

**Exaggerated claims of Petronas' government contributions**  
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In the malaysiakini report Nearly all of Petronas' profits goes to government, Deputy Minister in Prime Minister's Department Abdul Rahman Sulaiman told Parliament that more than three-quarters of Petronas' profits were contributed to the government in the forms of tax, dividends, royalty and export duties. I quote:

'And for 2006, Petronas generated profits amounting to RM45.2 billion. RM32.4 billion and RM9.3 billion was paid to the government in forms of dividends and tax, and royalty and export duties respectively'.

This statement gives the impression that almost all of Petronas' profits was paid out to the government. This is far from the truth.

The profit of RM45.2 billion mentioned by the deputy minister is only the pretax profit of Petronas at the company level; whereas at the group level, the picture is completely different.

For the financial year ended March 31, 2006, Petronas' group profit before tax was RM70.2 billion, and its profit after tax and minority interests was RM43.6 billion.

So after a dividend pay out of RM19 billion to the government, it should have retained a whopping RM24.6 billion for its own use and reserves. This retained profit therefore constitutes 56% of the group's net profit - not one-quarter as claimed.

A more detailed exposure of Petronas' exaggerated claims of financial performance and contributions to the government can be found in my previous Be more honest please, Petronas.

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