



24th ANNUAL GENERAL MEETING

18th December 2014



Making our world Better. Brighter.

FINANCIAL HIGHLIGHTS



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Financial Year 2014 vs Financial Year 2013



- Profit After Tax of RM6.4 billion (FY2013: RM5.4 billion).
- Capital Expenditure of RM10.0 billion (FY2013: RM8.5 billion).
- Operating Expenses increased by 13.9% against 15.2% increase in Revenue.
- 2.5% unit electricity demand growth in Peninsular Malaysia (FY2013: 3.8%).
- Average Coal Price of USD75.4/mt (FY2013: USD83.6/mt).

Yearly Analysis

Higher OPEX Mainly due to Higher LNG Consumption & Cost

Table 1:

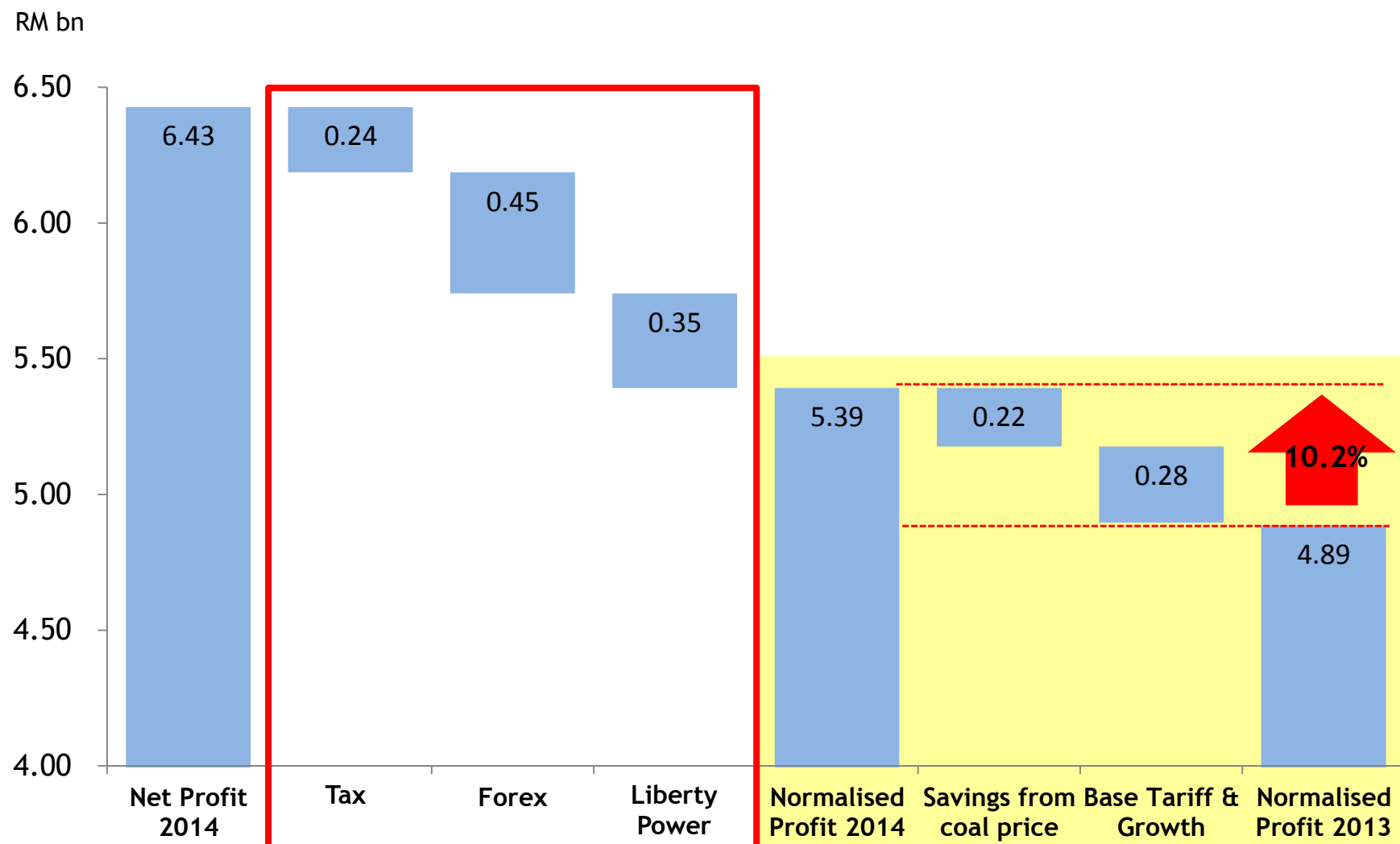
RM mn	FY'14	FY'13 (Restated)
Total Units Sold (GWh)	108,101.7	105,478.9
Revenue	42,792.4	37,130.7
Operating Expenses (before depreciation)	31,392.6	27,307.7
Operating Income	653.7	623.4
EBITDA	12,053.5	10,446.4
EBITDA Margin (%)	28.2%	28.1%
Depreciation and Amortisation	4,872.5	4,539.5
EBIT	7,181.0	5,906.9
EBIT Margin (%)	16.8%	15.9%
Finance Cost	874.6	894.2
Profit Before Tax & Forex Translation	6,669.4	5,431.5
Net Profit Before Forex Translation	6,021.7	4,862.6
Translation Gain/(Loss)	445.3	493.6
Net Profit attributable to : Equity Holders	6,467.0	5,356.2
Non-controlling Interest	(40.2)	26.6

