

BNY MELLON NON-DEAL ROADSHOW

New York, USA (11-12th November 2013)

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON

BNY MELLON NDR, NEW YORK, USA

PART ONE

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON

AGENDA

1

- INTRODUCTION TO TENAGA

2

- INTRODUCTION TO MESI

3

- BUSINESS STRATEGY & DIRECTION

4

- TARIFF

5

- DIVIDEND POLICY

6

- OUTLOOK - KEY TAKEAWAYS

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON

BNY MELLON NDR, NEW YORK, USA

1 INTRODUCTION TO TENAGA

YOU SEE



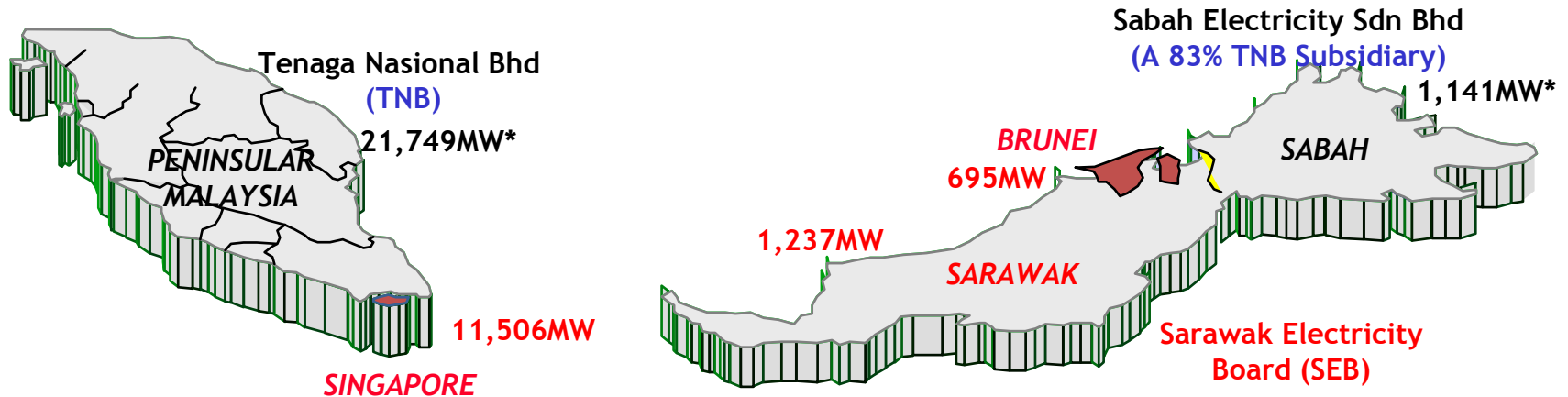
BNY MELLON

KEEPING THE LIGHTS ON

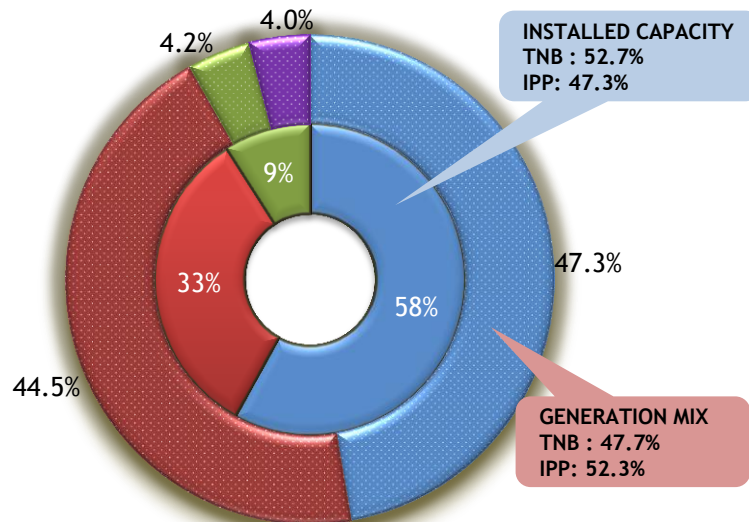


INTRODUCTION TO TENAGA

Three Major Utilities in Malaysia



* Includes IPPs



	FY'09	FY'10	FY'11	FY'12	FY'13
TNB -Peninsula Installed Capacity (MW)	11,530	11,530	11,530	11,462	11,462
Total units sold (Gwh)	87,780	95,197	97,888	102,132	105,479
Total customers (million)	7.59	7.87	8.11	8.36	8.35
Total employees	29,149	30,535	31,935	33,568	34,972
Total assets (RM billion)	71.4	75.9	79.1	88.5	99.0

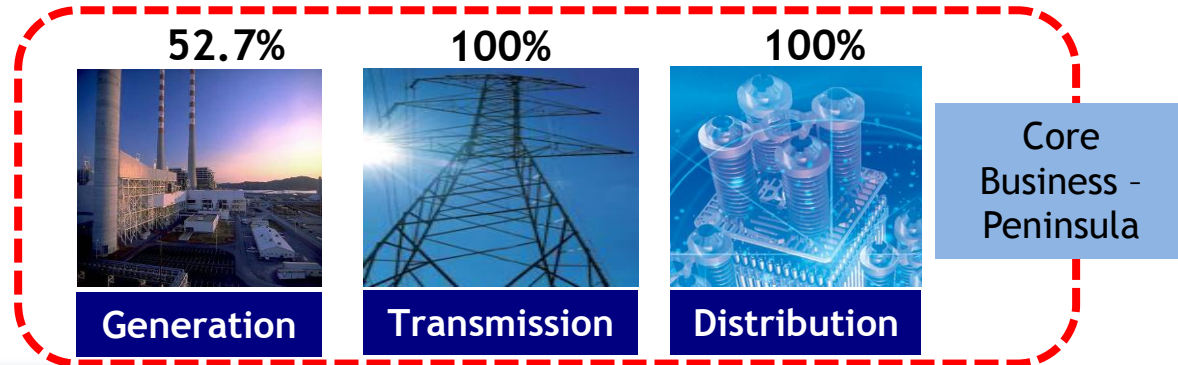
■ Gas ■ Coal ■ Hydro & Others ■ Oil & Distillate

Installed Capacity vs. Generation mix



INTRODUCTION TO TENAGA

Vertically Integrated Utility



THANK YOU

YAB Dato' Sri Mohd Najib Bin Tun Abdul Razak

Prime Minister of Malaysia

for your working visit to Tenaga Nasional Berhad (TNB)

and
your assurance to keep TNB as an
integrated electric utility company in the country

on
6 March 2013

at
Multipurpose Hall, TNB Sports Complex,
Jalan Bangsar, Kuala Lumpur



**Najib dismisses
talk of TNB split-up**

Source: The Sun; 7th March 2013

PM: TNB to power ahead as single entity

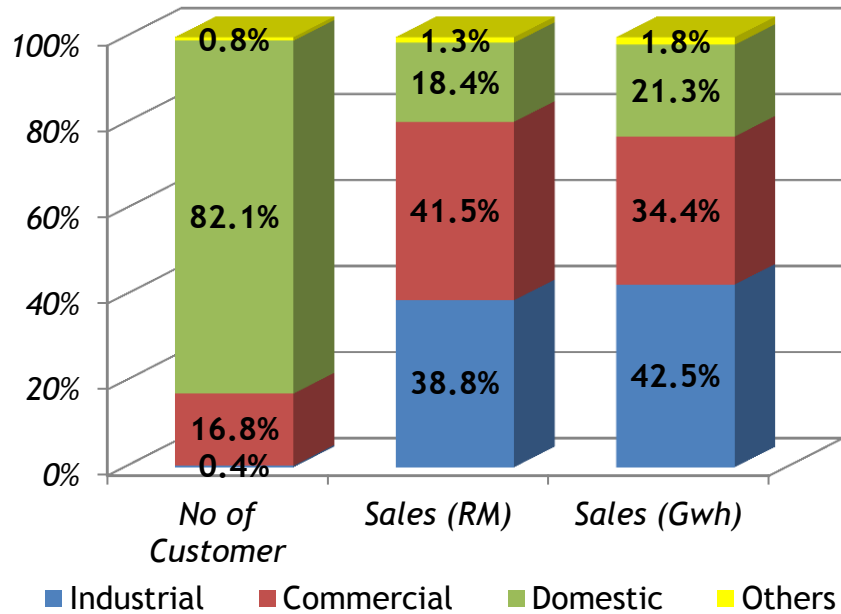
NAJIB'S GUARANTEE: Its status as country's premier utility company will be maintained

