PRESENTATION TO ANALYSTS

Audited Consolidated Results for the 4th Quarter FY2014 ended 31st August 2014

31st October 2014

Prepared by:
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GROUP FINANCE DIVISION

AGENDA

RESULTS SNAPSHOTS

RESULTS HIGHLIGHTS

RESULTS DETAILS

QUESTION & ANSWER

CUMULATIVE

FY2014 vs FY2013

Å Profit After Tax of RM6.4 billion (FY2013: RM5.4 billion).

Å Capital Expenditure of RM10.0 billion (FY2013: RM8.5 billion).

Å Operating Expenses increased by 13.9% against 15.2% increase in Revenue.

Å 2.5% unit electricity demand growth in Peninsular Malaysia (FY2013: 3.8%).

Å Average Coal Price of USD75.4/mt (FY2013: USD83.6/mt).

** FY2013 restated*

AUDITED INCOME STATEMENT (GROUP)

Year-on-Year Analysis

Å 15.2% Increase in Revenue against 13.9% Increase in Operating Expenses

Å Higher Operating Profit of RM7.18bn

TENAGA NASIONAL

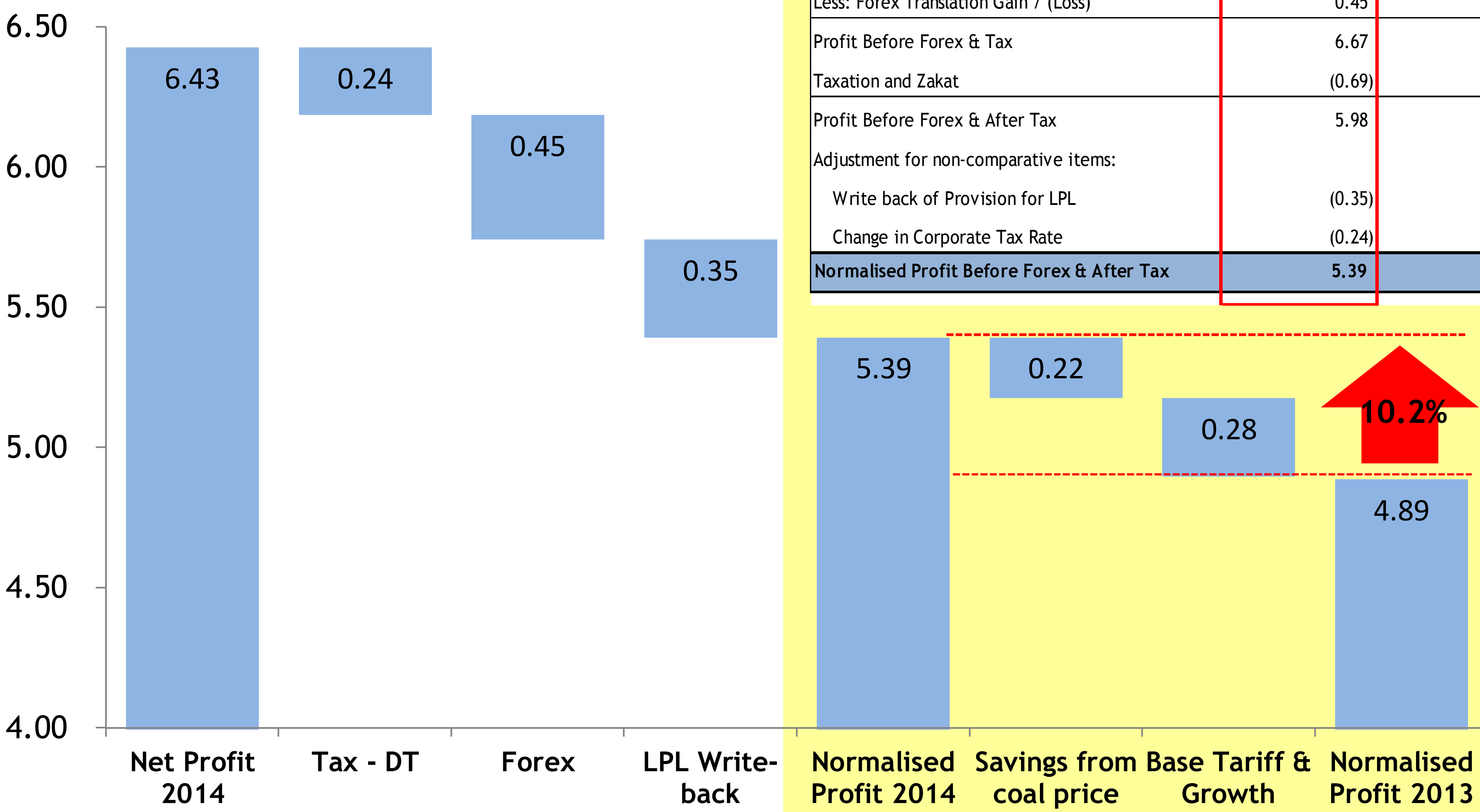
CUMULATIVE

RM'mn	Current Year To Date 31.08.14	Preceding Year Corresponding Period (Restated) 31.08.13	Variance %
Revenue	42,792.4	37,130.7	15.2
Operating expenses	(36,265.1)	(31,847.2)	(13.9)
Other operating income	653.7	623.4	4.9
Operating profit	7,181.0	5,906.9	21.6
Foreign exchange			
- Translation gain	445.3	493.6	(9.8)
- Transaction gain	3.6	109.1	(96.7)
Share of results of joint ventures	19.6	9.6	>100.0
Share of results of associates (net of tax)	83.1	74.9	10.9
Profit before finance cost	7,732.6	6,594.1	17.3
Finance income	256.7	225.2	14.0
Finance cost	(874.6)	(894.2)	2.2
Profit from ordinary activities before taxation	7,114.7	5,925.1	20.1
Taxation and Zakat			
- Company and subsidiaries	(631.3)	(739.5)	14.6
- Deferred taxation	(56.6)	197.2	>(100.0)
Profit for the period	6,426.8	5,382.8	19.4
Attributable to:			
- Owners of the Company	6,467.0	5,356.2	20.7
- Non-controlling interests	(40.2)	26.6	>(100.0)
Profit for the period	6,426.8	5,382.8	19.4

GROUP PROFIT ANALYSIS

Normalised Profit Increased by 10.2% Mainly Contributed to Lower Coal Price, Base Tariff and 2.5% Growth

RM bn	FY2014	FY2013
Profit from ordinary activities Before Taxation	7.11	5.93
Less: Forex Translation Gain / (Loss)	0.45	0.49
Profit Before Forex & Tax	6.67	5.43
Taxation and Zakat	(0.69)	(0.54)
Profit Before Forex & After Tax	5.98	4.89
Adjustment for non-comparative items:		
Write back of Provision for LPL	(0.35)	-
Change in Corporate Tax Rate	(0.24)	-
Normalised Profit Before Forex & After Tax	**5.39**	**4.89**



QUARTERLY ANALYSIS: GENERATION MIX (PENINSULA)

TENAGA NASIONAL

Fuel Mix Shifting Back to Coal

Table 1:

UNIT GENERATED (GWH)

