



SIARAN AKHBAR PRESS STATEMENT

S.A. 2018/11/76 (HQ)

TNB RECORDED LOWER PROFIT

9 months ended 30th September 2018 (9MFY2018)

- Lower Group Profit After Tax (PAT) at RM3.90 billion
- Outstanding Achievement of Customer Satisfaction Index (CSI)
- Ranked 4th in the world by World Bank's Doing Business 2019

Kuala Lumpur, 27th November 2018 – Tenaga Nasional Berhad (TNB) today announced its financial results for Nine Months of Financial Year 2018 (9MFY2018). The Group recorded stable revenue of RM37.85 billion while the operating expenses (OPEX) stood at RM32.24 billion. The Group EBITDA was recorded at RM10.89 billion, with EBITDA Margin at 28.8%. The Group Profit after Tax or PAT was registered lower at RM3.90 billion, as compared to 9MFY2017 of RM5.18 billion.

TNB President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd said: “For Financial Year 2018, we have recorded outstanding achievement in Customer Satisfaction Index (CSI) of 8.1, which is in the top quartile in the industry. We understand that moving forward, increasing the score will require us to consistently improve our services to the customers. Furthermore, TNB was also recently ranked 4th in the world by the World Bank's Doing Business 2019 report, in ease of getting electricity. This recognition measures the procedures, time and cost required for a business to obtain a permanent electricity connection, reliability of supply and transparency of tariffs index.”

We have also recorded superior technical performances, with Transmission System Minutes of 0.3 minutes, measuring the equivalent total system blackout for Peninsular Malaysia. On Distribution side, TNB System Average Interruption Duration Index, or SAIDI, which measures the average duration of power interruption experienced by a customer in a year, remained stable at 35.3 minutes.

Datuk Seri Ir. Azman Mohd added: “By maintaining our achievements in Transmission System Minutes, at below two-minute mark since Financial Year 2009, and Distribution SAIDI within 50 to 60 minutes since Financial Year 2014, our technical performance has been consistently at par with those in developed countries such as France and the United Kingdom.”

TNB Chairman, Tan Sri Leo Moggie said: “As we run our business, we are always mindful of our surrounding communities and look for ways where we can leave a positive mark to enrich lives. On that note, TNB has successfully installed almost 90% of the annual target amounting to more than 21,000 street lights under the Village Street Lighting Project. We believed that this effort not only brightens up the rural community areas, but also improves their livelihood through improved security.”

Tan Sri Leo Moggie further added: “TNB believes that a bright future is a sustainable future. In supporting the government’s green agenda which is in line with our Green Energy Policy, we are committed in minimising the environmental impact of our business by applying sustainable, efficient operations and delivering green energy initiatives. We are happy to share that our 50 megawatt (MW) Large Scale Solar plant, TNB Sepang Solar, has reached its Commercial Operation Date (COD) on 19th November 2018. In addition, our subsidiary, GSPARX Sdn. Bhd., has embarked on solar photovoltaic energy business, to unlock value in the local renewable energy market, by introducing green solution for retail electricity customers.”

In light of the global headwinds and the International Monetary Fund’s cut in global economic growth rate, Malaysia has revised downwards the projected GDP growth rate from the previously announced 5.0-5.5% to 4.8% for 2018. The revision which was documented in the Economic Outlook 2019 report, is substantiated by the actual GDP growth of only 4.4% recorded in the third quarter of 2018. [Source: Bank Negara Malaysia’s Economic and Financial Developments in Malaysia in the Third Quarter of 2018 Report, dated 16 November 2018]

Despite the aforementioned scenarios, the performance of the Group is expected to remain positive for the year ending 31st December 2018.

Financial Highlights

RM' Million	9 Months Ended 30 th Sep'18	4 Months Ended 31 st Dec'17 (Restated)
Total Revenue	37,845.7	15,827.1
Operating Expenses (Without Depreciation)	(27,534.5)	(11,141.2)
Other Operating Income	574.0	512.6
Operating Surplus (EBIT)	<u>6,178.6</u>	<u>3,148.6</u>
Finance Cost	(1,201.7)	(531.4)
Forex Translation Gain / (Loss)	(247.3)	329.7
Net Profit (before Forex Translation Gain / (Loss))	4,105.3	2,426.0
Net Profit Attributable to Owners of the Company	3,858.0	2,755.7
Earnings per share	68.01 sen	48.68 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 30 September 2018, TNB supplies electricity to approximately 9.0 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.

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