Source: The New Straits Times; 7th March 2013

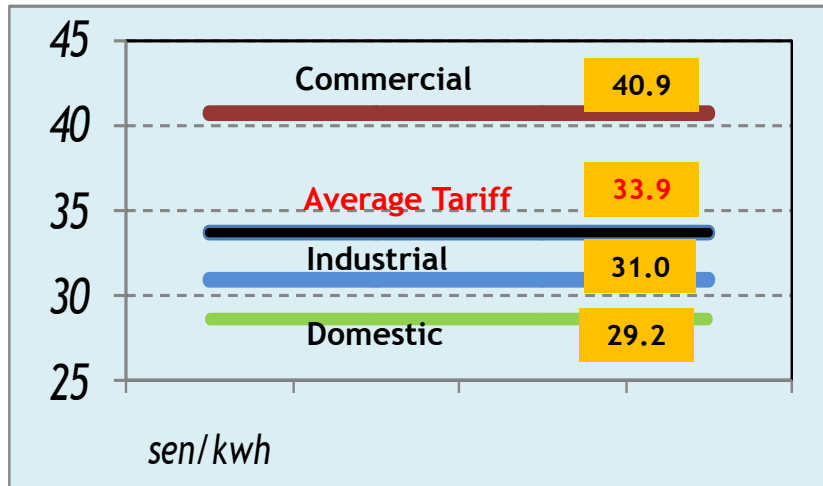


INTRODUCTION TO TENAGA

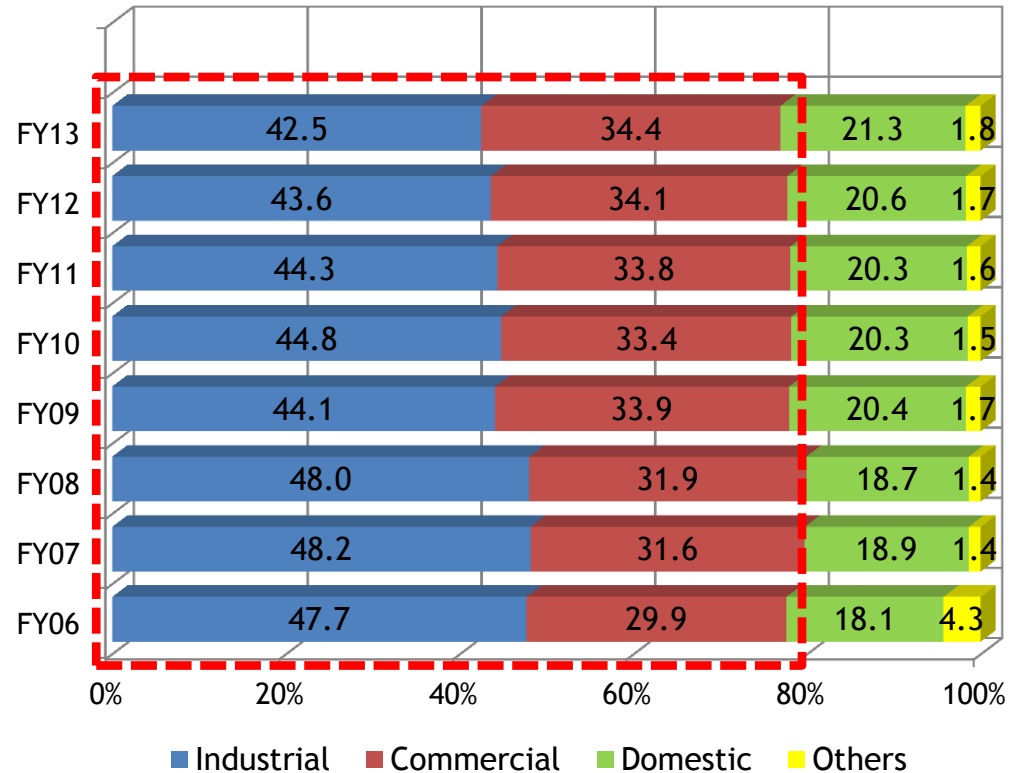
No of Customer vs. Sales Value vs. Unit Sales



Average Tariff by Sector



Sectoral Sales Analysis (Gwh)

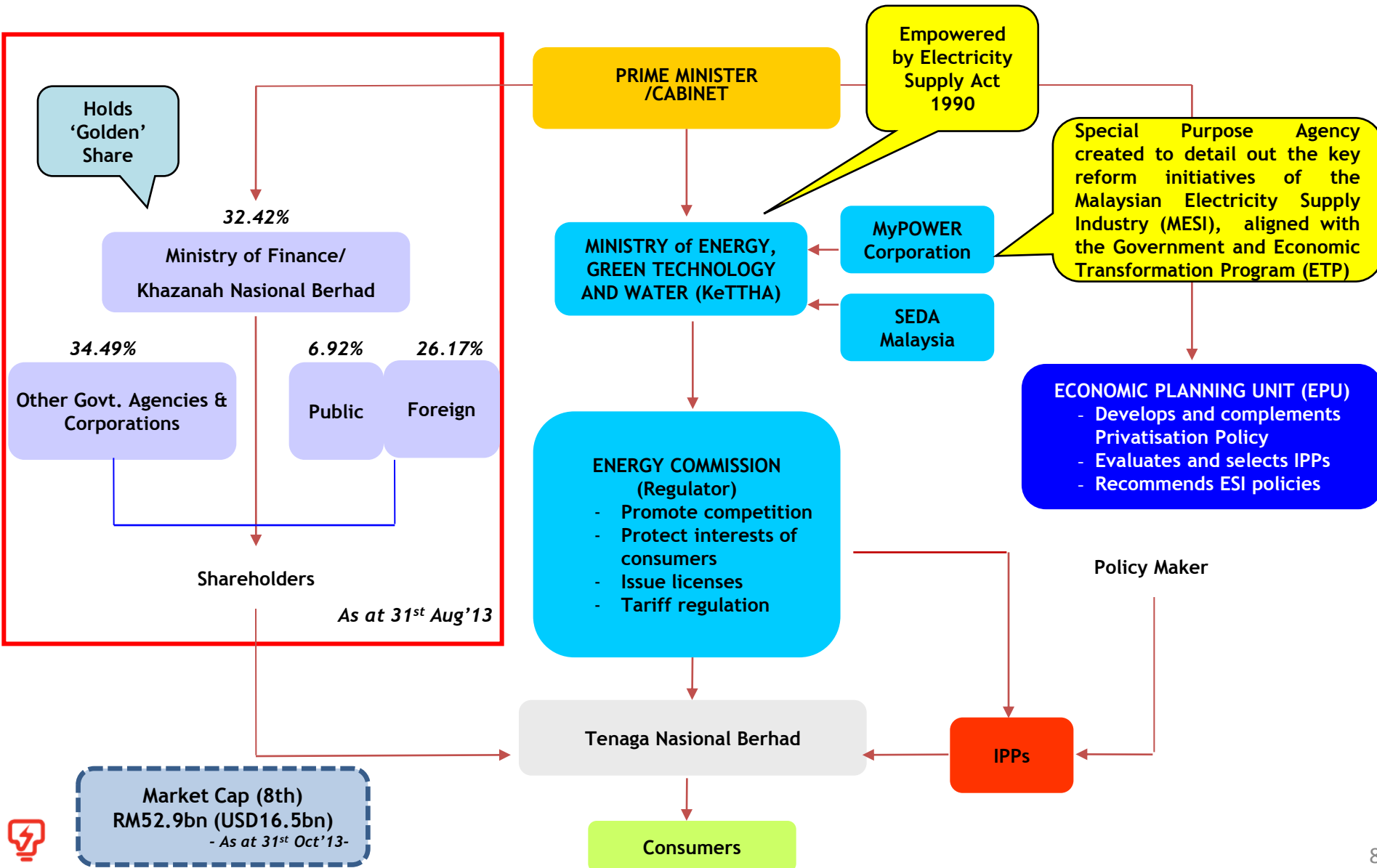


- Shift from Industrial-based to Service-based economy
- Increasing market share from Commercial sector
- Commercial sector contributes the highest electricity sales margin



INTRODUCTION TO TENAGA

Industry Regulatory Framework



BNY MELLON NDR, NEW YORK, USA

2 INTRODUCTION TO MALAYSIAN ELECTRICITY SUPPLY INDUSTRY (MESI)

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON



INTRODUCTION TO MESI

Transformation Initiatives by Government

Jun - Dec 2008
Khazanah's MESI Study

Jan - Dec 2009
KeTTHA-led syndication

4 Dec 2009
Cabinet endorsement to
transform ESI



1st Gen IPP /
Restricted
Bidding

Subsidy
Rationalisation
Programme

FCPT
Mechanism

LNG
Importation

Nuclear Energy
Capacity
Building

National RE
Policy & Action
Plan

FIT & RE Fund

Legal &
Regulatory
Framework
Enhancement

Aimed at delivering a reliable, transparent, efficient and sustainable ESI

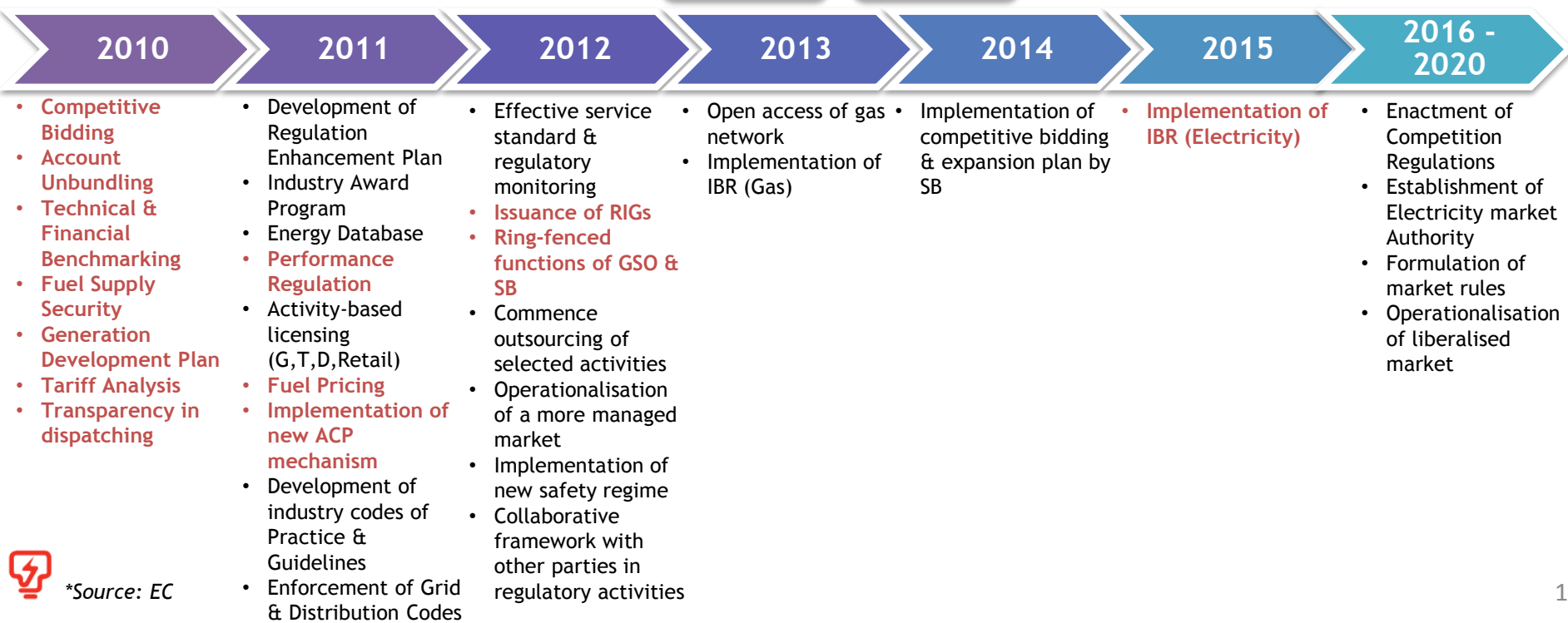
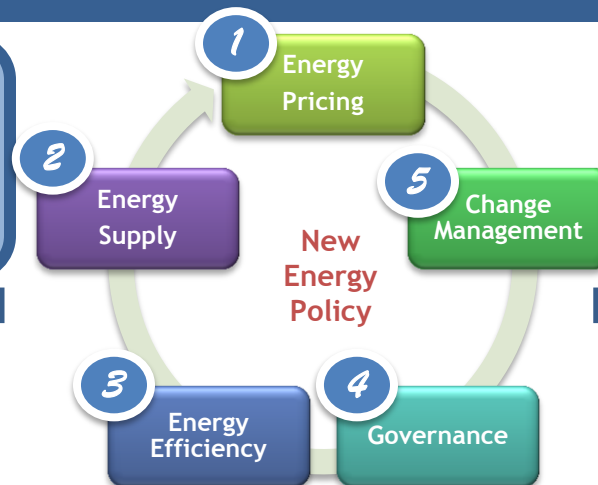