Table 2:

	FY'13	FY'14	Var (%)
Average Coal Price Consumed (USD/MT) (CIF)	83.6	75.4	-9.8%
Average Coal Price Consumed (RM/MT) (CIF)	259.5	244.6	-5.7%
Coal Consumption (mn MT)	20.8	19.3	-7.2%

Group Profit Analysis

Normalised Profit Increased by 10.2% Mainly Contributed to Lower Coal Price, Base Tariff and 2.5% Growth

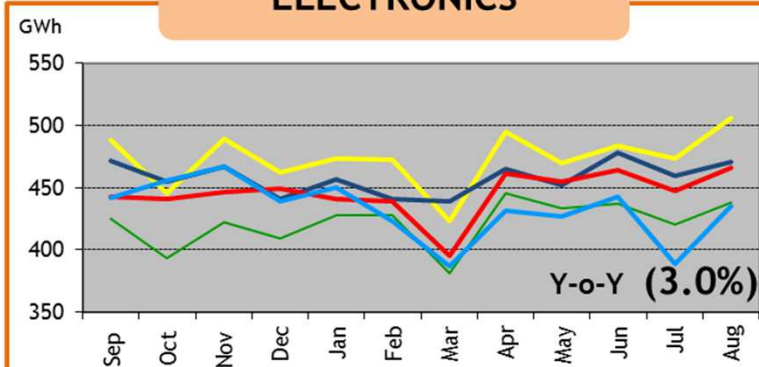


Electricity Growth In Peninsula

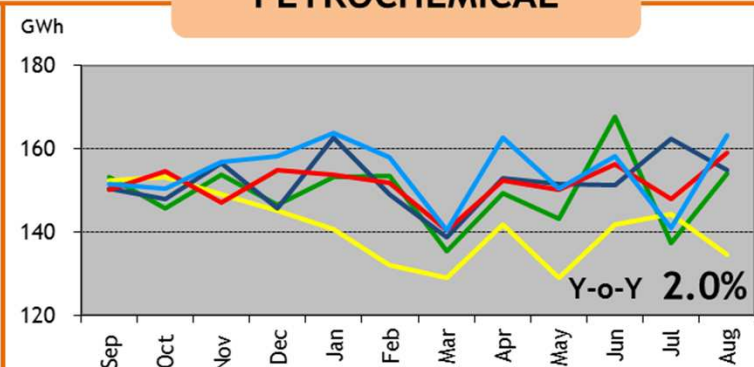
Slower Electricity Growth Mainly due to Lower Consumption by Steel Mills

