securities	-	233	233
Quoted securities	25	1,062	1,087
Malaysian Government Securities	-	3,231	3,231
Corporate Private Debt Securities	-	4,363	4,363
Forward foreign exchange contracts	-	115	115
Forward gas contracts	60	-	60
Forward oil price contracts	1	-	1
	<u>6,070</u>	<u>9,004</u>	<u>15,074</u>
Financial liabilities			
Commodity swaps	-	(25)	(25)
Interest rate swaps	-	(5)	(5)
Forward foreign exchange contracts	-	(380)	(380)
Forward gas contracts	(13)	-	(13)
Forward oil price contracts	(3)	-	(3)
	<u>(16)</u>	<u>(410)</u>	<u>(426)</u>
31 December 2012, restated <i>In RM Mil</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets			
Quoted shares	6,601	-	6,601
Short term marketable securities	-	1,793	1,793
Quoted securities	-	932	932
Malaysian Government Securities	-	7,835	7,835
Corporate Private Debt Securities	-	5,559	5,559
Commodity swaps	-	14	14
Forward foreign exchange contracts	-	574	574
Forward gas contracts	54	-	54
	<u>6,655</u>	<u>16,707</u>	<u>23,362</u>
Financial liabilities			
Commodity swaps	-	(12)	(12)
Interest rate swaps	-	(124)	(124)
Forward foreign exchange contracts	-	(50)	(50)
Forward gas contracts	(15)	-	(15)
	<u>(15)</u>	<u>(186)</u>	<u>(201)</u>



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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 joint ventures 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 31 December					
	2013	2012	2013	2012	2013	2012
	Restated Third Parties		Restated Inter-segment		Restated Gross Total	
Exploration and Production ¹	15,263	13,869	17,192	15,271	32,455	29,140
Gas and Power	25,283	20,287	1,532	1,736	26,815	22,023
Downstream	40,760	39,351	528	486	41,288	39,837
Corporate and Others	3,501	3,371	1,641	1,163	5,142	4,534
Total	84,807	76,878	20,893	18,656	105,700	95,534

<i>In RM Mil</i>	Cumulative quarter ended 31 December					
	2013	2012	2013	2012	2013	2012
	Restated Third Parties		Restated Inter-segment		Restated Gross Total	
Exploration and Production ¹	53,628	49,649	66,795	59,924	120,423	109,573
Gas and Power	94,030	79,176	5,879	6,720	99,909	85,896
Downstream	155,199	148,407	2,080	1,928	157,279	150,335
Corporate and Others	14,457	13,994	4,915	4,224	19,372	18,218
Total	317,314	291,226	79,669	72,796	396,983	364,022

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	
	31 December		31 December	
	2013	2012 Restated	2013	2012 Restated
Exploration and Production	7,138	1,411	37,359	29,213
Gas and Power	3,402	4,341	17,530	16,423
Downstream	797	1,454	5,789	6,070
Corporate and Others	1,412	1,776	5,404	4,369
Total NOPAT for reportable segments	12,749	8,982	66,082	56,075
Elimination of inter-segment transactions	(227)	(158)	603	1,325
Consolidated NOPAT	12,522	8,824	66,685	57,400

10.3 Reconciliation of reportable segment NOPAT

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	31 December		31 December	
	2013	2012 Restated	2013	2012 Restated
Consolidated NOPAT	12,522	8,824	66,685	57,400
Financing cost, net of tax	(432)	(522)	(1,915)	(1,926)
Share of profits of associates and joint ventures, net of tax	271	433	1,397	1,576
Unrealised foreign exchange gains/(losses)	122	654	(2,108)	871
Other non-operating income/(expenses), net of tax	280	(592)	1,527	1,603
Profit for the period/year	12,763	8,797	65,586	59,524



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PART B – OTHER EXPLANATORY NOTES

11. REVIEW OF GROUP PERFORMANCE

Cumulative quarter ended			Individual quarter ended		
31.12.2012 Restated	31.12.2013	<i>In RM Mil</i>	31.12.2013	30.9.2013	31.12.2012 Restated
291,226	317,314	Revenue	84,807	81,407	76,878
59,524	65,586	Profit for the period	12,763	17,189	8,797
57,400	66,685	NOPAT	12,522	18,028	8,824
120,386	123,435	EBITDA ²	29,801	32,941	30,931

<i>In RM Mil</i>	As at 31.12.2013	As at 31.12.2012 Restated
Total assets	528,660	489,153
Shareholders' equity	335,803	306,971
Gearing ratio ³	11.1%	11.7%
ROACE ⁴	19.0%	17.2%

Fourth quarter PETRONAS Group recorded an improved revenue of RM84.8 billion, compared with RM76.9 billion for the same period in 2012. Similarly, profit for the quarter increased to RM12.8 billion from RM8.8 billion recorded in the corresponding quarter a year ago.

