TENAGA NASIONAL BERHAD

SWITCH ON the future

INVEST MALAYSIA 2012

Shangri-La, Kuala Lumpur

29th May 2012

Prepared by Investor Relations

POINTS OF DISCUSSION

Economic Transformation Programme (ETP)

Highlights of 2QFY12 Performance

TNB's Business Direction:

- **20-Year Strategic Plan**
- **GEMILANG 2015**

Key Takeaways

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POINTS OF DISCUSSION

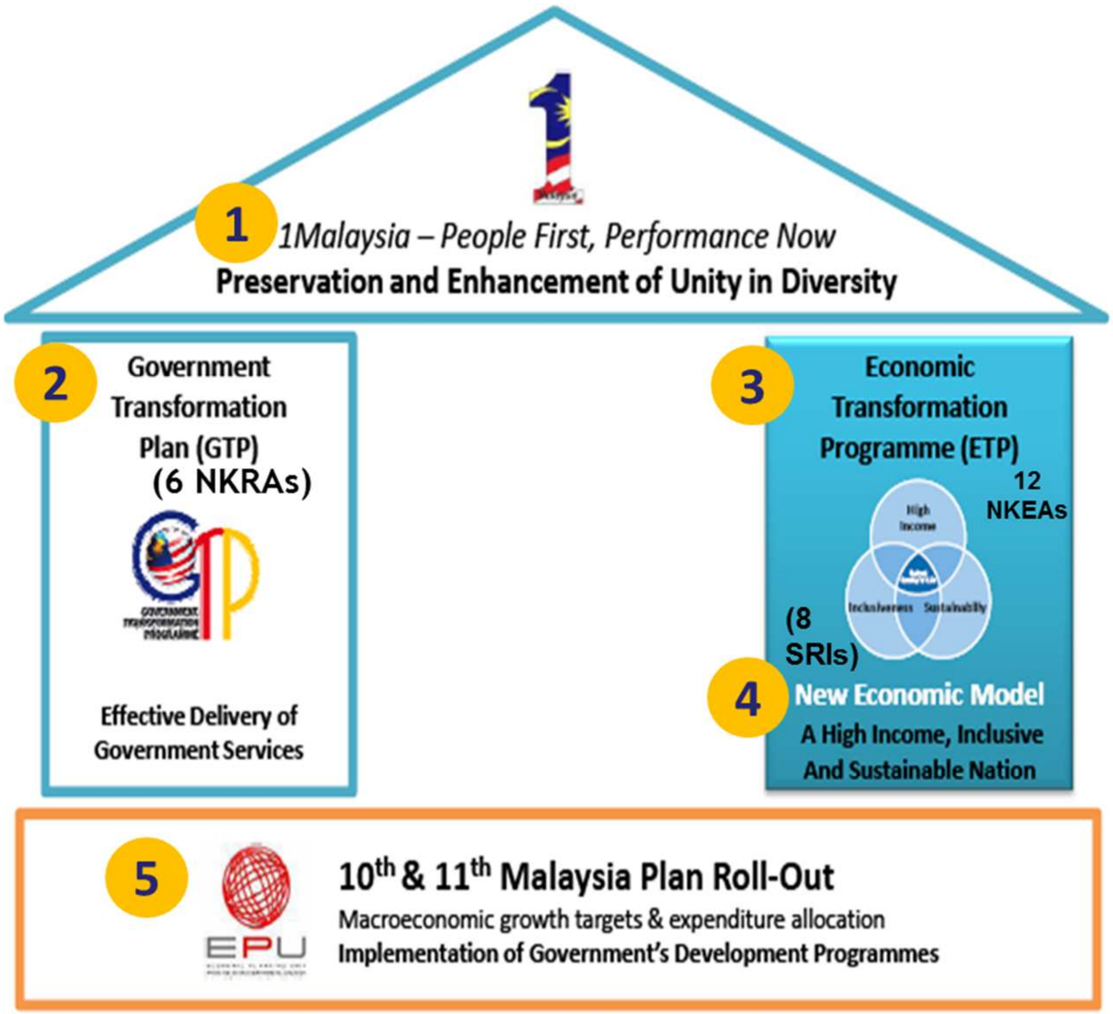
1. ECONOMIC TRANSFORMATION PROGRAMME
2. TNB'S BUSINESS DIRECTION
3. HIGHLIGHTS OF 2QFY12 PERFORMANCE
4. KEY TAKEAWAYS

TENAGA NASIONAL BERHAD

INVEST MALAYSIA 2012
CAPITALISE ON ASEAN'S MULTINATIONAL MARKETPLACE
29 - 30 May . Shangri-La Hotel, Kuala Lumpur

ECONOMIC TRANSFORMATION PROGRAMME (ETP)

The Honourable Prime Minister Has Launched 5 Key Initiatives to Drive Malaysia Towards Becoming a Developed Country by 2020



The 10th Mp Encapsulate All Efforts To Transform Malaysia Into A High Income & Advanced Economy

NEM : Strategic reform initiatives (SRIs)

- S1 Re-energizing the private sector
- S2 Developing a quality workforce
- S3 Creating a competitive domestic economy
- S4 Strengthening the public sector
- S5 Transparent and market friendly affirmative action
- S6 Building the knowledge base and infrastructure
- S7 Enhancing the sources of growth
- S8 Ensuring sustainability of growth

GTP National Key Result Areas(NKRAs)

- N1 Crime
- N2 Education
- N3 Corruption
- N4 Low Income Households
- N5 Urban Public Transport
- N6 Rural Basic Infrastructure

ECONOMIC TRANSFORMATION PROGRAMME (ETP)
Overview

Propelling Malaysia Towards Becoming A High-Income Developed Nations

6%p.a

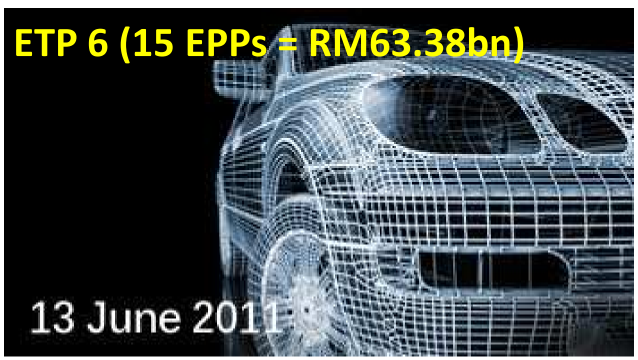
GROWTH

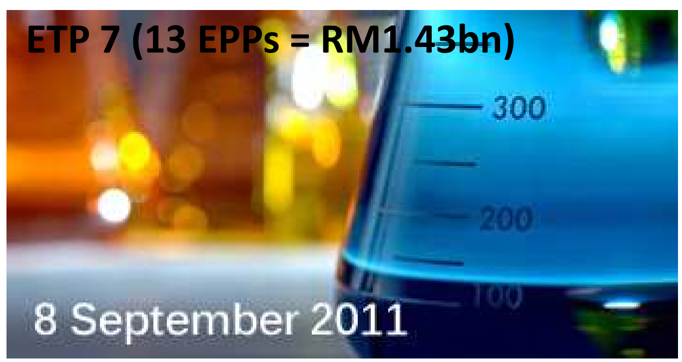
- The ETP is a comprehensive effort that will transform Malaysia into a high-income nation by 2020.
- It will lift Malaysia's gross national income (GNI) per capita from USD6,700 or RM23,700 in 2009 to more than USD15,000 or RM48,000 in 2020.
- This GNI growth of 6% p.a. will allow us to achieve the targets set under Vision 2020.
- The ETP features **131 Entry Point Projects (EPPs)** worth USD138bn (RM430bn) and 60 business opportunities over 2011 – 2020.

ECONOMIC TRANSFORMATION PROGRAMME (ETP)

Entry Point Projects (EPPs)

113 projects to-date with a combined investment value of RM177.07bn





ECONOMIC TRANSFORMATION PROGRAMME (ETP)
Entry Point Projects (EPPs) – Tenaga's Role

The Infrastructure Investment Creates a Solid Foundation

in Supporting the Implementation of ETP

ENSURING RELIABILITY OF ELECTRICITY SUPPLY

ECONOMIC TRANSFORMATION PROGRAMME (ETP)

Entry Point Projects (EPPs) - Tenaga's Direct Involvement

Tenaga Nasional - Infrastructure Investment (RM4 billion)

"These projects are vital to support our economy as it continues to grow. Increased capacity is needed to provide energy to businesses & also growing population of our nation"
Chairman, Exxonmobil Subsidiaries (M'sia)

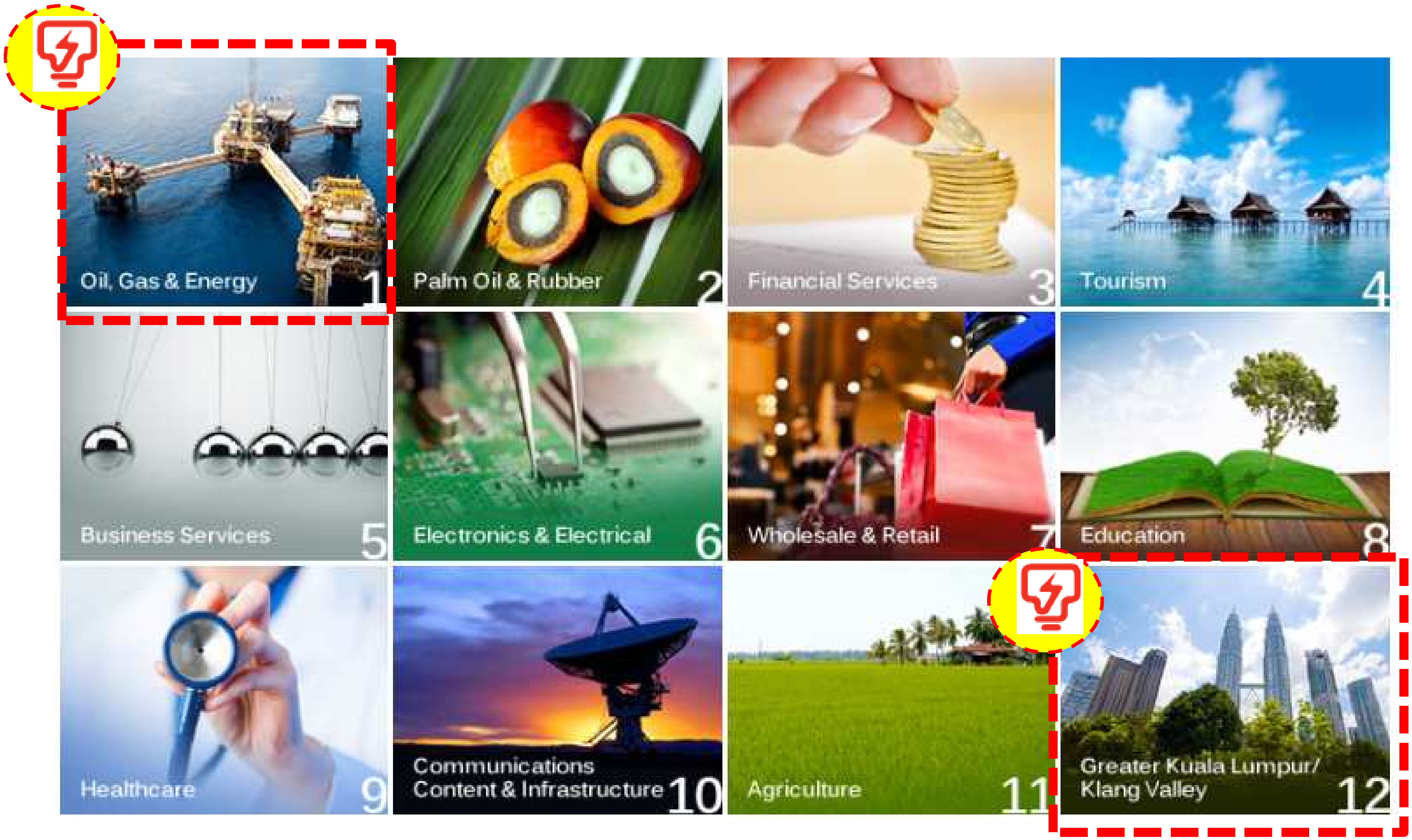
"Tenaga will be investing in several major projects in 2011 with a total capital expenditure of RM4bn"

Project	Expected Completion Date
A new hydroelectric power plant in Ulu Jelai, Pahang (372MW).	U1 (Jul 2016) U2 (Oct 2016)
A new hydroelectric power plant in Hulu Terengganu (250MW).	U1 (Jul 2015) U2 (Oct 2015)
The Manjung Extension Development which involves the construction of a large coal power plant in Perak (TNB Janamanjung Unit 4 – 1,000MW).	U4 (Mar 2015)

- The reinforcement of power transmission infrastructure projects to ensure supply reliability throughout the nation including locations such as Salak South-Mahkota Cheras, South Pantai and Puchong Perdana-Olak Lampit.

ECONOMIC TRANSFORMATION PROGRAMME (ETP)
12 National Key Economic Areas (NKEAs)

A driver of Economic Activity that Has the Potential to Directly & Materially Contribute a Quantifiable Amount of Economic Growth to the Malaysian Economy



ECONOMIC TRANSFORMATION PROGRAMME (ETP)

2 NKEAs that Directly Benefit Tenaga – Potential Customers from Commercial Category

GREATER KUALA LUMPUR/KLANG VALLEY

RM21bn GNI
20,000 JOBS

1 Building an Integrated Urban Mass Rapid Transit System

- The proposed MRT system for Greater KL/KV will span 141 kilometres with three major routes serving a radius of 20 kilometres of the city centre.
- The system is estimated to be able to carry up to 2 million riders by 2020, serving 11% of total trips within Greater KL/KV and 64% of travel in and out of the KL city centre.

RM6.2bn GNI
28,700 JOBS

2 Connecting to Singapore via a High Speed Rail (HSR) System

- The proposed deployment of an HSR system connecting Greater KL/KV and Singapore will connect Southeast Asia's two largest economic agglomerations and **unlock economic growth** in intermediate Malaysia cities.
- The HSR service will essentially transform travel on the Greater KL/KV – Singapore route by making daily travel a viable alternative.
- Door-to-door travel time will take just 1.5-2hours. This represents a savings of over two hours over air travel, the fastest available mode today.