	FY'13	FY'14
Growth (%)	3.8	2.5

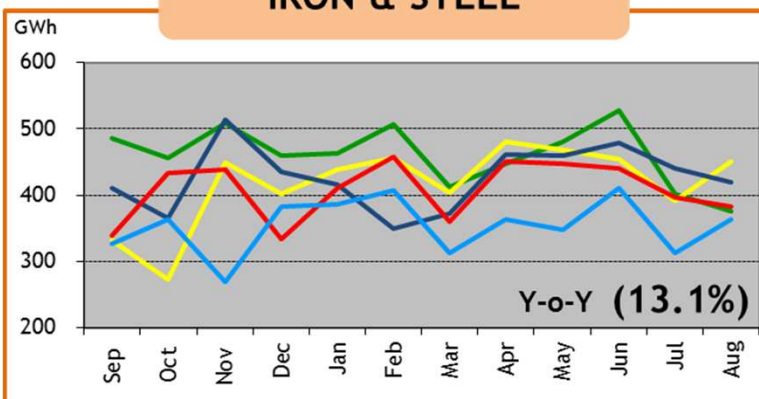
ELECTRONICS



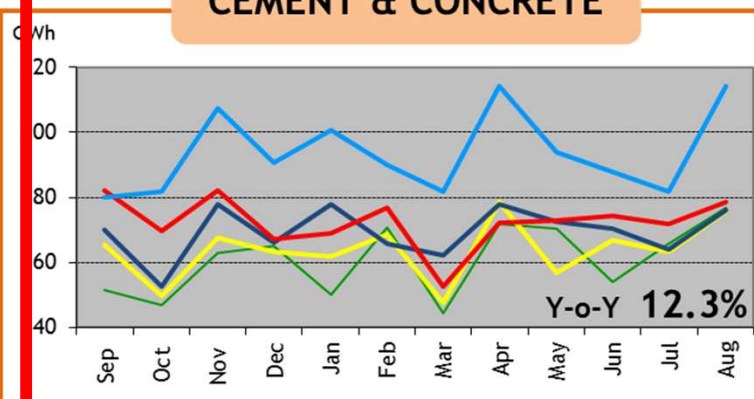
PETROCHEMICAL



IRON & STEEL



CEMENT & CONCRETE

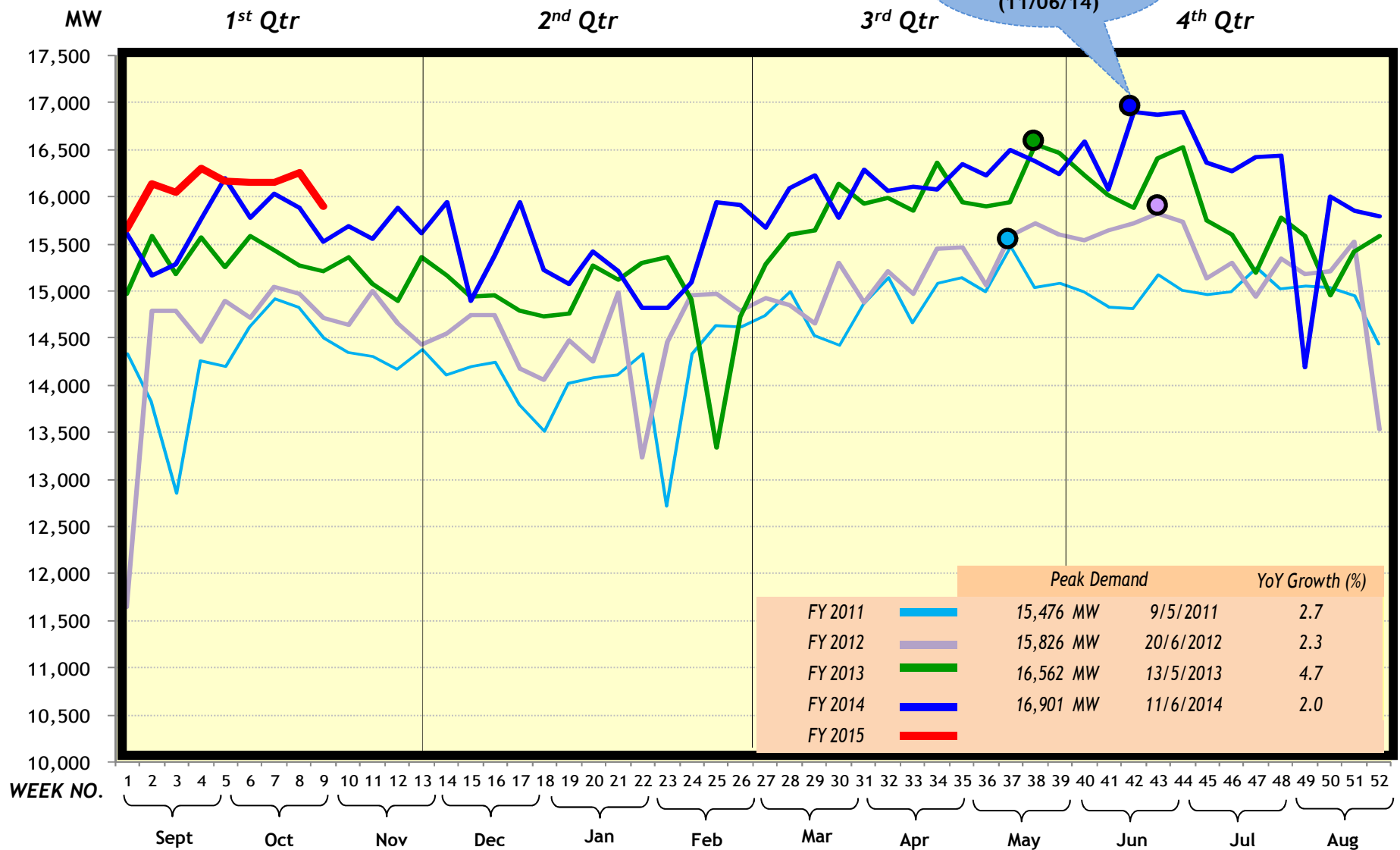


— FY2010 — FY2011 — FY2012 — FY2013 — FY2014

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System Weekly Maximum Demand (Peninsula)