The increase in current quarter revenue was primarily driven by higher crude oil and processed gas sales volume, coupled with the effect of higher realised LNG prices and favourable US Dollar exchange rate movement against the Ringgit. The increase in crude oil sales volume was driven primarily by higher production in South Sudan and Iraq while the increase in processed gas was driven by higher gas supply from the importation of LNG via the regasification terminal (RGT) in Sungai Udang, Melaka.

Profit and NOPAT for the quarter increased by RM4.0 billion and RM3.7 billion respectively as compared to the same period last year primarily contributed by higher revenue recorded for the quarter, coupled with lower impairment losses on property, plant and equipment recorded in the current quarter. Excluding the effect of the lower impairment losses during the quarter, EBITDA decreased by RM1.1 billion compared to the same period in 2012.

Cumulative quarter PETRONAS Group recorded a 9.0% growth in revenue for the financial year ended 31 December 2013 at RM317.3 billion compared with RM291.2 billion a year ago mainly driven by higher crude oil, processed gas, petroleum products and LNG sales volume, albeit partially offset by a reduction in average realised prices of crude oil and petroleum products. These increases were mainly due to higher production from South Sudan, Iraq and Canada as well as increased trading activities across major products. Revenue growth was also supported by the impact of favourable US Dollar exchange rate movement against the Ringgit.

Profit, NOPAT and EBITDA for the financial year increased by RM6.1 billion, RM9.3 billion and RM3.0 billion respectively as compared to 2012 on the back of higher revenue and lower impairment losses recorded in 2013.

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 Gearing ratio is calculated as total debt divided by the total of shareholders' equity and debt as at period/year end.

⁴ 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 RM528.7 billion as at 31 December 2013 as compared to RM489.2 billion as at 31 December 2012 primarily as a result of the profit generated for the year. Shareholders' equity of RM335.8 billion as at 31 December 2013 increased by RM28.8 billion compared to that as at 31 December 2012 mainly due to the net impact of profit for the year attributable to shareholders of the Company, the approved final dividend in respect of the financial year ended 31 December 2012 and the declared interim dividend in respect of the financial year ended 31 December 2013 amounting to RM27.0 billion and RM5.0 billion respectively.

Gearing ratio decreased to 11.1% as at 31 December 2013 compared to 11.7% as at 31 December 2012 due to higher shareholders' equity despite a marginal increase in debt level. ROACE increased to 19.0% as at 31 December 2013 compared to 17.2% as at 31 December 2012 in line with higher NOPAT.



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PART B – OTHER EXPLANATORY NOTES (continued)

12. REVIEW OF PERFORMANCE - EXPLORATION AND PRODUCTION

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31.12.2012 Restated	31.12.2013		31.12.2013	30.9.2013	31.12.2012 Restated
		<i>In RM Mil</i>			
		Revenue			
49,649	53,628	Third party	15,263	14,176	13,869
59,924	66,795	Inter-segment	17,192	17,529	15,271
109,573	120,423		32,455	31,705	29,140
29,213	37,359	NOPAT	7,138	9,476	1,411

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
31.12.2012	31.12.2013		31.12.2013	30.9.2013	31.12.2012
		Production ⁵ (‘000 boe ⁶ per day)			
719	768	Crude oil and condensates	819	772	745
1,291	1,359	Natural gas	1,394	1,292	1,337
2,010	2,127		2,213	2,064	2,082
		Oil and gas entitlement ⁷ (‘000 boe ⁶ per day)			
515	551	Crude oil and condensates	592	564	556
931	1,050	Natural gas	1,152	1,010	954
1,446	1,601		1,744	1,574	1,510

Fourth quarter Revenue for the quarter ended 31 December 2013 was RM32.5 billion compared to RM29.1 billion in corresponding quarter last year. Higher revenue mainly contributed by higher entitlement volume for all products, in line with higher production. NOPAT increased to RM7.1 billion compared to RM1.4 billion in the corresponding quarter last year, mainly due to higher revenue, supported by lower asset impairment and well costs in 2013.