ECONOMIC TRANSFORMATION PROGRAMME (ETP)

2 NKEAs that Directly Benefit Tenaga – Potential Customers from Commercial Category

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GREATER KUALA LUMPUR/KLANG VALLEY

RM464.4mn GNI
13,481 JOBS

3 Creating Iconic Places and Attractions

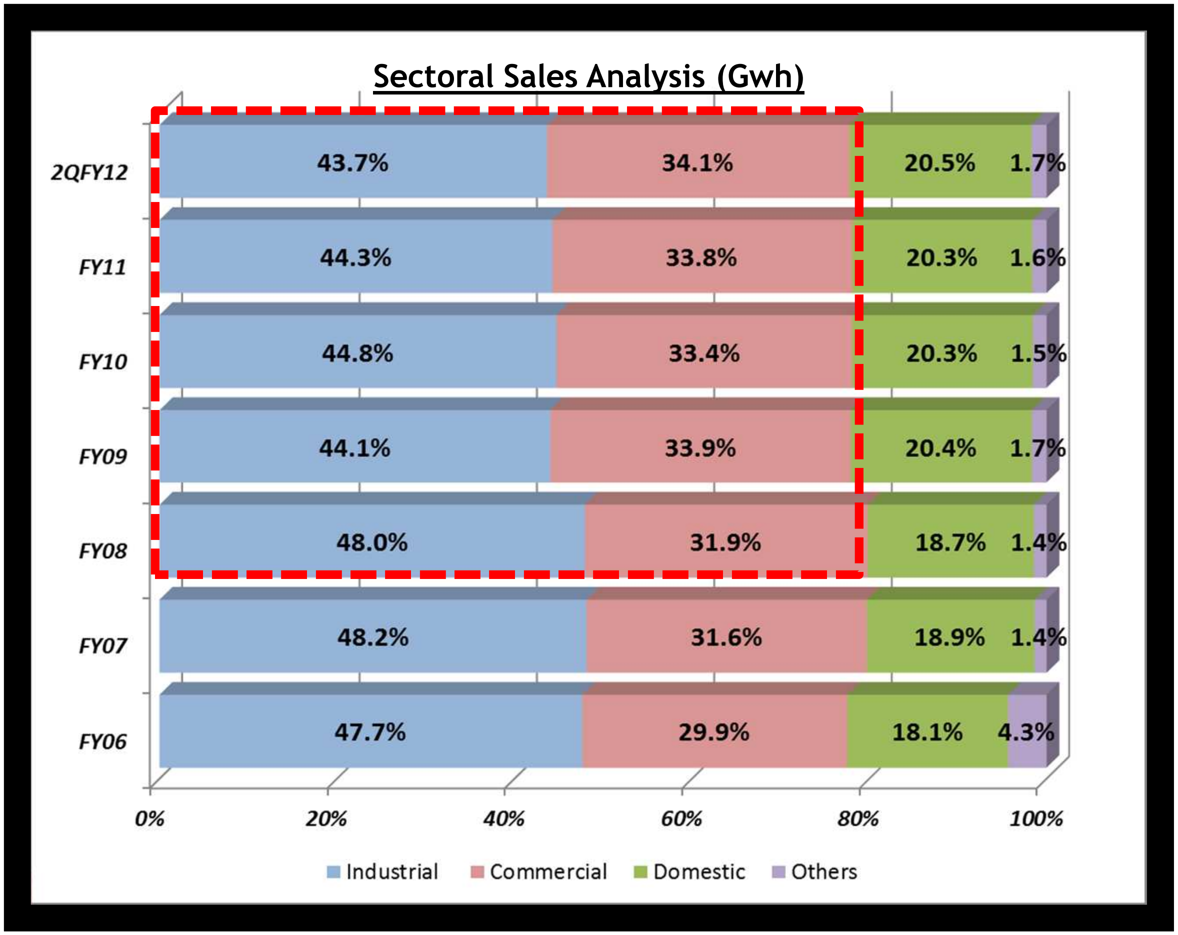
- Greater KL/KV has immense potential to further leverage existing heritage sites that can be preserved and redeveloped in a manner that both celebrates the history and heritage of Greater KL/KV, but also embraces a future as a **cosmopolitan and global city**.
- These iconic places also generate higher economic activities through **additional hotel stays, retail revenues** from visitors and locals and additional employment.

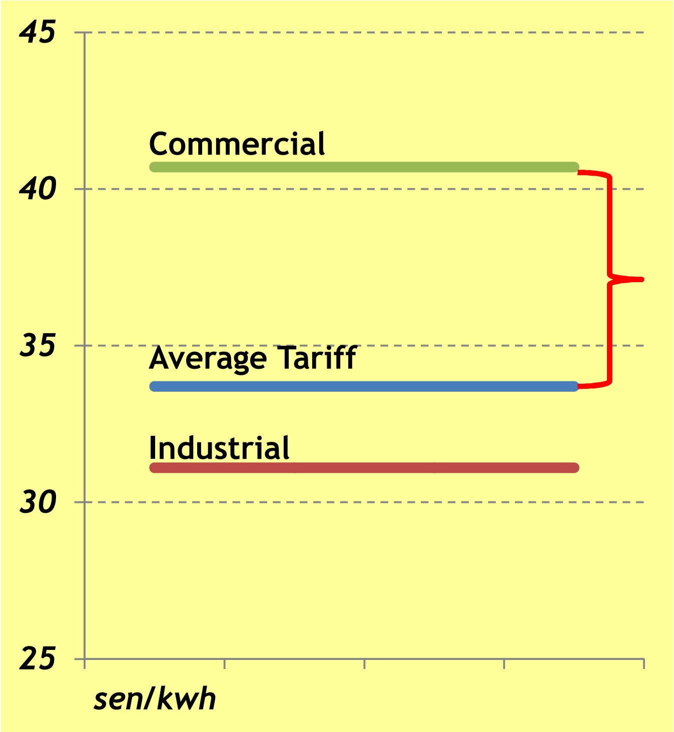
ECONOMIC TRANSFORMATION PROGRAMME (ETP)
2 NKEAs that Directly Benefit Tenaga – Potential Customers from Commercial Category

Shift from Industrial-based to **Service-based economy**

Increasing market share from **Commercial** sector

Commercial sector contributes the **highest** electricity sales **margin**





ECONOMIC TRANSFORMATION PROGRAMME (ETP)

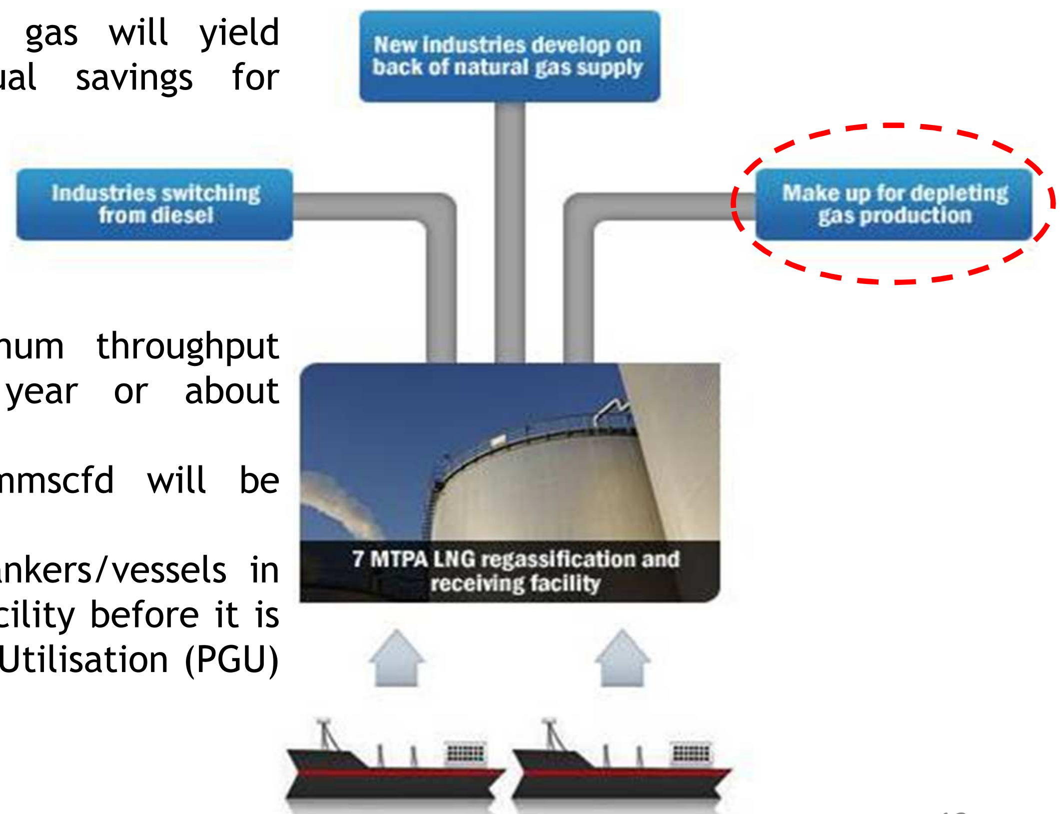
2 NKEAs that Directly Benefit Tenaga – Higher Gas Availability

OIL, GAS & ENERGY

RM2.4bn GNI
RM1.07bn
INVESTMENT

1 Unlocking Premium Gas Demand in Peninsular Malaysia

- Unlocking gas demand will have an estimated GNI impact for Malaysia of approximately USD0.81bn by 2020.
- Switching from diesel to natural gas will yield approximately USD0.6bn in annual savings for Malaysian industries.



- The facilities will have a maximum throughput capacity of 3.8mn tonnes per year or about 500mmscfd.
- Out of this total capacity, 200mmscfd will be allocated to the power industry.
- Gas would be imported in LNG tankers/vessels in liquid form and regasified at the facility before it is transported into the Peninsular Gas Utilisation (PGU) pipeline network.

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POINTS OF DISCUSSION

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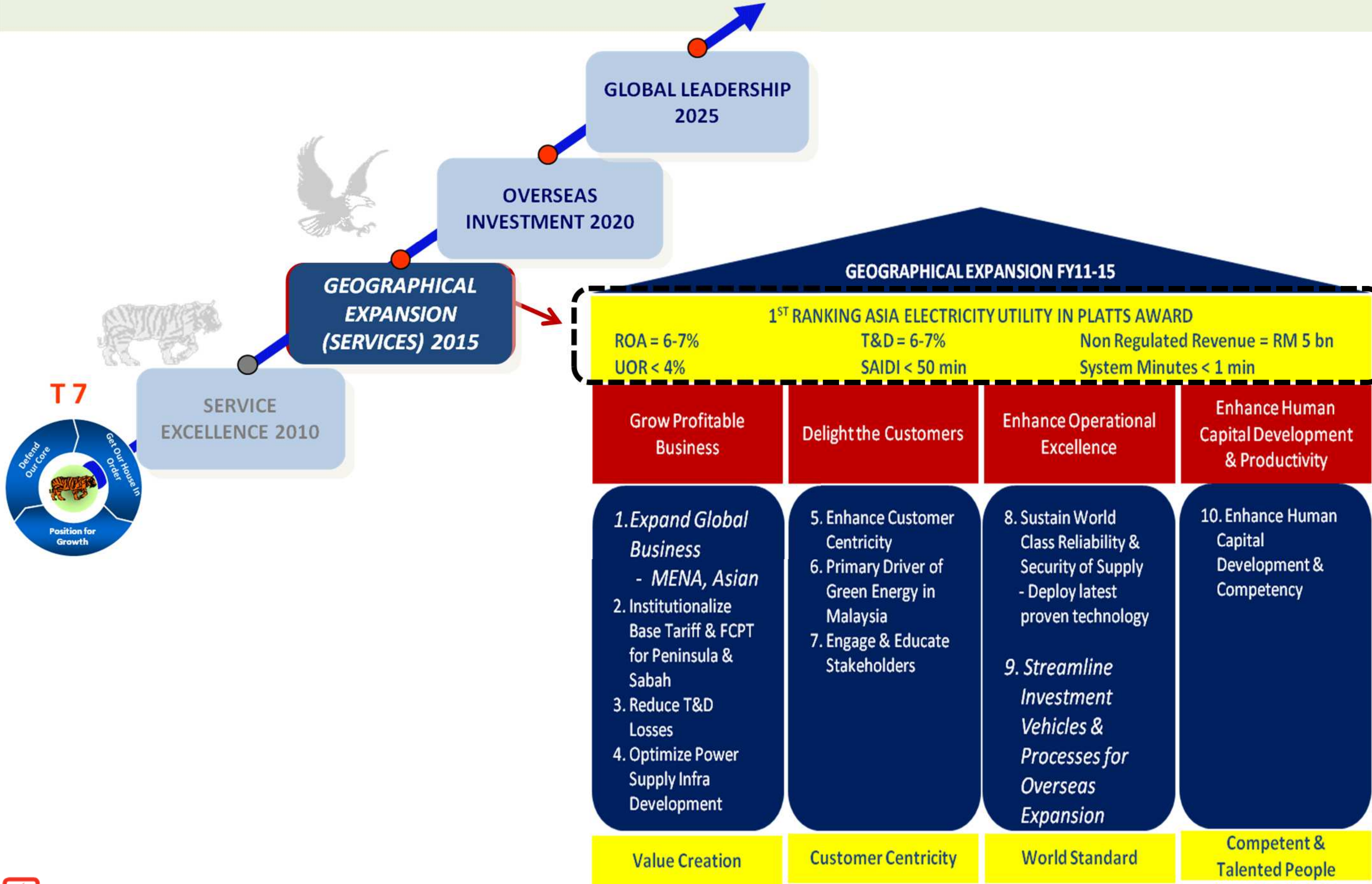
TNB's BUSINESS DIRECTION

20-Year Strategic Plan



TNB's BUSINESS DIRECTION

Achievements During 1st Phase : Service Excellence 10/10

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Most Targets that were Set in 2005 were Met Ahead of Target Date