For FY2011 to FY2015



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PERFORMANCE INDICATORS



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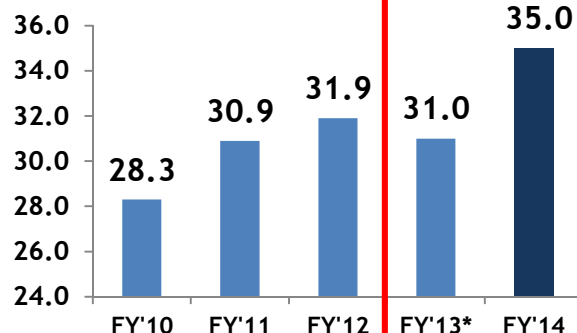
Headline Key Performance Indicators

Financial Indicators

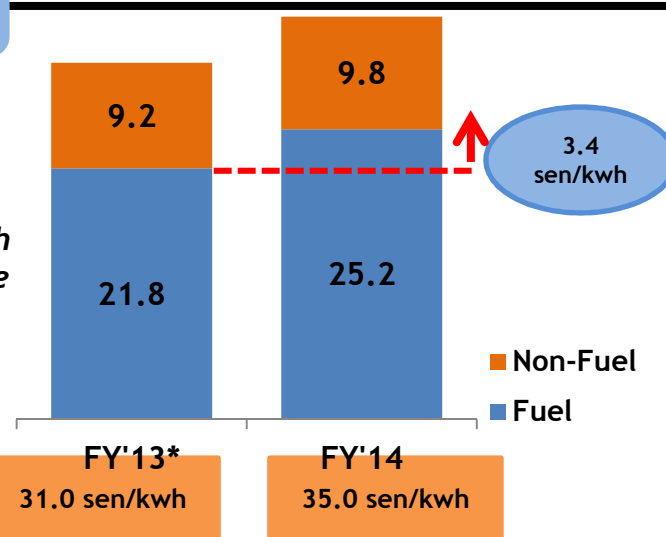
1

Company CPU
(sen/kwh) #

Sen/Kwh



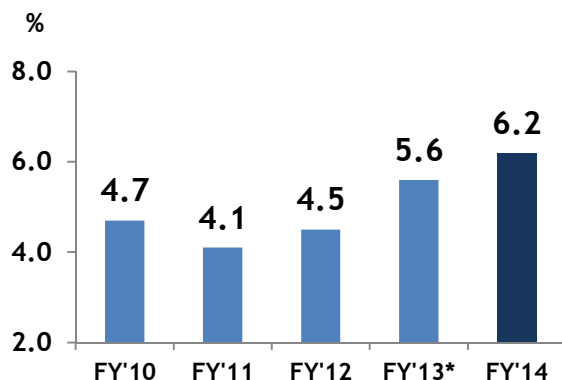
85% (3.4sen/kwh) of CPU increase is attributed to generation costs in line with Jan 2014 fuel costs increase



Exclude Finance Cost

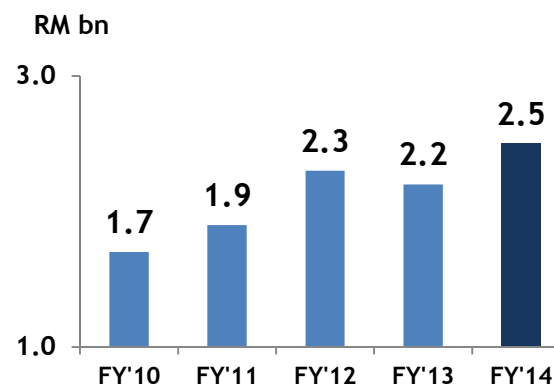
2

Return on Assets
(ROA)(%)



3

Revenue from Non-Regulated
Business (RM bn)



* FY2013 restated

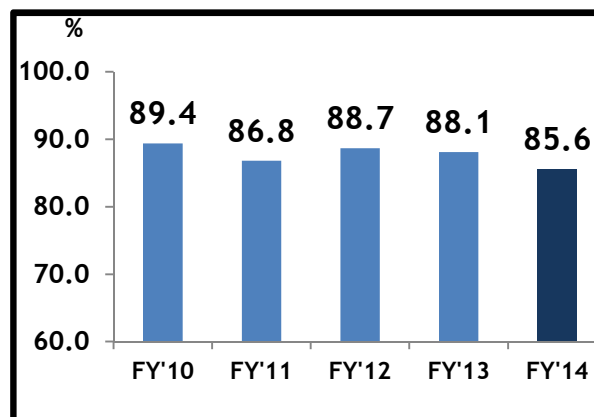
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Headline Key Performance Indicators