Total production volume for the quarter was 2,213 thousand boe per day compared to 2,082 thousand boe per day in the corresponding quarter last year. Crude oil and condensates production volume was higher mainly due to production resumption in South Sudan, production enhancement efforts and new production stream from Malaysia’s field and Iraq. Natural gas production was higher compared to the same quarter last year mainly due to additional production from Canada and new producing fields in Malaysia operations.

Cumulative quarter Revenue for the cumulative quarter ended 31 December 2013 was RM120.4 billion compared to RM109.6 billion in the corresponding period last year. The higher revenue by 9.9% reflected by the increase in entitlement volume for all products, in line with favourable performance in production. Similarly, NOPAT increased by RM8.1 billion compared to the corresponding period last year in line with higher revenue, supported by lower asset impairment and well costs in 2013.

⁵ Represents Malaysia’s production and PETRONAS Group’s international equity production volume.

⁶ boe: barrels of oil equivalent

⁷ Represents PETRONAS Group’s entitlement to Malaysia’s production and PETRONAS Group’s international entitlement volume.



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PART B – OTHER EXPLANATORY NOTES (continued)

12. REVIEW OF PERFORMANCE - EXPLORATION AND PRODUCTION (continued)

Total production volume for the cumulative quarter ended 31 December 2013 was 2,127 thousand boe per day compared to 2,010 thousand boe per day in the corresponding period last year. Crude oil and condensates production volume was higher by 6.8%, mainly due to production resumption in South Sudan, coupled with new producing fields in Malaysia and Iraq. Natural gas production volume was higher by 5.3% compared to same period last year, mainly contributed by new producing fields in Malaysia operations and additional production from Canada.



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PART B – OTHER EXPLANATORY NOTES (continued)

13. REVIEW OF PERFORMANCE - GAS AND POWER

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31.12.2012 Restated	31.12.2013		31.12.2013	30.9.2013	31.12.2012 Restated
		<i>In RM Mil</i>			
		Revenue			
79,176	94,030	Third party	25,283	24,324	20,287
6,720	5,879	Inter-segment	1,532	1,257	1,736
85,896	99,909		26,815	25,581	22,023
16,423	17,530	NOPAT	3,402	5,418	4,341

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
31.12.2012	31.12.2013		31.12.2013	30.9.2013	31.12.2012
2,542	2,716	Malaysia average sales gas volume (mmscfd) ⁸	2,812	2,604	2,627
26.09	28.85	LNG sales volume (million tonnes)	7.56	7.51	7.28

Fourth quarter Gas and Power segment registered RM26.8 billion revenue for the quarter ended 31 December 2013, an increase of RM4.8 billion or 21.8% compared to the corresponding quarter in 2012. The fourth quarter revenue benefited from higher LNG sales volume, favourable average sales gas volume and realised LNG sales prices.

The segment registered lower NOPAT at RM3.4 billion for the period, a decrease of RM0.9 billion compared to the corresponding period last year. Despite higher LNG sales volume and higher realised LNG weighted average sales prices, NOPAT was impacted by higher impairment losses.

Total LNG sales volume for the quarter was higher by 0.28 million tonnes or 3.8% as compared to the corresponding period last year driven by higher production from PETRONAS LNG Complex ("PLC") in Bintulu, Sarawak and higher trading volume.

The quarter recorded favourable average sales gas volume by 185 mmscfd or 7.0% compared to the same period last year mainly driven by the increased gas supply from import of LNG via the regasification terminal (RGT) in Sungai Udang, Melaka.

Cumulative quarter Gas and Power registered RM99.9 billion revenue for the cumulative quarter ended 31 December 2013, an increase of RM14.0 billion or 16.3% compared to the corresponding period in 2012 mainly driven by higher LNG sales volume and favourable average sales gas volume, negated by lower realised LNG sales prices.

The segment registered higher NOPAT at RM17.5 billion for the year, an increase of 6.7% compared to the corresponding year in tandem with increase in revenue offset by higher impairment losses.

