

SESSION WITH CEO & CFO OF TENAGA

12th September 2012
Best Western Premier Dua Sentral

TNB'S HANDBOOK

1

INTRODUCTION

2

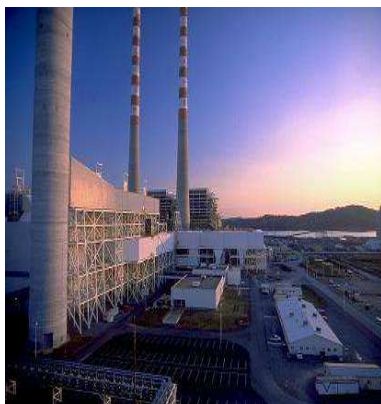
BUSINESS STRATEGY & DIRECTION

INTRODUCTION

Vertically Integrated Utility

Core Business
- Peninsula

52.8%



Generation

100%



Transmission

100%



Distribution

As at May 2012:

Assets	RM 87.2 bn	(USD27.5bn)
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Revenue	RM 26.5 bn	(USD8.3 bn)
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Total Installed Capacity	21,749 MW
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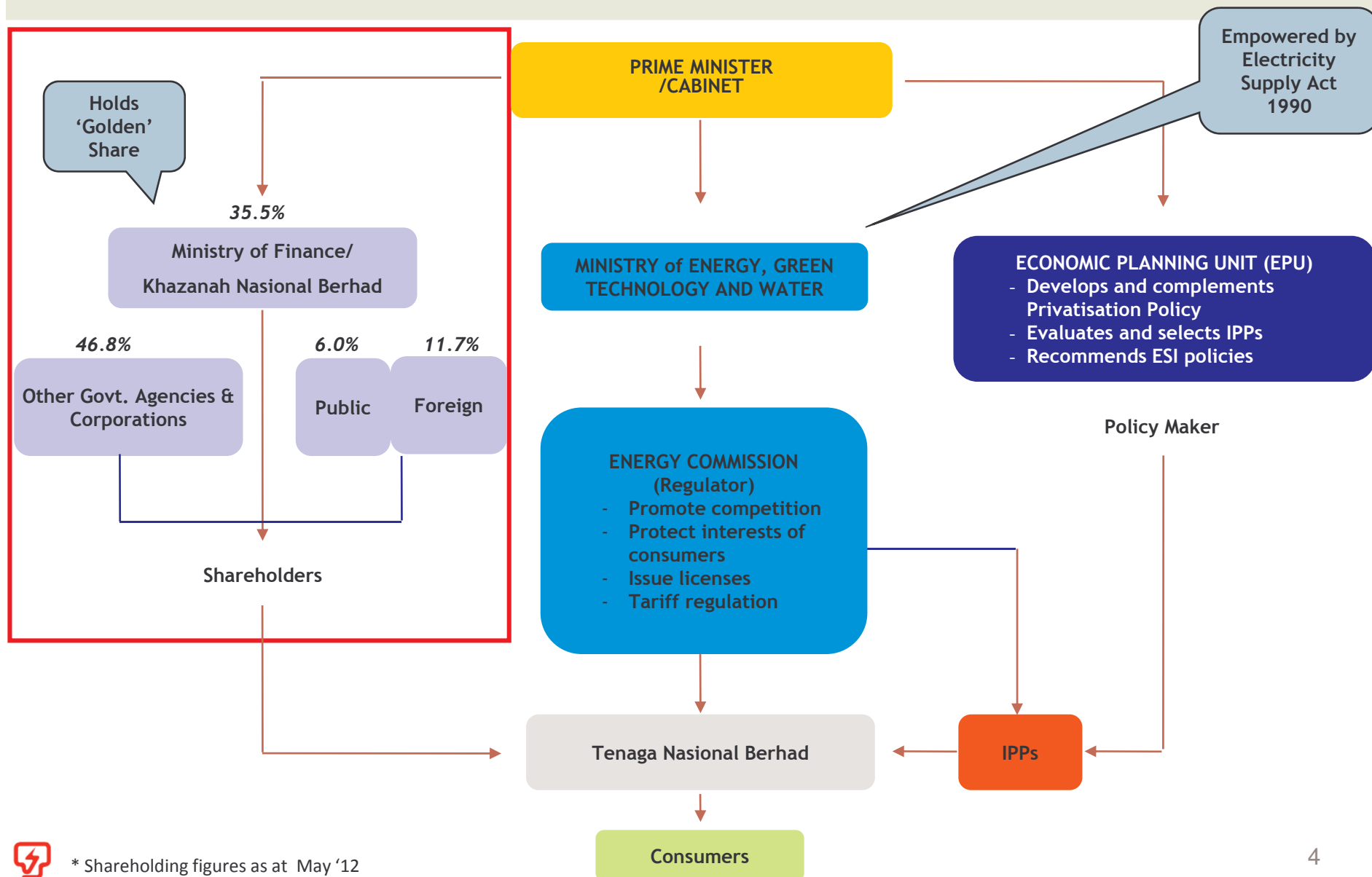
Market Capitalisation (7 th)	RM 36.7 bn	(USD11.6 bn)
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* Exchange rate of USD1 = RM3.175