		FY2010	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
		Target Set in 2005	Actual	Actual	Actual	Actual	Actual	Actual
	Return on Assets (ROA)	*6.5%*	2.2%	3.3%	6.3%	4.6%	4.0%	4.7%
Achieved	Gearing	*< 60.0%*	64.9%	58.1%	49.9%	46.9%	46.5%	42.5%
	Unplanned Outage Rate (UOR)	*No targets set for 1st Phase*	6.1%	4.7%	2.2%	3.3%	2.9%	2.7%
Achieved	*T&D Losses*	*No targets set for 1st Phase*	10.5%	11.0%	10.0%	9.5%	9.7%	9.5%
Achieved	Sys. Minutes (mins)	*9.0*	14.0	7.3	9.3	6.6	1.0	0.9
Achieved	SAIDI (mins)	*< 100.0*	148.0	101.6	83.0	78.0	68.6	* 65.0

* 87.4 mins based on revised formula

TNB's BUSINESS DIRECTION

Headline Key Performance Indicators: 2nd Phase - GEMILANG 2015 & As At 2QFY12

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INITIATIVES	TARGET FY 2015	ACTUAL FY 2011	TARGET FY 2012	YTD FY 2012	
				1st Qtr	2nd Qtr
Return on Assets (ROA) (%)	6 - 7	2.1	2.0 - 3.0	2.1	3.2
Company CPU (sen/kwh)	< 29.9	32.7	32.7 - 33.7	33.9	32.3
Revenue from Non-Regulated Business (RM bn)	5.0	1.8	1.8 - 1.9	0.4	1.0
Unplanned Outage Rate (UOR)(%)	< 4.0	7.1	3.6 - 4.0	6.0	4.4
T & D Losses (%)	6 - 7	9.0	8.7 - <9.3	8.5	8.7
Transmission System Minutes (mins)	< 1.0	1.0	1.1 - 2.5	0.2	0.2
Distribution SAIDI (mins)	< 50.0	78.9	>75.0 - 80.0	14.6	27.5

TNB's BUSINESS DIRECTION

2nd Phase – Geographical Expansion (GEMILANG 2015)

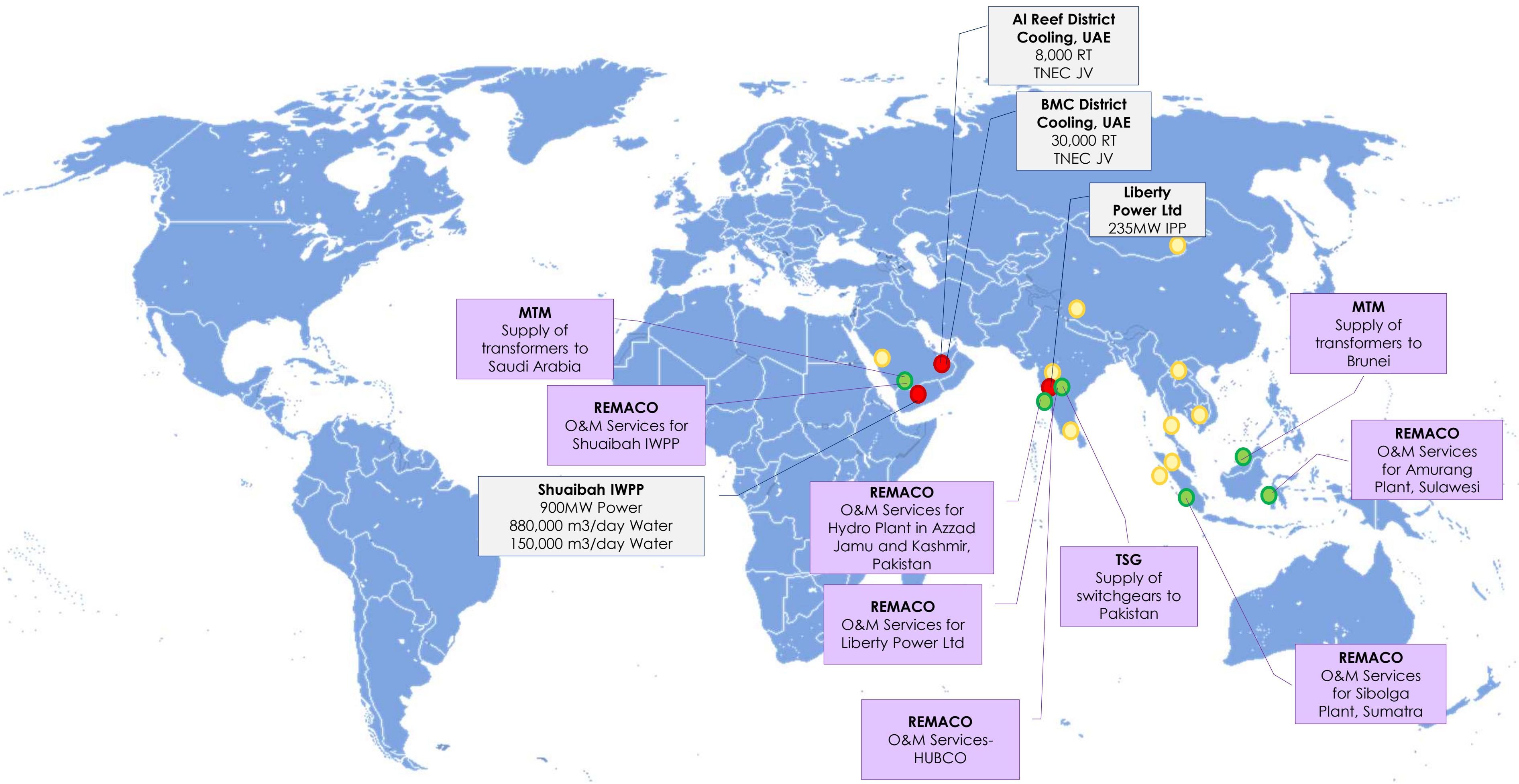
- Tenaga is currently in the 2nd phase of the 20-year Strategic Plan. In this phase we are looking at opportunities in expanding our business in the O&M services in energy related business. This initiative will be driven by REMACO, a 100% owned subsidiary.

- Currently REMACO has contracts in O&M services at:
  - Shuaibah IWPP project
  - LPL
  - Hydro plant in Azad Jammu and Kashmir, Pakistan
  - HUBCO, Pakistan
  - Amurang Plant, Sulawesi
  - Sibolga Plant, Sumatera

- Tenaga is focusing on the MENA (Middle East and North Africa) region, as well as South East Asia region.

- However, due to the unrest situation in MENA, we remain cautious in venturing business in the area. Meantime, we are looking at opportunities in South East Asia such as Vietnam and Indonesia.

TNB's BUSINESS DIRECTION
Experience – Global Footprint



- IPP, IWPP & Development Projects
- Supply & Services

ILSAS continues to provide services for power companies in emerging countries including Vietnam, Yemen, Mongolia, Laos, Indonesia, Thailand, Nepal, Egypt and Pakistan

TNB's BUSINESS DIRECTION
Experience - Global Footprint

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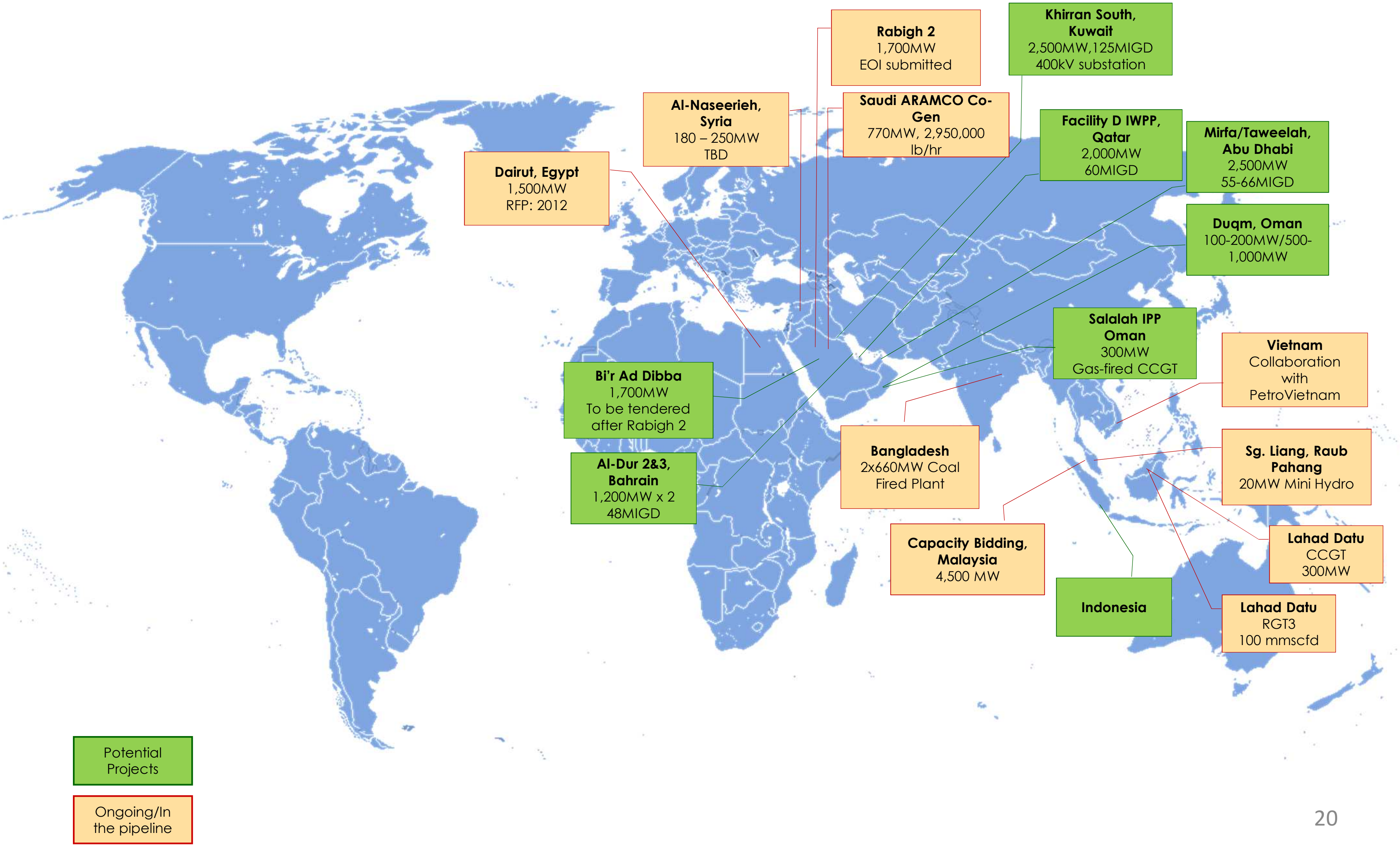

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TNB's BUSINESS DIRECTION
Successful Projects

1

TNB Liberty Power Ltd. ("LPL"), Pakistan

235 MW gas fired combined cycle power plant in Daharki, Province of Sindh, Pakistan
- Commercial operation date: 10 September 2001
- Total project cost: US$272 million
- PPA terms: 25 years
- LPL is currently operating at full capacity

2

Shuaibah Phase 3 IWPP, Saudi Arabia

Shuaibah Phase 3 Independent Water and Power Project, the first IWPP in the Kingdom of Saudi Arabia
- Commercial operation date: 14 January 2010
- Total project cost: US$2.5 billion
- PWPA terms: 20 years
- Power Island: 900 MW Crude-oil Fired Power Plant including 380kV sub-station, FGD installation and Special Electric & Fuel Facilities by Siemens AG)
- Water Island: Desalinated Water - 880,000 m3/day (194 MIGD), 12 units of Multi Stage Flashing distillers (by Doosan)

3

Shuaibah Expansion , Saudi Arabia

Reverse Osmosis plant, an expansion of the Shuaibah's project in Kingdom of Saudi Arabia

- Commercial operation date: 17 November 2009
- Total project cost: US$232 million
- PPA terms: 20 years
- RO Water - 150,000 m3/day (33 MIGD) (by Doosan)

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HIGHLIGHTS OF 2QFY12 PERFORMANCE
Key Highlights

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3 months ended 29th February FY2012 (2nd Quarter)

- Net profit of RM2,815.2 million
- Recognition of fuel cost compensation of RM2.023 billion
- 0.8% decline in Group Revenue as compared to 1st Quarter 2012 against 10.5% decline in Operating Expenses
- Average coal price of USD108.5/mt as compared to USD110.0/mt in the last quarter
- EBITDA margin at 49.0% as compared to 15.1% reported for the previous quarter

6 months FY2012

- Net profit of RM2,590.5 million
- 14.7% increase in Group Revenue against a 20.5% increase in Operating Expenses
- Average coal price of USD109.3/mt as compared to USD100.0/mt in the 1st Half FY2011
- 4.1% Unit electricity demand growth in Peninsular Malaysia
- EBITDA margin at 32.0% as compared to 26.2% reported for the corresponding period in FY2011

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Unaudited Income Statement (Group)

- 14.7% increase in Group Revenue against 20.5% increase in Operating Expenses
- 73.8% increase in Operating Profit Mainly Resulting From Fuel Cost Compensation Received
- Net Profit Attributable to the Owners of the Company of RM2.59bn

RM'mn	YTD FY2011	YTD FY2012	Variance %
Continuing Operations:			
Revenue	15,102.5	17,322.6	14.7
Operating expenses	(13,351.6)	(16,090.8)	(20.5)
Operating income	252.7	2,250.3	>100.0
Operating profit	2,003.6	3,482.1	73.8
Forex			
- Transaction Gain / (Loss)	34.9	(3.2)	>100.0
- Translation Gain / (Loss)	47.6	209.3	>(100.0)
Share of results of jointly controlled entities and associates (net of tax)	24.9	(10.7)	>(100.0)
Profit before finance cost	2,111.0	3,677.5	74.2
Finance income	192.8	102.3	(46.9)
Finance cost	(416.3)	(410.1)	1.5
Profit before taxation	1,887.5	3,369.7	78.5
Taxation and Zakat			
- Company and subsidiaries	(373.8)	(626.6)	(67.6)
- Deferred taxation	(40.0)	(155.3)	>(100.0)
Profit from continuing operations	1,473.7	2,587.8	75.6
Discontinued Operations:			
Profit/ (Loss) from discontinued operations (net of tax)	-	-	-
Profit for the financial period	1,473.7	2,587.8	75.6
Attributable to:			
- Owners of the Company	1,470.5	2,590.5	76.2
- Non-controlling interests	3.2	(2.7)	>(100.0)
	1,473.7	2,587.8	75.6