⁸ mmscfd: million standard cubic feet per day



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PART B – OTHER EXPLANATORY NOTES (continued)

13. REVIEW OF PERFORMANCE - GAS AND POWER (continued)

Total LNG sales volume for the year was higher by 2.8 million tonnes or 10.6% as compared to the same period last year on the back of higher production volume from PLC in Bintulu, Sarawak and increase in trading volume.

Average sales gas volume was higher by 174 mmscfd or 6.8% compared to the same period last year driven by higher domestic supply from Kertih, Terengganu, coupled with new gas supply sourced from LNG imported via the RGT.



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PART B – OTHER EXPLANATORY NOTES (continued)

14. REVIEW OF PERFORMANCE - DOWNSTREAM

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31.12.2012 Restated	31.12.2013		31.12.2013	30.9.2013	31.12.2012 Restated
		<i>In RM Mil</i>			
		Revenue			
148,407	155,199	Third party	40,760	39,032	39,351
1,928	2,080	Inter-segment	528	626	486
<u>150,335</u>	<u>157,279</u>		<u>41,288</u>	<u>39,658</u>	<u>39,837</u>
6,070	5,789	NOPAT	797	1,525	1,454

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
31.12.2012	31.12.2013		31.12.2013	30.9.2013	31.12.2012
297.1	299.3	Petroleum products sales volume (in million barrels)	79.8	76.6	80.4
157.4	195.3	Crude oil sales volume (in million barrels)	51.6	47.0	43.5
6.8	6.0	Petrochemicals sales volume (in million metric tonnes)	1.2	1.4	1.8

Fourth quarter Total revenue for the quarter was RM41.3 billion, an increase of RM1.5 billion when compared to the corresponding period last year. The higher revenue was contributed primarily from higher crude oil sales volume.

Crude oil sales volume was higher than the corresponding period last year by 8.1 million barrels mainly due to increased trading activities.

Downstream NOPAT was RM0.8 billion, lower than the corresponding period last year by RM0.7 billion mainly due to lower refining and petrochemical margins.

Cumulative quarter Total revenue for the year was RM157.3 billion, RM6.9 billion higher than the revenue from the corresponding period last year mainly due to increase in crude oil and petroleum products sales volume.

An overall increase in trading activities contributed towards these higher volumes. Crude oil sales volume was 37.9 million barrels more as compared to the corresponding period last year. Petroleum products sales volume enjoyed a modest increase of 2.2 million barrels compared to the corresponding period last year due to the same reason.

Downstream NOPAT for the year was RM5.8 billion, RM0.3 billion lower than the corresponding period last year mainly due to lower margins for refining, petroleum product trading and petrochemical products.



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PART B – OTHER EXPLANATORY NOTES (continued)

15. REVIEW OF PERFORMANCE - CORPORATE AND OTHERS

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31.12.2012 Restated	31.12.2013		31.12.2013	30.9.2013	31.12.2012 Restated
<i>In RM Mil</i>					
Revenue					
13,994	14,457	3,501	3,875	3,371	
4,224	4,915	1,641	1,050	1,163	
18,218	19,372	5,142	4,925	4,534	
4,369	5,404	1,412	1,072	1,776	
NOPAT					

Fourth quarter Revenue for the quarter was RM5.1 billion, higher by RM0.6 billion or 13.4% as compared to the corresponding quarter a year ago mainly contributed by higher inter-segment sales due to higher sourcing of oil and gas equipment and provision of technical services to related companies. NOPAT stood at RM1.4 billion, lower by 20.5% mainly due to higher other operating income from maritime and logistics business recorded in the corresponding quarter a year ago.

Cumulative quarter Revenue for the period was RM19.4 billion, higher by RM1.2 billion or 6.3% as compared to the same period last year mainly due to higher income from property business and sourcing of oil and gas equipment. NOPAT increased by RM1.0 billion to RM5.4 billion primarily driven by lower maritime and logistics costs incurred during the year as a result of cessation of the liner business in 2012.

