INVEST MALAYSIA 2013
“ASEAN’S MULTINATIONAL MARKETPLACE”
Shangri-La Hotel, Kuala Lumpur (13-14th June 2013)

Prepared by:
Investor Relations & Management Reporting Department

tenaga_ird@tnb.com.my
GROUP FINANCE DIVISION
AGENDA

1. Introduction to Tenaga
2. Introduction to MESI
3. Business Strategy & Direction
4. Tariff
5. Dividend Policy
6. Outlook - Key Takeaways
1 INTRODUCTION TO TENAGA

YOU SEE

KEEPING THE LIGHTS ON
INTRODUCTION TO TENAGA

Three Major Utilities in Malaysia

- Tenaga Nasional Bhd (TNB), 21,749MW*
- Peninsular Malaysia
- Sarawak
- Sabah
- Electricity
  - Tenaga Nasional Bhd (TNB) (A 83% TNB Subsidiary)
  - Sarawak Electricity Board (SEB)

* Includes IPPs

**Installed Capacity vs Generation mix**

<table>
<thead>
<tr>
<th></th>
<th>FY’09</th>
<th>FY’10</th>
<th>FY’11</th>
<th>FY’12</th>
<th>1HFY’13</th>
</tr>
</thead>
<tbody>
<tr>
<td>TNB -Peninsula</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installed Capacity (MW)</td>
<td>11,530</td>
<td>11,530</td>
<td>11,530</td>
<td>11,462</td>
<td>11,462</td>
</tr>
<tr>
<td>Total units sold (Gwh)</td>
<td>87,780</td>
<td>95,197</td>
<td>97,888</td>
<td>102,132</td>
<td>52,129</td>
</tr>
<tr>
<td>Total customers (million)</td>
<td>7.59</td>
<td>7.87</td>
<td>8.11</td>
<td>8.36</td>
<td>8.47</td>
</tr>
<tr>
<td>Total employees</td>
<td>29,149</td>
<td>30,535</td>
<td>31,935</td>
<td>33,568</td>
<td>34,353</td>
</tr>
<tr>
<td>Total assets (RM billion)</td>
<td>71.4</td>
<td>75.9</td>
<td>79.1</td>
<td>88.5</td>
<td>88.3</td>
</tr>
</tbody>
</table>
INTRODUCTION TO TENAGA
Vertically Integrated Utility

Generation: 52.7%
Transmission: 100%
Distribution: 100%

Core Business - Peninsula

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

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

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

Najib dismisses talk of TNB split-up

Source: The Sun; 7th March 2013
INTRODUCTION TO TENAGA

No of Customer vs Sales Value vs Unit Sales

Average Tariff by Sector

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

*FY’13 - 1HFY13
INTRODUCTION TO TENAGA
Industry Regulatory Framework

PRIME MINISTER/CABINET
- Empowered by Electricity Supply Act 1990

MINISTRY of ENERGY, GREEN TECHNOLOGY AND WATER (KeTTHA)
- Regulatory body

ENERGY COMMISSION (Regulator)
- Promote competition
- Protect interests of consumers
- Issue licenses
- Tariff regulation

Tenaga Nasional Berhad

MyPOWER Corporation

SEDA Malaysia

ECONOMIC PLANNING UNIT (EPU)
- Develops and complements Privatisation Policy
- Evaluates and selects IPPs
- Recommends ESI policies

Policy Maker

Shareholders

Market Cap (6th) RM27.4bn ($8.9bn)

Holds ‘Golden’ Share

Ministry of Finance/Khazanah Nasional Berhad
- 33.78%

Other Govt. Agencies & Corporations
- 42.22%

Public
- 6.66%

Foreign
- 17.34%

IPPs

Consumers

* Shareholding figures as at Feb ‘13
INTRODUCTION TO MALAYSIAN ELECTRICITY SUPPLY INDUSTRY (MESI)
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

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

A. Governance
1. Agency Roles
2. Ring-fencing

B. Market Structure
3. Competitive Bidding
4. PPA Renegotiation

C. Fuel Supply and Security
5. Fuel Supply and Security

D. Tariff
6. Value Chain Tariff
7. End User Tariff
8. Stabilization Fund
9. Accounts Unbundling

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

*Source: MyPower
INTRODUCTION TO MESI
Transformation Plan : Timeline

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

- 2010
  - Competitive Bidding
  - Account Unbundling
  - Technical & Financial Benchmarking
  - Fuel Supply Security
  - Generation Development Plan
  - Tariff Analysis
  - Transparency in dispatching