INTRODUCTION TO MESI

Transformation Plan : Timeline

The New Energy Policy Addresses Economic Efficiency, Security of Supply and Social & Environmental Objectives



*Source: EC



INTRODUCTION TO MESI

Energy Pricing - Competitive Bidding

1

TRACK 1	1071 MW CCGT PRAI
COD	January 2016
LEVELISED TARIFF	34.7 sen/kWh
STATUS	<p>TNB has signed agreements for:</p> <ul style="list-style-type: none"> i. EPC - TNB Northern Energy Bhd & Samsung Engineering & Construction (M) Sdn Bhd ii. Long term Service - TNB Prai & Siemens AG iii. O&M - TNB Prai & REMACO <p>Notice to Proceed (NTP) issued on 2 May 2013</p>

3

TRACK 3A	1 X 1000 MW COAL-FIRED
COD	October 2017
STATUS	<p>TNB has signed agreements on 16/8/13 for:</p> <ul style="list-style-type: none"> i. PPA with TNB Manjung Five Sdn Bhd "Manjung 5" to design, construct, own, operate & maintain the coal plant capacity (25 years term) ii. SFA "Shared Facilities Agreement" between TNB, Manjung 5 & TNB Janamanjung iii. CSTA "Coal Supply and Transportation Agreement between TNB Fuel Services & Manjung 5. <p>EPC contract signed on 21/8/13 between: TNB Western Energy Bhd; a wholly owned subsidiary of Manjung 5 with Consortium of Sumitomo Corp, Daelim Industrial Co Ltd, Sumi-Power M'sia Sdn Bhd & Daelim M'sia Sdn Bhd</p>
TECHNOLOGY	Ultra Super Critical Boiler Technology OEM to EPC is Hitachi

COMPLETED

2

TRACK 2	RENEWAL OF EXPIRING PLANTS : 2253 MW CCGT		
PLANTS	GENTING	SEGARI	TNB PASIR GUDANG
EXTENSION	10 years (to 2026)	10 years (to 2027)	5 years (to 2022)
LEVELISED TARIFF	35.3 sen/kWh	36.3 sen/kWh	37.4 sen/kWh
STATUS	Reduction rates of CP effective 1 March 2013 until expiry of current PPA		

TRACK 3B	2 X 1000 MW COAL-FIRED
COD	October 2018 & April 2019
CLOSING RFP	30 October 2013
STATUS	<p>5 shortlisted:</p> <ul style="list-style-type: none"> i. 1MDB and Mitsui & Co Ltd (Site: Jimah) ii. Formis Resources, SIPP Energy, Posco Energy and Posco Engineering & Construction Co Ltd. (Site: Tg Tohor, Johor) iii. TNB, Global Power Ventures and China National Machinery Import & Export Corporation. (Site: Tg Hantu, Segari) iv. Malakoff and Sumitomo (Site: Carey Island, Selangor) v. YTL Power and Ranthill Power (Site: Tg Tohor, Johor)

ON-GOING



Why should TNB be allowed to participate in competitive bidding for new generation capacity?

1

To ensure **healthy competition** for new generation capacity

2

Customers benefit from **competitive rates**.

3

TNB's participation in the bidding process -> **people's best interest**.

4

TNB has the **financial resources & technical capabilities** to offer the best bid in terms of price & quality.

5

The competitive bidding guidelines ensure **transparent & level playing field** for all parties; where the least cost bidder who fulfill all technical requirements will win the bid



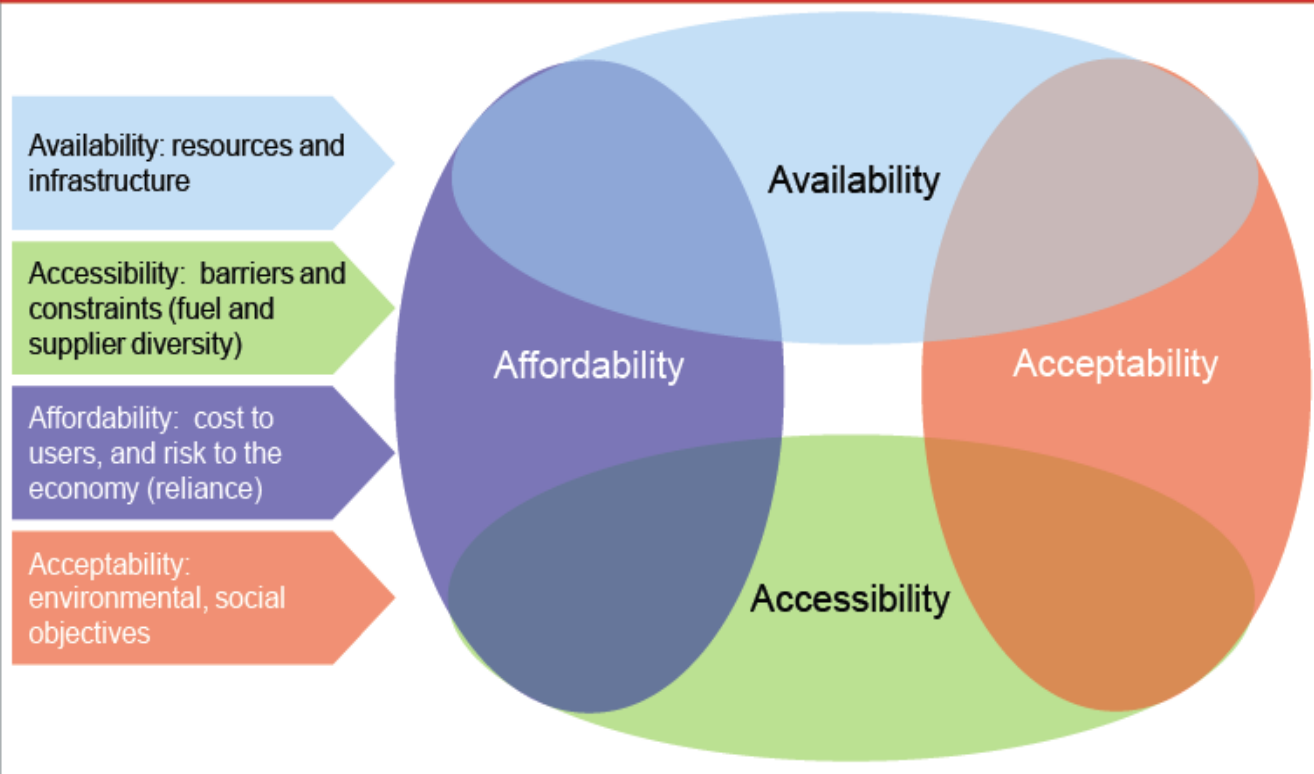
INTRODUCTION TO MESI

Energy Supply - Four Dimensions of Energy Security

**Fuel Mix and Fuel Supply Security Must Be Managed
to Ensure A Reliable Electricity Supply**

To ensure an **efficient, secure and environmentally sustainable** supply of energy
– *source Malaysia National Energy Policy 1979*

Four dimensions of energy security



*Source: MyPower / Frontier Economics



INTRODUCTION TO MESI

Energy Efficiency & Governance - Incentive Based Regulation (IBR)

Economic regulation methodology proposed by EC to promote efficiency and transparency through incentive and penalty mechanism

The Move towards Better Regulation

IBR

The Economic Regulatory Framework for Regulating TNB

The Tariff Setting Mechanism and Principles for Tariff Design

Incentive Mechanisms to Promote Efficiency and Service Standards

The Process of Tariff Reviews

Creation of Regulatory Accounts and Its Annual Review Process

3 broad efficiency categories by IBR:

OPERATIONAL

- Rewarded for seeking efficiencies in operational and capital expenditure

FINANCIAL

- Rewarded for maintaining an efficient capital structure

PERFORMANCE

- Rewarded for delivering improvements in network performance

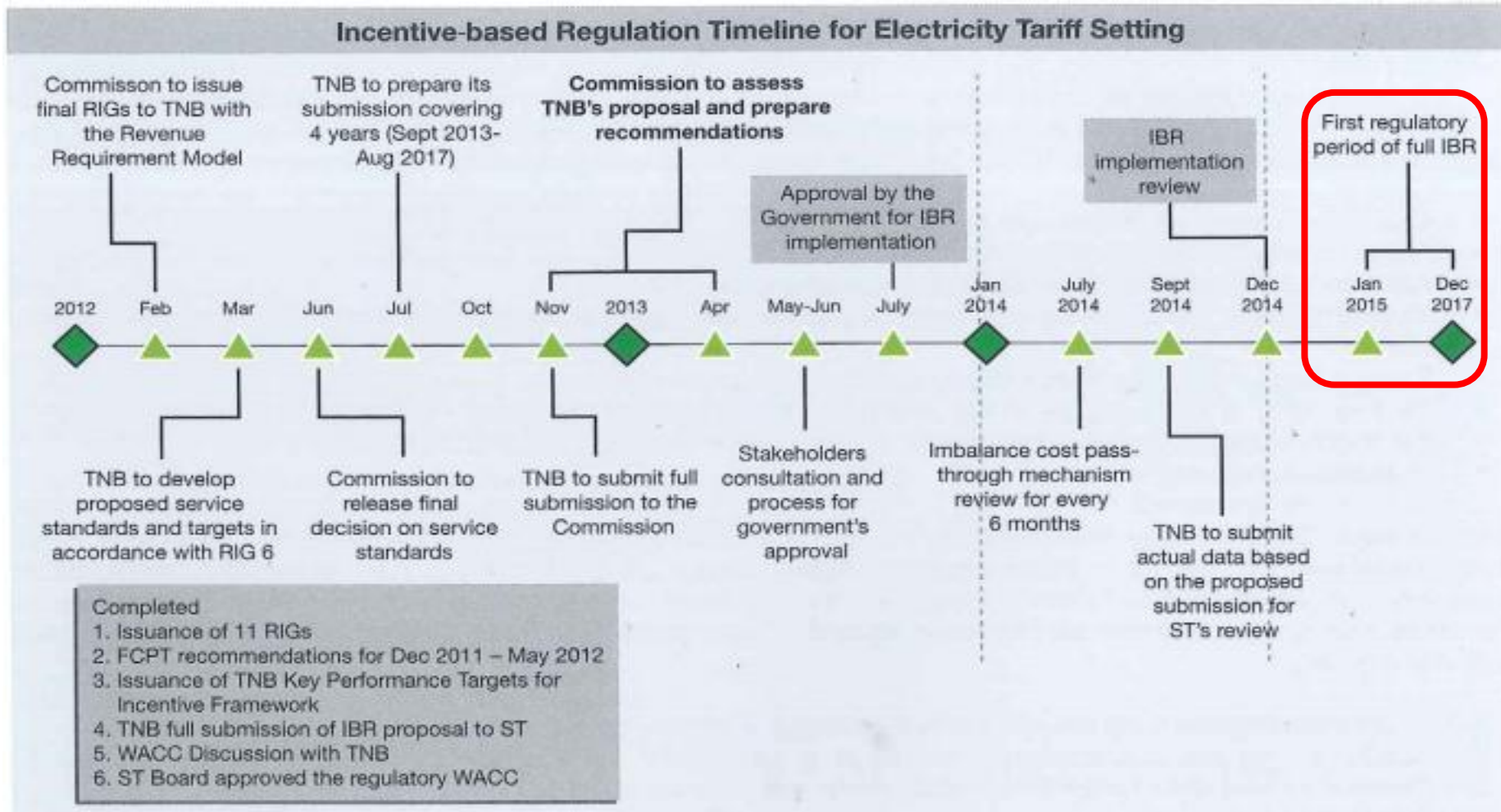
11 Regulatory Implementation Guidelines (RIGS) were developed for IBR Implementation



INTRODUCTION TO MESI

Energy Efficiency & Governance - Incentive Based Regulation (IBR)

IBR Implementation Timeline by EC



BNY MELLON NDR, NEW YORK, USA

3 BUSINESS STRATEGY & DIRECTION

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON



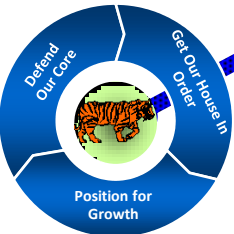
BUSINESS STRATEGY & DIRECTION

20-Year Strategic Plan

THE PLAN LAYS DOWN THE PATH TOWARDS
REALISING OUR VISION OF GLOBAL LEADERSHIP
It builds upon the progress of T7



T 7



SERVICE EXCELLENCE 2010

- Improve Core Operations under T7 Strategy
- Place Tenaga as the best performing company in Malaysia by 2007 and as the Regional best by 2010

GEOGRAPHICAL EXPANSION (SERVICES) 2015

- Expand works and services related to the energy sector
- Creation of new revenue stream leveraging on Tenaga's knowledge and competencies in the energy business

OVERSEAS INVESTMENT 2020

- Improve financial position and human resource readiness of Tenaga
- Venture into power/energy related investments in the international arena

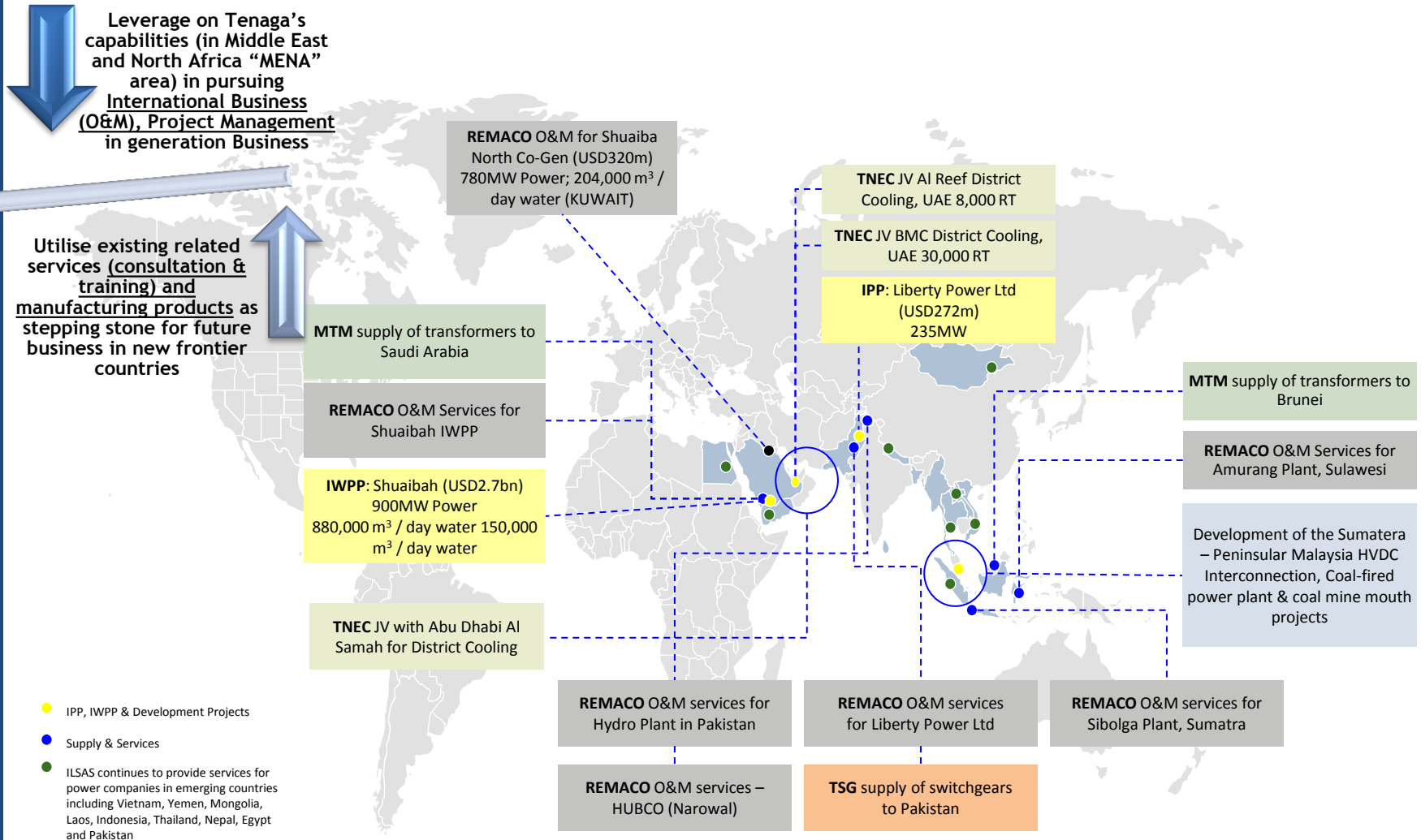
GLOBAL LEADERSHIP 2025

- Excel in:
 - All business areas
 - Reputation as a strong business partner
 - Ability to continue to create shareholder value
- Tenaga acknowledged as amongst the most admired companies globally



BUSINESS STRATEGY & DIRECTION

International Footprint



Source: Company presentation; Note: REMACO is a 100% owned subsidiary with a focus on O&M; MTM is a wholly owned subsidiary manufacturing transformers; TSG is a subsidiary manufacturing high voltage switchgears; TNEC is a wholly owned subsidiary providing project services and developing energy related projects



BUSINESS STRATEGY & DIRECTION

Domestic Dominance Regional Champion “DDRC”

**TNB Transformation Paves the Way for TNB to Become
a Strong Leader at Home while Growing as a Regional Champion**

Strong domestic leader

Develop our country



- Ensure universal access to power
- Develop power supply to enable national and economic development

Delight our customers



- Deliver secure and reliable supply
- Excellent customer service that exceeds customer expectations

Inspire our people



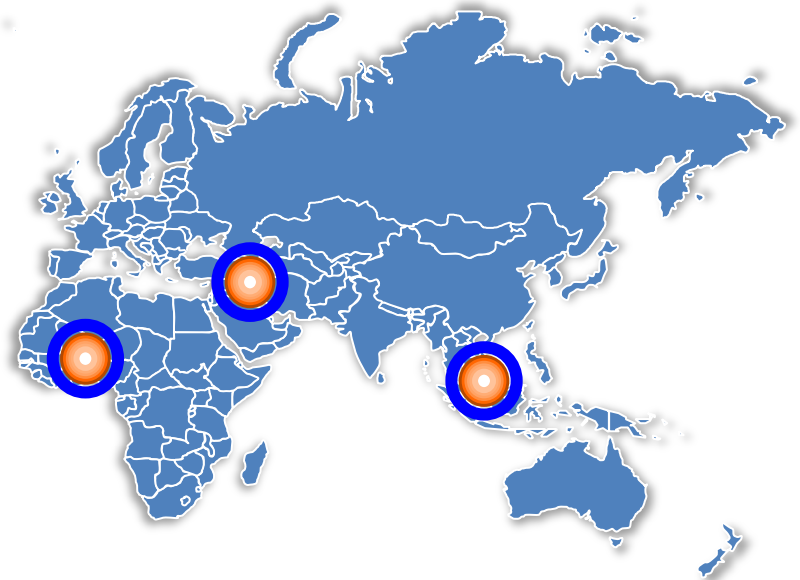
- Large, growing and admired employer of choice
- International mobility opportunities and world-class capability building

Increase shareholder value



- Fair and stable returns in Malaysia - return on RAB > 9% p.a.
- Robust growth of business - net profit growth of 7-11% p.a.