Technical Indicators

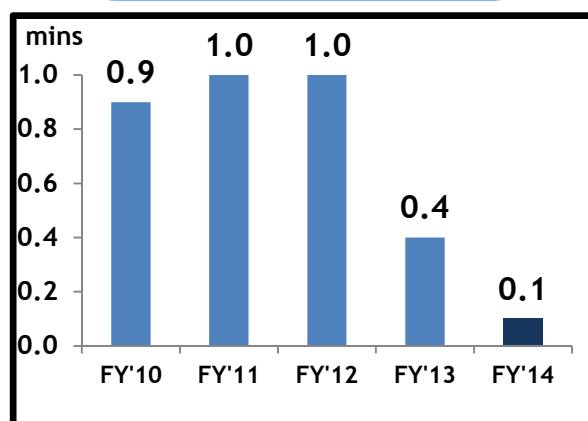
1

Equivalent Plant
Availability Factor (EAF) (%)



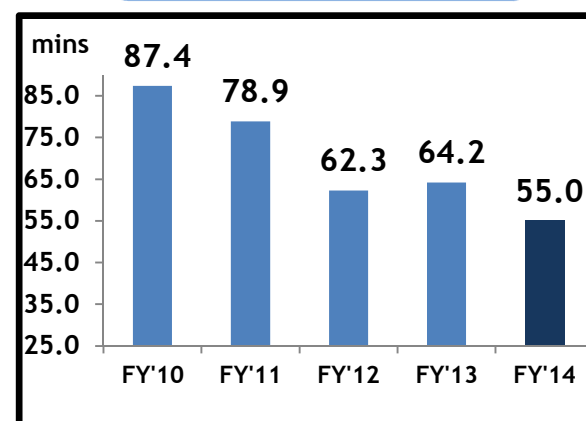
2

Transmission
System Minutes (mins)



3

Distribution SAIDI (mins)



DIVIDEND



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Proposed Final Dividend

29.0 sen Represents 58.3% of the Company's Free Cashflow



INTERIM DIVIDEND

Interim Single-Tier Dividend
of 10.0 sen per ordinary share

**PROPOSED
FINAL**

Single-Tier Dividend
of 19.0 sen per ordinary share

TOTAL DIVIDEND FOR FY2014: 29.0 sen per ordinary share

BOOK CLOSURE: 19th DEC 2014
PAYMENT: 31st DEC 2014

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*

BUSINESS STRATEGY & DIRECTION



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Business Strategy & Direction

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



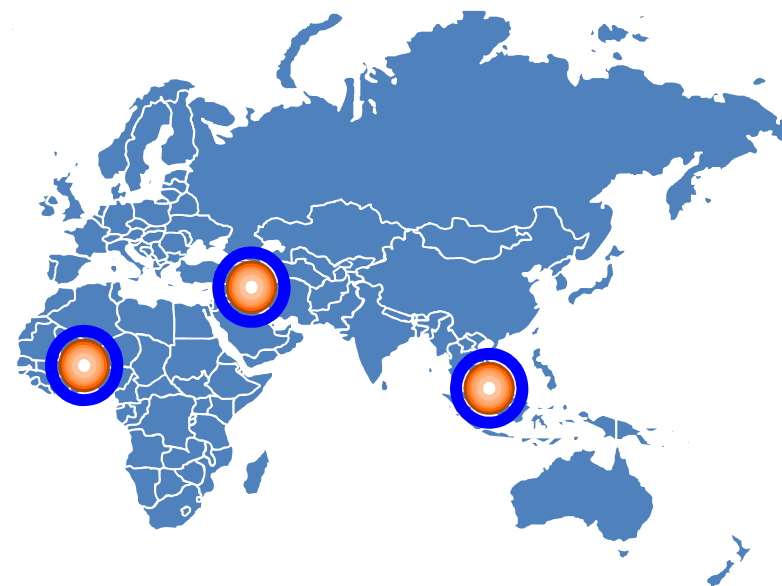
- Large, growing and admired employer of choice
- International mobility opportunities and world-class capability building