- 2011
  - Development of Regulation Enhancement Plan
  - Industry Award Program
  - Energy Database
  - Performance Regulation
  - Activity-based licensing (G,T,D,Retail)
  - Fuel Pricing
  - Implementation of new ACP mechanism

- 2012
  - Effective service standard & regulatory monitoring
  - Issuance of RIGs
  - Ring-fenced functions of GSO & SB
  - Commence outsourcing of selected activities
  - Operationalisation of a more managed market
  - Implementation of new safety regime
  - Collaborative framework with other parties in regulatory activities

- 2013
  - Open access of gas network
  - Implementation of IBR (Gas)

- 2014
  - Implementation of competitive bidding & expansion plan by SB

- 2015
  - Development of industry codes of Practice & Guidelines
  - Enforcement of Grid & Distribution Codes
  - Issuance of RIGs
  - Ring-fenced functions of GSO & SB
  - Commence outsourcing of selected activities
  - Operationalisation of a more managed market
  - Implementation of new safety regime
  - Collaborative framework with other parties in regulatory activities

- 2016 - 2020
  - Enactment of Competition Regulations
  - Establishment of Electricity market Authority
  - Formulation of market rules
  - Operationalisation of liberalised market

*Source: EC
INTRODUCTION TO Mesi
Energy Pricing - Competitive Bidding

**TRACK 1**

**1071 MW CCGT PRAI**

<table>
<thead>
<tr>
<th>COD</th>
<th>January 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVELISED TARIFF</td>
<td>34.7 sen/kWh</td>
</tr>
</tbody>
</table>
| STATUS            | TNB has signed agreements for:  
|                   | 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  
|                   | Notice to Proceed (NTP) issued on 2 May 2013 |

**ON-GOING**

**TRACK 3A**

**1000 MW COAL-FIRED**

<table>
<thead>
<tr>
<th>COD</th>
<th>October 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLOSING RFP</td>
<td>28 May 2013</td>
</tr>
</tbody>
</table>
| Status | 2 shortlisted:  
| i. TNB and Marubeni Corporation (Site: Manjung, Perak)  
| ii. 1MDB and Mitsui & Co Ltd (Site: Jimah, Negeri Sembilan) |

**TRACK 3B**

**2 X 1000 MW COAL-FIRED**

<table>
<thead>
<tr>
<th>COD</th>
<th>October 2018 &amp; April 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLOSING RFP</td>
<td>30 September 2013</td>
</tr>
</tbody>
</table>
| Status | 5 shortlisted:  
| 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 Ranhill Power (Site: Tg Tohor, Johor) |
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

- **Availability**: resources and infrastructure
- **Accessibility**: barriers and constraints (fuel and supplier diversity)
- **Affordability**: cost to users, and risk to the economy (reliance)
- **Acceptability**: environmental, social objectives

*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

3 broad efficiency categories offered by IBR:

1. **Operational Efficiencies**
   - Rewarded for seeking efficiencies in operational and capital expenditure

2. **Financial Efficiencies**
   - Rewarded for maintaining an efficient capital structure

3. **Performance Efficiencies**
   - Rewarded for delivering improvements in network performance
INTRODUCTION TO MESI
Energy Efficiency & Governance - Incentive Based Regulation (IBR)

IBR Implementation Timeline by EC

2012
Feb
EC issued final RIGs to Tenaga

Nov
Tenaga submitted full Tenaga IBR Proposal to EC

2013
Aug
Government Approval

Sept
Interim Period (FY2014)

2014
Aug
First Regulatory Period (3-year period from FY2015 to FY2017)

2015
Aug

2016
Aug

2017
Aug

1. EC to assess Tenaga’s proposal

Dec 2012 to April 2013
May to July 2013
2. Stakeholder Consultations and Process for Government’s approval

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

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

*Source: EC
BUSINESS STRATEGY & DIRECTION

YOU SEE

KEEPING THE LIGHTS ON
THE PLAN LAYs DOWN THE PATH TOWARDS REALISING OUR VISION OF GLOBAL LEADERSHIP
It builds upon the progress of T7

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

Leverage on Tenaga’s capabilities (in Middle East and North Africa “MENA” area) in pursuing International Business (O&M), Project Management in generation Business

Utilise existing related services (consultation & training) and manufacturing products as stepping stone for future business in new frontier countries