INTRODUCTION

Industry Regulatory Framework



* Shareholding figures as at May '12

INTRODUCTION

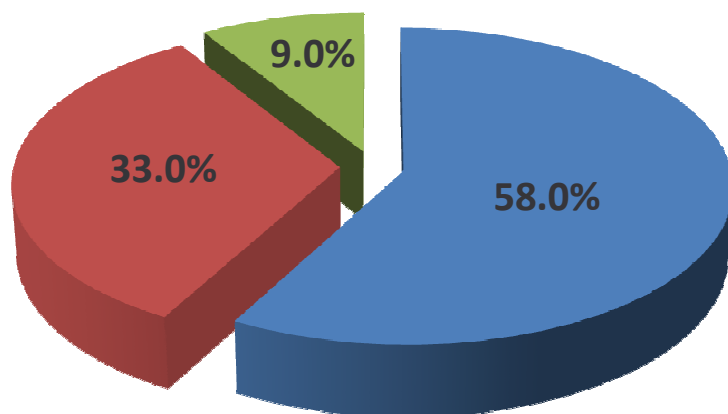
Installed Capacity vs Generation Mix

Total Installed Capacity

Installed Capacity Market Share:

TNB : 52.7%

IPP : 47.3%



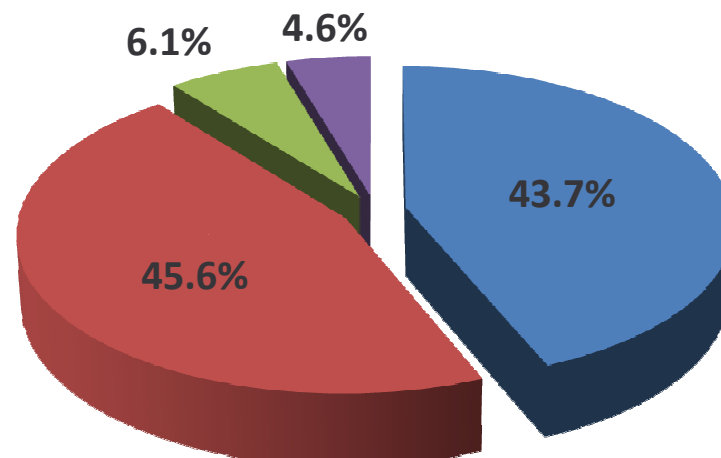
■ Gas ■ Coal ■ Hydro & Others

Generation Mix as at May 2012

Generation Market Share :

