

SIARAN AKHBAR PRESS STATEMENT

S.A. 2013/10/102 (HQ)

BETTER FUEL SUPPLY OUTLOOK FOR TNB

3 months ended 31st August FY2013 (4th Quarter)

- 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 USD and Yen by 6.4% and 9.3% respectively

Full Year FY2013

- 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%

Kuala Lumpur, 31 October 2013 - Tenaga Nasional Berhad (TNB) today announced a Net Profit before Forex Translation of RM0.84 billion for the 4th Quarter of the Financial Year ending 31st August 2013 (FY2013).

For the full year ended 31st August 2013, the Group reported a Net Profit before Forex Translation of RM4.12 billion mainly contributed by lower coal price. However, after foreign exchange translation gain, the Net Profit Attributable to Shareholders was reported at RM4.61 billion.

Peninsula (Gwh)	FY2013				12-month	
	1Q	2Q	3Q	4Q	FY2013	FY2012 (Restated)

Unit Sales	24,559.8	24,611.5	24,750.6	25,998.6	99,920.5	96,257.2
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Group (RM million)	FY2013				12-month	
	1Q	2Q	3Q	4Q	FY2013	FY2012 (Restated)
Revenue	9,130.8	8,850.2	9,647.5	9,502.2	37,130.7	35,848.4
Operating Expenses	(7,465.9)	(7,626.3)	(7,915.0)	(8,855.1)	(31,862.3)	(31,308.2)
Forex Translation Gain/(Loss)	397.4	388.6	324.7	(617.1)	493.6	(230.8)
Net Profit Attributable to Shareholders	1,415.5	1,272.1	1,707.2	219.4	4,614.2	4,410.5
EBITDA margin	31.0%	27.1%	30.7%	24.0%	28.2%	30.5%

The 4QFY2013 financial performance remains stable with average coal price of USD80.8/mt recorded during 4QFY2013 compared to USD84.4/mt recorded during the 3QFY2013. The weakening of Ringgit Malaysia against USD and Yen by 6.4% and 9.3% respectively during the quarter impacted the financial performance, resulting in Net Profit Attributable to Shareholders of RM0.22 billion for the quarter.

For the Financial Year 2013, the Group's annual revenue increased to RM37,130.7million from RM35,848.4million in FY2012, reflecting 3.8% unit electricity demand growth in Peninsular Malaysia during FY2013. To cater for the rising demand, Operating Expenses increased by 1.8% as compared to previous year.

Savings in generation costs was mainly derived from the lower average coal price during FY2013 of USD83.6/mt as compared to USD103.6/mt during FY2012, registering a decrease of 19.3% over the period of 12 months. However, in Financial Year 2013, we still incur additional fuel costs from burning oil and distillate to meet rising demand.

Consequently, the above resulted into Net Profit Attributable to Shareholders of RM4.61billion for FY2013. After adjusting for foreign exchange translation gain, the Net Profit before Forex Translation was reported at RM4.12 billion as compared to RM4.64 billion reported for FY2012.

The higher Net Profit before Forex Translation for FY2012 was mainly due to the recognition of fuel cost compensation for period January 2010 until August 2012. The Fuel Cost Sharing Mechanism was implemented in April 2012 to address the additional fuel cost borne by TNB due to the gas shortage issue. The initial recognition of the Fuel Cost Sharing Mechanism was

reflected in the Group Accounts in the Second Quarter of Financial Year 2012; which covered the costs incurred from January 2010.

In order to show the actual performance of the Group, a restatement of the Financial Year 2012 results was done to reflect the costs into its corresponding period as illustrated in the following table.