MTM supply of transformers to Saudi Arabia

REMACO O&M for Shuaiba North Co-Gen (USD320m) 780MW Power; 204,000 m³/day water

IWPP: Shuaibah (USD2.7bn) 900MW Power 880,000 m³/day water 150,000 m³/day water

TNEC JV with Abu Dhabi Al Samah for District Cooling

TNEC JV Al Reef District Cooling, UAE 8,000 RT

TNEC JV BMC District Cooling, UAE 30,000 RT

IPP: Liberty Power Ltd (USD272m) 235MW

REMACO O&M services for Hydro Plant in Pakistan

REMACO O&M services for Liberty Power Ltd

REMACO O&M services for Sibolga Plant, Sumatra

REMACO O&M services – HUBCO (Narowal)

TSG supply of switchgears to Pakistan

MTM supply of transformers to Brunei

REMACO O&M Services for Amurang Plant, Sulawesi

Development of the Sumatera – Peninsular Malaysia HVDC Interconnection, Coal-fired power plant & coal mine mouth projects

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
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 : 2\textsuperscript{nd} Phase TNB 20-Year Strategic Plan**

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

### Financial Indicators

<table>
<thead>
<tr>
<th>INITIATIVES</th>
<th>1\textsuperscript{ST} PHASE</th>
<th>2\textsuperscript{ND} PHASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Assets (ROA) (%)</td>
<td>6.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>&lt; 60.0</td>
<td>32.7</td>
</tr>
<tr>
<td>Company CPU (sen/kwh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from Non-Regulated Business (RM bn)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Technical Indicators

<table>
<thead>
<tr>
<th>INITIATIVES</th>
<th>1\textsuperscript{ST} PHASE</th>
<th>2\textsuperscript{ND} PHASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unplanned Outage Rate (UOR)(%)</td>
<td>No target</td>
<td>7.1</td>
</tr>
<tr>
<td>T &amp; D Losses (%)</td>
<td>No target</td>
<td>9.0</td>
</tr>
<tr>
<td>Transmission System Minutes (mins)</td>
<td>9.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Distribution SAIDI (mins)</td>
<td>&lt; 100.0</td>
<td>78.9</td>
</tr>
</tbody>
</table>

**Note:**
- Not track as TNB Headline KPI
- Most Targets that were Set in 2005 were Met Ahead of Target Date
TARIFF
History: Timeline

May 1997
Tariff review submitted - Government deferred decision

Dec 2000
Interim tariff increase 1.8sen/kWh

Dec 2004
Another submission to the Government

June 2006
Government approved 12% tariff increase. No FCPT.

July 2008
Tariff review submitted

Mar 2009
Government increased gas price to RM13.70/mmbtu. In line with Government effort to gradually remove subsidies Tariff increased by 7.12% (inclusive of base increase).

Apr 2009
Tariff from Dec’11. FCPT introduced.

June 2011
Tariff reduced by 3.7%

March 2009 | June 2011
--- | ---
(3.7%) | 7.1%

<table>
<thead>
<tr>
<th>SECTOR TARIFF (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
</tr>
<tr>
<td>Average reduction of 2.7% (-2.6 to -2.7%)</td>
</tr>
<tr>
<td>Average increase of 8.3% (6.2 to 8.3%)</td>
</tr>
<tr>
<td>Average increase of 10%</td>
</tr>
</tbody>
</table>

No tariff increase for 75% of the household consumers in 2011

No FCPT.
## TARIFF
### Electricity Tariff Review

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

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

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![Graph showing the change in gas price and average tariff over time](chart.png)

- **June 2006**: Gas RM6.40 per mmBTU, 12% Quantum, 12% (Inc. fuel)
- **July 2008**: Gas RM14.31 per mmBTU, 24%
- **March 2009**: Gas RM10.70 per mmBTU
- **July 2009**: Gas RM10.70 per mmBTU
- **June 2011**: Gas RM13.70 per mmBTU, 5.1%, 2%

Govt. decided not to review gas price for the power sector.
TARIFF
Benchmarking: Comparison with Regional Countries

**DOMESTIC**

- Indonesia: 21.83 sen/kWh
- TNB (Mar 09): 27.39 sen/kWh
- TNB (New): 28.63 sen/kWh
- Thailand: 32.58 sen/kWh
- Singapore: 57.50 sen/kWh
- Philippines: 65.60 sen/kWh

**COMMERCIAL**

- Indonesia: 31.24 sen/kWh
- TNB (Mar 09): 37.85 sen/kWh
- TNB (New): 41.01 sen/kWh
- Thailand: 41.88 sen/kWh
- Singapore: 52.62 sen/kWh
- Philippines: 57.93 sen/kWh