16. COMPARISON WITH PRECEDING QUARTER'S RESULT

<i>In RM Mil</i>	Individual quarter ended	
	31.12.2013	30.9.2013
Revenue	84,807	81,407
Profit for the period	12,763	17,189
NOPAT	12,522	18,028
EBITDA	29,801	32,941

PETRONAS Group's revenue of RM84.8 billion for the quarter was higher by RM3.4 billion or 4.2% as compared to the preceding quarter. The increase was primarily driven by higher trading volume of petroleum products on the back of increased trading opportunities as well as higher crude oil and LNG sales volume. Nevertheless, the positive impact on revenue as outlined above was partially offset by lower realised crude oil sales prices as well as the impact of unfavourable US Dollar exchange rate movement against the Ringgit.

Profit, NOPAT and EBITDA for the quarter decreased by RM4.4 billion, RM5.5 billion and RM3.1 billion respectively as compared to the preceding quarter despite an increase in revenue mainly due to higher operating expenses and impairment losses incurred in the current quarter.

17. NEXT FINANCIAL YEAR PROSPECTS

Moderation in demand, particularly from emerging and developing economies and declining margins will further drive the Group to exercise greater cost efficiency and operational excellence. The Board expects the Group's strategies to be able to address these challenges and deliver satisfactory performance in the next financial year.



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PART B – OTHER EXPLANATORY NOTES (continued)

18. TAXATION

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	2013	31 December 2012 Restated	2013	31 December 2012 Restated
Current tax expenses				
Malaysia	6,333	8,592	29,233	32,409
Overseas	645	681	2,636	2,793
Deferred tax expenses				
Origination and reversal of temporary differences	(2,174)	(2,781)	(3,197)	(4,985)
	<u>4,804</u>	<u>6,492</u>	<u>28,672</u>	<u>30,217</u>
Effective tax rate	27.3%	42.5%	30.4%	33.7%

The Group's effective tax rate for the current quarter and period-to-date are 27.3% and 30.4% respectively. The current quarter effective tax rate is lower than the corresponding quarter in 2012 of 42.5%. This is mainly due to higher non-deductible expenses incurred in quarter ended 31 December 2012 and higher non-assessable income recognised in quarter ended 31 December 2013. The effective tax rate for the cumulative quarter is lower than the corresponding period in 2012 of 33.7%, mainly due to higher non-deductible expenses incurred a year ago.

19. CASH, FUND AND OTHER INVESTMENTS

<i>In %</i>	As at 31.12.2013	As at 31.12.2012 Restated
By Currency		
RM	70.4	67.5
USD	24.7	15.8
Others	4.9	16.7
	<u>100.0</u>	<u>100.0</u>
By Maturity⁹		
< 1 year	93.9	91.8
1 to 5 years	4.8	6.3
5 to 10 years	1.3	1.9
	<u>100.0</u>	<u>100.0</u>
By Type		
Money market	88.6	84.6
Government securities	2.4	5.8
Corporate bonds	4.7	5.1
Equities	4.3	4.5
	<u>100.0</u>	<u>100.0</u>

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

⁹ Refers to instrument maturity dates; excludes equities.



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PART B – OTHER EXPLANATORY NOTES (continued)

20. BORROWINGS

The details of the Group borrowings as at 31 December 2013 are as follows:

<i>In RM Mil</i>	As at 31.12.2013	As at 31.12.2012 Restated
Non-Current		
Secured		
Term loans	1,700	3,182
Islamic financing facilities	1,427	1,425
Total non-current secured borrowings	3,127	4,607
Unsecured		
Term loans	5,988	285
Notes and Bonds	16,802	17,769
Islamic financing facilities	3,085	8,112
Total non-current unsecured borrowings	25,875	26,166
Total non-current borrowings	29,002	30,773
Current		
Secured		
Term loans	988	347
Islamic financing facilities	339	473
Total current secured borrowings	1,327	820
Unsecured		
Term loans	291	5,927
Notes and Bonds	2,301	566
Islamic financing facilities	5,816	123
Revolving credits	2,576	1,415
Bank overdrafts	533	1,113
Total current unsecured borrowings	11,517	9,144
Total current borrowings	12,844	9,964
Total borrowings	41,846	40,737



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PART B – OTHER EXPLANATORY NOTES (continued)

20. BORROWINGS (continued)

<i>In RM Mil</i>	As at		As at	
	31.12.2013	%	31.12.2012 Restated	%
By Currency				
USD	28,935	69.1	26,365	64.7
RM	8,191	19.6	7,438	18.3
EUR	2,144	5.1	3,604	8.8
ZAR	663	1.6	1,175	2.9
JPY	-	-	566	1.4
Others	1,913	4.6	1,589	3.9
	41,846	100.0	40,737	100.0
By Repayment Schedule				
< 1 year	12,844	30.7	9,964	24.4
1 to 5 years	12,057	28.8	14,982	36.8
5 to 10 years	15,299	36.6	14,261	35.0
10 to 20 years	1,646	3.9	1,530	3.8
	41,846	100.0	40,737	100.0

21. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off balance sheet financial instrument for the quarter ended 31 December 2013.