TNB : 48.6%

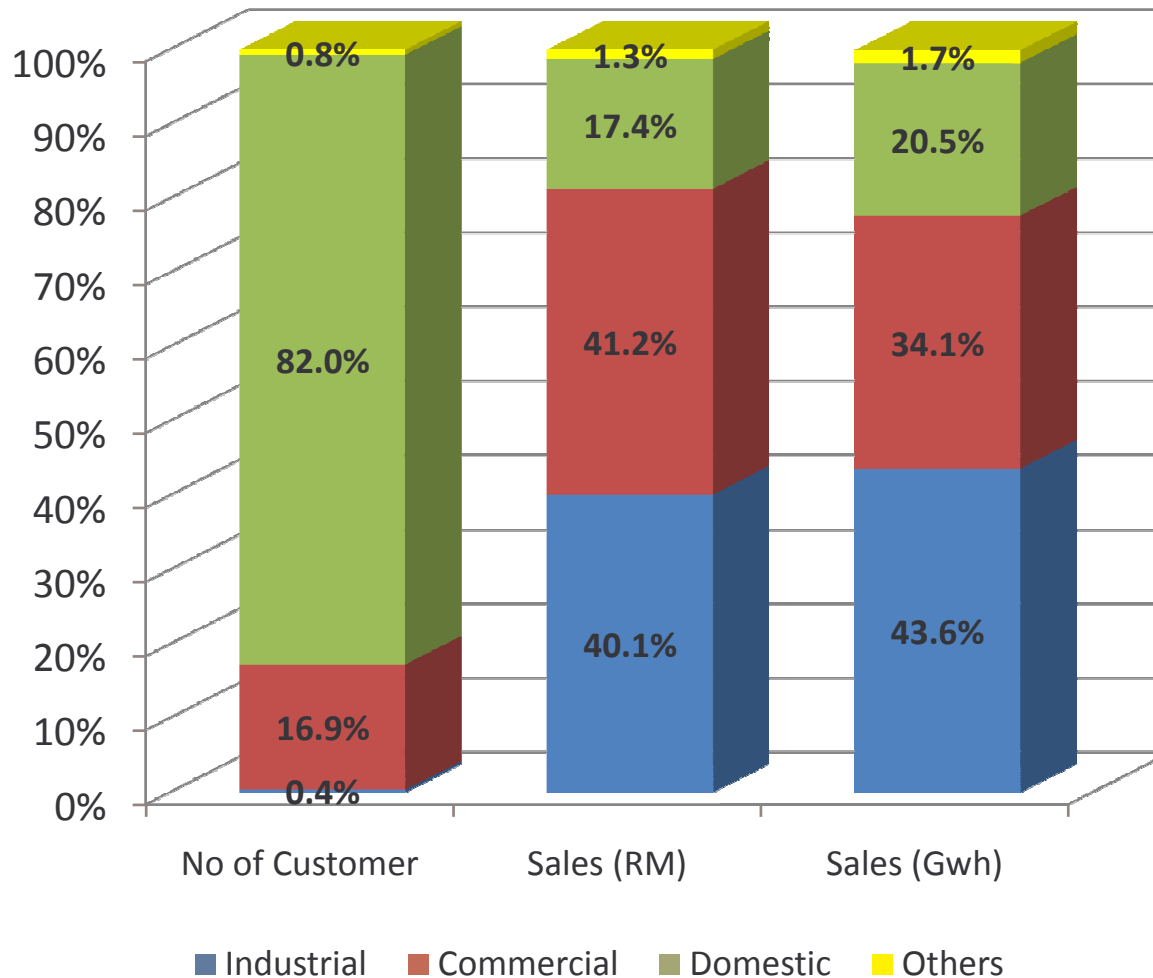
IPP : 51.4%



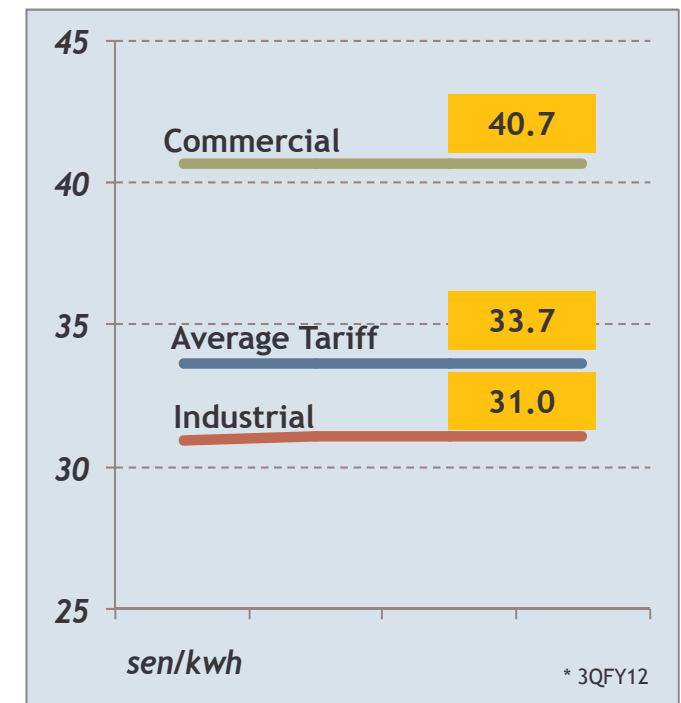
■ Gas ■ Coal ■ Hydro ■ Oil & Distillate

INTRODUCTION

No of Customer vs Sales Value vs Unit Sales



Average Tariff by Sector



1

INTRODUCTION

2

BUSINESS STRATEGY & DIRECTION

BUSINESS STRATEGY & DIRECTION