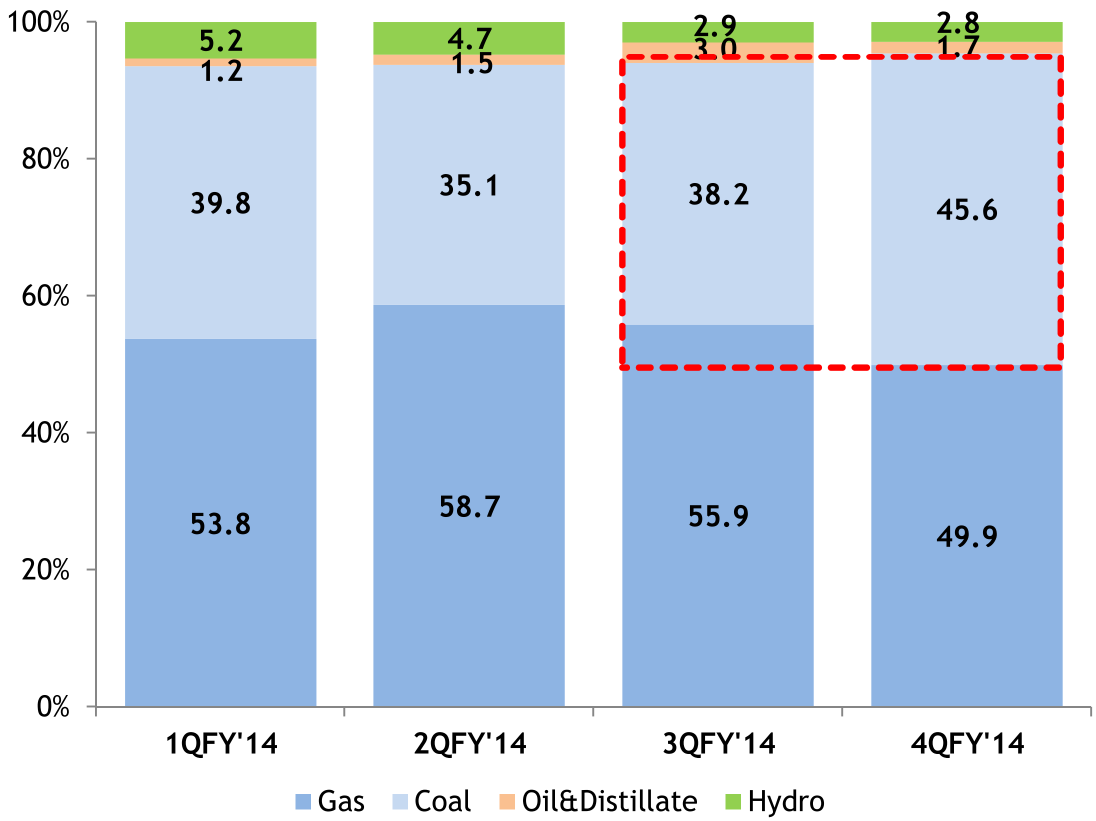


Table 2:

FY2014 Average Gas Volume (mmscfd)	
1Q	1,321
2Q	1,383
3Q	1,405
4Q	1,217

13.4%

CY2014 Average LNG Price (RM/mmbtu)	
1Q	46.019
2Q	47.649
3Q	48.772
4Q	46.041

ELECTRICITY GROWTH IN PENINSULA

TENAGA NASIONAL

Slower Electricity Growth for FY'14 due to Lower Consumption by Steel Mills

UNITS SALES		FY 2013				FY 2014												FY 2015
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Industrial	Gwh	10,541	10,542	10,396	10,985	3,399	3,550	3,695	3,563	3,636	3,603	3,248	3,699	3,637	3,743	3,650	3,605	3,704
	Growth (%)	1.1	4.4	(0.6)	0.5	0.1	0.9	1.8	4.5	3.4	(0.3)	5.0	0.9	(0.0)	1.6	2.3	(3.4)	9.0
Commercial	Gwh	8,411	8,476	8,528	8,964	2,853	2,890	2,975	2,860	2,899	2,837	2,772	3,039	3,054	3,069	3,090	3,016	2,867
	Growth (%)	5.0	5.7	4.0	4.2	3.2	6.1	1.8	7.2	(1.3)	(1.1)	7.9	2.2	2.4	2.8	3.8	0.5	0.5
Domestic	Gwh	5,176	5,134	5,378	5,634	1,795	1,811	1,773	1,722	1,709	1,798	1,834	1,815	1,896	1,898	2,062	2,011	1,842
	Growth (%)	6.1	8.1	8.3	6.7	(0.4)	12.2	0.7	4.7	(0.3)	1.4	8.3	0.1	1.3	5.4	10.7	2.0	2.6
Others	Gwh	433	459	448	416	157	155	152	156	156	155	149	158	159	159	161	160	168
	Growth (%)	8.8	13.1	9.8	(0.5)	4.7	14.0	3.4	7.6	0.6	(2.5)	(2.0)	7.5	6.7	8.9	40.0	3.2	7.0
TOTAL	Gwh	24,561	24,611	24,750	25,999	8,204	8,406	8,595	8,301	8,400	8,393	8,003	8,711	8,746	8,869	8,963	8,792	8,581
	Growth (%)	3.5	5.8	3.0	3.0	1.1	5.2	1.6	5.5	0.9	(0.3)	6.6	1.3	1.2	2.9	5.2	(0.8)	4.6

1QFY'13 3.5% | 2QFY'13 5.8% | 3QFY'13 3.0% | 4QFY'13 3.0%

FY'13 3.8%

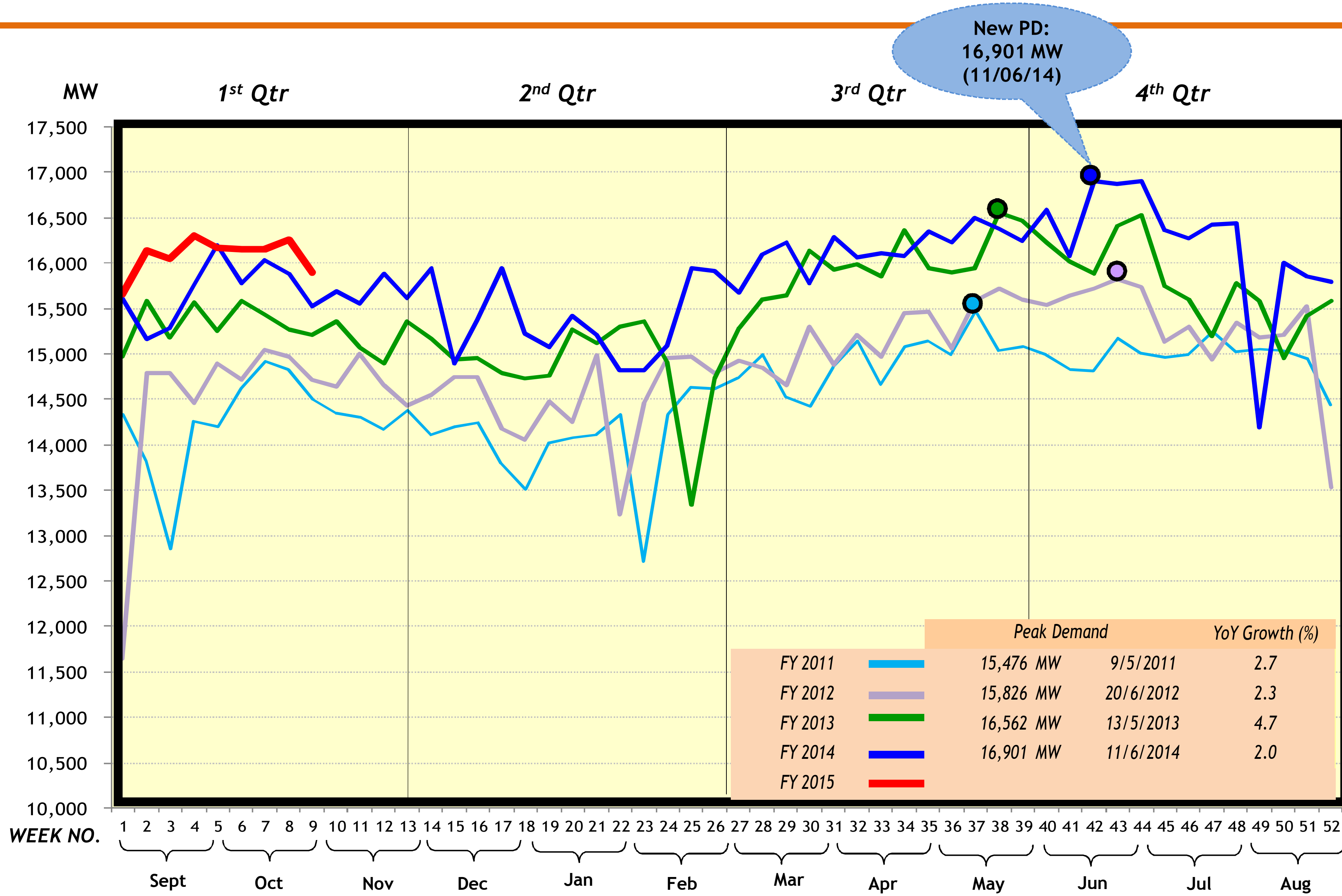
1QFY'14 2.6% | 2QFY'14 2.0% | 3QFY'14 2.9% | 4QFY'14 2.4%