22. MATERIAL LITIGATION

The legal suit brought against the Company by the Kelantan State Government in 2010 in respect of payment of petroleum proceeds under the terms of the agreement dated 9 May 1975 entered into between the Kelantan State Government and PETRONAS is still on-going as at the reporting date. PETRONAS has been advised by its solicitors that there is no merit in the claim by the Kelantan State Government.

In 2012, certain individuals ("plaintiffs") filed a legal suit against PETRONAS and the State Government of Sabah wherein the plaintiffs are seeking a declaration that the agreement dated 14 June 1976 entered into between the State Government of Sabah and PETRONAS is ultra vires and null and void; and a declaration that the Petroleum Development Act of 1974 is also ultra vires and null and void. On 15 January 2014, the High Court of Sabah and Sarawak at Kota Kinabalu struck out the plaintiffs' suit with costs. As at the reporting date, the plaintiffs have yet to file an appeal to the Court of Appeal.

In July 2013, Momoto Sdn. Bhd. ("Momoto") filed a suit at the Kuala Lumpur High Court against PETRONAS Technical Services Sdn. Bhd. ("PTSSB"), a wholly owned subsidiary of the Company claiming damages of RM260 million for breach of contract. The suit relates to the sales of the FP1 superbikes by PTSSB to Momoto, where Momoto is alleging that PTSSB had failed to pay all the duties and taxes relating to the FP1 superbikes at the point of the transfer of ownership of the FP1 Superbikes to Momoto. On 31 October 2013, PTSSB obtained an order for stay of the court proceedings pending resolution of the dispute by way of arbitration as provided under the contract. As at the reporting date, Momoto has yet to issue the notice of arbitration.



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PART B – OTHER EXPLANATORY NOTES (continued)

23. PROFIT FOR THE PERIOD/YEAR

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	2013	31 December 2012 Restated	2013	31 December 2012 Restated
Included in profit for the period/year are the following charges:				
Bad debt written off	-	-	4	28
Depreciation and amortisation	8,095	8,582	25,421	22,413
Impairment losses on:				
- receivables	1,265	-	1,411	873
- intangible assets	359	130	1,199	2,469
- property, plant and equipment	5,852	7,535	5,962	7,765
Net loss on derivatives	-	9	56	163
Net loss on foreign exchange	-	-	700	-
and credits:				
Dividend income	13	21	298	212
Gain on disposal of investments and property, plant and equipment	355	35	1,327	1,866
Interest income	1,090	983	4,378	4,451
Net gain on derivatives	53	4	-	170
Net gain on foreign exchange	608	197	-	107
Write back of impairment losses on:				
- receivables	-	192	-	253
- intangible assets	-	190	89	197
- property, plant and equipment	1,603	253	1,673	253

24. DIVIDENDS

As disclosed in Note 6.

25. EXCHANGE RATES

US dollar/RM	31.12.2013	Individual quarter ended		Cumulative quarter ended		
		30.9.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2011
Average rate	3.2085	3.2384	3.0568	3.1495	3.0884	3.0594
Closing rate	3.2900	3.2575	3.0625	3.2900	3.0625	3.1715

By order of the Board

Faridah Haris Hamid (LS 0008785)
Company Secretary
Kuala Lumpur
4 March 2014



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APPENDIX 1 – IMPACT OF THE ADOPTION OF NEW AND REVISED PRONOUNCEMENTS

- a) Reconciliation of consolidated statement of profit or loss and other comprehensive income for individual quarter ended 31 December 2012

