



TITAN CHEMICALS CORP. BHD. (222357 P)

(Formerly known as Titan Petrochemicals & Polymers Berhad)

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TITAN CHEMICALS CORP. BHD. REPORTS HIGHER REVENUE

- **Revenue rose to RM7.0 billion for the year ended December 31, 2008**
- **Falling feedstocks and end product prices dampened financial results**

Kuala Lumpur, 27 February 2009 - Titan Chemicals reported RM7.0 billion in revenue for the financial year ended December 2008, a 16% year-on-year growth on the back of higher average selling prices. Loss Before Tax was RM426.6 million and Loss After Tax before Minority Interest was RM270.3 million. Loss per share for the period amounted to 14.9 sen. For the financial year ended December, the write-down of inventories amounted to RM107.4 million due to the decrease in net realizable values of our feedstocks and end products olefins and polymers.

For the fourth quarter, revenue was RM1.3 billion and Loss After Tax before Minority Interest was RM486.8 million. Compared to the preceding quarter, group sales revenue fell from RM2.0 billion to RM1.3 billion. During the quarter, Titan Chemicals achieved a 17% increase in sales volume although average selling prices for products fell 48%.

In the last quarter, demand for derivatives was hit by the global economic downturn. The average industry weekly prices showed a steep downward movement before regaining some ground in December. Average weekly naphtha (MOPJ) prices which were quoted at US\$775/tonne in early October slumped to US\$269/tonne in mid November before edging up to US\$300/tonne in mid December.

For polymer prices, market database from energy information providers showed average weekly polymer prices fell from US\$1,390/tonne in early October to US\$685/tonne in November. It rose to a weekly average of US\$832/tonne in December.

"The global business environment continues to be very challenging. The unprecedented falling prices in feedstocks and end products negatively impacted the financial performance during quarter.

"In these times, the close relationship with our customers and the flexibility to plan our production schedule to support their business are vital. Titan Chemicals is committed to weathering the current economic environment with our customers.

"During the last quarter, our plants operated albeit at lower rates. Due to the integrated design configuration, Titan Chemicals can vary its output in line with demand. Although October was a relatively quiet month, we stepped up production in the last two months to meet year-end orders from our customers. We recorded stronger sales in November and December," said Warren Wilder, Managing Director of Titan Chemicals Corp. Bhd.

ABOUT TITAN CHEMICALS CORP. BHD.

In 2005, Titan Chemicals was listed on the main board of Bursa Malaysia. It is the first and largest integrated producer of petrochemicals and polymers in Malaysia. The main products are olefins (ethylene and propylene) and polyolefins (polyethylene and polypropylene). It has ten world-class manufacturing plants located on two integrated industrial sites in Pasir Gudang and Tanjung Langsat, Johor. In Indonesia, Titan Chemicals has the largest manufacturing capacity for polyethylene and the second largest manufacturing capacity for Biaxially Oriented Polypropylene (BOPP).

Titan Chemicals Corp. Bhd. started as a joint venture between The Chao Group and Permodalan Nasional Berhad (PNB), through its wholly-owned subsidiary, PNB Equity Resources (PERC). The Chao Group is globally active in petrochemicals and plastics. Apart from the Titan Chemicals investment, The Chao Group also owns a majority share of Westlake Chemical Corporation which is listed on the New York Stock Exchange. The PNB group has grown to be the country's leading investment institution with a diversified portfolio of interests that include unit trusts, institution property trust, property management and asset management.

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