**INDUSTRIAL**

- Indonesia: 23.57 sen/kWh
- TNB (Mar 09): 28.56 sen/kWh
- TNB (New): 30.94 sen/kWh
- Thailand: 31.08 sen/kWh
- Philippines: 31.44 sen/kWh
- Singapore: 49.75 sen/kWh

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 USD7 billion 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
5 DIVIDEND

YOU SEE

KEEPING THE LIGHTS ON
Tenaga is committed to pay out dividend based on its Dividend Policy whereby:

Dividend is paid out based on **40% to 60%** of its Company’s annual free cash flow; Cash flow from Operations less Normalized Capex and Interest Servicing

The Board of Directors has approved a Single-Tier Interim dividend of 10.0 sen per ordinary share representing 53% of the Company’s Free Cashflow.
OUTLOOK - KEY TAKEAWAYS

YOU SEE

KEEPING THE LIGHTS ON
OUTLOOK - KEY TAKEAWAYS
Outlook FY2013 - Demand

Group’s Performance for the FY Ending 31st August 2013 is Expected to Remain Challenging

1. DEMAND
Remains steady with the implementation of ETP

“Malaysia Central Bank has pegged 2013 GDP growth to rest within 5% - 6%, and expects domestic demand to remain robust amid continued challenges in the external environment” - The Edge, 16th May 2013

2. GAS VOLUME
Expected to improve with commencement of RGT in Malacca.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gas Volume (mmmscfd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4QFY12</td>
<td>1,015</td>
</tr>
<tr>
<td>1QFY13</td>
<td>1,043</td>
</tr>
<tr>
<td>2QFY13</td>
<td>1,105</td>
</tr>
</tbody>
</table>

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

Average coal price for FY2013 is forecasted at below USD100/mt.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Coal Price (CIF) (USD/MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY07</td>
<td>45.3</td>
</tr>
<tr>
<td>FY08</td>
<td>76.4</td>
</tr>
<tr>
<td>FY09</td>
<td>90.2</td>
</tr>
<tr>
<td>FY10</td>
<td>88.2</td>
</tr>
<tr>
<td>FY11</td>
<td>106.9</td>
</tr>
<tr>
<td>FY12</td>
<td>103.6</td>
</tr>
<tr>
<td>1HFY13</td>
<td>84.6</td>
</tr>
</tbody>
</table>
RESULTS HIGHLIGHTS

Results Snapshots

3-Month Ended 28th February 2013 (2nd Quarter FY2013)

- Net Profit of RM1.27 billion (1QFY2013: RM1.42 billion).
- 2.1% increase in Operating Expenses.
- Average Coal Price of USD84.7/mt (1QFY2013: USD84.4/mt).
- EBITDA margin at 27.1% (1QFY2013: 31.0%).
- Strengthening of RM against Yen by 9.1%.

6-Month Ended 28th February 2013 (First Half FY2013)

- Net Profit of RM2.69 billion (1HFY2012: RM2.68 billion).
- 3.8% increase in Group Revenue against 5.4% decrease in Operating Expenses.
- Average Coal Price of USD84.6/mt (1HFY2012: USD109.3/mt).
- 4.6% unit electricity demand growth in Peninsular Malaysia.
- EBITDA margin at 29.1% (1HFY2012: 32.8%).
- Strengthening of RM against Yen by 15.8%.
### RESULTS HIGHLIGHTS

**Adjusted Net Profit (Restated Fuel Cost Compensation)**

#### 28.7% Improvement in Adjusted Net Profit Before Forex Translation
Mainly Attributed to Electricity Demand Growth and Lower Coal Price

<table>
<thead>
<tr>
<th><strong>RM mn</strong></th>
<th>1HFY’12 (Restated)</th>
<th>1HFY’13</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit Attributable to the Owners of the Company</td>
<td>2,677.1</td>
<td>2,687.6</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Adjustments</strong> *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Cost Compensation Recognised in Other Income</td>
<td>(2,023.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Year Fuel Cost Compensation</td>
<td>702.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>330.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Net Profit</td>
<td>1,686.7</td>
<td>2,687.6</td>
<td>59.3%</td>
</tr>
<tr>
<td>Forex Translation Gain</td>
<td>209.3</td>
<td>786.0</td>
<td>&gt;100%</td>
</tr>
<tr>
<td><strong>Adjusted Net Profit Before Forex Translation Gain</strong></td>
<td>1,477.4</td>
<td>1,901.6</td>
<td>28.7%</td>
</tr>
</tbody>
</table>