TNB 20-Year Strategic Plan

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



BUSINESS STRATEGY & DIRECTION

TNB 20-Year Strategic Plan - Achievements During 1st Phase : Service Excellence 10/10

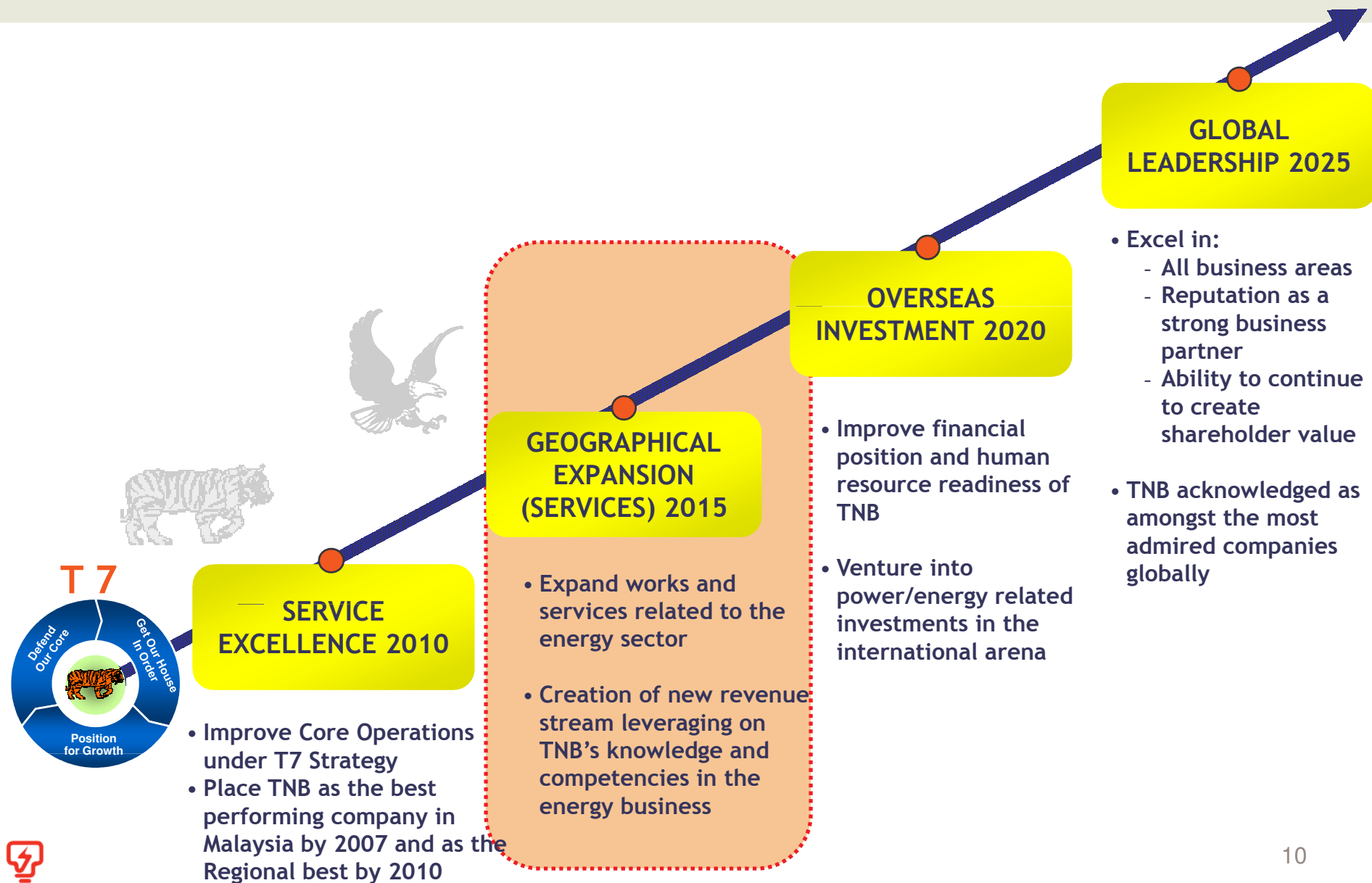
Most Targets that were Set in 2005
were Met Ahead of Target Date