	As previously reported	Effect of the adoption of pronouncements	As restated
<i>In RM Mil</i>			
Revenue	76,766	112	76,878
Cost of revenue	(54,058)	4	(54,054)
Gross profit	22,708	116	22,824
Selling and distribution expenses	(1,142)	-	(1,142)
Administration expenses	(10,790)	78	(10,712)
Other expenses	(1,240)	22	(1,218)
Other income	5,973	(37)	5,936
Operating profit	15,509	179	15,688
Financing costs	(841)	9	(832)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	491	(58)	433
Profit before taxation	15,159	130	15,289
Tax expense	(6,437)	(55)	(6,492)
PROFIT FOR THE PERIOD	8,722	75	8,797
Other comprehensive income/(expenses)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net movements from exchange differences	(725)	(12)	(737)
Changes in fair value for available-for-sale financial assets	1,131	-	1,131
Others	43	(4)	39
	449	(16)	433
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,171	59	9,230



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APPENDIX 1 – IMPACT OF THE ADOPTION OF NEW AND REVISED PRONOUNCEMENTS (continued)

- b) Reconciliation of consolidated statement of profit or loss and other comprehensive income for cumulative quarter ended 31 December 2012

<i>In RM Mil</i>	As previously reported	Effect of the adoption of pronouncements	As restated
Revenue	290,976	250	291,226
Cost of revenue	(183,461)	114	(183,347)
Gross profit	107,515	364	107,879
Selling and distribution expenses	(4,455)	-	(4,455)
Administration expenses	(19,428)	291	(19,137)
Other expenses	(2,575)	22	(2,553)
Other income	9,439	(104)	9,335
Operating profit	90,496	573	91,069
Financing costs	(2,935)	31	(2,904)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	1,518	58	1,576
Profit before taxation	89,079	662	89,741
Tax expense	(30,017)	(200)	(30,217)
PROFIT FOR THE YEAR	59,062	462	59,524
Other comprehensive income/(expenses)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net movements from exchange differences	(5,489)	(36)	(5,525)
Available-for-sale financial assets			
- Changes in fair value	1,896	-	1,896
- Transfer to profit or loss upon disposal	(1,326)	-	(1,326)
Others	162	(12)	150
	(4,757)	(48)	(4,805)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	54,305	414	54,719



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APPENDIX 1 – IMPACT OF THE ADOPTION OF NEW AND REVISED PRONOUNCEMENTS (continued)

c) Reconciliation of consolidated statement of financial position as at 1 January 2012

<i>In RM Mil</i>	As previously reported	Effect of the adoption of pronouncements	As restated
ASSETS			
Property, plant and equipment	205,555	(899)	204,656
Investment properties, land held for development and prepaid lease payments	13,250	-	13,250
Investments in associates and joint ventures	12,323	(499)	11,824
Intangible assets	20,614	71	20,685
Fund and other investments	3,495	-	3,495
Cash and cash equivalents	89	-	89
Other non-current assets	7,971	-	7,971
TOTAL NON-CURRENT ASSETS	263,297	(1,327)	261,970
Trade and other inventories	12,366	-	12,366
Trade and other receivables	38,111	107	38,218
Fund and other investments	35,383	995	36,378
Cash and cash equivalents	125,358	1,441	126,799
Other current assets	631	-	631
TOTAL CURRENT ASSETS	211,849	2,543	214,392
TOTAL ASSETS	475,146	1,216	476,362
EQUITY			
Share capital	100	-	100
Reserves	286,797	2,730	289,527
Total equity attributable to shareholders of the Company	286,897	2,730	289,627
Non-controlling interests	32,079	(338)	31,741
TOTAL EQUITY	318,976	2,392	321,368
LIABILITIES			
Borrowings	39,674	(744)	38,930
Deferred tax liabilities	13,267	141	13,408
Other long term liabilities and provisions	23,977	(39)	23,938
TOTAL NON-CURRENT LIABILITIES	76,918	(642)	76,276
Trade and other payables	50,408	(336)	50,072
Borrowings	12,849	(198)	12,651
Taxation	15,995	-	15,995
TOTAL CURRENT LIABILITIES	79,252	(534)	78,718
TOTAL LIABILITIES	156,170	(1,176)	154,994
TOTAL EQUITY AND LIABILITIES	475,146	1,216	476,362



PETRONAS

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

INTERIM FINANCIAL REPORT FOR FOURTH QUARTER 2013

APPENDIX 1 – IMPACT OF THE ADOPTION OF NEW AND REVISED PRONOUNCEMENTS (continued)

d) Reconciliation of consolidated statement of financial position as at 31 December 2012