Increase shareholder value



- Fair and stable returns in Malaysia
- Robust growth of business

Regional champion



- Presence in 7-10 countries by 2025

Business Strategy & Direction

1TNB Transformation Programme

KRA

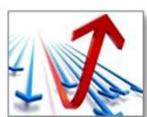
1 Enhance regulatory engagement



2 Exceed customer expectations



3 Drive operational & cost efficiencies



4 Grow profitable New Business



5 Transform organization



6 SESB Turnaround

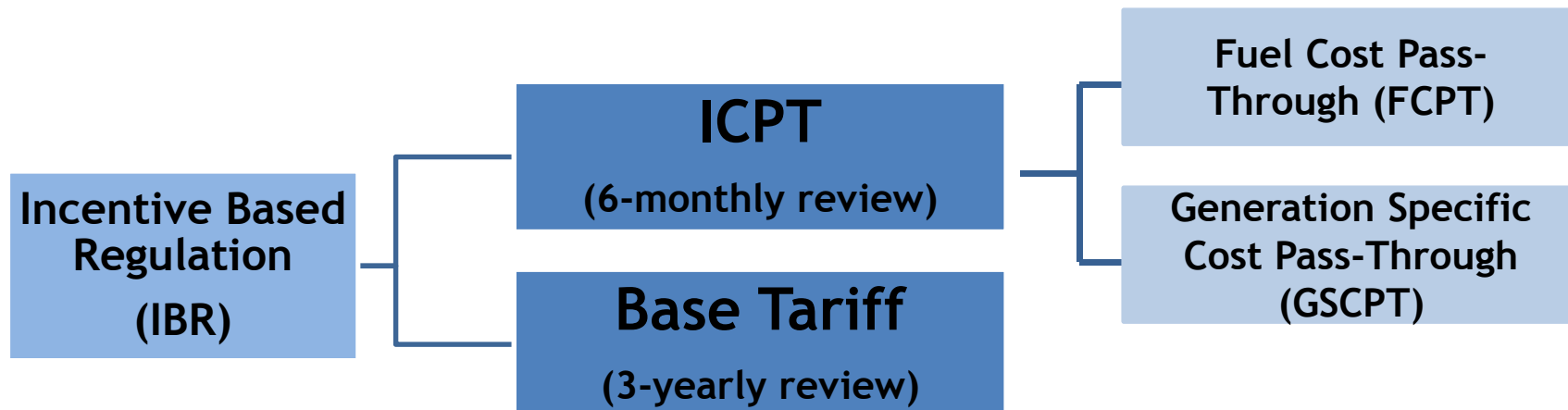


Rational

- Foster and enhance engagement with stakeholders so as to facilitate MESI reform initiatives
- Managing the regulatory body more proactive with emphasis on results and not on the current issues.
- Improve customer touchpoints, channels, products and services
- Enhance TNB's brand as the electricity provider of choice
- Implementation of IBR requires year-on-year improvements and efficiencies are critical to achieve regulatory outcome
- Address escalating operational costs
- Capture new sources of growth and profits
- Build another global Malaysian brand
- Large change in organization required to deliver and sustain high aspirations
- Enhance staff capabilities and groom future leaders
- Reliability (i.e. SAIDI) and adequacy is main priority for key stakeholders, and significant improvement expected
- Turnaround program leads to changes in mindset and capabilities, which should be institutionalized broadly in the longer term

Business Strategy & Direction

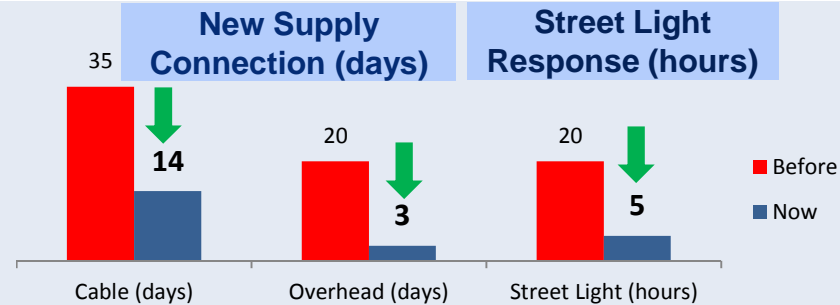
KRA 1 Enhance Regulatory Engagement



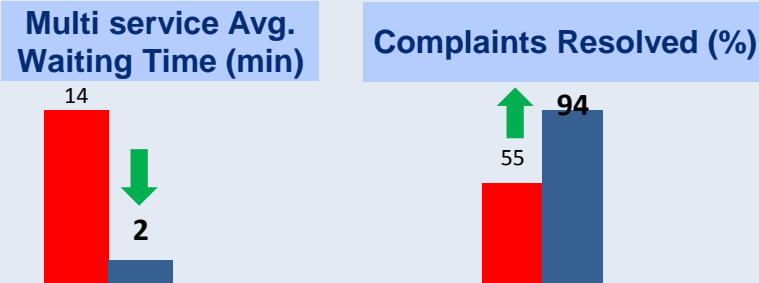
Business Strategy & Direction

KRA 2 Exceed Customer Expectations

Fast Service



Innovation



CSI FY14

7.6

Convenience

Easy to Read Bill

Complaints on Electricity Bill reduced by **29%** ↓

Simplified Tariff

No. of tariff calls reduced by **70%** ↓

Multichannel Payment

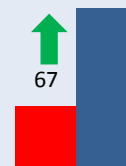
240k customer transaction migrated from Kedai Tenaga to other channel