Regional champion



- Presence in 7-10 countries by 2025



BUSINESS STRATEGY & DIRECTION

Headline KPIs : 1st Phase TNB 20-Year Strategic Plan

Most Targets for 1st Phase that was Set in 2005 were Met Ahead of Target Date

1ST PHASE

INITIATIVES		TARGET FY'10	ACTUAL FY'05	ACTUAL FY'06	ACTUAL FY'07	ACTUAL FY'08	ACTUAL FY'09	ACTUAL FY'10
Financial Indicators	Return on Assets (ROA) (%)	6.5	2.2	3.3	6.3	4.6	4.0	4.7
	Gearing (%)	< 60.0	64.9	58.1	49.9	46.9	46.5	42.5
	Company CPU (sen/kwh)							
	Revenue from Non-Regulated Business (RM bn)							
Technical Indicators	Unplanned Outage Rate (UOR)(%)	No target	6.1	4.7	2.2	3.3	2.9	2.7
	T & D Losses (%)	No target	10.5	11.0	10.0	9.5	9.7	9.5
	Transmission System Minutes (mins)	9.0	14.0	7.3	9.3	6.6	1.0	0.9
	Distribution SAIDI (mins)	< 100.0	148.0	101.6	83.0	78.0	68.6	65.0

Note:



Not track as TNB Headline KPI



BUSINESS STRATEGY & DIRECTION

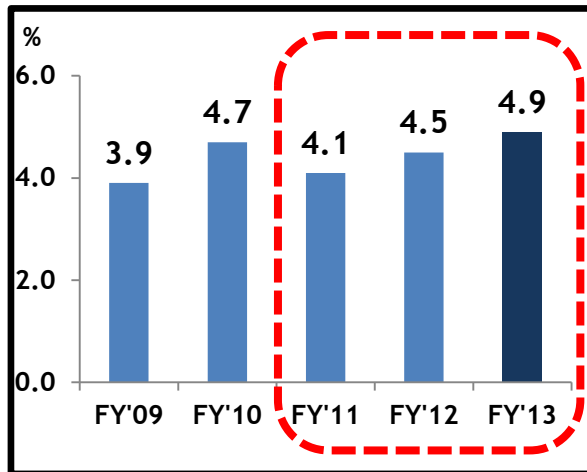
Headline KPIs : 2nd Phase TNB 20-Year Strategic Plan

Continuous Monitoring of Headline KPIs during 2nd Phase

Financial Indicators

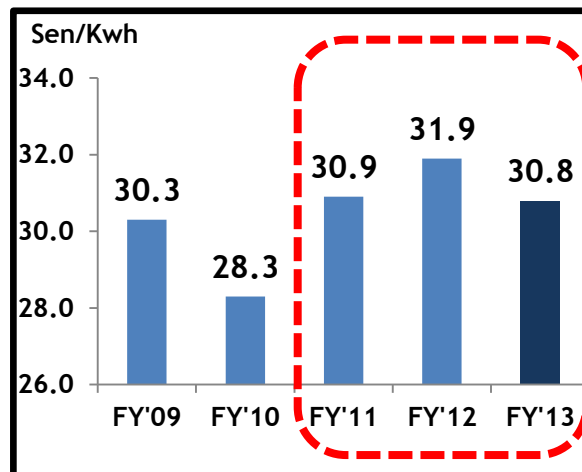
1

Return on Assets
(ROA)(%)



2

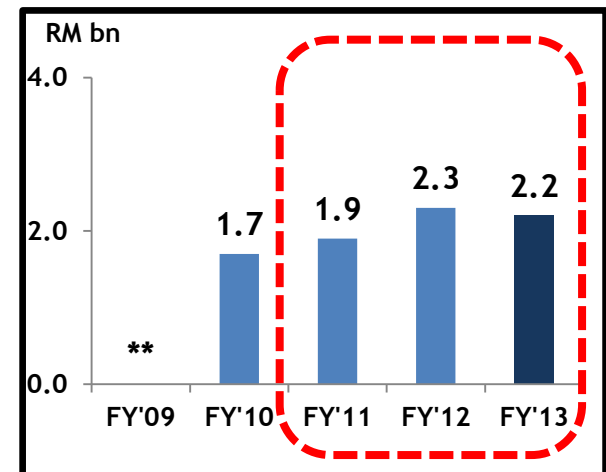
Company CPU
(sen/kwh)



*not restated ('09-'11)

3

Revenue from Non-Regulated
Business (RM bn)



**introduced in FY2010



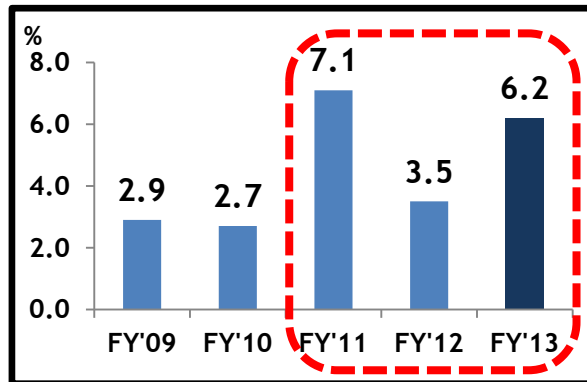
BUSINESS STRATEGY & DIRECTION

Headline KPIs : 2nd Phase TNB 20-Year Strategic Plan

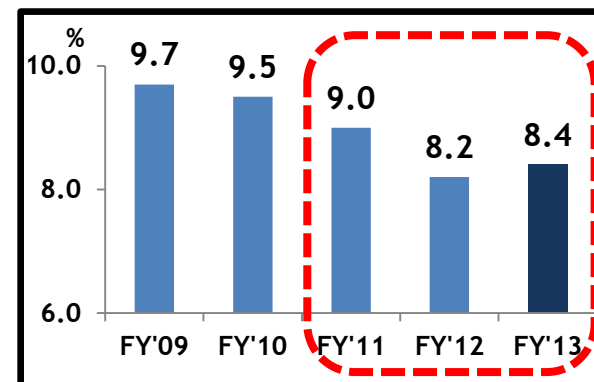
Continuous Monitoring of Headline KPIs during 2nd Phase

Technical Indicators

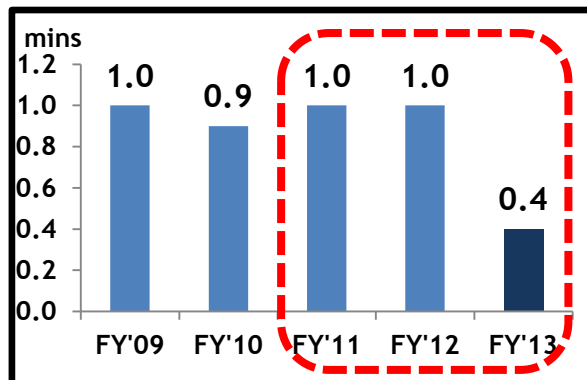
1 Unplanned Outage Rate (UOR)(%)



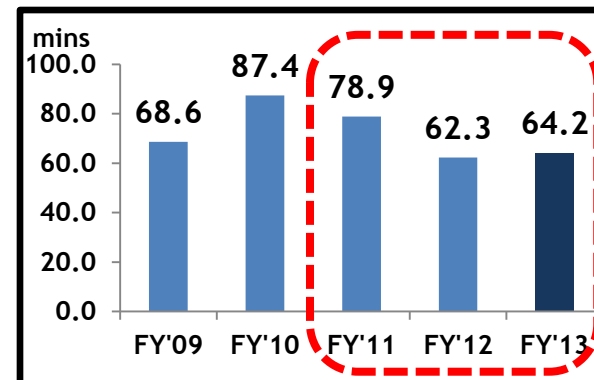
2 T & D Losses (%)