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ANALYSIS OF FINANCIAL RESULTS

BEFORE FUEL COST COMPENSATION

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Unaudited Income Statement (Group) Excluding Fuel Cost Compensation

- 27.2% decrease in Operating Profit Resulting from Higher Fuel Cost
- Estimated Reimbursement for Cost Sharing of RM0.25bn
- Net Profit Attributable to the Owners of the Company of RM1.3bn (including the estimated reimbursement for Cost Sharing)

RM'mn	YTD FY2011	YTD FY2012	Variance %
Continuing Operations:			
Revenue	15,102.5	17,322.6	14.7
Operating expenses	(13,351.6)	(16,090.8)	(20.5)
Operating income	252.7	227.3	(10.1)
Operating profit	2,003.6	1,459.1	(27.2)
Forex			
- Transaction Gain / (Loss)	34.9	(3.2)	>(100.0)
- Translation Gain / (Loss)	47.6	209.3	>100.0
Share of results of jointly controlled entities and associates (net of tax)	24.9	(10.7)	>(100.0)
Profit before finance cost	2,111.0	1,654.5	(21.6)
Finance income	192.8	102.3	(46.9)
Finance cost	(416.3)	(410.1)	1.5
Profit before taxation	1,887.5	1,346.7	(28.7)
Taxation and Zakat			
- Company and subsidiaries	(373.8)	(120.6)	67.7
- Deferred taxation	(40.0)	(155.3)	>(100.0)
Profit from continuing operations	1,473.7	1,070.8	(27.3)
Estimated reimbursement for Cost Sharing (net of tax)	-	250.0	> 100.0
Profit for the financial period	1,473.7	1,320.8	(10.4)
Attributable to:			
- Owners of the Company	1,470.5	1,323.5	(10.0)
- Non-controlling interests	3.2	(2.7)	>100.0
	1,473.7	1,320.8	(10.4)

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Year-On-Year Analysis (Excluding Fuel Cost Compensation)

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The Lower Profit and EBITDA Margin in the 1HFY2012 Mainly from Higher Generation Cost Due to Higher Coal Price & Consumption & Increased Usage of Oil and Distillate

RM mn	YTD 2Q	
	FY2011	FY2012
Total Units Sold (GWh)	48,006.6	49,914.5
Revenue	15,102.5	17,322.6
Operating Expenses (before depreciation)	11,403.0	14,028.6
Operating Income	252.7	227.3
EBITDA	**3,952.2**	**3,521.3**
EBITDA Margin (%)	**26.2%**	**20.3%**
Depreciation and Amortisation	1,948.6	2,062.2
EBIT	**2,003.6**	**1,459.1**
EBIT Margin (%)	**13.3%**	**8.4%**
Finance Cost	416.3	410.1
Profit Before Tax & Forex Translation	**1,839.9**	**1,387.4**
Net Profit Before Forex Translation	1,422.9	1,114.2
Translation Gain / (Loss)	47.6	209.3
Net Profit attributable to :		
Equity Holders	**1,470.5**	**1,323.5**
Non-controlling Interest	3.2	(2.7)

	6 Months (Sept'11-Feb'12)		
	FY'11	FY'12	Var (%)
Average Coal Price Consumed (USD/MT) *			
FOB	83.1	99.6	19.9%
Freight	16.3	9.2	-43.6%
Others	0.6	0.5	-16.7%
CIF	100.0	109.3	9.3%
Average Coal Price Consumed (RM/MT) (CIF)	309.8	339.6	9.6%
Coal Consumption (mn MT)	9.1	10.0	9.9%

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Operating Expenses - Year-on-Year Analysis

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20.5% Increase in Operating Expenses Mainly from Higher Generation Costs

RM'mn	YTD 1HFY2011	YTD 1HFY2012	Variance RM mn	Variance %
Total IPP Purchases/Cost	6,030.2	6,949.0	918.8	15.2
Fuel Costs	2,717.7	4,134.7	1,417.0	52.1
Repair & Maintenance	584.5	713.8	129.3	22.1
Staff Costs	1,463.0	1,373.7	(89.3)	(6.1)
TNB General Expenses	358.9	543.2	184.3	51.4
Subs Gen Exp, Cost of Sales & Provision	248.7	314.2	65.5	26.3
Depreciation & Amortisation	1,948.6	2,062.2	113.6	5.8
	13,351.6	16,090.8	2,739.2	20.5

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Fuel Analysis – Year-on-Year Generation Mix

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**Y-o-Y Analysis Shows Higher Generation Cost
from Higher Coal Price & Consumption & Increased Usage of Oil and Distillate**

Fuel Cost (RM mn)				
Fuel Type	6 Months		Variance	
	YTD FY'11	YTD FY'12	RM mn	%
Gas	2,381.7	2,893.2	511.5	21.5
Coal	2,977.9	3,536.2	558.3	18.7
Dist.	41.1	552.6	511.5	>100.0
Oil	173.6	783.9	610.3	>100.0
Hydro	0.0	0.0	-	0.0
Total	**5,574.3**	**7,765.9**	**2,191.6**	39.3

Units Generated (Gwh)				
Fuel Type	6 Months		Variance	
	YTD FY'11	YTD FY'12	Gwh	%
Gas	24,441.8	22,953.6	(1,488.2)	(6.1)
Coal	21,533.3	23,534.6	2,001.3	9.3
Dist.	76.8	974.4	897.6	>100.0
Oil	439.8	1,480.9	1,041.1	>100.0
Hydro	3,069.5	3,040.4	(29.1)	(0.9)
Total	**49,561.2**	**51,983.9**	**2,422.7**	4.9

Consumption	1HFY2011	1HFY2012	Variance
Oil (MT)	110,501	351,622	241,121
Distillate (mn litres)	28	224	196

	6 Months (Sept-Feb)		
	FY'11	FY'12	Var (%)
Average Coal Price Consumed (USD/MT) *			
FOB	83.1	99.6	19.9%
Freight	16.3	9.2	-43.6%
Others	0.6	0.5	-16.7%
CIF	100.0	109.3	9.3%
Average Coal Price Consumed (RM/MT) (CIF)	309.8	339.6	9.6%
Coal Consumption (mn MT)	9.1	10.0	9.9%

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Quarter-On-Quarter Analysis (Excluding Fuel Cost Compensation)

The Higher Profit in the 2QFY2012 is Due To Lower Usage of Alternative Fuels and the Stronger Ringgit

RM mn	FY2012	
	1Q	2Q
Total Units Sold (GWh)	25,225.0	24,689.5
Revenue	8,694.4	8,628.2
Operating Expenses (before depreciation)	7,475.7	6,552.9
Operating Income	94.9	132.4
EBITDA	**1,313.6**	**2,207.7**
EBITDA Margin (%)	**15.1%**	**25.6%**
Depreciation and Amortisation	1,016.1	1,046.1
EBIT	**297.5**	**1,161.6**
EBIT Margin (%)	**3.4%**	**13.5%**
Finance Cost	181.9	228.2
Profit Before Tax & Forex Translation	**203.7**	**933.7**
Net Profit Before Forex Translation	194.4	669.8
Translation Gain / (Loss)	(419.1)	628.4
Net Profit attributable to :		
Equity Holders	**(224.7)**	**1,298.2**
Non-controlling Interest	1.7	(4.4)

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Industry Generation in Peninsula (TNB & IPPs): Y-o-Y Analysis

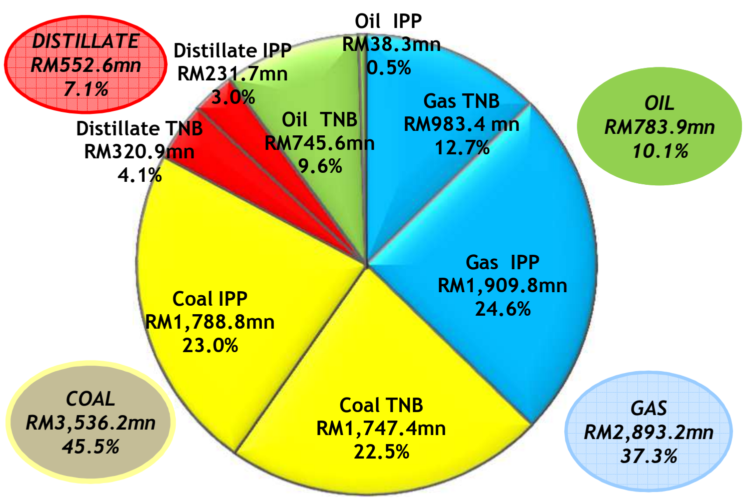
- Coal Represents 45.3% of the Industry Generation Mix
- 6.1% Decline in Gas Generation Mainly Attributed By Gas Curtailment
- 39.3% Increase in Fuel Cost from Higher Gas & Coal Price and Higher Utilisation of Oil and Distillate

Fuel Cost (RM mn)

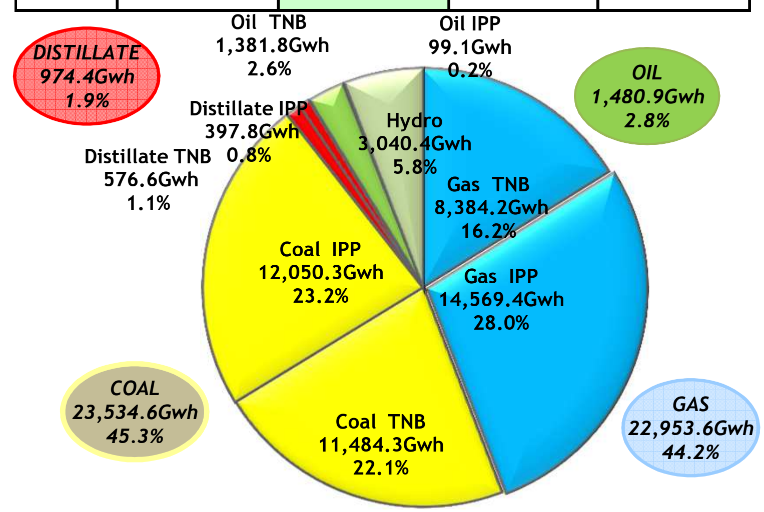
Fuel Type	6 Months		Variance	
	YTD FY'11	YTD FY'12	RM mn	%
Gas	2,381.7	2,893.2	511.5	21.5
Coal	2,977.9	3,536.2	558.3	18.7
Dist.	41.1	552.6	511.5	>100
Oil	173.6	783.9	610.3	>100
Hydro	0.0	0.0	-	0.0
Total	**5,574.3**	**7,765.9**	**2,191.6**	39.3

Units Generated (Gwh)

Fuel Type	6 Months		Variance	
	YTD FY'11	YTD FY'12	Gwh	%
Gas	24,441.8	22,953.6	(1,488.2)	(6.1)
Coal	21,533.3	23,534.6	2,001.3	9.3
Dist.	76.8	974.4	897.6	>100
Oil	439.8	1,480.9	1,041.1	>100
Hydro	3,069.5	3,040.4	(29.1)	(0.9)
Total	**49,561.2**	**51,983.9**	**2,422.7**	4.9



TOTAL : RM7,765.9mn



TOTAL : 51,983.9Gwh
Fuel Cost/Kwh : 14.94sen

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Fuel Analysis – Half-Yearly Generation Mix

SWITCH ON thefuture

H-o-H Analysis Shows Lower Generation Costs from Lower Usage of Oil & Distillate

Fuel Cost (RM mn)					
Fuel Type	6 Months			Variance	
	1H FY'11	2H FY'11	1H FY'12	RM mn	%
Gas	2,381.7	2,592.7	2,893.2	300.5	10.4
Coal	2,977.9	3,568.5	3,536.2	(32.3)	(0.9)
Dist.	41.1	1,351.0	552.6	(798.4)	>(100.0)
Oil	173.6	1,393.8	783.9	(609.9)	(77.8)
Hydro	0.0	0.0	0.0	0.0	0.0
Total	**5,574.3**	**8,906.0**	**7,765.9**	**(1,140.1)**	(12.8)

Units Generated (Gwh)					
Fuel Type	6 Months			Variance	
	1H FY'11	2H FY'11	1H FY'12	Gwh	%
Gas	24,441.8	21,942.0	22,953.6	1,011.6	4.4
Coal	21,533.3	23,614.3	23,534.6	(79.7)	(0.3)
Dist.	76.8	2,345.1	974.4	(1,370.7)	>(100.0)
Oil	439.8	2,242.9	1,480.9	(762.0)	(51.5)
Hydro	3,069.5	2,913.6	3,040.4	126.8	4.2
Total	**49,561.2**	**53,057.9**	**51,983.9**	**(1,074.0)**	(2.0)

Consumption	1HFY'11	2HFY'11	1HFY'12	Variance	Variance (%)
Oil (MT)	110,501	546,630	351,622	(195,008)	(35.7)
Distillate (mn litres)	28	552	224	(328)	(59.4)