		FY2010 Target Set in 2005	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Actual
Financial Indicators	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%
Technical Indicators	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

BUSINESS STRATEGY & DIRECTION

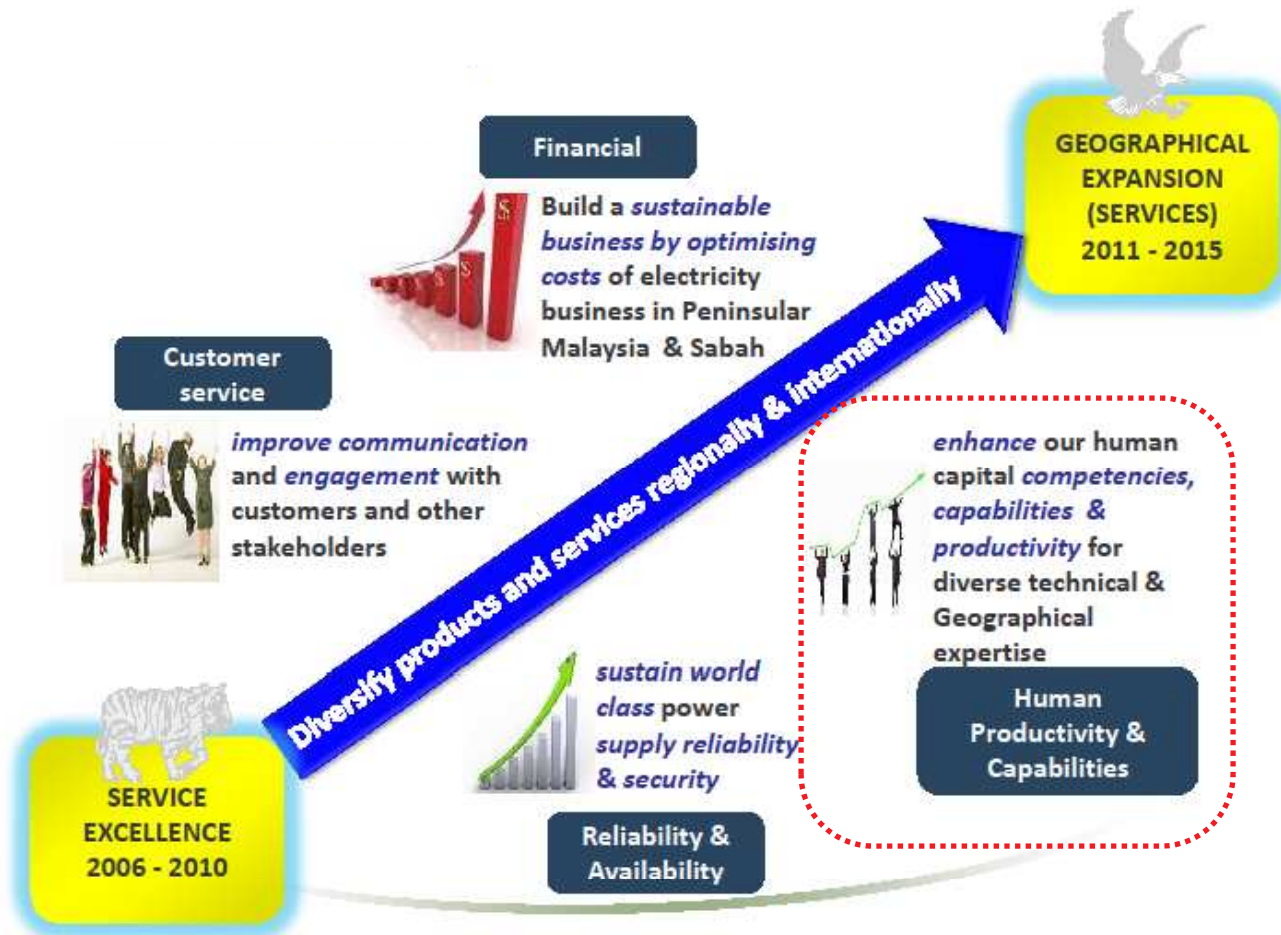
2nd Phase of TNB 20-Year Strategic Plan - Geographical Expansion