FY'14 2.5%

	FY'13	FY'14
Growth (%)	3.8	2.5

SYSTEM WEEKLY MAXIMUM DEMAND (PENINSULA)

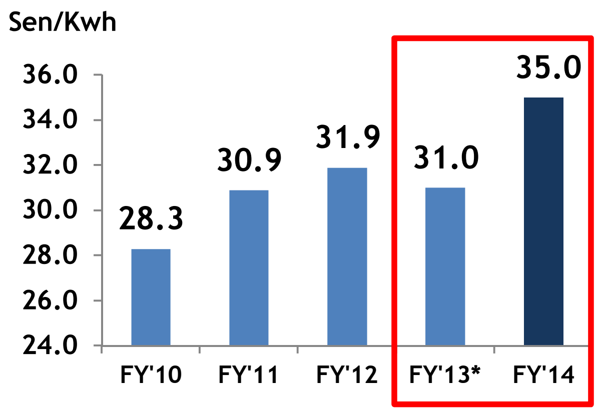
For FY2011 to FY2015



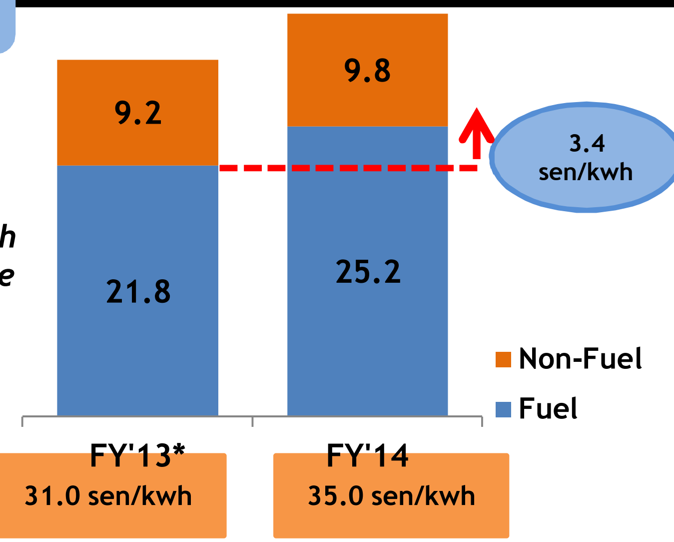
HEADLINE KEY PERFORMANCE INDICATORS

Financial Indicators

1 Company CPU (sen/kwh)

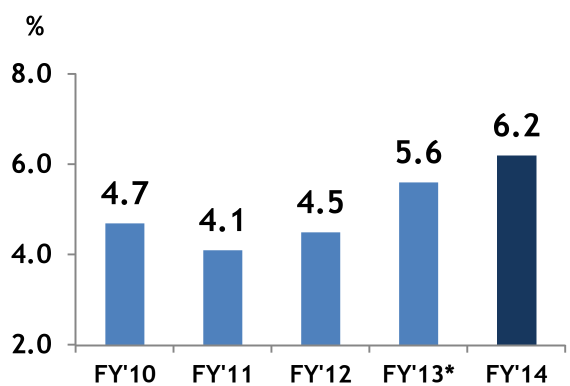


85% (3.4sen/kwh) of CPU increase is attributed to generation costs in line with Jan 2014 fuel costs increase

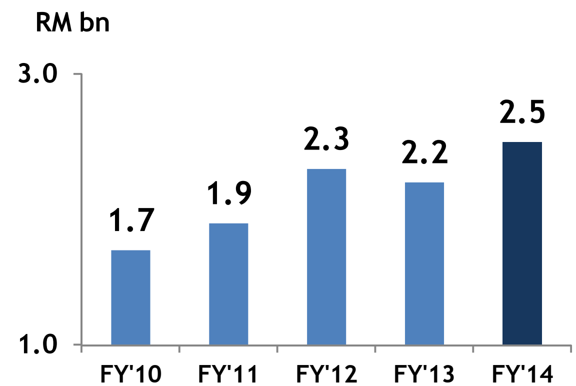


 # Exclude Finance Cost

2 Return on Assets (ROA)(%)



3 Revenue from Non-Regulated Business (RM bn)

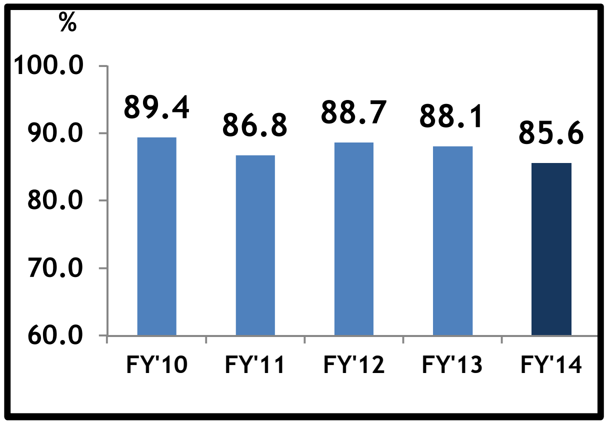


** FY2013 restated*

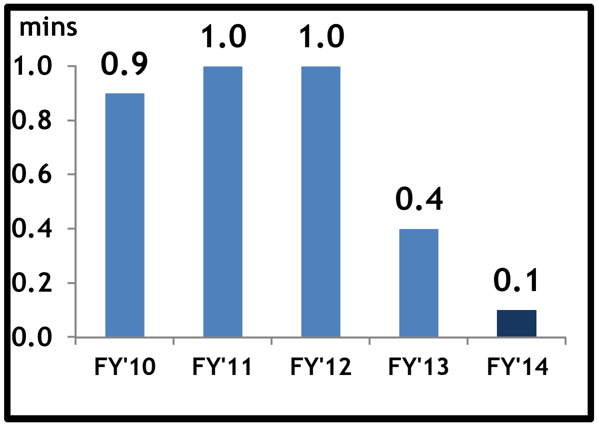
HEADLINE KEY PERFORMANCE INDICATORS

Technical Indicators

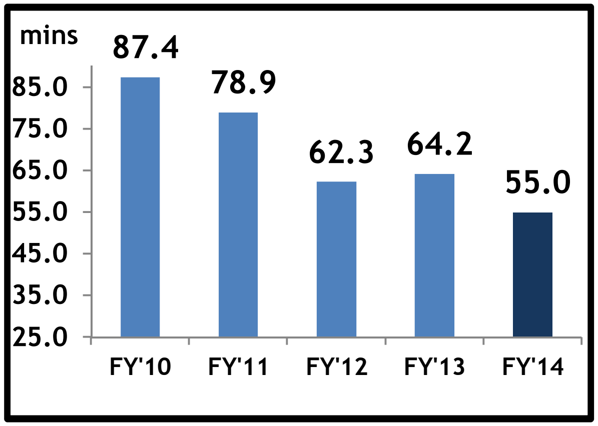
1 Equivalent Plant Availability Factor (EAF) (%)



