



## **SIARAN AKHBAR PRESS STATEMENT**

---

**S.A. 2016/04/33 (HQ)**

### **TNB RECORDED 3.6% UNIT ELECTRICITY DEMAND GROWTH**

- **Revenue lower by 2.2% due to ICPT over-recovery amount from lower fuel prices**
- **Adjusted Profit After Tax of RM3.07 billion, a 7.7% improvement over 1HFY2015**

**Kuala Lumpur, 27<sup>th</sup> April 2016** – **Tenaga Nasional Berhad (TNB)** today announced that the Group revenue for the 1<sup>st</sup> Half of the Financial Year ending 31<sup>st</sup> August 2016 (1HFY2016) was RM21.17 billion, 2.2% lower than the RM21.64 billion recorded in the corresponding period last year. The decline in revenue was due to the recognition of the Imbalance Cost Pass-Through (ICPT) over-recovery amount of RM1.39 billion, resulting from the reduction in generation costs due to lower fuel prices.

TNB's Profit After Tax (PAT) for the period was RM3.28 billion, a decrease of 26.9% compared to the PAT of RM4.48 billion reported for the corresponding period last year.

The reporting of the ICPT in TNB's financial statements was first reflected in 3QFY2015, after thorough review and deliberation between TNB and the relevant regulatory parties. As a result, TNB's adjusted PAT for 1HFY2016 recorded an improvement of 7.7% at RM3.07 billion compared to the RM2.85 billion recorded during the corresponding period last year. The improvement was mainly attributed by unit electricity demand growth of 3.6% recorded in 1HFY2016 for Peninsular Malaysia. Kindly refer to Table 1 in the next page.

**Adjusted Profit After Tax**

Peninsula (Gwh)	6-month	
	FY2016	FY2015
Unit Sales	53,547.8	51,691.3

Group (RM million)	6-month	
	FY2016	FY2015
Profit After Tax	3,277.2	4,484.7
Forex Translation Loss	235.4	257.4
Reinvestment Allowance	(440.1)	(543.2)
ICPT Adjustment	-	(1,345.2)
<b>Adjusted Profit After Tax</b>	<b>3,072.5</b>	<b>2,853.7</b>

**Table 1**

TNB's President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd, commented: "TNB continues to experience the benefits of the ICPT under the Incentive Based Regulation (IBR) in terms of stabilised earnings and limiting its exposure to variations in generation and fuel costs. In the current environment of volatile electricity demand and changing power consumption patterns, TNB's earnings visibility is a strategic tool in providing insights for planning the company's future requirements."

Datuk Seri Ir. Azman Mohd added: "At the same time, the ICPT mechanism has also demonstrated that, in spite of a 3.6% increase in demand growth for the current period, savings from lower generation costs resulting from the decline in global fuel prices will be passed back to consumers."

In meeting constantly evolving market conditions and planning for its future business expansion, TNB is taking positive steps to become a Domestic and Regional Champion (DRC), which involves putting in place a new strategic direction and focus that is expansionary, forward looking and centred on growth.

Datuk Seri Ir. Azman Mohd further added: "Domestically, TNB is committed to optimising operational efficiencies and unlocking value across the Group, from the generation segment to segments beyond the meter. Internationally, TNB will grow the Group's business footprint in key

emerging markets, particularly where there is high demand growth for power. The selection of target markets for overseas investment will be carried in an appropriate and measured manner, resulting in maximising shareholders value and delivering sustainable earnings growth.”

“The Board of Directors and the Management will, however, remain mindful of the prevailing challenges and risks in the current global economic landscape. As such, any venture that the Group undertakes must make commercial sense and be value accretive to our shareholders.”

Bank Negara Malaysia (BNM) in its 2015 Annual Report, expects that the Malaysian economy will grow by 4.0% - 4.5% in 2016 with domestic demand continuing to be the principal driver of growth, sustained primarily by private sector spending. While investments in the oil and gas industry are likely to remain weak in 2016, investments in the non-energy sectors are expected to continue in 2016 thus generating positive spill-overs into the rest of the economy.

BNM also indicated that the international economic and financial landscape is likely to remain challenging in 2016 and will be a key factor that will influence the prospects of the Malaysian economy. Given this challenging scenario, the Board of Directors remains cautious on the Group’s prospects for the year ending 31st August 2016.

**Released in Kuala Lumpur on April 27<sup>th</sup>, 2016**

*Kindly forward all press enquiries to Nor Hanim Idris at 019-2617617 /  
Teng Yoon Soon at 019-293 1228/ Maizatul Nadiyah Saadon at 017-3816602  
[media@tnb.com.my](mailto:media@tnb.com.my)*

## Financial Highlights

RM' Million	6-month ended February	
	<u>FY2016</u>	<u>FY2015</u>
<b>Total Revenue</b>	21,166.1	21,637.1
<b>Operating Expenses</b>	(17,246.5)	(16,457.1)
<b>Other Operating Income</b>	319.9	340.2
<b>Operating Surplus (EBIT)</b>	<u>4,239.5</u>	<u>5,520.2</u>
<b>Finance Cost</b>	(499.2)	(464.2)
<b>Forex Translation Loss</b>	(235.4)	(257.4)
<b>Net Profit (before Forex Translation Loss)</b>	3,532.1	4,765.5
<b>Net Profit Attributable to Owners of the Company</b>	3,296.7	4,508.1
<b>Earnings per share</b>	58.41 sen	79.88 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 2015, TNB supplies electricity to approximately 8.9 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](http://www.tnb.com.my)