3 Transmission System Minutes (mins)



4 Distribution SAIDI (mins)



BNY MELLON NDR, NEW YORK, USA

4 TARIFF

YOU SEE



BNY MELLON

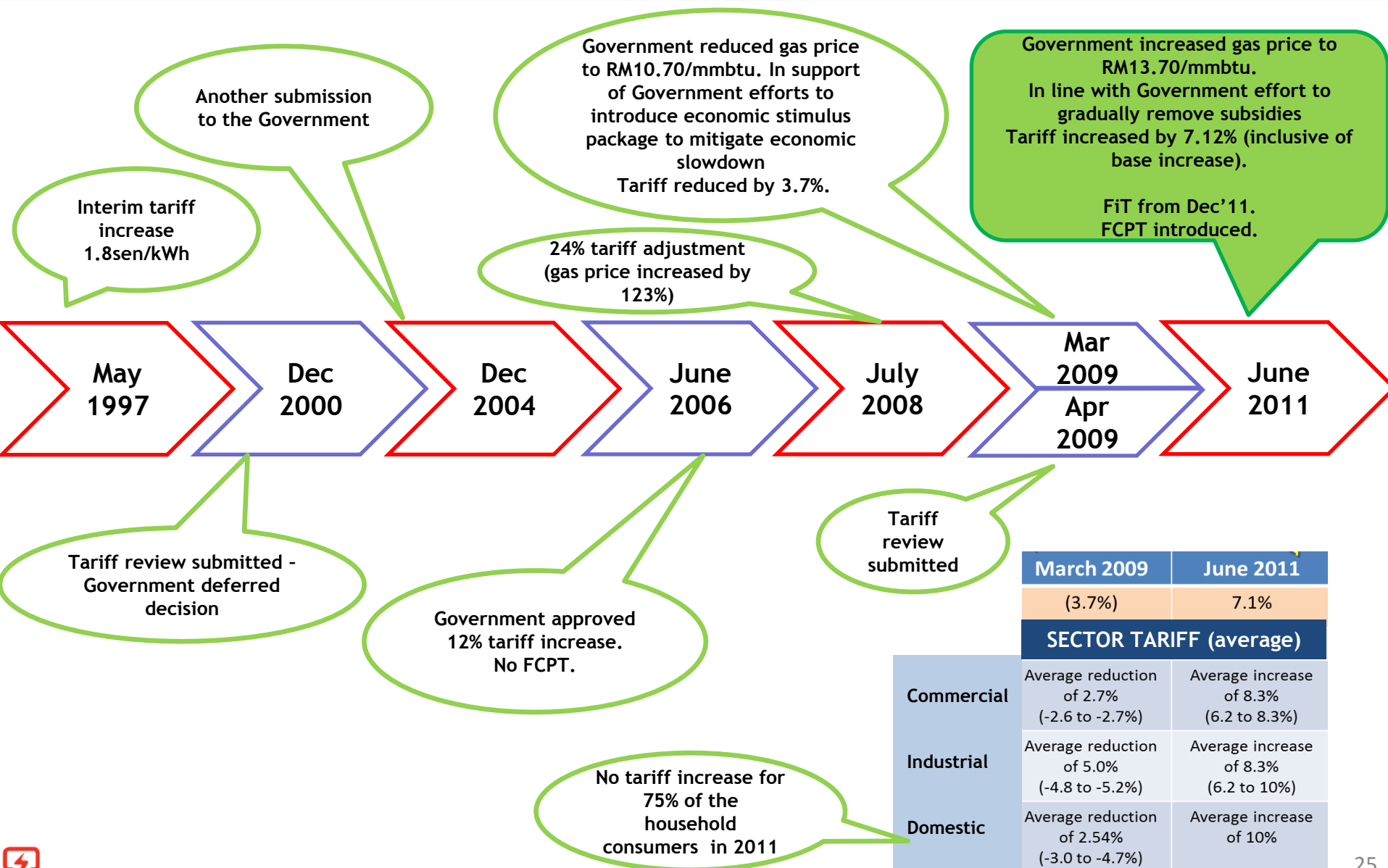
KEEPING THE LIGHTS ON





TARIFF

History: Timeline



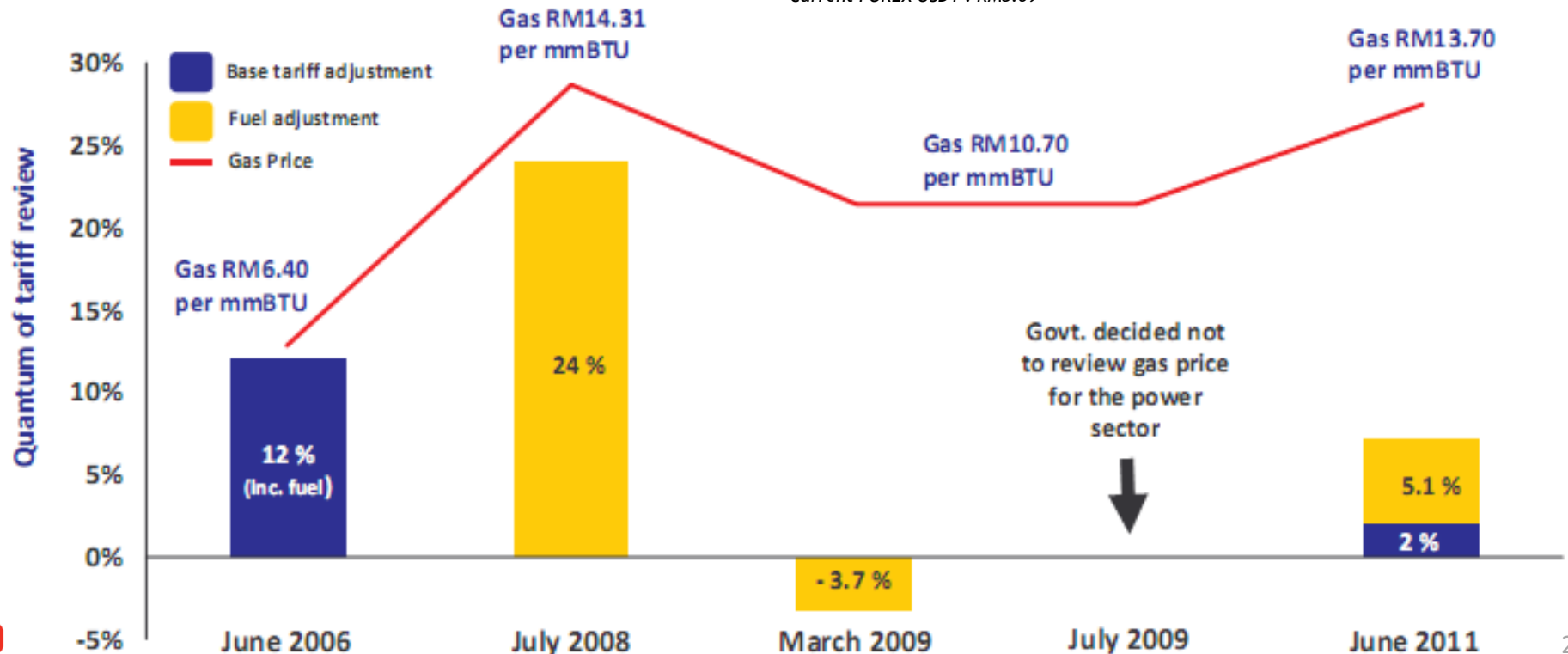


TARIFF

Electricity Tariff Review

Approval date	May 2006	Jun 2008	Feb 2009	Jun 2009	May 2011
Effective date	Jun 2006	Jul 2008	Mar 2009	Jul 2009	Jun 2011
Quantum	12%	23 - 24%	(3.7%)	Neutral	7.1%
Gas (RM/mmbtu)	6.40	14.31	10.70	10.70	13.70
Coal (USD/MT)	45.00	75.00	85.00*	85.00*	85.00*
Average Tariff (sen/kWh)	26.2	32.5	31.3	31.3	33.5

* Tariff setting assumption of FOREX USD1 : RM3.60
Current FOREX USD1 : RM3.09



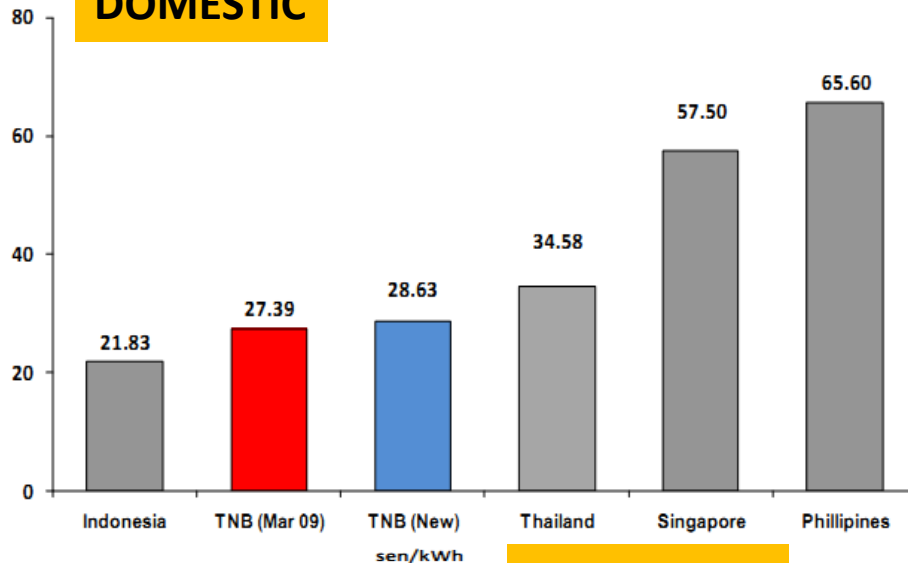


TARIFF

Benchmarking : Comparison with Regional Countries

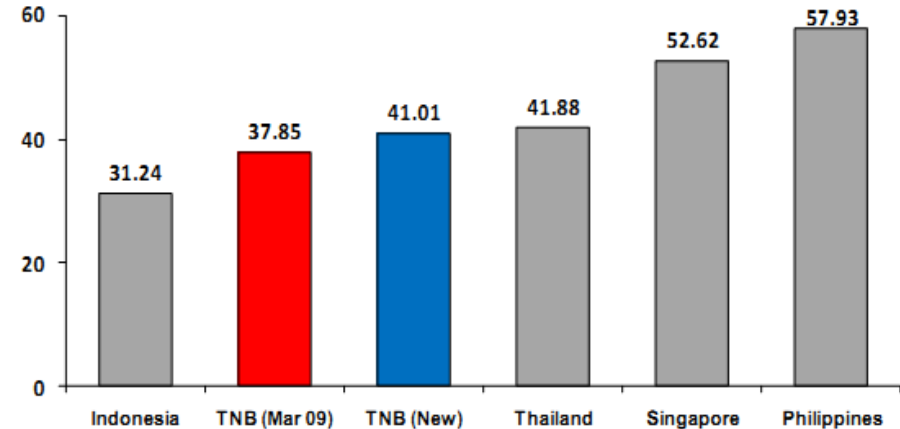
sen/kWh

DOMESTIC

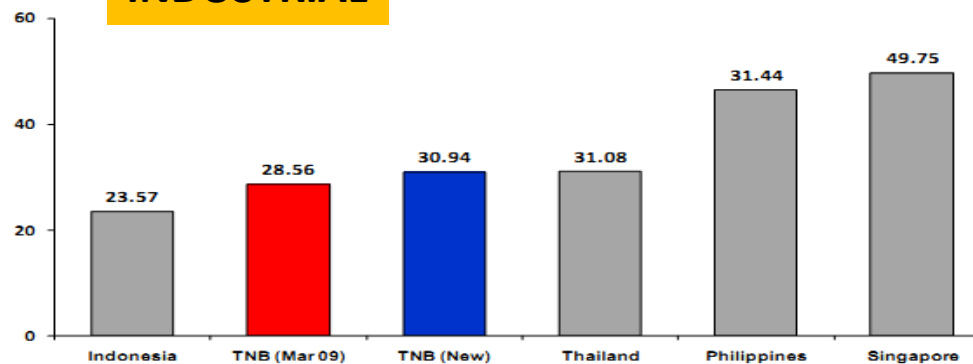


sen/kWh

COMMERCIAL



INDUSTRIAL



Notes:

1. Singapore - Average reduction of 3.3% from 1st Oct 2010 based on latest fuel cost pass-through
2. Thailand - Jan-Dec 2010, include fuel adjustment, (Ft). Ft has been maintained since Jan 2009.
3. Indonesia (PLN) - 10% tariff increase effective 1st July 2010, Indonesia Govt. subsidy of about USD7billion per year
4. Philippines (Meralco) - Jan-Dec 2008
5. TNB (New) - average 7.12% increase effective 1st June 2011

Source: TNB Analysis, ASEAN Utility Data Exchange, SP Services

BNY MELLON NDR, NEW YORK, USA

5 DIVIDEND

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON





DIVIDEND

Policy and Yield

Tenaga is committed to pay out dividend based on its Dividend Policy whereby:
*Dividend is paid out based on **40%-60%** of its Company's Annual Free Cashflow;
 Cashflow from Operations less Normalised Capex and Interest Servicing*

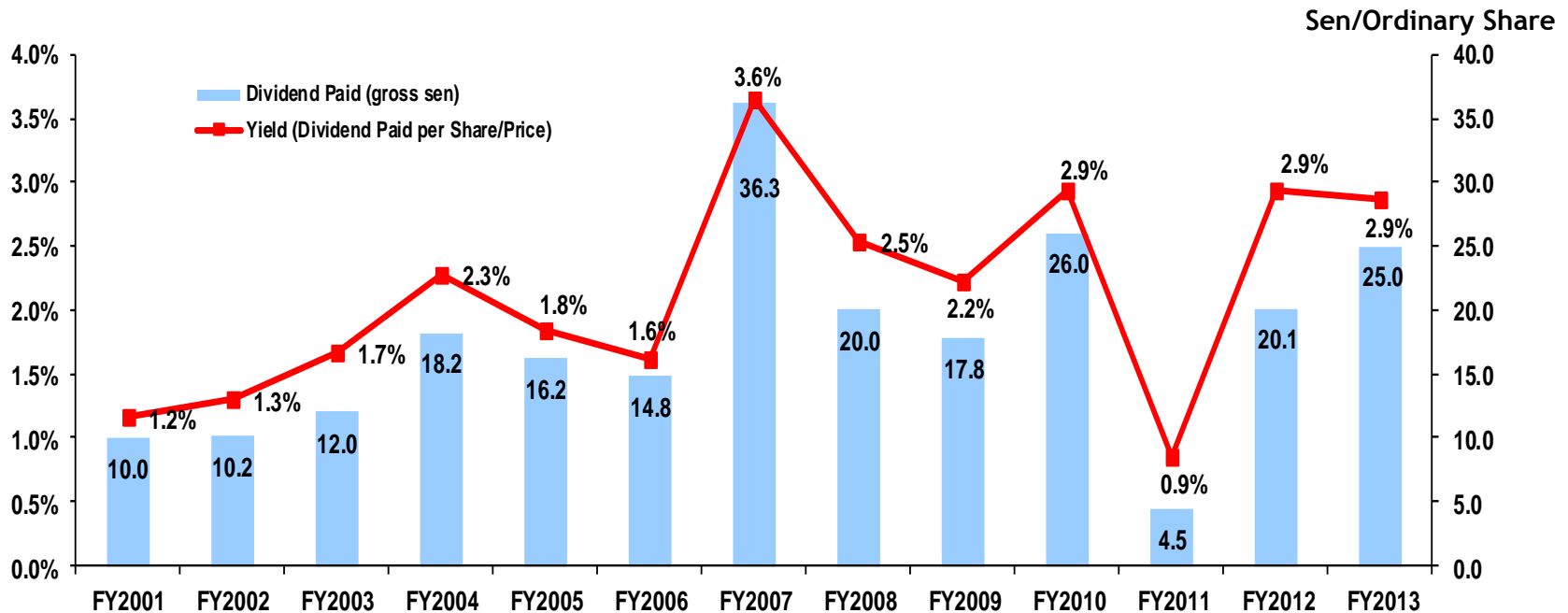
Interim Dividend Paid: 10.0 sen
per ordinary share

Total FY'13: 25.0 sen
per ordinary share

PROPOSED FINAL

Single-Tier Dividend of 15.0 sen
per ordinary share

55.5%
free cashflow



BNY MELLON NDR, NEW YORK, USA

6 OUTLOOK - KEY TAKEAWAYS

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON



OUTLOOK - KEY TAKEAWAYS

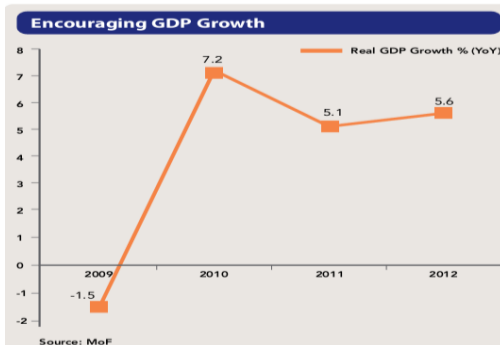
Outlook FY2014

Group's Performance for the FY Ending 31st August 2014
is Expected to Remain Stable

1 DEMAND

Remains steady with the implementation of ETP

"In 2014, in tandem with an improved global economic outlook, the domestic economy is projected to grow at a stronger pace of 5% to 5.5%, driven by private investment & private consumption" - PM Najib Budget Speech, 25th Oct 2013

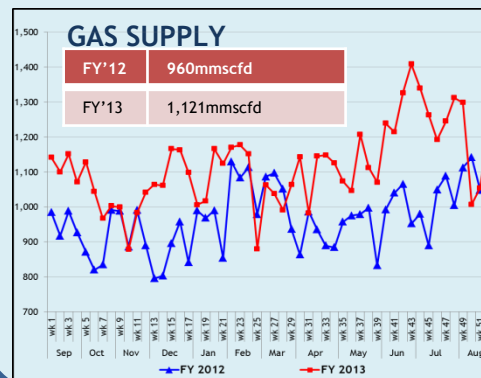


2 GAS VOLUME

Improvement in gas supply with Melaka RGT commissioned on 23/5/13.

Daily average gas volume (mmscfd)

4QFY12	1,015
1QFY13	1,043
2QFY13	1,105
3QFY13	1,106
4QFY13	1,230



3 COAL PRICE

Coal price is expected to remain stable for the next 1 year.

Average Coal Price (CIF) (USD/MT)

FY07	45.3
FY08	76.4
FY09	90.2
FY10	88.2
FY11	106.9
FY12	103.6
FY13	83.6

BNY MELLON NDR, NEW YORK, USA

PART TWO

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON

BNY MELLON NDR, NEW YORK, USA

FY2013 RESULTS HIGHLIGHTS

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON



RESULTS HIGHLIGHTS

Results Snapshots

3-Month Ended 31st Aug 2013 (4th Quarter FY2013)

- Net Profit before Forex Translation of RM0.84 billion (3QFY2013: RM1.38 billion).
- Average Coal Price of USD80.8/mt (3QFY2013: USD84.4/mt).
- EBITDA margin at 24.0% (3QFY2013: 30.7%).
- Net Profit of RM0.22 billion (3QFY2013: RM1.71 billion).
- Weakening of RM against Yen and USD by 9.3% and 6.4%.

12-Month Ended 31st Aug 2013

- Net Profit before Forex Translation of RM4.12 billion (FY2012: RM4.64 billion).
- 3.8% unit electricity demand growth in Peninsular Malaysia.
- Average Coal Price of USD83.6/mt (FY2012: USD103.6/mt).
- EBITDA margin at 28.2% (FY2012: 30.5%).
- Net Profit of RM4.61 billion (FY2012: RM4.41 billion).
- Strengthening of RM against Yen by 15.6%.



RESULTS HIGHLIGHTS

Adjusted Net Profit (Restated Fuel Cost Compensation)

**21.8% Improvement in Adjusted Net Profit Before Forex Translation
Mainly Attributed to Lower Coal Price**

- The Fuel Cost Sharing Mechanism was approved to address the current increased cost borne by Tenaga due to gas shortage.
- The decision provides that Tenaga, Petronas and the Government will each equally share the differential cost incurred by Tenaga due to dispatching of alternative fuels and also imports.

RM mn	FY 2012 (Restated)	** FY 2013	Variance
Net Profit Attributable to Owners of the Company	4,410.5	4,614.2	4.6%
<i>Adjustments *</i>			
Prior FY2012 Fuel Cost Compensation Recognised	(1,678.6)		
Tax	419.7		
Adjusted Net Profit	3,151.6	4,614.2	46.4%
Forex Translation Gain / (Loss)	(230.8)	493.6	>100%
Adjusted Net Profit Before Forex Translation Gain / (Loss)	3,382.4	4,120.6	21.8%

• Mechanism was approved in Apr 2012, and only restated into respective periods in 3QFY12

** Includes Fuel Cost Compensation of RM1,121.6mn



RESULTS HIGHLIGHTS

Year-on-Year Analysis (Restated Fuel Cost Compensation for FY2012)

Improved Net Profit Resulted from Lower Coal Price & Forex Translation Gain

RM mn	FY2012 (Restated)	FY2013
Total Units Sold (Gwh)	102,131.5	105,478.9
Revenue	35,848.4	37,130.7
Operating Expenses (before depreciation)	27,040.1	27,292.8
Operating Income	462.0	620.8
EBITDA	9,270.3	10,458.7
EBITDA Margin (%)	25.9%	28.2%
Depreciation and Amortisation	4,268.1	4,569.5
EBIT	5,002.2	5,889.2
EBIT Margin (%)	14.0%	15.9%
Finance Cost	823.0	936.3
Profit Before Tax & Forex Translation	4,373.3	5,362.0
Net Profit Before Forex Translation	3,382.4	4,120.6
Translation Gain / (Loss)	(230.8)	493.6
Net Profit Attributable to Equity Holders	3,151.6	4,614.2
Non-controlling Interest	8.6	16.5