2 Transmission System Minutes (mins)

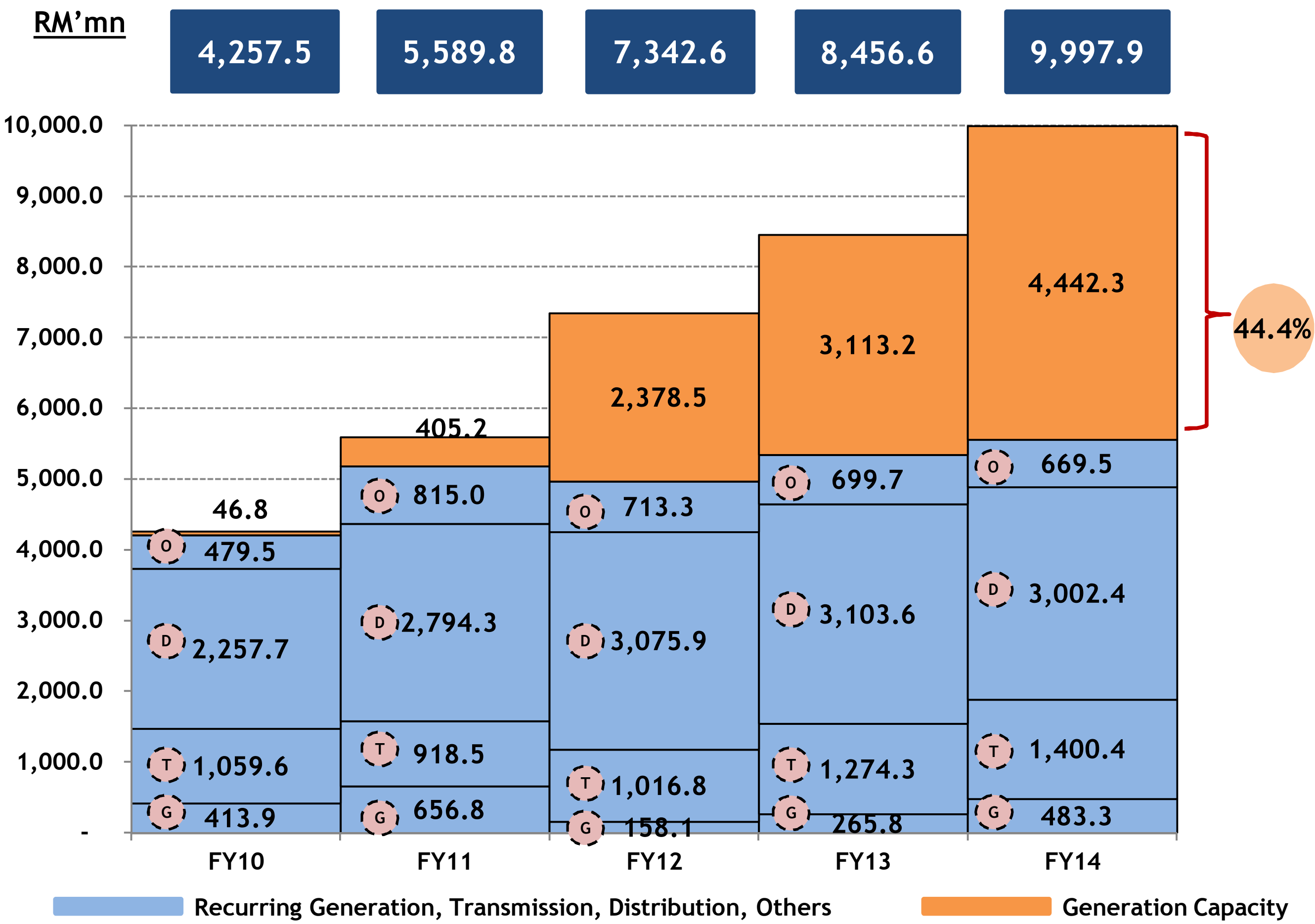


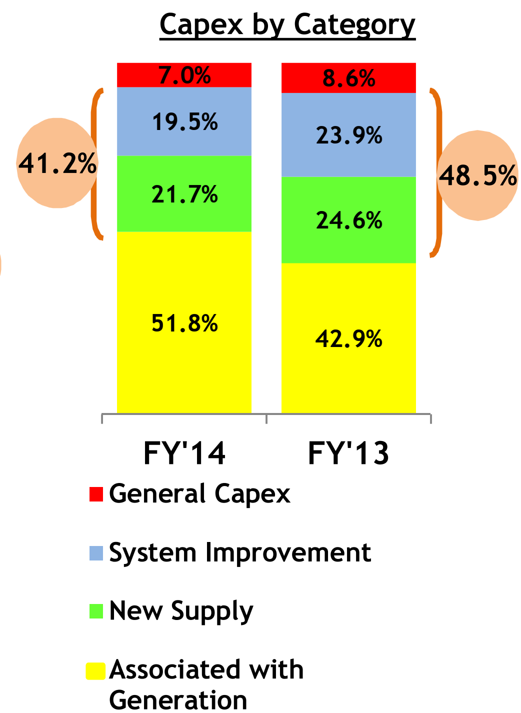
3 Distribution SAIDI (mins)



CAPITAL EXPENDITURE

Major Projects Represent 44.4% of Total CAPEX





STATUS OF MAJOR PROJECTS

All Major Projects are on Track as Scheduled

Janamanjung Unit 4

99% 1,000MW

COD 31st Mar 2015

Ulu Jelai Hydro

64% 372MW

COD Dec 2015 (U1)
Mar 2016 (U2)

Hulu Terengganu Hydro

85% 265MW

COD Sept 2015 (U1)
Dec 2015 (U2)

Prai

80% 1,070MW

COD 1st Jan 2016

Janamanjung Unit 5

19% 1,000MW

COD 1st Oct 2017

PROPOSED FINAL DIVIDEND

29.0 sen Represents 58.3% of the Company's Free Cashflow

INTERIM DIVIDEND

Interim Single-Tier Dividend of 10.0 sen per ordinary share

PROPOSED FINAL

Single-Tier Dividend of 19.0 sen per ordinary share

TOTAL DIVIDEND FOR FY2014: 29.0 sen per ordinary share

Tenaga is committed to pay out dividend based on its Dividend Policy whereby:
Dividend is paid out based on 40%-60% of its Company's Annual Free Cashflow;
Cashflow from Operations less Normalised Capex and Interest Servicing

The Books Closure and payment dates will be announced in due course.

AGENDA

RESULTS SNAPSHOTS

RESULTS HIGHLIGHTS

RESULTS DETAILS

QUESTION & ANSWER

QUARTERLY & YEARLY ANALYSIS

TENAGA NASIONAL

Higher OPEX Mainly due to Higher LNG Consumption & Cost

Table 1:

RM mn	FY'14	FY'13 (Restated)	1QFY'14	2QFY'14	3QFY'14	4QFY'14
Total Units Sold (GWh)	108,101.7	105,478.9	26,717.4	26,257.4	26,868.9	28,258.0
Revenue	42,792.4	37,130.7	9,585.4	10,008.6	11,475.0	11,723.4
Operating Expenses (before depreciation)	31,392.6	27,307.7	6,966.1	7,426.2	8,518.1	8,482.2
Operating Income	653.7	623.4	67.9	115.5	166.1	304.2
EBITDA	**12,053.5**	**10,446.4**	**2,687.2**	**2,697.9**	**3,123.0**	**3,545.4**
EBITDA Margin (%)	**28.2%**	**28.1%**	**28.0%**	**27.0%**	**27.2%**	**30.2%**
Depreciation and Amortisation	4,872.5	4,539.5	1,164.3	1,231.2	1,209.6	1,267.4
EBIT	**7,181.0**	**5,906.9**	**1,522.9**	**1,466.7**	**1,913.4**	**2,278.0**
EBIT Margin (%)	**16.8%**	**15.9%**	**15.9%**	**14.7%**	**16.7%**	**19.4%**
Finance Cost	874.6	894.2	240.5	203.1	195.4	235.6
Profit Before Tax & Forex Translation	**6,669.4**	**5,431.5**	**1,349.9**	**1,352.7**	**1,810.1**	**2,156.7**
Net Profit Before Forex Translation	6,021.7	4,862.6	1,482.2	1,789.1	1,547.6	1,202.8
Translation Gain/(Loss)	445.3	493.6	252.7	(119.0)	158.5	153.1
Net Profit attributable to : Equity Holders	**6,467.0**	**5,356.2**	**1,734.9**	**1,670.1**	**1,706.1**	**1,355.9**
Non-controlling Interest	(40.2)	26.6	(16.4)	(21.2)	31.3	(33.9)