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

**Includes Fuel Cost Compensation of RM580.7mn

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- 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.
- The Fuel Cost Sharing Mechanism will continue until the Regasification Terminal in Melaka is in operation, projected by middle 2013.
RESULTS HIGHLIGHTS

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

Improved EBITDA Margin Resulted from Lower Generation Costs &
Steady Demand Growth from Commercial Sector

<table>
<thead>
<tr>
<th></th>
<th>1HFY2012 (Restated)</th>
<th>1HFY2013</th>
<th>1QFY2013</th>
<th>2QFY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Units Sold (Gwh)</td>
<td>49,923.5</td>
<td>52,129.1</td>
<td>26,070.4</td>
<td>26,058.7</td>
</tr>
<tr>
<td>Revenue</td>
<td>17,322.6</td>
<td>17,981.0</td>
<td>9,130.8</td>
<td>8,850.2</td>
</tr>
<tr>
<td>Operating Expenses (before depreciation)</td>
<td>13,185.7</td>
<td>12,957.1</td>
<td>6,394.5</td>
<td>6,562.6</td>
</tr>
<tr>
<td>Operating Income</td>
<td>227.3</td>
<td>201.0</td>
<td>92.9</td>
<td>108.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4,364.2</td>
<td>5,224.9</td>
<td>2,829.2</td>
<td>2,395.7</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>25.2%</td>
<td>29.1%</td>
<td>31.0%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>2,063.8</td>
<td>2,135.1</td>
<td>1,071.4</td>
<td>1,063.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>2,300.4</td>
<td>3,089.8</td>
<td>1,757.8</td>
<td>1,332.0</td>
</tr>
<tr>
<td>EBIT Margin (%)</td>
<td>13.3%</td>
<td>17.2%</td>
<td>19.3%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>434.3</td>
<td>436.9</td>
<td>229.6</td>
<td>207.3</td>
</tr>
<tr>
<td>Profit Before Tax &amp; Forex Translation</td>
<td>1,954.5</td>
<td>2,821.6</td>
<td>1,605.2</td>
<td>1,216.4</td>
</tr>
<tr>
<td>Net Profit Before Forex Translation</td>
<td>1,477.4</td>
<td>1,901.6</td>
<td>1,018.1</td>
<td>883.5</td>
</tr>
<tr>
<td>Translation Gain</td>
<td>209.3</td>
<td>786.0</td>
<td>397.4</td>
<td>388.6</td>
</tr>
<tr>
<td>Net Profit Attributable to Equity Holders</td>
<td>1,686.7</td>
<td>2,687.6</td>
<td>1,415.5</td>
<td>1,272.1</td>
</tr>
<tr>
<td>Non-controlling Interest</td>
<td>(10.1)</td>
<td>(10.7)</td>
<td>(0.1)</td>
<td>(10.6)</td>
</tr>
</tbody>
</table>

COAL PRICE & CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>1HFY'12</th>
<th>1HFY'13</th>
<th>Var (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Coal Price Consumed (USD/MT)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOB</td>
<td>99.6</td>
<td>74.9</td>
<td>-24.8%</td>
</tr>
<tr>
<td>Freight</td>
<td>9.2</td>
<td>9.1</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Others</td>
<td>0.5</td>
<td>0.6</td>
<td>20.0%</td>
</tr>
<tr>
<td>CIF</td>
<td>109.3</td>
<td>84.6</td>
<td>-22.6%</td>
</tr>
<tr>
<td>Average Coal Price Consumed (RM/MT) (CIF)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>339.6</td>
<td>259.8</td>
<td>-23.5%</td>
</tr>
<tr>
<td>Coal Consumption (mn MT)</td>
<td>10.0</td>
<td>10.3</td>
<td>3.0%</td>
</tr>
</tbody>
</table>
RESULTS HIGHLIGHTS
System Weekly Peak Demand (Peninsula) for FY2009/10 to FY2013/14

Weekly Peak Demand & Trough (MW)

Weekly Peak Demand & Trough (MW) - Week Ending 09/06/2013

2010 Peak Demand: 15,072 MW
2011 Peak Demand: 15,476 MW
2012 Peak Demand: 15,826 MW
2013 Peak Demand: 16,562 MW
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YOU SEE

KEEPING THE LIGHTS ON