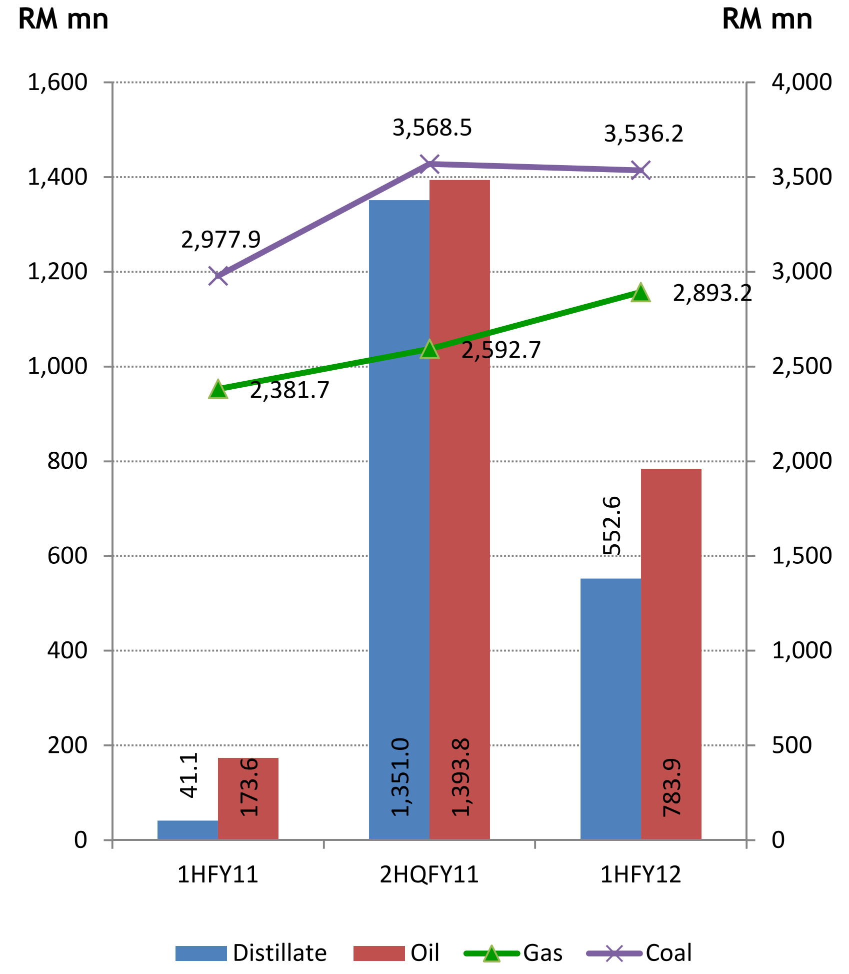
HIGHLIGHTS OF 2QFY12 PERFORMANCE

Fuel - Half-Yearly Generation Mix

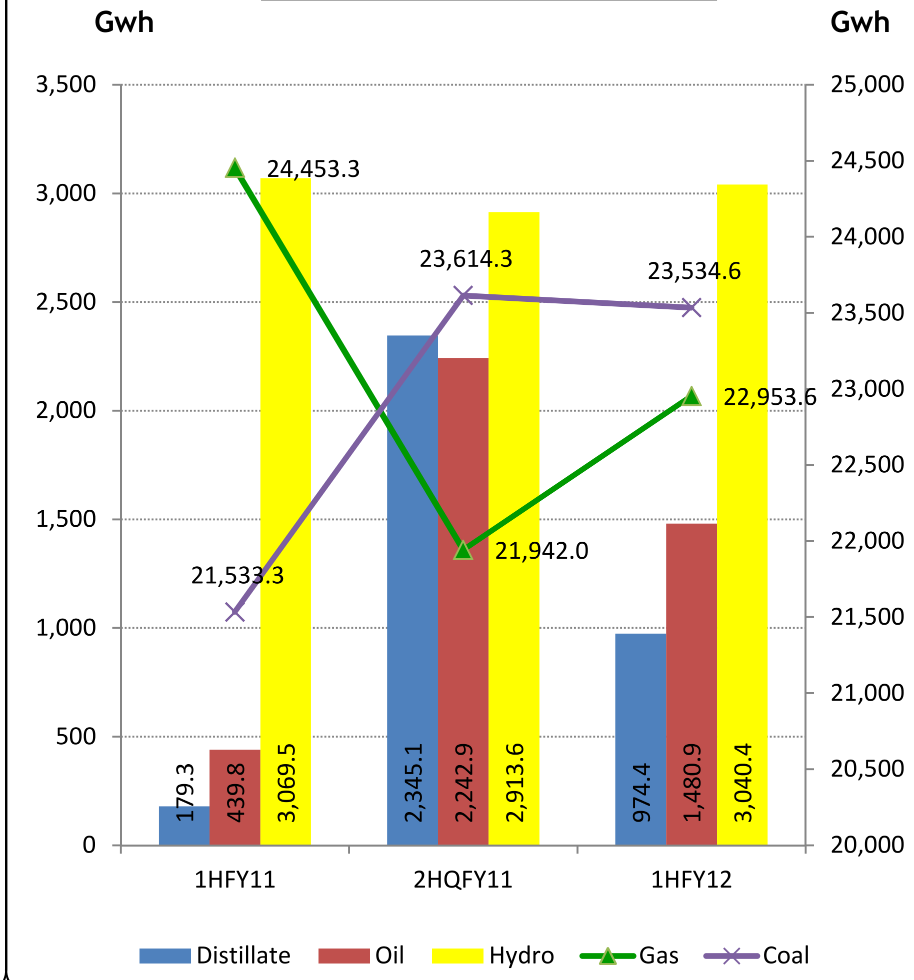
H-o-H Analysis Shows Lower Generation Costs from Lower Usage of Oil & Distillate

HALF-YEARLY

GENERATION COST (RM mn)



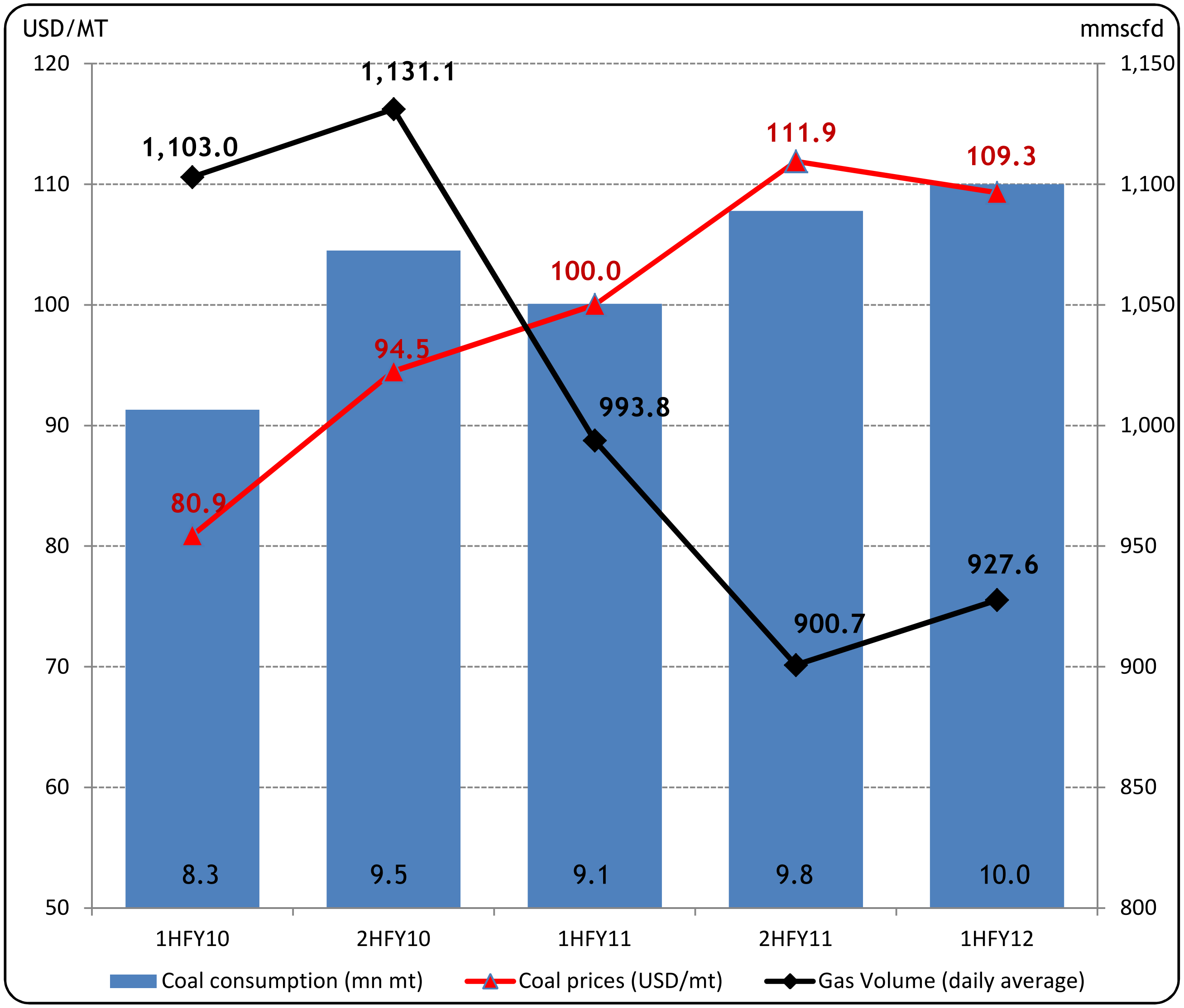
GENERATION MIX (Gwh)



HIGHLIGHTS OF 2QFY12 PERFORMANCE

Fuel Analysis- Half-Yearly Coal Prices & Coal Consumption

- Coal Consumption On the Rising Trend As the Gas Volume Declines
- Coal Prices Continue to be On Upward Trend



SWITCH ON thefuture

Fuel Cost Sharing Mechanism in the Absence of Tariff Adjustment

- The Government has agreed on the implementation of the Fuel Cost Sharing Mechanism, whereby the additional fuel costs incurred will be equally shared by Tenaga, Petronas and Government.
- This cost sharing mechanism is to address the current increased cost borne by Tenaga due to gas shortage.
- The differential cost incurred by Tenaga from 1st Jan 2010 until 31st Oct 2011 amounting to approximately RM3.069 billion.

Status of the Fuel Cost Compensation Claims of RM465 million

- We have been submitting fuel cost compensation claim on monthly basis. To-date, we have submitted claim until March 2012 totaling approximately RM0.5 billion. The verification process by Petronas is currently on-going and we hope to get the payment by end of June 2012.

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Analysis of Electricity Growth M-o-M in Peninsula

For 1HFY2012, Peninsula Reported 4.1% Growth Y-o-Y

UNITS SALES		FY 2011												FY 2012						
		Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Industrial	Gwh	3,377	3,072	3,502	3,290	3,423	3,445	3,041	3,614	3,497	3,513	3,464	3,627	3,500	3,310	3,620	3,396	3,455	3,247	3,301
	Growth (%)	1.4	(0.6)	2.1	0.4	2.1	1.3	2.5	3.2	2.5	(0.6)	3.8	5.5	3.6	7.7	3.4	3.2	0.9	(5.7)	8.5
Commercial	Gwh	2,612	2,462	2,682	2,398	2,536	2,486	2,342	2,776	2,703	2,759	2,735	2,729	2,687	2,856	2,470	2,677	2,678	2,662	2,612
	Growth (%)	9.5	6.0	7.5	1.9	2.9	3.1	0.7	4.8	2.5	5.5	6.8	2.8	2.9	16.0	(7.9)	11.6	5.6	7.1	11.5
Domestic	Gwh	1,674	1,479	1,604	1,455	1,486	1,422	1,454	1,590	1,652	1,674	1,645	1,600	1,779	1,522	1,577	1,517	1,623	1,610	1,605
	Growth (%)	8.6	7.7	10.5	6.2	(0.1)	0.9	(6.7)	(4.2)	1.3	1.9	7.4	2.6	6.3	2.9	(1.7)	4.3	9.2	13.2	10.4
Others	Gwh	116	123	123	124	126	120	113	127	124	132	121	124	163	166	69	134	141	131	132
	Growth (%)	9.4	16.0	10.8	8.8	0.8	11.1	(3.4)	6.7	6.9	17.9	(4.7)	9.7	40.5	35.0	(43.9)	8.1	11.9	9.2	16.8
TOTAL	Gwh	7,779	7,136	7,911	7,267	7,571	7,473	6,950	8,107	7,976	8,078	7,965	8,080	8,129	7,854	7,736	7,724	7,897	7,650	7,650
	Growth (%)	5.7	3.5	5.7	2.2	1.9	1.9	(0.2)	2.2	2.3	2.2	5.4	4.1	4.5	10.1	(2.2)	6.3	4.3	2.4	10.1