Table 2:

	1QFY'14	2QFY'14	3QFY'14	4QFY'14	FY'13	FY'14	Var (%)
Average Coal Price Consumed (USD/MT) (CIF)	77.2	77.8	74.6	72.9	83.6	75.4	-9.8%
Average Coal Price Consumed (RM/MT) (CIF)	249.0	256.2	243.2	233.0	259.5	244.6	-5.7%
Coal Consumption (mn MT)	4.7	4.0	4.8	5.8	20.8	19.3	-7.2%

OPERATING EXPENSES

13.9% Increase in OPEX Mainly Attributed to Higher Generation Costs

TENAGA NASIONAL

RM mn	FY'14	FY'13 (Restated)	Variance RM mn	Variance %
Capacity Payment	3,799.1	4,358.6	559.5	12.8
Energy Payment	9,398.5	9,389.6	(8.9)	(0.1)
Total IPPs Purchases/Costs	13,197.6	13,748.2	550.6	4.0
Fuel Costs	10,288.1	6,227.5	(4,060.6)	(65.2)
	23,485.7	19,975.7	(3,510.0)	
Repair & Maintenance	1,813.1	1,693.1	(120.0)	(7.1)
Staff Costs	3,576.2	3,322.5	(253.7)	(7.6)
TNB General Expenses	1,477.2	1,288.0	(189.2)	(14.7)
Subs. Gen Exp, Cost of Sales & Provision	1,040.4	1,028.4	(12.0)	(1.2)
Depreciation & Amortisation	4,872.5	4,539.5	(333.0)	(7.3)
Total Operating Expenses	36,265.1	31,847.2	(4,417.9)	(13.9)

AGENDA

RESULTS SNAPSHOTS

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RESULTS DETAILS

QUESTION & ANSWER

DETAILS OF REVENUE

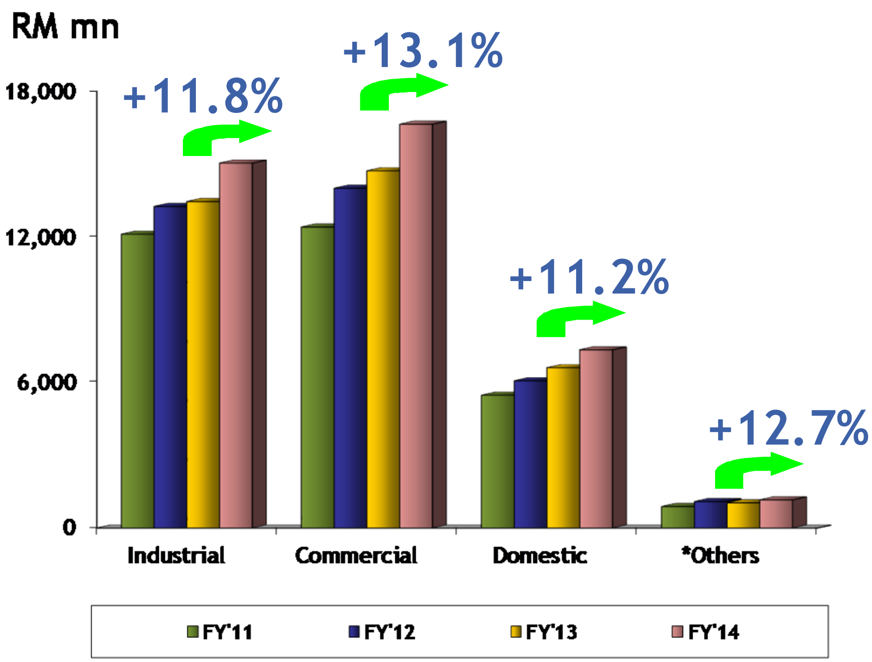
Increase in Tariff Resulted in 12.2% Increase in Group Sales of Electricity

	FY'14		FY'13		Growth
UNITS SOLD	**GWh**		**GWh**		**%**
- TNB	102,382.8		99,920.5		2.5
- EGAT (Export)	30.2		3.7		>100.0
- SESB	4,708.2		4,650.0		1.3
- LPL	980.5		904.7		8.4
Total Units Sold (GWh)	**108,101.7**		**105,478.9**		**2.5**
REVENUE	**RM mn**	**Sen/KWh**	**RM mn**	**Sen/KWh**	
Sales of Electricity					
- TNB	38,018.0	37.1	33,857.0	33.9	12.3
- EGAT (Export)	28.6	94.7	4.5	121.6	>100.0
- SESB	1,544.4	32.8	1,375.3	29.6	12.3
- LPL	628.8	64.1	617.7	68.3	1.8
Sales of Electricity	**40,219.8**	**37.2**	**35,854.5**	**34.0**	**12.2**
LPL Operating Lease (FRS117)	(26.8)		(38.8)		30.9
Accrued Revenue	665.9		40.8		>100.0
Total Sales of Electricity	**40,858.9**		**35,856.5**		**14.0**
Goods & Services	1,476.3		919.2		60.6
Deferred Income	457.2		355.0		28.8
Total Revenue	**42,792.4**		**37,130.7**		**15.2**

ELECTRICITY GROWTH BY SECTORS (GROUP)

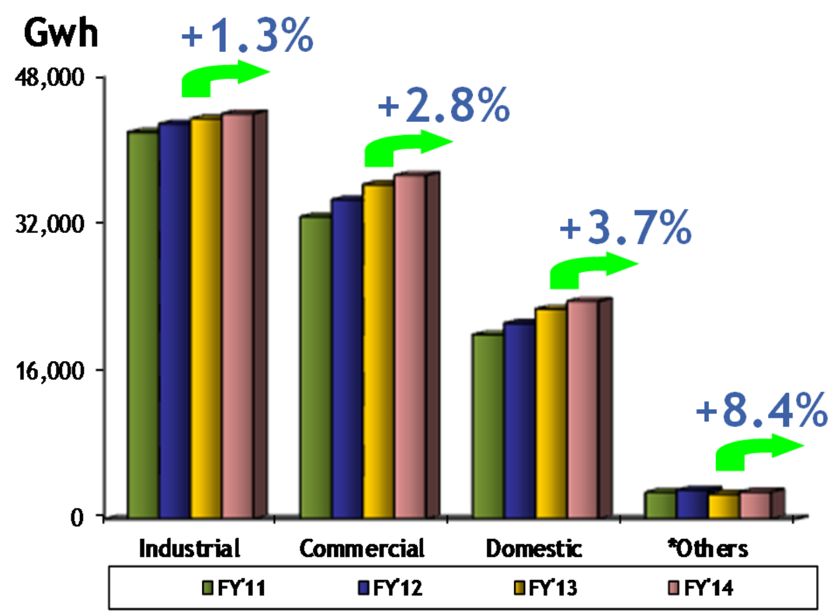
Analysis

FY’14 = 12.2%
(FY’13 = 4.1%)



FY’14 = 2.5%
(FY’13 = 3.3%)

	Industrial	Commercial	Domestic	Others
FY’13	+1.3%	+4.8%	+7.3%	-13.9%

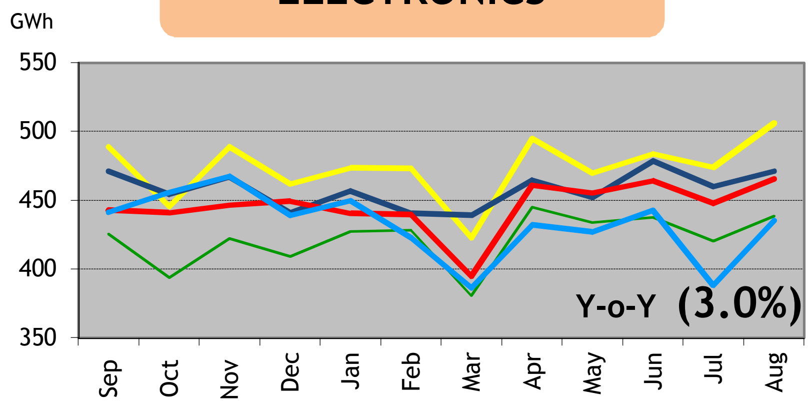


Notes:
* Includes Specific Agriculture, Mining, Public Lighting, LPL & EGAT
Revenue excluding accrued revenue