<i>In RM Mil</i>	As previously reported	Effect of the adoption of pronouncements	As restated
ASSETS			
Property, plant and equipment	226,059	(1,541)	224,518
Investment properties, land held for development and prepaid lease payments	13,292	-	13,292
Investments in associates and joint ventures	11,670	(412)	11,258
Intangible assets	33,256	84	33,340
Fund and other investments	8,053	156	8,209
Cash and cash equivalents	164	-	164
Other non-current assets	9,984	79	10,063
TOTAL NON-CURRENT ASSETS	302,478	(1,634)	300,844
Trade and other inventories	14,187	-	14,187
Trade and other receivables	42,279	295	42,574
Fund and other investments	20,874	1,445	22,319
Cash and cash equivalents	107,735	739	108,474
Other current assets	755	-	755
TOTAL CURRENT ASSETS	185,830	2,479	188,309
TOTAL ASSETS	488,308	845	489,153
EQUITY			
Share capital	100	-	100
Reserves	303,689	3,182	306,871
Total equity attributable to shareholders of the Company	303,789	3,182	306,971
Non-controlling interests	32,423	(422)	32,001
TOTAL EQUITY	336,212	2,760	338,972
LIABILITIES			
Borrowings	32,051	(1,278)	30,773
Deferred tax liabilities	14,195	136	14,331
Other long term liabilities and provisions	26,574	(116)	26,458
TOTAL NON-CURRENT LIABILITIES	72,820	(1,258)	71,562
Trade and other payables	58,820	(455)	58,365
Borrowings	10,166	(202)	9,964
Taxation	9,751	-	9,751
Dividend payable	539	-	539
TOTAL CURRENT LIABILITIES	79,276	(657)	78,619
TOTAL LIABILITIES	152,096	(1,915)	150,181
TOTAL EQUITY AND LIABILITIES	488,308	845	489,153



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INTERIM FINANCIAL REPORT FOR FOURTH QUARTER 2013

APPENDIX 1 – IMPACT OF THE ADOPTION OF NEW AND REVISED PRONOUNCEMENTS (continued)

e) Reconciliation of consolidated statement of cash flows for cumulative quarter ended 31 December 2012

	As previously reported	Effect of the adoption of pronouncements	As restated
<i>In RM Mil</i>			
Cash receipts from customers	282,683	(115)	282,568
Cash paid to suppliers and employees	(165,230)	174	(165,056)
	117,453	59	117,512
Interest income from fund and other investments	3,888	78	3,966
Interest expenses paid	(2,273)	28	(2,245)
Taxation paid	(41,000)	(164)	(41,164)
Cash flows from operating activities	78,068	1	78,069
Acquisition of subsidiaries, net of cash acquired	(17,751)	-	(17,751)
Investment in securities	(13,305)	(1,067)	(14,372)
Proceeds from disposal/partial disposal of:			
- investment in subsidiaries, net of cash disposed	145	-	145
- property, plant and equipment, prepaid lease payments and intangible assets	963	-	963
- securities and other investment	24,999	495	25,494
Purchase of property, plant and equipment, prepaid lease payments and intangible assets	(45,623)	632	(44,991)
Others	144	(166)	(22)
Cash flows from investing activities	(50,428)	(106)	(50,534)
Repayment of borrowings	(14,276)	193	(14,083)
Drawdown of borrowings	4,945	(755)	4,190
Dividends paid	(27,461)	-	(27,461)
Dividends paid to non-controlling interests	(6,545)	20	(6,525)
Others	10	(56)	(46)
Cash flows from financing activities	(43,327)	(598)	(43,925)
Net decrease in cash and cash equivalents	(15,687)	(703)	(16,390)
Decrease in deposits restricted	79	-	79
Net foreign exchange differences	(787)	1	(786)
Cash and cash equivalents at beginning of the year	124,283	1,441	125,724
Cash and cash equivalents at end of the year	107,888	739	108,627
Cash and cash equivalents			
Cash and bank balances and deposits	107,899	739	108,638
Short term marketable securities	1,793	-	1,793
Bank overdrafts	(1,113)	-	(1,113)
Less: Deposits restricted	(691)	-	(691)
	107,888	739	108,627