Peninsula (Gwh)	FY2013				12-month	
	1Q	2Q	3Q	4Q	FY2013	FY2012 (Restated)
Unit Sales	24,559.8	24,611.5	24,750.6	25,998.6	99,920.5	96,257.2

Group (RM million)	FY2013				12-month	
	1Q	2Q	3Q	4Q	FY2013	FY2012 (Restated)
Revenue	9,130.8	8,850.2	9,647.5	9,502.2	37,130.7	35,848.4
Operating Expenses	(7,465.9)	(7,626.3)	(7,915.0)	(8,855.1)	(31,862.3)	(31,308.2)
Forex Translation Gain/(Loss)	397.4	388.6	324.7	(617.1)	493.6	(230.8)
Net Profit Attributable to Shareholders	1,415.5	1,272.1	1,707.2	219.4	4,614.2	3,151.6
EBITDA margin	31.0%	27.1%	30.7%	24.0%	28.2%	25.9%

After adjusting for fuel costs compensation, the Net Profit before Forex Translation improved by 21.8% from RM3.38 billion reported for FY2012 to RM4.12 billion reported for FY2013 resulting in improvement in EBITDA margin by 2.3 percentage points year-on-year. The improvements were mainly driven by lower coal price.

Commenting on electricity demand growth, TNB Chairman, Tan Sri Leo Moggie said that electricity demand growth in Peninsular Malaysia pattern tracked the growth of country's Gross Domestic Product (GDP).

"This financial year, the electricity demand growth in Peninsular Malaysia is slightly slower than last year. The electricity demand growth in Peninsular Malaysia was registered at 3.8% compared to 4.3% in the previous year. This is in line with lower Bank Negara Malaysia's GDP forecast for 2013 of 4.5% to 5.0% as compared to 5.6% actual GDP in 2012.

In the medium term, we continue to expect steady electricity demand growth in tandem with the projected economic growth by commercial sectors. To support the country's economic growth, TNB will continue to ensure reliable, sustainable and efficient supply of electricity for smooth implementation of Malaysia's reform initiatives under the Economic Transformation Programme (ETP)."

TNB's President/Chief Executive Officer, Datuk Seri Ir. Azman Mohd added that "our peak demand of 16,562 MW was registered on 13th May 2013, and following this, quarter-on-quarter demand has increased by 5% from 24,751GWh in third quarter of Financial Year 2013 to approximately 26,000 GWh in fourth quarter of Financial Year 2013.

We are pleased to reaffirm that the volume of gas supply has shown an improvement since the end of Third Quarter of Financial Year 2013, after the commissioning of Regasification Terminal in Melaka. However, we still burn some alternative fuels during the fourth quarter of Financial Year 2013 to meet the higher demand."

For the Financial Year 2014, the electricity demand growth is expected to remain steady, in line with the expectancy of improving global outlook. This is supported by the projected domestic economic growth of 5% to 5.5% as announced in the 2014 Budget recently.

Based on the aforementioned scenario, The Board of Directors views the prospects of the Group for the Financial Year 2014 to remain stable subject to fuel prices remaining manageable.

For the financial year ended 31st August 2013, the Board of Directors has recommended a final single-tier dividend of 15.0 sen per ordinary share (FY2012 : 15.0 sen). The total final dividend is subject to the approval of the shareholders of TNB at the forthcoming Annual General Meeting. The Books Closure and Payment Dates will be announced in due course.

Released in Kuala Lumpur on October 31st, 2013

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Financial Highlights

RM' Million	12-month ended 31 st August	
	<u>FY2013</u>	<u>FY2012</u> <u>(Restated)</u>
Total Revenue	37,130.7	35,848.4
Operating Expenses	(31,862.3)	(31,308.2)
Other Operating Income	620.8	2,140.6
Operating Surplus (EBIT)	<u>5,889.2</u>	<u>6,680.8</u>
Finance Cost	(936.3)	(823.0)
Forex Translation gain / (loss)	493.6	(230.8)
Net Profit (before forex translation gain)	4,120.6	4,641.3
Net Profit Attributable to Shareholders	4,614.2	4,410.5
Earnings per share	82.81 sen	61.37 sen

About Tenaga Nasional Berhad

TNB's core activities are in the generation, transmission, and distribution of electricity. In addition to being the nation's primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. As at 31 August 2013, TNB supplies electricity to approximately 8.4 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables; the provider of professional consultancy services, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services; services related to renewable energy, energy efficiency and power quality; higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation's progress.

For further information, please visit www.tnb.com.my.