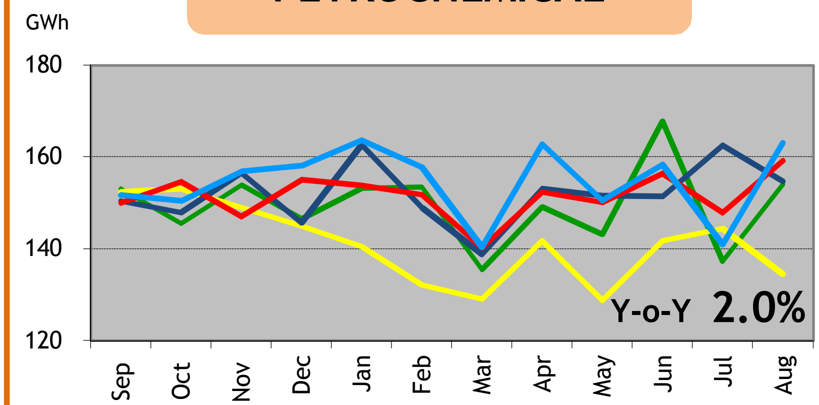
DETAILS OF REVENUE: SECTORAL ANALYSIS

Industrial Sector* (Peninsula) Recorded Y-o-Y Growth of 1.3%

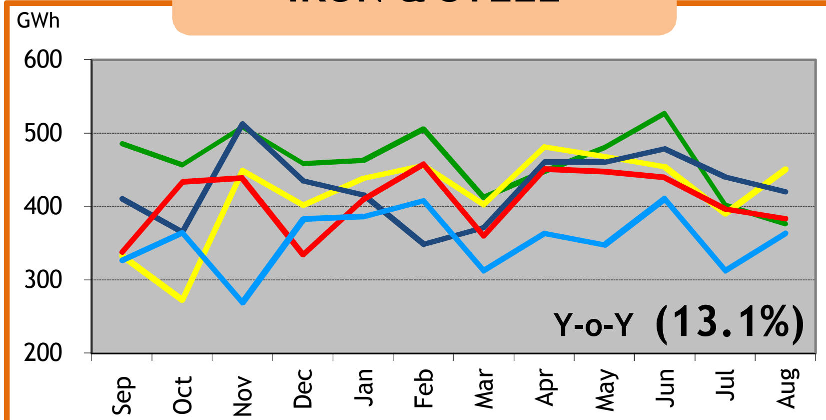
ELECTRONICS



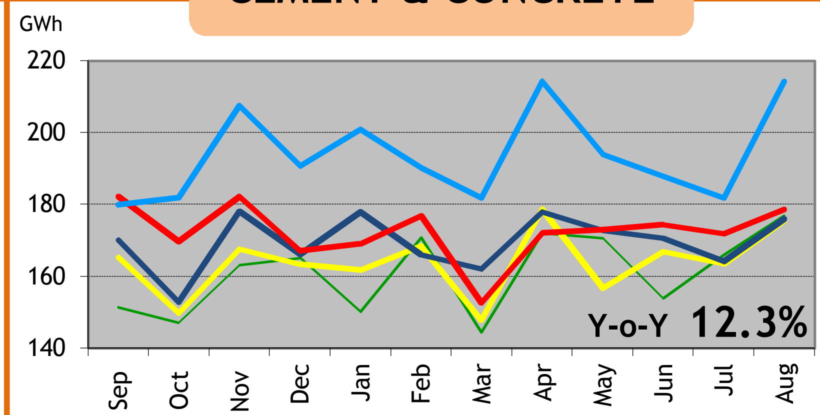
PETROCHEMICAL



IRON & STEEL



CEMENT & CONCRETE



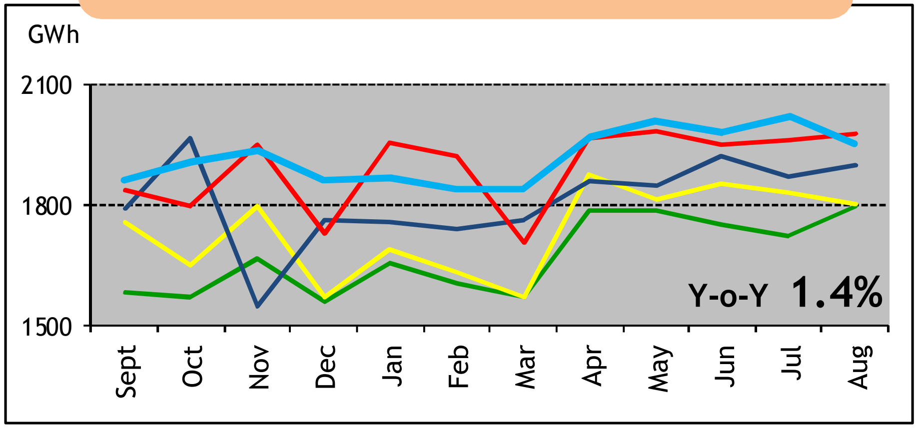
FY2010 FY2011 FY2012 FY2013 FY2014

* Source : Top 1,000 PRIME customers database (PRIME customer YTD unit sales equivalent to 33.4% of total YTD unit sales)
* PRIME customers for 4 sectors above attributes 39.9% from the whole PRIME customers YTD unit sales

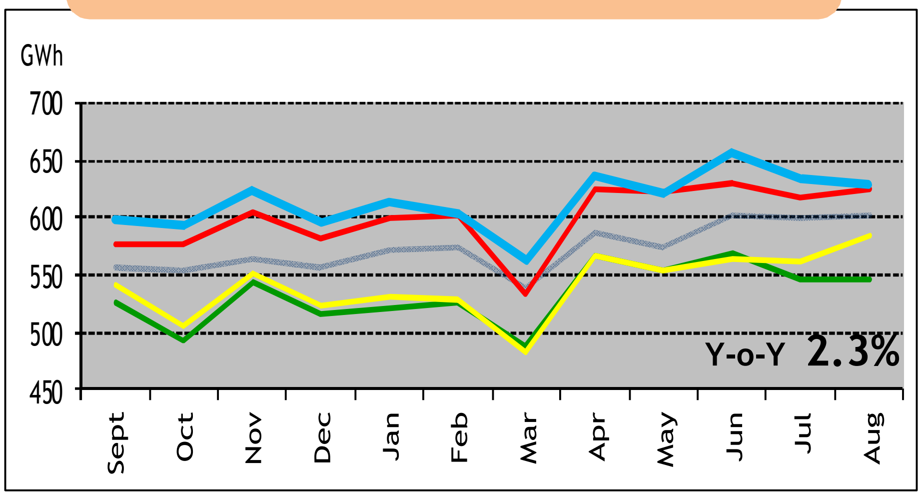
DETAILS OF REVENUE: SECTORAL ANALYSIS

Commercial Sector (Peninsula) Recorded Y-o-Y Growth of 2.8%

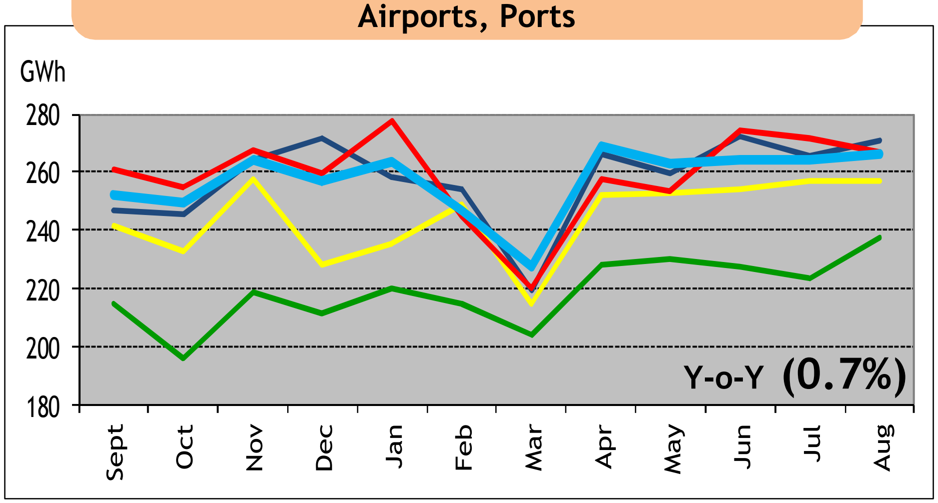
LOW VOLTAGE
Shop Lots & Retail Business



MEDIUM VOLTAGE
Shopping Malls, 3 Star Hotels, Office Buildings



MEDIUM VOLTAGE (PEAK/OFF-PEAK)
Mega Shopping Malls, 4-5 Star Hotels, Hospitals, Airports, Ports