1st Qtr FY'11 5.0%

2nd Qtr FY'11 2.0%

3rd Qtr FY'11 1.5%

4th Qtr FY'11 3.9%

1st Qtr FY'12 3.9%

2nd Qtr FY'12 4.3%

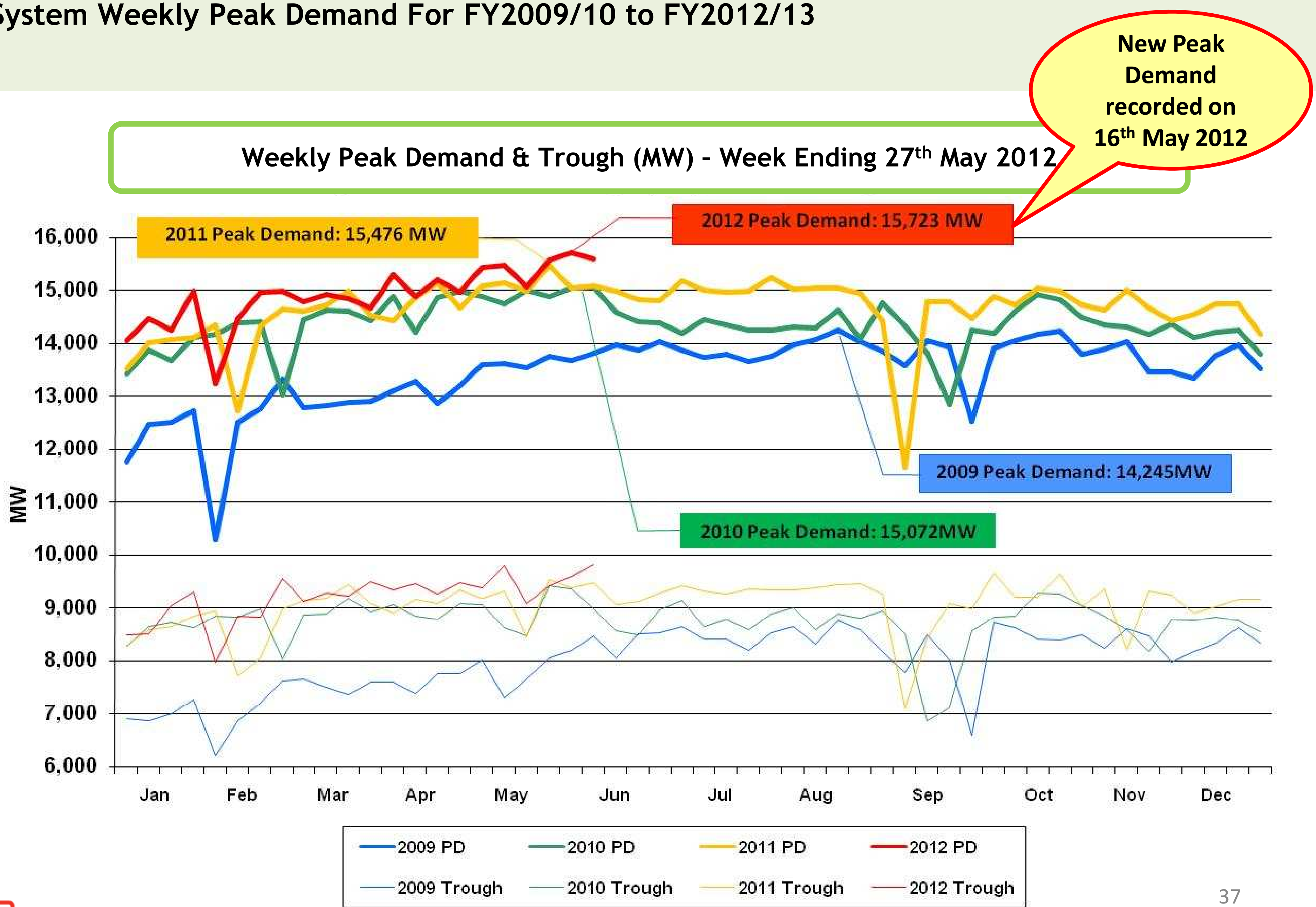
12 Months FY'11 3.1%

7 Months FY'12 4.9%

2nd Qtr	YTD FY 2011	YTD FY 2012
Growth (%)	3.5	4.1

ELECTRICITY DEMAND GROWTH IN PENINSULA

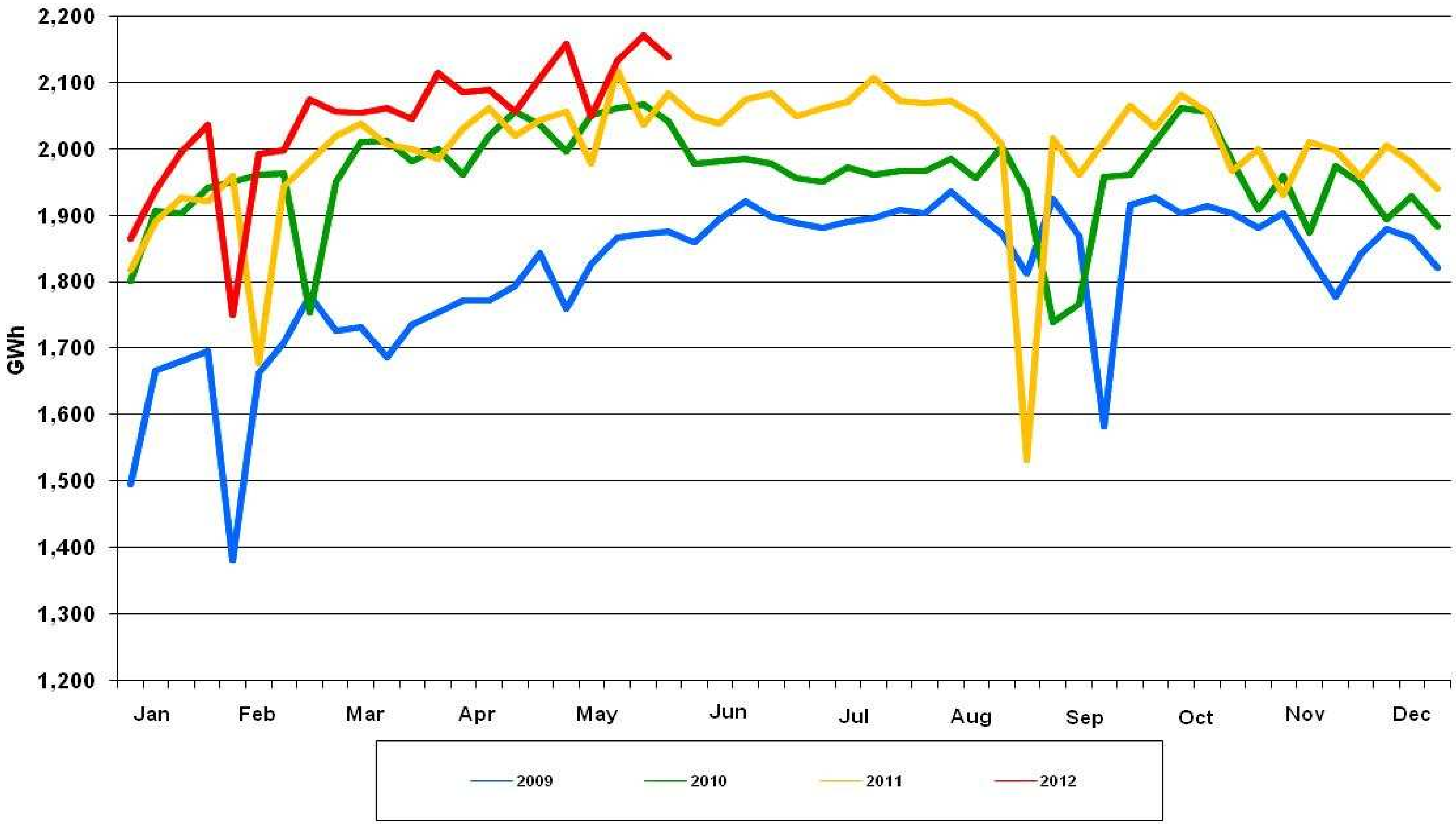
System Weekly Peak Demand For FY2009/10 to FY2012/13



ELECTRICITY DEMAND GROWTH IN PENINSULA

Weekly Electricity Demand Growth For FY2009/10 to FY2012/13

Weekly Generation (Gwh) – Week Ending 27th May 2012



HIGHLIGHTS OF 2QFY12 PERFORMANCE

Financial & Technical 5-Year Performance

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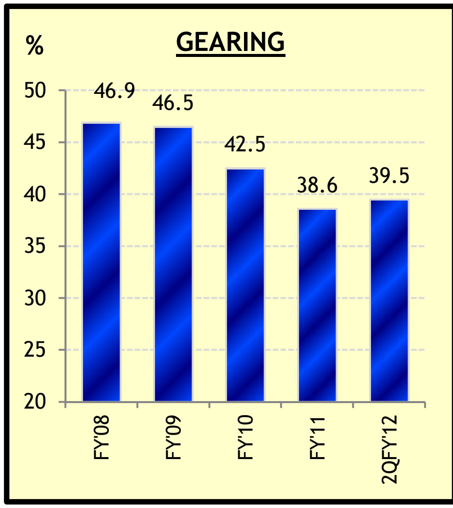
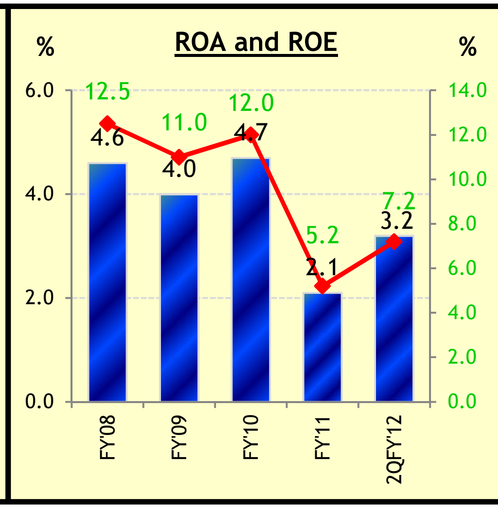
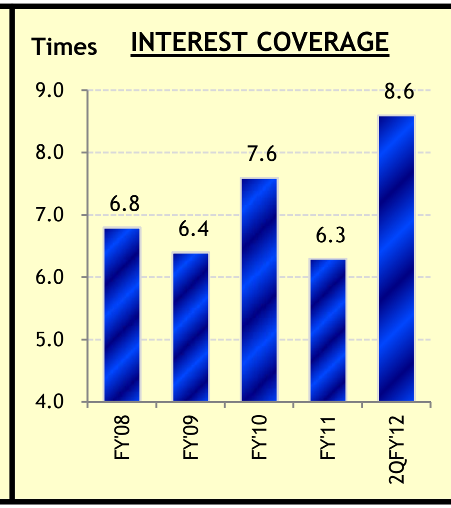
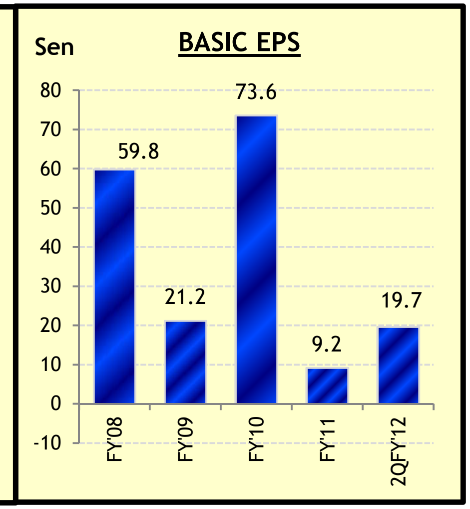
FINANCIAL RATIOS





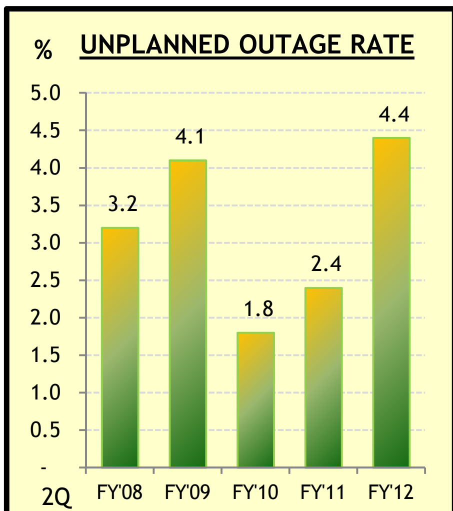


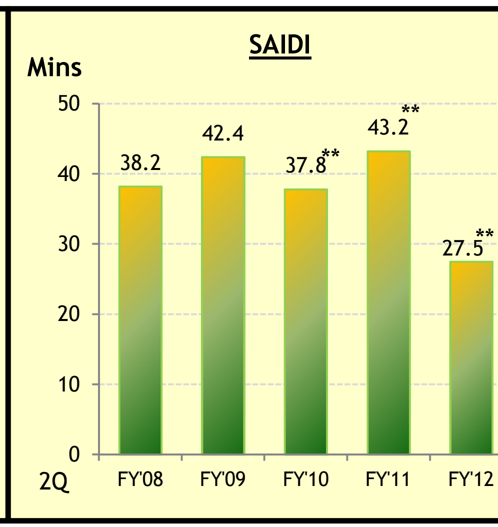


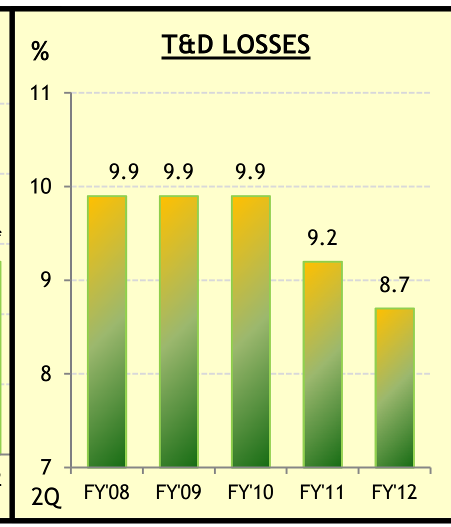
* Financial Ratios : Prior to FY'12 – full year