BUSINESS STRATEGY & DIRECTION

2nd Phase of TNB 20-Year Strategic Plan - Geographical Expansion

Growth Strategies to move TNB to the Next Level



BUSINESS STRATEGY & DIRECTION

2nd Phase of TNB 20-Year Strategic Plan - GEMILANG 2015

Leveraging on 4 Core Success Thrust



BUSINESS STRATEGY & DIRECTION

TNB 20-Year Strategic Plan

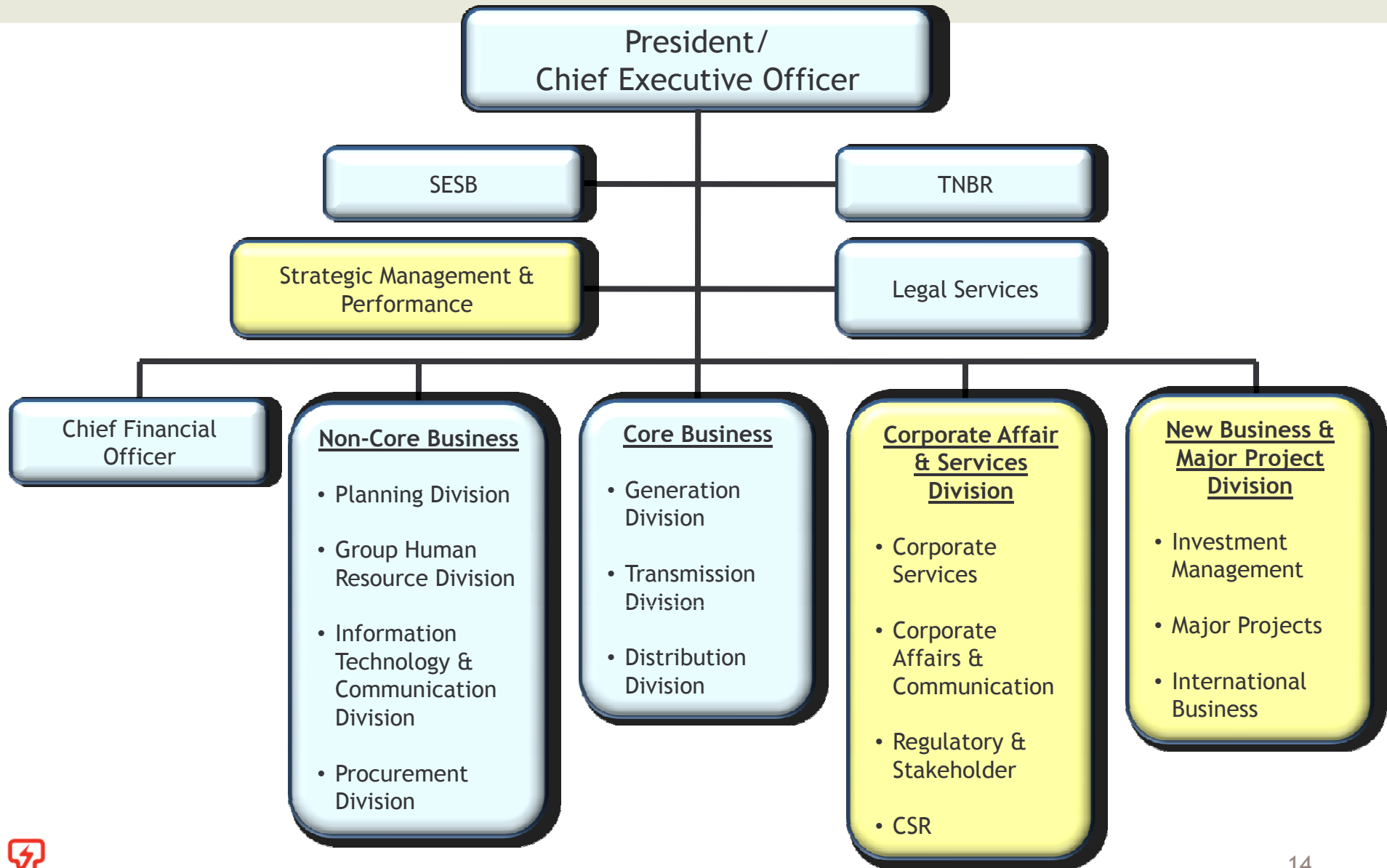
Sustaining Growth by Going International