FY2010 FY2011 FY2012 FY2013 FY2014

INDUSTRY GENERATION IN PENINSULA (TNB & IPPs)

Increased Gas Generation due to Lower Coal & Hydro Plant Availability

FY2014 Fuel Costs (RM mn)

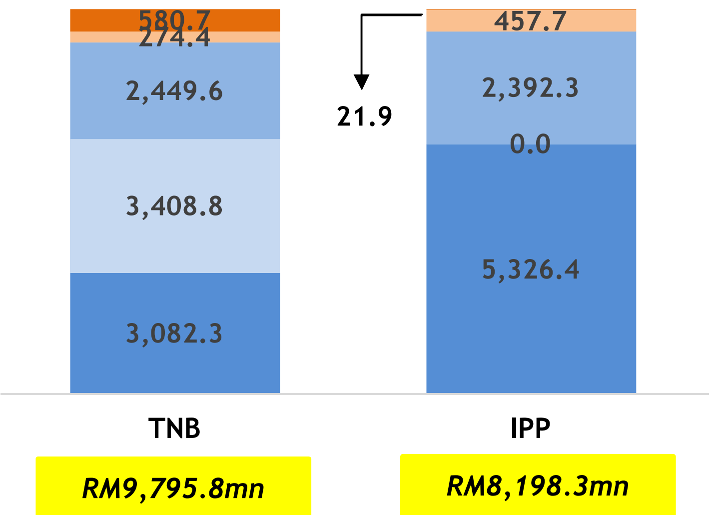


Table 1:

FY2014: Fuel Cost (%)						
	Gas	LNG	Coal	Dist.	Oil	%
TNB	17.1	18.9	13.6	1.5	3.3	**54.4**
IPP	29.6	0.0	13.3	2.6	0.1	**45.6**
Total FY14	**46.7**	**18.9**	**26.9**	**4.1**	**3.4**	**100.0**
Total FY13	**43.7**	**2.3**	**36.8**	**9.6**	**7.6**	**100.0**

19.6 ppt

FY2014 Units Generated (Gwh)

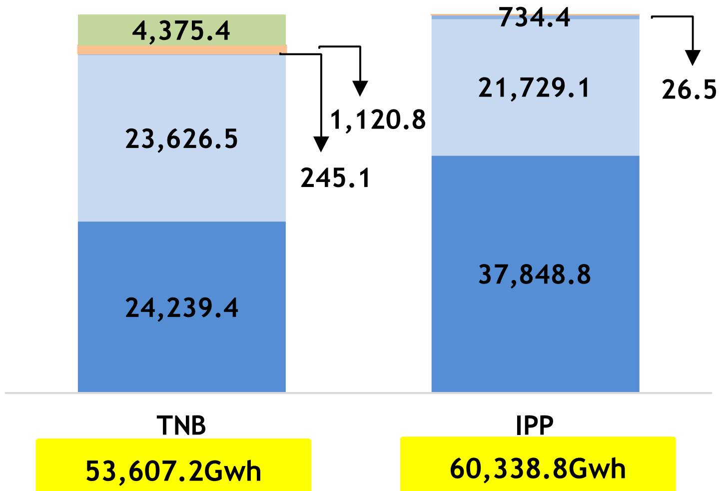


Table 2:

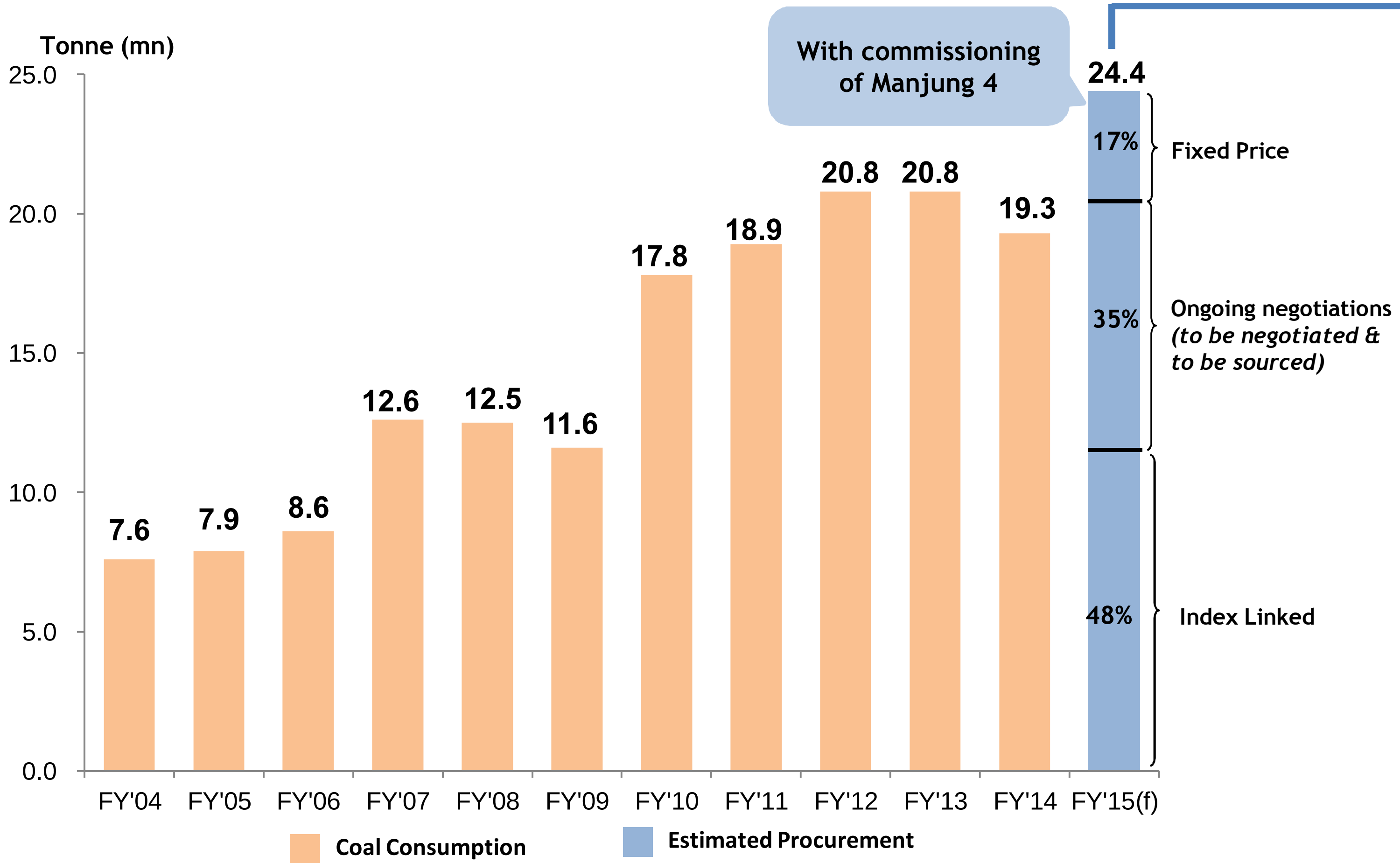
FY2014: Units Generated (%)						
	Gas	Coal	Dist.	Oil	Hydro	%
TNB	21.3	20.7	0.2	1.0	3.8	**47.0**
IPP	33.2	19.1	0.7	0.0		**53.0**
Total FY14	**54.5**	**39.8**	**0.9**	**1.0**	**3.8**	**100.0**
Total FY13	**47.3**	**44.5**	**2.1**	**1.9**	**4.2**	**100.0**

