

SIARAN AKHBAR PRESS STATEMENT

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LOWER GENERATION COSTS LEAD TO IMPROVED FINANCIAL PERFORMANCE

3 months ended 28th February 2015 (2nd Quarter FY2015)

- Operating Profit increased by 1.1% to RM2.78 billion (1QFY2015 : RM2.74 billion)
- EBITDA margin improved by 1.5 percentage point to 37.8% (1QFY2015 : 36.3%)
- Lower average coal price of USD66.4/mt (1QFY2015 : USD70.2/mt)
- Forex Translation Loss of RM303.3 million (1QFY2015 : Gain of RM45.9 million)

6 months FY2015

- Profit After Tax increased by 29.4% to RM4.48 billion (1HFY2014 : RM3.47 billion)
- EBITDA margin improved by 9.6 percentage point to 37.1% (1HFY2014 : 27.5%)
- Lower average coal price of USD68.4/mt (1HFY2014 : USD77.5/mt)
- Forex Translation Loss of RM257.4 million (1HFY2014 : Gain of RM133.7 million)

Kuala Lumpur, 27 April 2015 – Tenaga Nasional Berhad (TNB) today announced an Operating Profit of RM2.78 billion for the 2nd Quarter of the Financial Year ending 31st August 2015 (FY2015) as compared to RM2.74 billion reported in the previous quarter, which resulted in improved EBITDA Margin of 37.8% for the quarter.

For First Half of Financial Year 2015 (1HFY2015), the Profit After Tax was reported at RM4.48 billion, as compared to RM3.47 billion reported in the corresponding period last year. After adjusting for forex translation and tax adjustments, the Profit After Tax for the first six (6) month

ended 28th February 2015 showed an improvement at RM3.97 billion as compared to RM2.20 billion last year.

However, the Imbalance Cost Past Through (ICPT) process has yet to be automatically effected. When fully effected, the Group results will need to reflect the over-recovery amounting to approximately RM1.5 billion (net of tax), which is subject to final confirmation.

Peninsula (Gwh)	FY2015		6-month	
	1Q	2Q	FY2015	FY2014 (Restated)
Unit Sales	26,024.7	25,666.6	51,691.3	50,299.1

Group (RM million)	FY2015		6-month	
	1Q	2Q	FY2015	FY2014 (Restated)
Profit After Tax	2,351.0	2,133.7	4,484.7	3,465.7
Adjustments :				
Forex Translation (Gain) / Loss	(45.9)	303.3	257.4	(133.7)
Change in Corporate Tax Rate				(188.7)
Reinvestment Allowance	(392.8)	(379.1)	(771.9)	(939.2)
Adjusted Profit After Tax	1,912.3	2,057.9	3,970.2	2,204.1

Table 1

The improvement in the results for the period under review was mainly contributed by lower generation costs due to lower coal price and lower usage of the more expensive LNG fuel. The coal price was registered at USD66.4/mt and USD68.4/mt for 2QFY2015 and 1HFY2015 respectively.

However, the Group was impacted by depreciating Ringgit due to the sharp decline in global oil prices towards the end of 2014. As a result, the Group recorded Forex Translation Losses of RM303.3 million and RM257.4 million for periods 2QFY2015 and 1HFY2015 respectively.

TNB's President / Chief Executive Officer, Datuk Seri Ir. Azman Mohd remarked that current global economic environment will bring forth new challenging landscape for the Group. TNB will continue to persevere towards upholding the mandate given to the Group in supporting the growth of the Malaysian economy by keeping the lights on.

“The changing global environment will not deter us away from our aspirations, that are to excel in the current regulatory environment and to expand our presence in the unregulated business environments. The commissioning of Manjung 4 and our recent success in a strategic acquisition proved that TNB will always remain resolve on our path towards sustainability and growth, regardless of any setbacks thrown to us.”

Given the prevailing global economic conditions and continuous volatility of foreign exchange, the Board of Directors remains cautious on the Group’s prospect for the Financial Year 2015.

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Financial Highlights

RM' Million	6-month ended 28 th February	
	<u>FY2015</u>	<u>FY2014</u> <u>(Restated)</u>
Total Revenue	21,637.1	19,569.1
Operating Expenses	(16,457.1)	(16,733.9)
Other Operating Income	340.2	184.6
Operating Surplus (EBIT)	<u>5,520.2</u>	<u>3,019.8</u>
Finance Cost	(464.2)	(388.4)
Forex Translation Gain / (Loss)	(257.4)	133.7
Net Profit (before Forex Translation Gain)	4,765.5	3,350.5
Net Profit Attributable to Owners of the Company	4,508.1	3,484.2
Earnings per share	79.88 sen	61.74 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 2014, TNB supplies electricity to approximately 8.6 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.