Reliable

Meter Certified

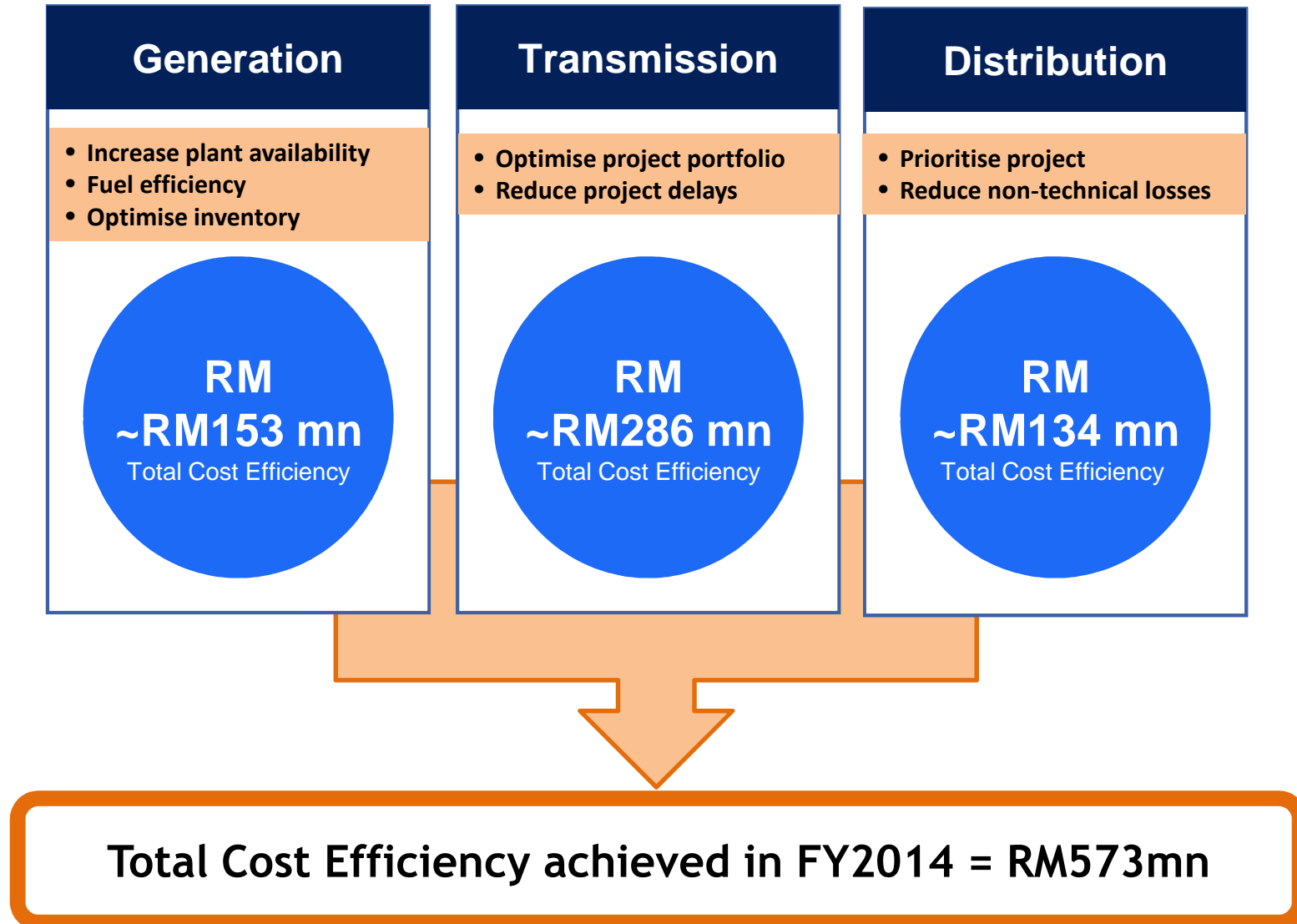
No. of Complaints reduced by **51%** ↓

Prompt Billing (%)



Business Strategy & Direction

KRA 3 Drive Operational & Cost Efficiencies



Business Strategy & Direction

KRA 4 Grow Profitable New Business



Janamanjung Unit 4

99% **1,000MW**

COD 31st Mar 2015

Hulu Terengganu Hydro

85% **265MW**

COD Sept 2015 (U1)
Dec 2015 (U2)