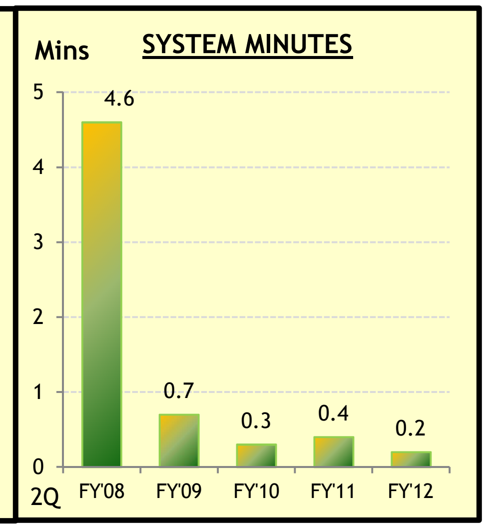
ROA ROE

TECHNICAL PERFORMANCE









** Based on revised formula

HIGHLIGHTS OF 2QFY12 PERFORMANCE
Coal Requirement

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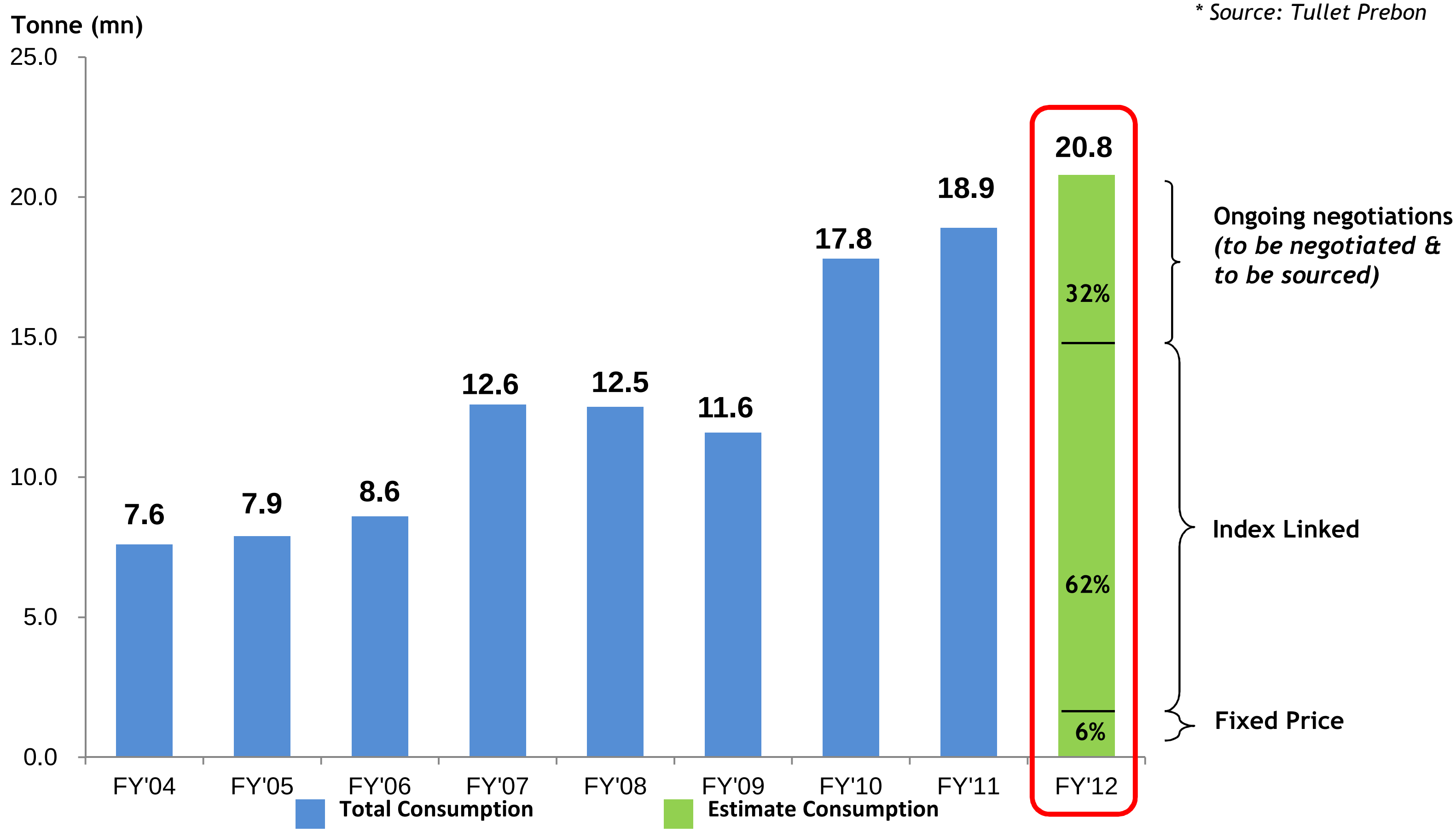
Coal Procurement Estimate for FY2012 at 20.8 mn MT

	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	1HFY'12	FY'12f*	CY'13f*
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	76.4	90.2	88.2	106.9	109.3	110.0	110.5

** Source: Tullet Prebon*



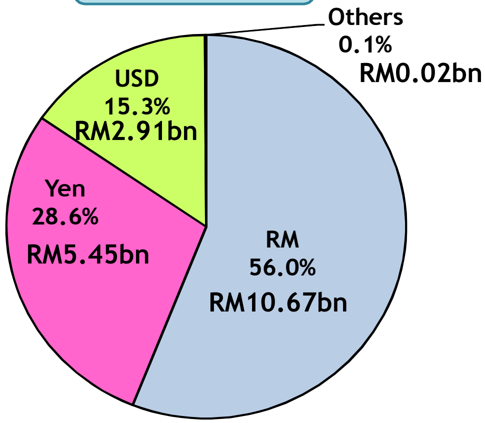
HIGHLIGHTS OF 2QFY12 PERFORMANCE

Debt Exposure & Forex

SWITCH ON thefuture

Increase in Ringgit Loan Mainly Due To New Sukuk by TNBJ of RM4.9bn

31st Aug'11



* Total Debt	RM19.1bn
Net Debt	RM15.1bn
Gearing (%)	38.6
Net Gearing (%)	30.6

Fixed:Floating 96.8% : 3.2%
[Based on final exposure, Fixed:Floating 100.0% : 0.0%]

Weighted Average Cost of Debt 4.94%
[Based on final exposure, 5.09%]

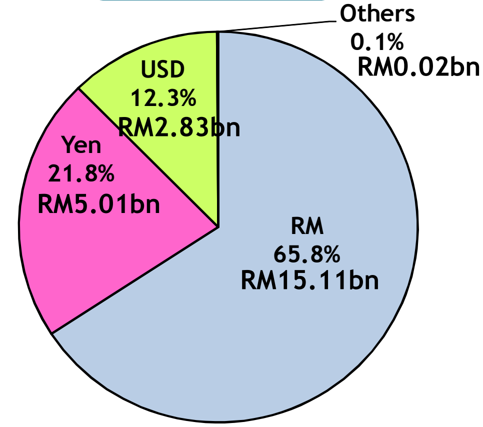
USD/RM	: 2.98
100YEN/RM	: 3.88
USD/YEN	: 76.80

	RM bn
Total Debt 31/08/11	19.1
- Debt Repayment	(1.0)
+ Drawdowns	5.0
- Others *	(0.1)
Total Debt 29/02/12	23.0

* Others include Forex Translation Loss & Accrual

	Exchange Rate	
	USD:RM	100 YEN:RM
31/8/2011	2.977	3.880
30/9/2011	3.188	4.155
31/10/2011	3.064	3.887
30/11/2011	3.177	4.073
31/12/2011	3.177	4.095
31/1/2012	3.050	3.999
29/2/2012	2.995	3.721

29th Feb'12



* Total Debt	RM23.0bn
Net Debt	RM13.9bn
Gearing (%)	39.5
Net Gearing (%)	24.0

Fixed:Floating 97.7% : 2.3%
[Based on final exposure, Fixed:Floating 100.0% : 0.0%]

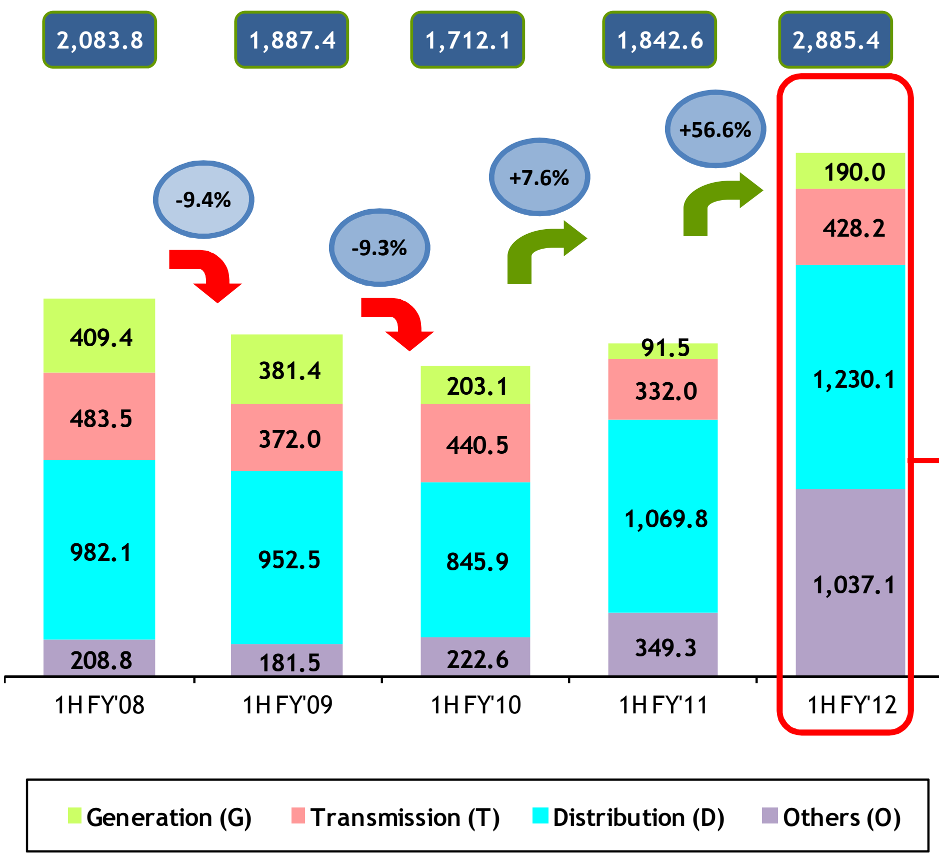
Weighted Average Cost of Debt 4.82%
[Based on final exposure, 4.93%]

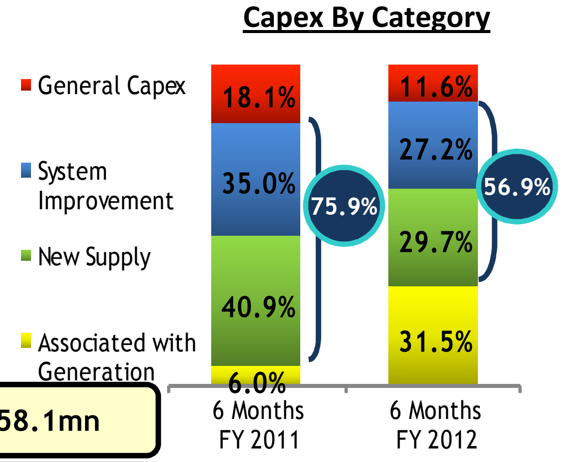
USD/RM	: 2.99
100YEN/RM	: 3.72
USD/YEN	: 80.38

HIGHLIGHTS OF 2QFY12 PERFORMANCE

Capital Expenditure

Higher CAPEX from Manjung 4 Project & System Improvement Projects





New Supply : RM858.1mn

Sys. Improvement : RM783.7mn

	Carried Forward Projects	New Projects
Assoc. with Gen. :	0.0	719.5
New Supply :	0.0	11.3
Sys. Improvement :	0.0	55.9
Others :	50.9	199.5
New Supply :	188.9	512.9
Sys. Improvement :	223.7	264.0
Others :	28.4	12.2
New Supply :	145.0	0.0
Sys. Improvement :	221.8	18.3
Others :	43.1	0.0
Assoc. with Gen. :	186.4	3.6

TOTAL CORE BUSINESS RM1,848.3mn

HIGHLIGHTS OF 2QFY12 PERFORMANCE
Shareholding

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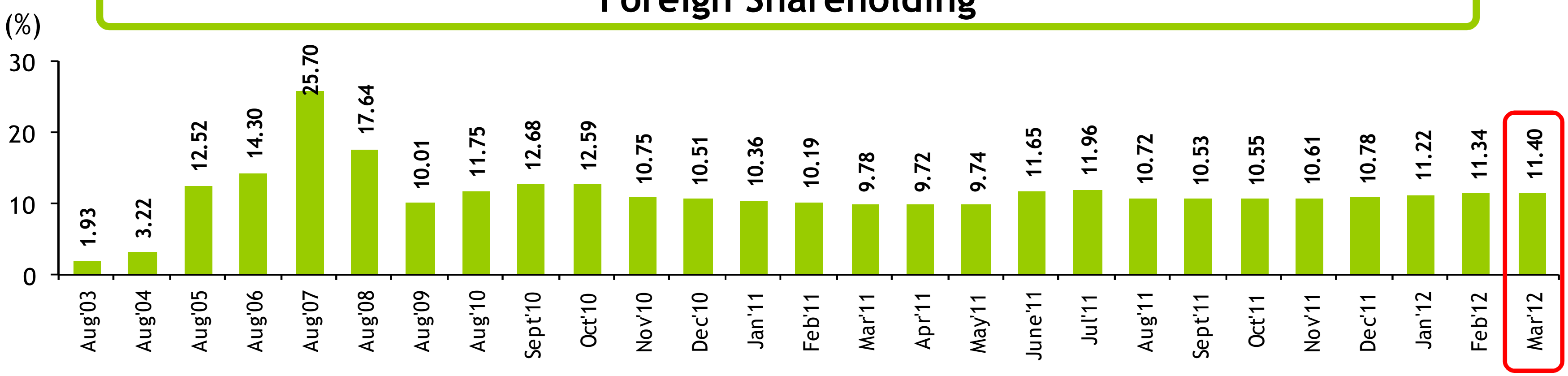
Foreign Shareholding



Main Shareholding

	Aug'09	Aug'10	Aug'11	Nov'11	Feb'12	Variance (Feb'12 & Aug'11)
Name	%	%	%	%	%	%
Khazanah Nasional Berhad	37.78	35.65	35.55	35.55	35.54	(0.03)
Employees Provident Fund Board	13.99	12.48	13.17	13.56	13.35	1.37
Skim Amanah Saham Bumiputera	9.60	9.59	9.90	9.93	11.24	13.54
Kumpulan Wang Persaraan	3.15	2.88	3.75	3.75	3.92	4.53
Other Corporations & Govt. Agencie	19.51	24.92	20.13	20.07	18.41	(8.54)
Subtotal	**84.03**	**85.52**	**82.50**	**82.86**	**82.46**	**(0.05)**
Foreign	10.01	11.75	10.72	10.61	11.34	5.78
Malaysian Public	5.96	2.73	6.78	6.53	6.20	(8.55)
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	
Paid Up Capital (mn shares)	4,337.00	4,352.70	5,456.60	5,456.70	5,457.50	