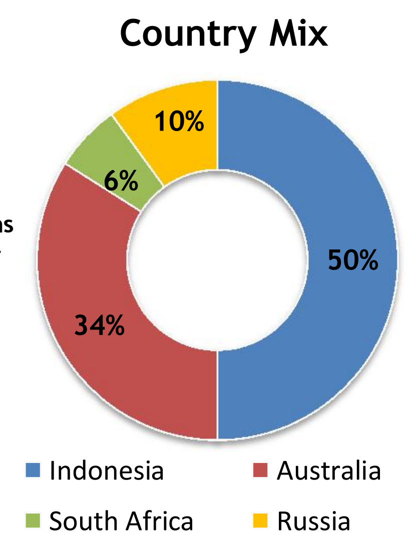
Gas Coal Dist. Oil Hydro

COAL REQUIREMENT

Average Coal Price for FY'14 was at USD75.4/MT

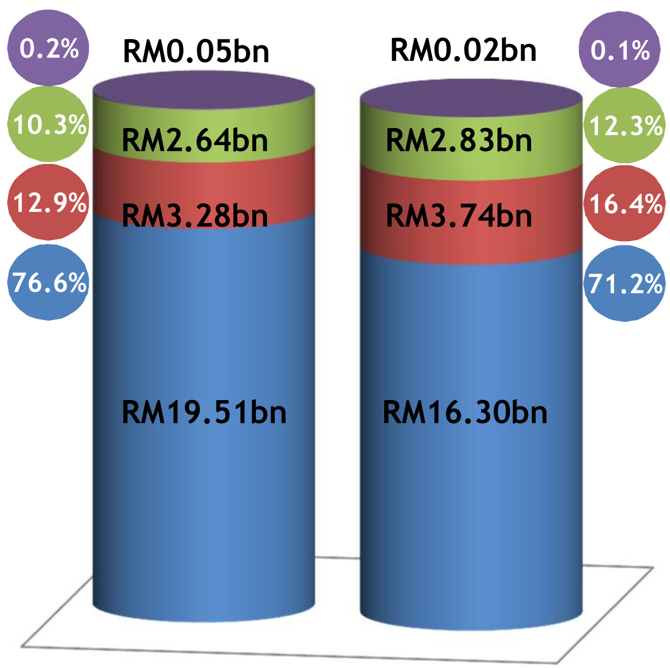
	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	76.4	90.2	88.2	106.9	103.6	83.6	75.4





DEBT EXPOSURE & FOREX

Increase due to Sukuk Financing for Manjung 5 of RM3.7bn in Feb'14



Statistics	31st Aug'14	31st Aug'13 (Restated)
Total Debt (RM bn)	25.5	22.9
Net Debt (RM bn)	17.3	13.3
Gearing (%)	36.9	37.6
Net Gearing (%)	25.2	21.9
Fixed : Floating (%)	99.3 : 0.7	98.8 : 1.2
Final Exposure (%)	100.0 : 0.0	100.0 : 0.0
Weighted Average Cost of Debt (%)	4.86	4.68
Final Exposure (%)	4.92	4.77

	31st Aug'14	31st Aug'13
USD/RM	3.15	3.29
100YEN/RM	3.04	3.35
USD/YEN	103.62	98.21

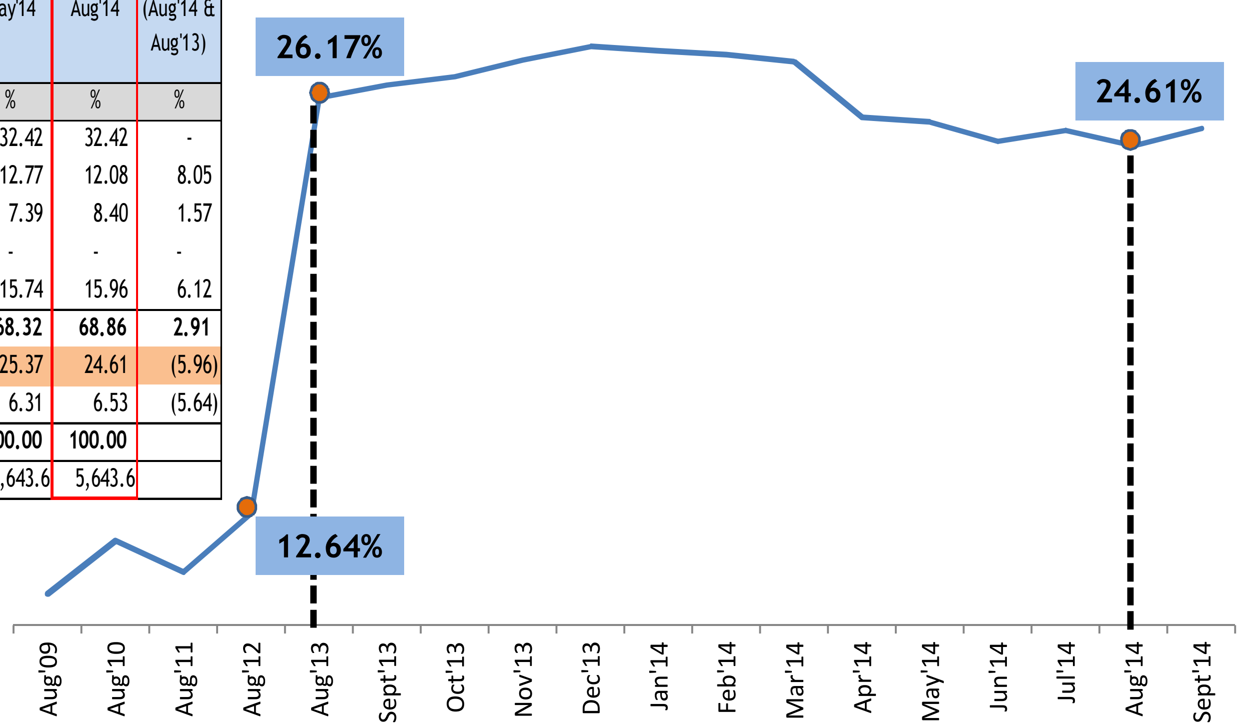
SHAREHOLDING

Foreign Shareholding's Trend Remained Stable

MAIN SHAREHOLDING

Name	Aug'13	Nov'13	Feb'14	May'14	Aug'14	Variance (Aug'14 & Aug'13)
	%	%	%	%	%	%
Khazanah Nasional Berhad	32.42	32.42	32.42	32.42	32.42	-
Employees Provident Fund Board	11.18	10.29	11.05	12.77	12.08	8.05
Skim Amanah Saham Bumiputera	8.27	6.64	7.16	7.39	8.40	1.57
Lembaga Tabung Haji	0.04	-	-	-	-	-
Other Corporations & Govt. Agencies	15.04	16.10	15.20	15.74	15.96	6.12
Subtotal	**66.91**	**65.45**	**65.83**	**68.32**	**68.86**	**2.91**
Foreign	26.17	27.40	27.56	25.37	24.61	(5.96)
Malaysian Public	6.92	7.15	6.61	6.31	6.53	(5.64)
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	
Paid Up Capital (mn shares)	5,643.6	5,643.6	5,643.6	5,643.6	5,643.6	

Foreign shareholding
remained stable at around 25%



FOREIGN SHAREHOLDING FY14/15 (%)

Sept'13	Oct'13	Nov'13	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14	Aug'14	Sept'14
26.59	26.86	27.40	27.84	27.70	27.56	27.33	25.53	25.37	24.76	25.10	24.61	25.17

AGENDA

RESULTS SNAPSHOTS

RESULTS HIGHLIGHTS

RESULTS DETAILS

QUESTION & ANSWER

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THANK YOU