



SIARAN AKHBAR PRESS STATEMENT

S.A. 2018/05/35 (HQ)

STABLE ELECTRICITY DEMAND IN LINE WITH EXPECTED FAVOURABLE ECONOMY GROWTH IN 2018

3 months ended 31st March 2018 (1st Quarter FY2018)

- **EBITDA margin at 34.4%**
- **Group Profit After Tax (PAT) at RM2.12 billion**

Kuala Lumpur, 25th May 2018 – Tenaga Nasional Berhad (TNB) today announced its financial results for First Quarter of Financial Year Ending 31st December 2018 (1QFY2018). The Group recorded revenue of RM12.27 billion while the operating expense (OPEX) stood at RM8.23 billion. Next, the Group EBITDA was recorded at RM4.22 billion, with EBITDA Margin at 34.4%. The Group Profit after Tax or PAT was recorded at RM2.12 billion, of which 45.9% is attributed to the regulated business.

TNB President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd said: “TNB has been given the responsibility of providing secure and reliable electricity to the nation, at the same time ensuring electricity remains affordable for the Rakyat. This is evident as the electricity tariff rate of 21.8 sen/kWh (0 – 200 kWh) and 33.4 sen/kWh (201 – 300 kWh), have remained constant since 1997 and 2009, respectively, while maintaining world class standard of performance. Around 64% of our domestic customers are currently enjoying these low tariff rates, by consuming less than 300kWh or equivalent to RM77 of electricity per month”.

Datuk Seri Ir. Azman Mohd further added: “The implementation of Incentive Based Regulation since 2014 has ensured transparency in terms of tariff setting and the input costs that are associated with the generation of electricity. The framework also promotes efficiency gains and financial sustainability of the industry which is essential in ensuring the reliability and security of electricity supply to the nation.”

TNB Chairman, Tan Sri Leo Moggie said: “Good governance has been the foundation for TNB and forms part of TNB’s commitment to operate in an ethical, transparent and responsible manner, for the customers and communities that it serves. We will continuously ensure that TNB uphold the highest standard of Corporate Governance”.

On the economic outlook, Malaysian economy grew by 5.4% in the first quarter of 2018 as compared to 5.9% recorded in fourth quarter of 2017, as per reported by Bank Negara Malaysia (BNM) in its Economic and Financial Developments in Malaysia in the First Quarter of 2018 report. Going forward, BNM expects Malaysian economy to remain on a favourable growth path in 2018.

As such, electricity demand growth will continue and given the aforementioned scenarios, the Board of Directors expects the result of the Group for the Financial Year 2018 to remain stable.

Financial Highlights

| RM' Million | <u>3 Months</u> <u>Ended</u> <u>31st Mar'18</u> |
|--|--|
| Total Revenue | 12,274.0 |
| Operating Expenses (Without Depreciation) | (8,234.8) |
| Other Operating Income | 182.5 |
| Operating Surplus (EBIT) | <u>4,221.7</u> |
| Finance Cost | (441.7) |
| Forex Translation Gain / (Loss) | 89.0 |
| Net Profit (before Forex Translation Gain / (Loss)) | 2,030.7 |
| Net Profit Attributable to Owners of the Company | 2,119.7 |
| Earnings per share | 37.46 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 March 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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