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POINTS OF DISCUSSION

1. ECONOMIC TRANSFORMATION PROGRAMME
2. TNB'S BUSINESS DIRECTION
3. HIGHLIGHTS OF 2QFY12 PERFORMANCE
4. KEY TAKEAWAYS

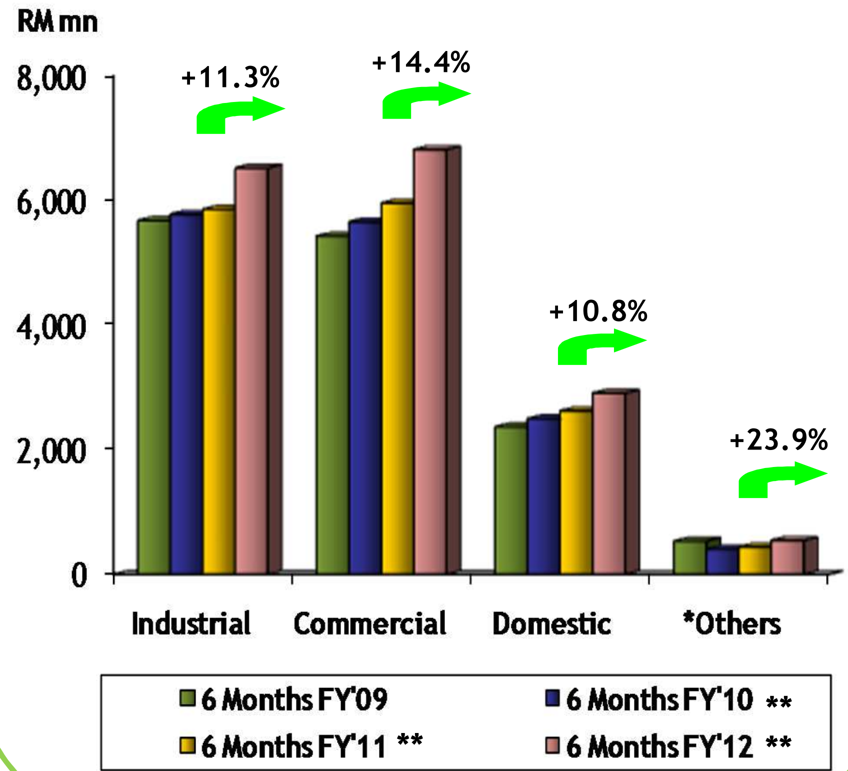
TENAGA NASIONAL BERHAD

INVEST MALAYSIA 2012
CAPITALISE ON ASEAN'S MULTINATIONAL MARKETPLACE
29 - 30 May . Shangri-La Hotel, Kuala Lumpur

KEY TAKEAWAYS

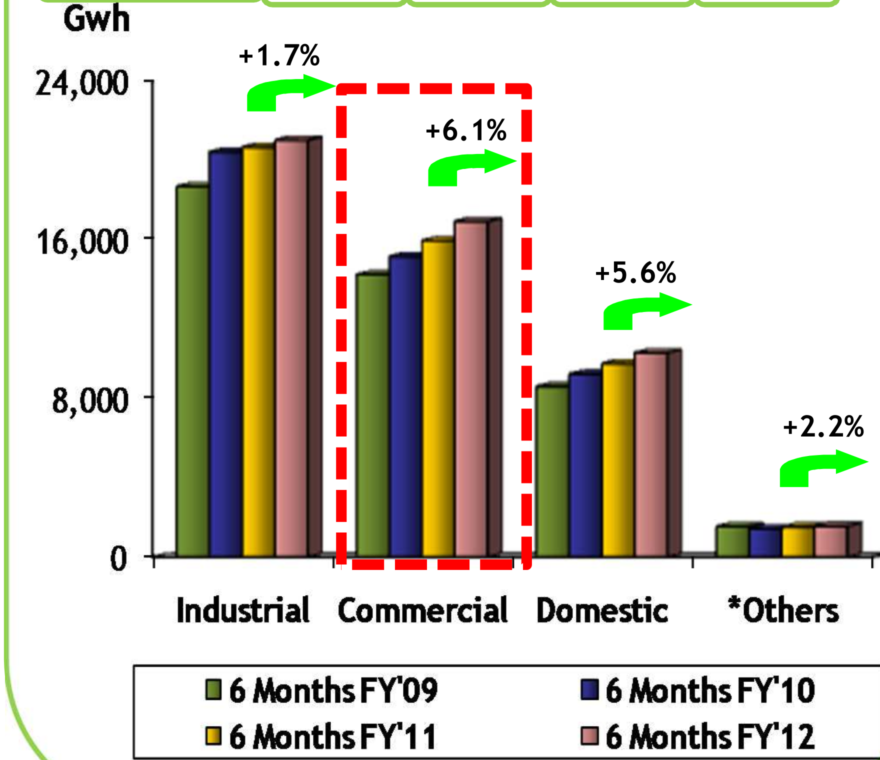
1 Demand Growth Driven by Commercial Sector

6 Mths FY'12 = 12.8%
(6 Mths FY'11 = 3.8%)



6 Mths FY'12 =4.0%
(6 Mths FY'11 = 3.6%)

	Industrial	Commercial	Domestic	Others
6 Mths FY'11	+1.2%	+5.3%	+5.7%	+7.3%



* Includes Specific Agriculture, Mining, Public Lighting, LPL & EGAT
** Revenue For FY2010 , FY2011 & FY2012 exclude accrued revenue
(-) Indicates Negative Growth

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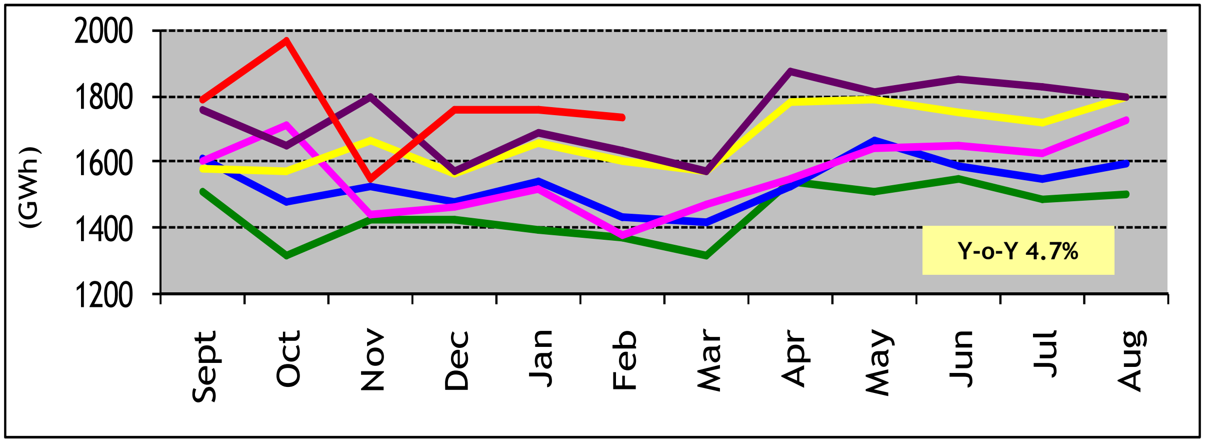
KEY TAKEAWAYS

1 Demand Growth Driven by Commercial Sector

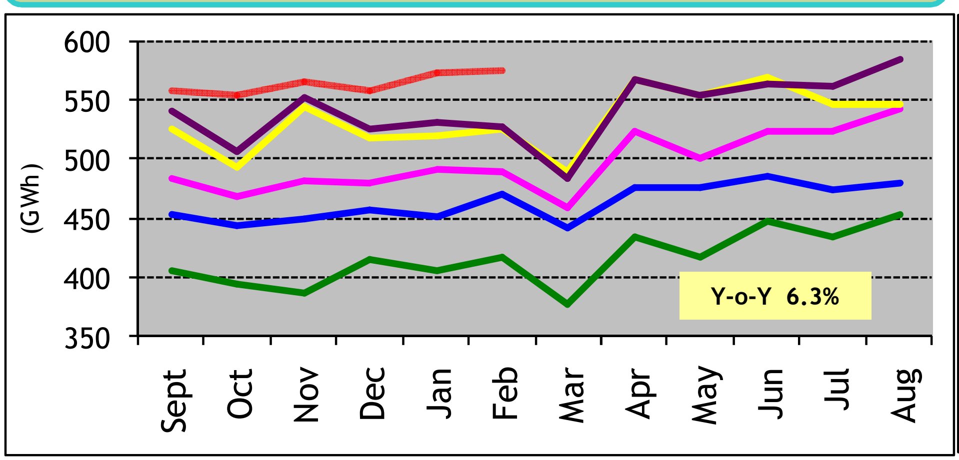
Commercial Sectors* Recorded Positive Growth Y-o-Y of 5.6%

Low Voltage
Shop Lots & Retail Business

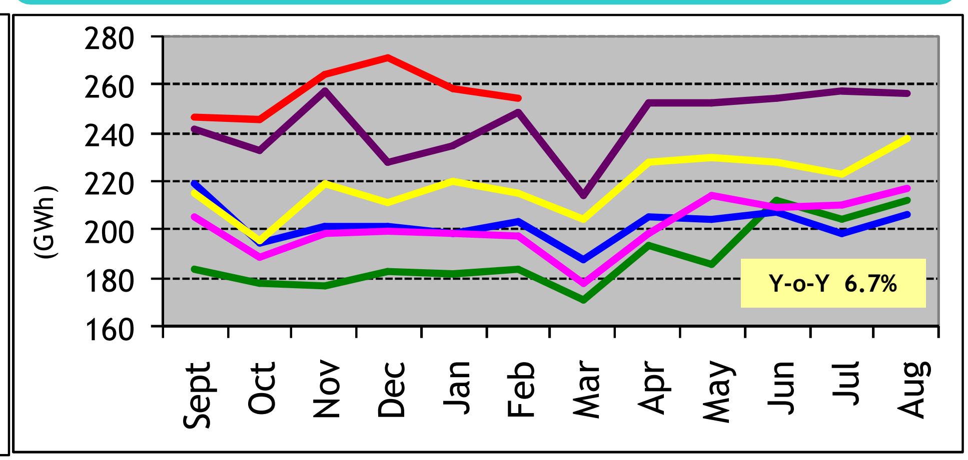


* Peninsula

Medium Voltage
Shopping Malls, 3 Star Hotels, Office Buildings



Medium Voltage (Peak/Off-Peak)
Mega Shopping Malls, 4-5 Star Hotels, Hospitals, Airports, Ports



FY2007 FY2008 FY2009 FY2010 FY2011 FY2012

KEY TAKEAWAYS

2 Strong Government Support - Fuel Cost Sharing Mechanism

Additional fuel costs (alternative fuel: distillate and oil) incurred resulting from gas shortages will be <u>equally borne</u> by three parties; Tenaga, Petronas and Government

Received:

Jan'10 – Oct'11

RM2.023bn

2/3 fuel compensation received & recognised in 2QFY12

Additional Fuel Costs Incurred:

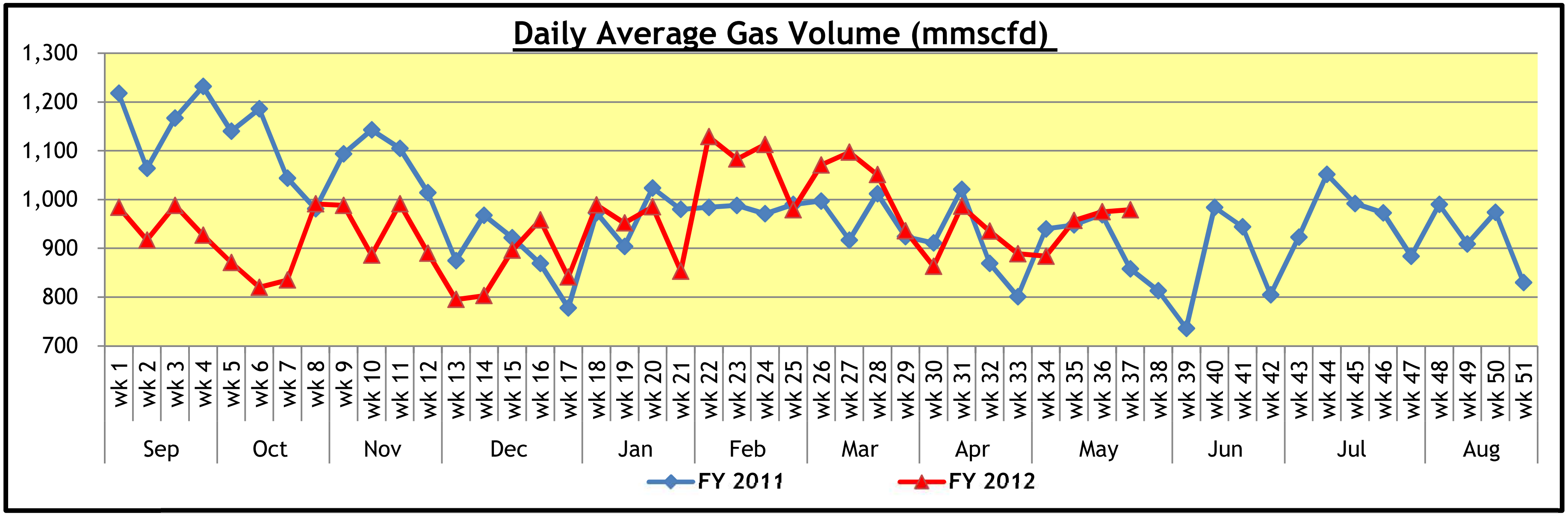
Nov'11 – Feb'12

RM0.465bn

Current Status: Audit verification – hope to receive payment by end of June'12

KEY TAKEAWAYS

3 Improving Gas Volume and Better Outlook for Gas Supply by Sept'12 when LNG Terminal is Commissioned



Construction of the plant in Sungai Udang port in Melaka by consortium of Muhibbah and Perunding Ranhill Worley has commenced in April 2011

KEY TAKEAWAYS

4 Base Tariff Revision in June 2011 has Cushioned the Impact of Rising Generation Costs

"Base case tariff review set relief for Tenaga and came sooner-than-expected"
Analysts' Report published in June 2011

<u>Average 2.0% increase</u> in base tariff was granted to partly recover for the increase of electricity cost of supply since June 2006.

KEY TAKEAWAYS

5 Tenaga's Credit Ratings Reaffirmed

MARC

Malaysian Rating Corporation Berhad

"AAA" **"AAA_{ID}"**

Stable Outlook

Credit Analysis Report, April 2012

MOODY'S

"Baa1"

Stable Outlook

Special Comment, February 2012

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THANK YOU

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