- Way forward:
 - Leverage on TNB's capabilities (in 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
 - New business area - in Renewable Energy
 - Deploy various avenues for human resource requirement
 - Hire expertise through contract scheme based on business requirement
 - Deploy attractive scheme for TNB experts
 - Alliance with strategic partners (local & international)
 - Establish knowledge management/repository for data and information sharing



BUSINESS STRATEGY & DIRECTION

2nd Phase of TNB 20-Year Strategic Plan - Geographical Expansion



BUSINESS STRATEGY & DIRECTION

2nd Phase of TNB 20-Year Strategic Plan - Geographical Expansion

New Division Focusing on Non-Regulated Businesses

New Business & Major Project Division

Investment Management

1. Market / Industry Scanning
2. Country Intelligence
3. 'Deal Maker'
4. Portfolio Management: Nurture / Grow / Exit
TNB's subsidiaries
Excluding:-
YTN, ILSAS, UNITEN, TNBR

Major Projects

1. Generation project development
2. Bidding for new generation project domestically

International Business

1. New business development
(Power, O&M, Land Bank)
2. Services - O&M
3. Supplies - BuyCo
4. Manufacturing



BUSINESS STRATEGY & DIRECTION

2nd Phase of TNB 20-Year Strategic Plan - Geographical Expansion

New Division Focusing on Improvement in
Communication and Stakeholders Engagement

Corporate Affair & Services Division

Corporate Affairs

1. Strategic communication
2. Corporate communication
3. Media relation
4. CSR

Regulatory & Stakeholder Management

Stakeholder Relationship

1. Identify and manage key stakeholders who have major influence in TNB's business
2. Establish rapport and build excellent relationship with stakeholders
3. Influence stakeholders to accept and endorse TNB's position on strategic matters
4. Utilise various means to further TNB's cause. Eg. NGOs, community leaders, Politicians and media

Corporate Services

1. Security services and intelligence
2. Land wayleave management
3. Property services
4. Logistics services



BUSINESS STRATEGY & DIRECTION

2nd Phase of TNB 20-Year Strategic Plan - Geographical Expansion

New Division Focusing on Performance Management

Chief Strategic Management & Performance

Performance Monitoring

1. Monitoring and reporting KPIs
2. Monitoring breakthrough strategies

Performance Management & Deliverable

1. Organise labs to identify blockers, cut red tape
2. Drive deliverables and high performance
3. Facilitate implementation of decisions made at Labs
4. Scan issues highlighted by public/media/customer/staff
5. Identify new strategies essential for Gemilang 2015
6. Research/Strategy Unit - Economic Analysis



BUSINESS STRATEGY & DIRECTION

Headline Key Performance Indicators: 2nd Phase - GEMILANG 2015 & As At 3QFY12

	INITIATIVES	TARGET FY 2015	ACTUAL FY 2011	TARGET FY 2012	YTD FY 2012		
					1 st Qtr	2 nd Qtr	3 rd Qtr
Financial Indicators	Return on Assets (ROA) (%)	6 - 7	2.1	2.0 - 3.0	2.1	3.2	4.1
	Company CPU (sen/kwh)	< 29.9	32.7	32.7 - 33.7	33.9	32.3	31.1
	Revenue from Non-Regulated Business (RM bn)	5.0	1.8	1.8 - 1.9	0.4	1.0	1.5
Technical Indicators	Unplanned Outage Rate (UOR)(%)	< 4.0	7.1	3.6 - 4.0	6.0	4.4	3.8
	T & D Losses (%)	6 - 7	9.0	8.7 - <9.3	8.5	8.7	8.4
	Transmission System Minutes (mins)	< 1.0	1.0	1.1 - 2.5	0.2	0.2	1.0
	Distribution SAIDI (mins)	< 50.0	78.9	>75.0 - 80.0	14.6	27.5	43.4