Ulu Jelai Hydro

64% **372MW**

COD Dec 2015 (U1)
Mar 2016 (U2)

Prai

80% **1,070MW**

COD 1st Jan 2016

Janamanjung Unit 5

19% **1,000MW**

COD 1st Oct 2017

ONGOING PROJECTS

- **Investment Agreement (IA) with Sri Lanka for a 35MW Renewable Energy Hybrid Wind and Solar Power Plant**

TNB has signed an investment agreement with KLS Energy Sdn Bhd, KLS Energy Lanka Sdn Bhd and KLS Energy Lanka Pte Ltd in relation to a 35-MW renewable energy hybrid wind and solar power project in Kankasanthurei in Jaffna, Sri Lanka.

- **Memorandum of Understanding (MOU) with Bangladesh for a 1,320MW Coal-fired Plant**

A consortium of TNB and Powertek Bhd (wholly owned unit of 1MDB) has signed a MOU with Bangladesh Power Development Bhd (BPDB) for the development of a 1,320MW coal-fired plant in Maheshkali, Cox's Bazar, Bangladesh.

POTENTIAL INTERNATIONAL INVESTMENT

- **ASIA**
 - Indonesia,
 - Vietnam,
 - Myanmar and
 - Sri Lanka
- **MIDDLE EAST**
 - Turkey,
 - Kuwait,
 - UAE and
 - Saudi Arabia

Business Strategy & Direction

KRA 5 Transform Organization

1



Key Leadership roles filled with high-quality leaders and deep leadership bench available

LDC to deliver world-class experiential learning development programmes in creating future leaders at every level



2



Enhance employees' commitment & contribution

Change engagement & town hall sessions to engage our employees in the 1TNB Transformation Programme (1TTP)



Employee Engagement Score of 86% in FY2014 (FY2012: 81%)

ACCOLADES



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NO. 1 COMPANY IN ASIA

In the Platts Top 250 Global Energy Companies Ranking 2013 under the Electric Utilities category.

The company also ranked **15th** for **Overall Performance in Asia** and **66th** in the **Global ranking** as a whole.





ENERGY COMPANY OF THE YEAR

- Power & Electricity World Asia 2014



ASIAN CEO OF THE YEAR

- Power & Electricity World Asia 2014

TOP 10 IN MALAYSIA-ASEAN FOR CORPORATE GOVERNANCE



Malaysia-Asean Corporate Governance Index 2013 produced by the Minority Shareholder Watchdog Group (MSWG), under the category of Industry Excellence (Utilities), and ***ranked 10th among the 100 Best Companies under the Transparency category***



MALAYSIA'S TOP POWER PLANT SERVICE PROVIDER

TNB REMACO was named Malaysia's Top Power Plant Service Provider at the Top Asia Corporate Ball 2013 organised by the Top 10 Malaysia and Top 10 of Asia Initiative

MALAYSIA POWER PLANT SERVICE PROVIDER OF THE YEAR

TNB REMACO was awarded in the Energy category at the Frost & Sullivan Malaysia Excellence Awards 2013

BEST DISTRICT COOLING OPERATOR/ ASSET OWNER

TNB Engineering Corporation Sdn. Bhd. (TNEC) was named the Best District Cooling Operator/Asset Owner at the Asia District Cooling Awards 2014



HUMAN RESOURCES MINISTER AWARD 2013

TNB Janamanjung Sdn. Bhd. won the Human Resources Minister Award 2013 in the Large Employers (Services) category



BEST INVESTOR RELATIONS

**TNB won first place for Best Investor Relations
(Malaysia) in a poll conducted by Finance Asia**



ACKNOWLEDGEMENTS



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Our Appreciation Goes To...

- Government of Malaysia
- Ministry of Energy, Green Technology & Water
- Ministry of Finance
- Ministry of International Trade & Industry
- Energy Commission
- Malaysian Industrial Development Authority (MIDA); and
- Other agencies for all the assistance rendered

Our thanks also to our **VALUED SHAREHOLDERS** and **CUSTOMERS** for their loyalty and trust

Special thanks to all our **EMPLOYEES** for their dedication and commitment.

DISCLAIMER



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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:

<i>Anida</i>	+603 2296 6077	anidai@tnb.com.my
<i>Sherleen</i>	+603 2296 6183	sherleenaa@tnb.com.my
<i>Effa</i>	+603 2296 6647	effarizamn@tnb.com.my
<i>Nadia</i>	+603 2296 6787	nuranadiaah@tnb.com.my



THANK YOU

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