1QFY2013	2QFY2013	3QFY2013	4QFY2013
26,070.4	26,058.7	25,880.7	27,469.1
9,130.8	8,850.2	9,647.5	9,502.2
6,394.5	6,562.6	6,809.1	7,526.6
92.9	108.1	119.3	300.5
2,829.2	2,395.7	2,957.7	2,276.1
31.0%	27.1%	30.7%	24.0%
1,071.4	1,063.7	1,105.9	1,328.5
1,757.8	1,332.0	1,851.8	947.6
19.3%	15.1%	19.2%	10.0%
229.6	207.3	206.2	293.2
1,605.2	1,216.4	1,717.3	823.1
1,018.1	883.5	1,382.5	836.5
397.4	388.6	324.7	(617.1)
1,415.5	1,272.1	1,707.2	219.4
(0.1)	(10.6)	34.8	(7.6)

COAL PRICE & CONSUMPTION

Average Coal Price Consumed (USD/MT)

	FY'12	FY'13	Var (%)
FOB	93.5	74.0	-20.9%
Freight	9.7	9.1	-6.2%
Others	0.4	0.5	25.0%

CIF	103.6	83.6	-19.3%
-----	-------	------	--------

Average Coal Price Consumed (RM/MT) (CIF)

	321.9	259.5	-19.4%
--	-------	-------	--------

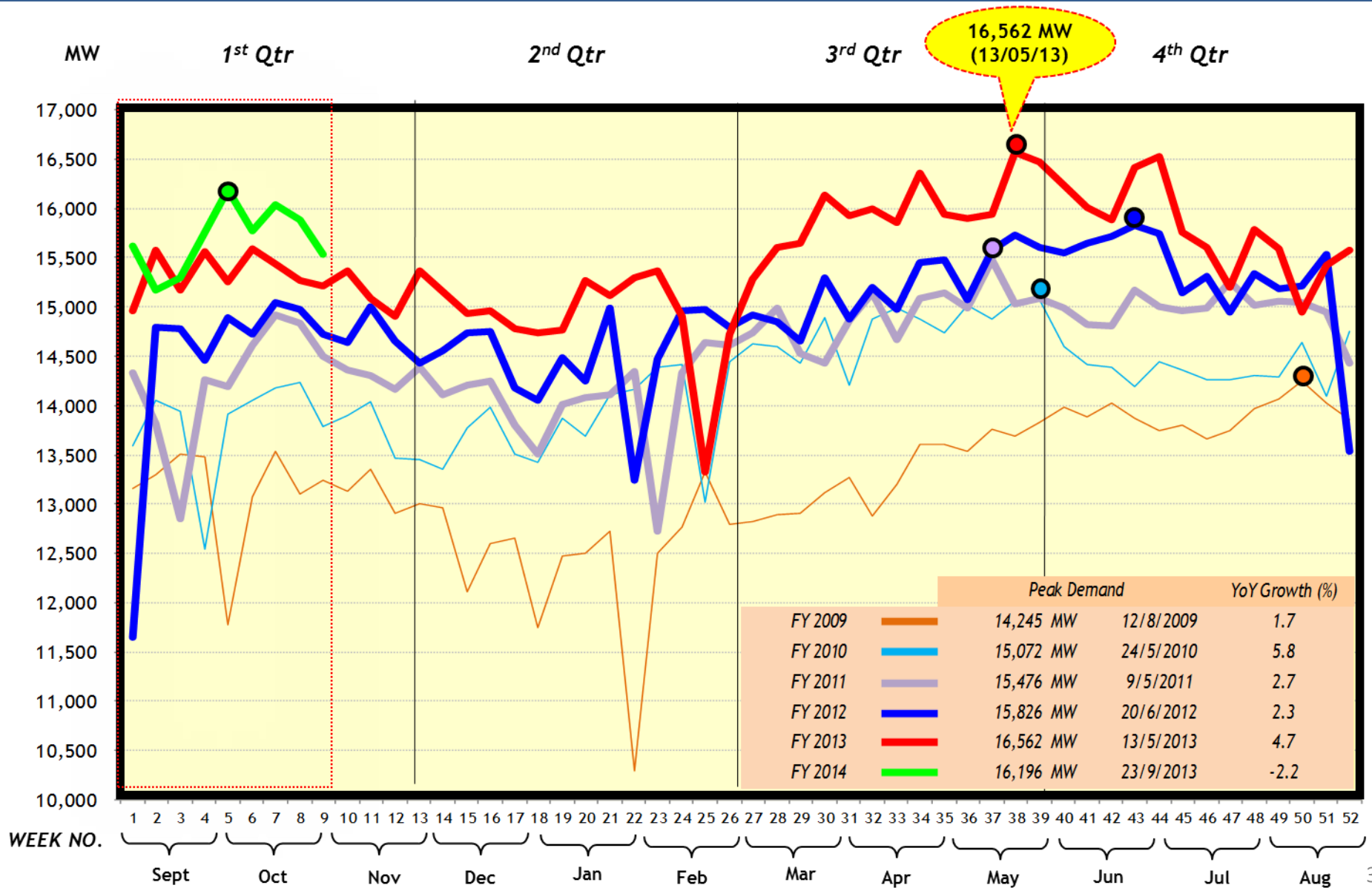
Coal Consumption (mn MT)

	20.8	20.8	0.0%
--	------	------	------



RESULTS HIGHLIGHTS

System Weekly Peak Demand (Peninsula) for FY2009 to FY2013



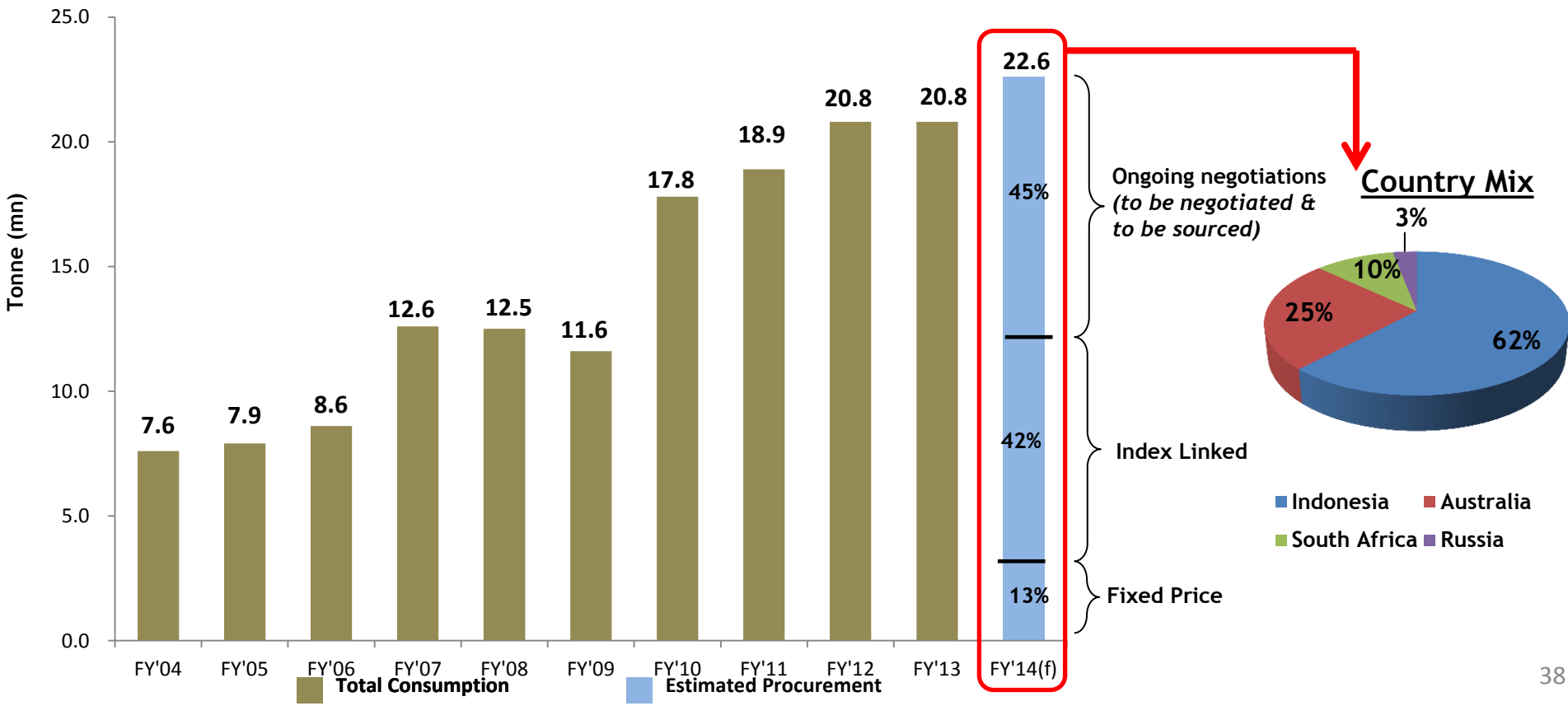


RESULTS HIGHLIGHTS

Coal Requirement

Average Coal Price for FY2013 was at USD83.6/MT

	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	76.4	90.2	88.2	106.9	103.6	83.6



All information contained herein is meant strictly for the use of this presentation only and should not be used or relied on by any party for any other purpose and without the prior written approval of TNB. The information contained herein is the property of TNB and it is privileged and confidential in nature. TNB has the sole copyright to such information and you are prohibited from disseminating, distributing, copying, re-producing, using and/or disclosing this information.





CONTACT DETAILS

For further enquiries, kindly contact us at:

**INVESTOR RELATIONS & MANAGEMENT
REPORTING DEPARTMENT**

**Tenaga Nasional Berhad
4th Floor, TNB Headquarters
No.129, Jalan Bangsar,
59200 Kuala Lumpur, MALAYSIA**

Tel : +603 2296 5566

Fax : +603 2284 0095

Email : tenaga_ird@tnb.com.my

Website : www.tnb.com.my

IR OFFICERS:

Anida

+603 2296 6077

anidai@tnb.com.my

Sherleen

+603 2296 6183

sherleenaa@tnb.com.my

Effa

+603 2296 6647

effarizamn@tnb.com.my

Nadia

+603 2296 6787

nuranadiaah@tnb.com.my





BNY MELLON NDR, NEW YORK, USA

THANK YOU

www.tnb.com.my

YOU SEE



BNY MELLON

KEEPING THE LIGHTS ON