BUSINESS STRATEGY & DIRECTION

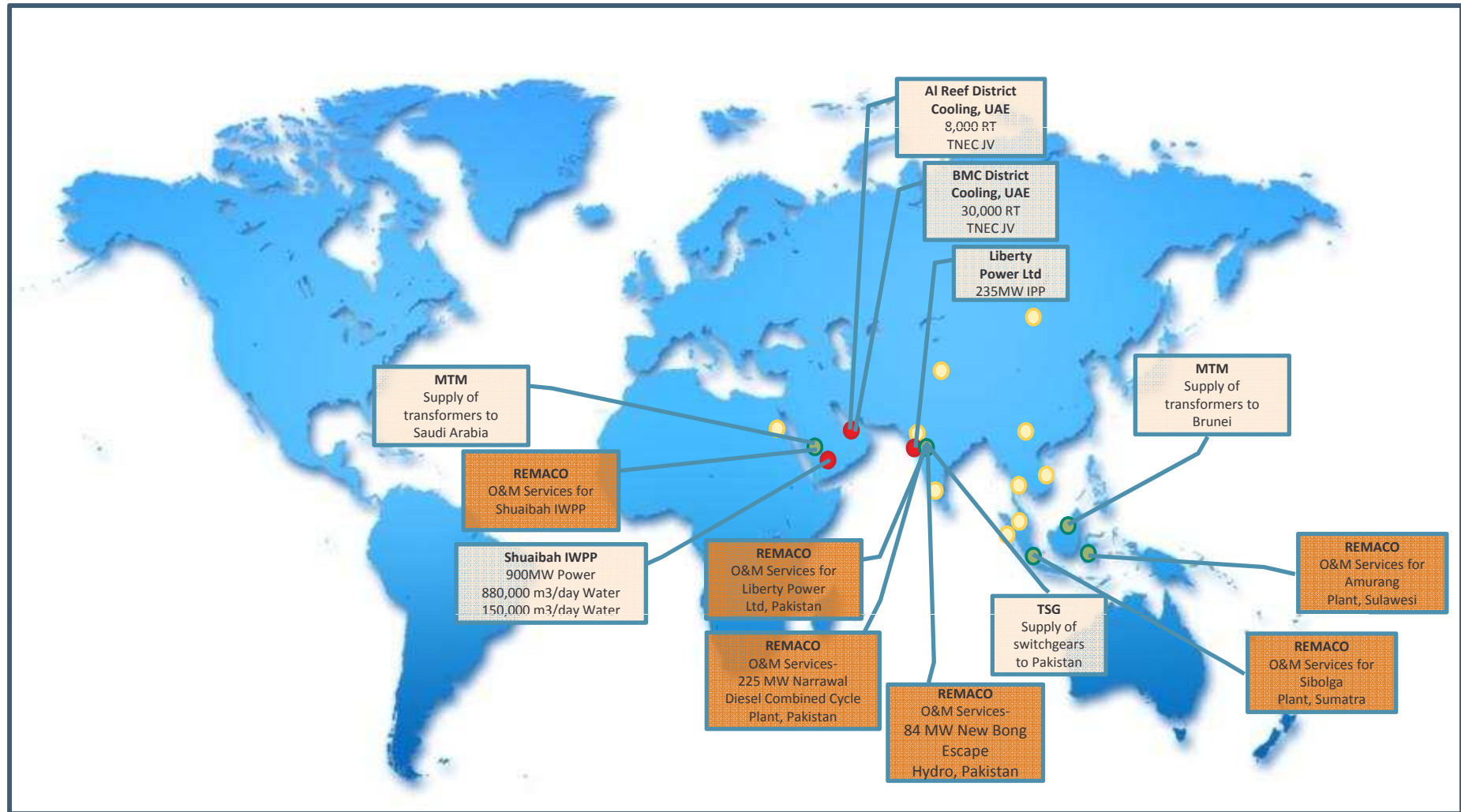
TNB 20-Year Strategic Plan - 2nd Phase - Geographical Expansion (GEMILANG 2015)

- 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
 - Narrawal Diesel Combined Cycle Plant, 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.



2nd PHASE OF 20-YEAR STRATEGIC PLAN

Geographical Expansion : International Experience (Completed/Ongoing Projects)



● 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

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