



## UNAUDITED FINANCIAL RESULTS 1<sup>ST</sup> QUARTER FY2009

19th January 2009



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# AGENDA

- ❑ **Highlights Of The Group's Performance**
- ❑ **Details Of The Group's Performance**
- ❑ **Q&A**

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# Highlights Of The Group's Performance

*"Powering The Nation."*

**Y.Bhg. Tan Sri Leo Moggie**  
**CHAIRMAN**

## KEY HIGHLIGHTS

- ✓ **1.1% Unit electricity demand growth in Peninsular Malaysia**
- ✓ **27.2% increase in Group Revenue against a 48.9% increase in Operating Expenses**
- ✓ **Average coal price of USD113.9/MT**
- ✓ **EBITDA margin at 21.5% compared to 40.3% for the corresponding period in FY2008**
- ✓ **Net loss of RM944.1mn**

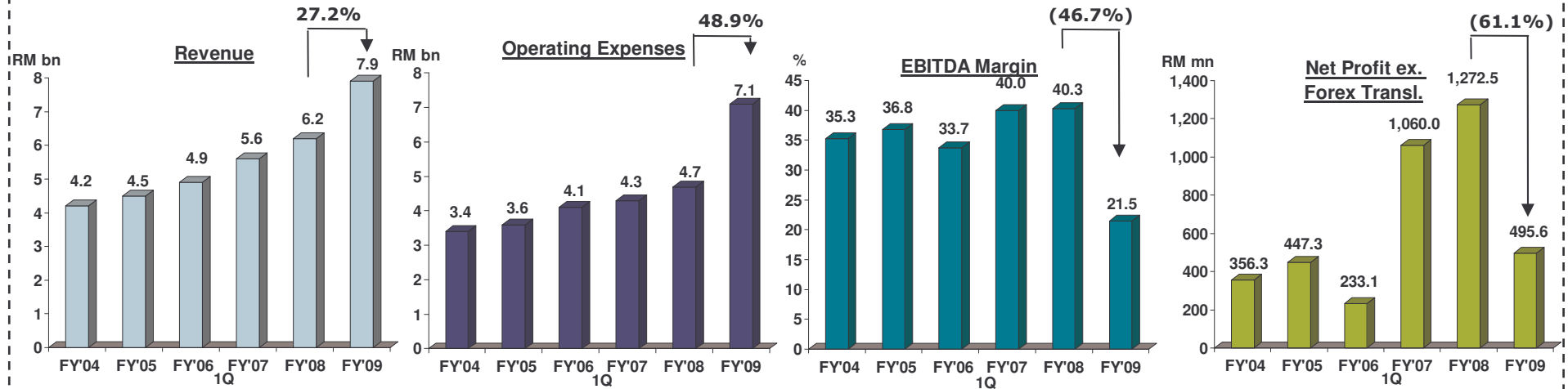
# FINANCIAL HIGHLIGHTS

**RM mn**

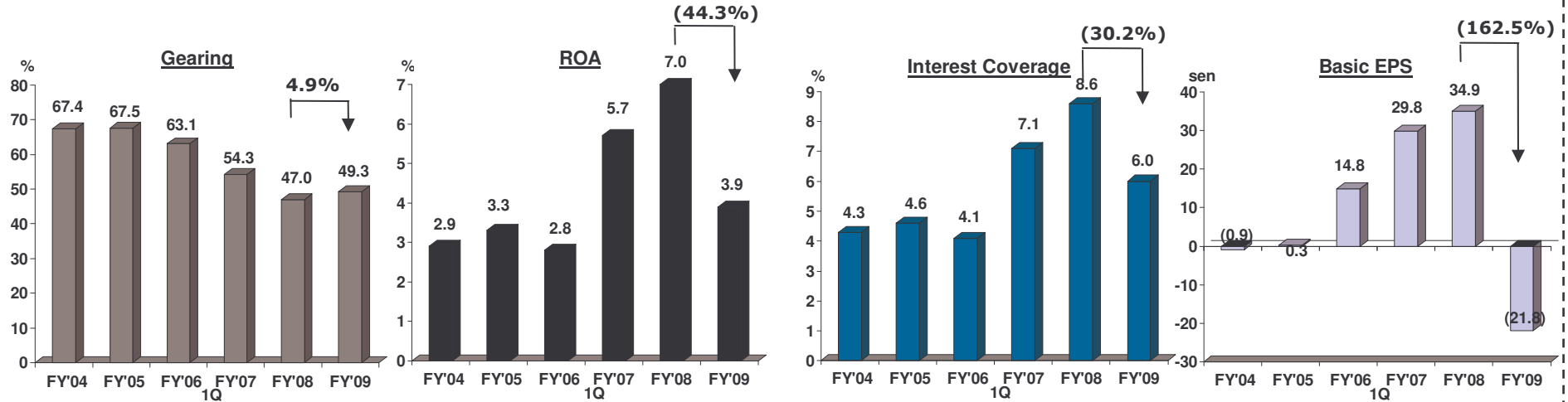
	1Q FY'08	1Q FY'09
Revenue	6,208.3	7,895.0
Operating Expenses	(4,742.6)	(7,060.6)
Other Operating Income	216.7	108.0
Operating Surplus	1,682.4	942.4
Finance Cost	(290.0)	(285.2)
Transaction Gain/(Loss)	(0.2)	2.0
Profit Before Tax & Translation Gain/(Loss)	1,401.6	667.0
Net Profit Before Translation Gain	1,272.5	495.6
Translation Gain	242.4	(1,439.7)
Profit/(Loss) for the period	1,516.9	(940.7)
Profit/(Loss) Attributable to:		
Equity Holders	1,514.9	(944.1)
Minority Interests	2.0	3.4
	1,516.9	(940.7)

# FINANCIAL PERFORMANCE & RATIOS

## Financial Performance



## Financial Ratios



# ECONOMIC PROFIT

	1Q	
	FY2008 RM mn	FY2009 RM mn
<u>NOPLAT computation:</u>		
EBIT	1,381.3	747.3
Adjusted Tax	(359.1)	(186.8)
<b>NOPLAT</b>	<b>1,022.2</b>	<b>560.5</b>
<u>Economic Charge computation:</u>		
Avg. Invested Capital	53,683.0	54,623.2
WACC	7.6%	7.6%
<b>Economic Charge</b>	<b>(4,058.4)</b>	<b>(4,129.5)</b>
<b>Pro-rated for 3-month period</b>	<b>(1,014.6)</b>	<b>(1,032.4)</b>
<b>ECONOMIC PROFIT / (LOSS) (NOPLAT + ECONOMIC CHARGE)</b>	<b>7.6</b>	<b>(471.9)</b>

# ANNOUNCEMENT OF HEADLINE KEY PERFORMANCE INDICATORS

## FY'09 Targets and 1Q Performance

Initiatives	Actual FY2008	Target FY2009	1QFY'09
Return on Assets (ROA)	4.6%	2.8% <sup>*</sup>	3.9% <sup>1</sup>
Gearing	46.9%	48 - 50%	49.3%
Unplanned Outage Rate (UOR)**	3.3%	3.5%	2.8%
T&D Losses	9.5%	9.5%	9.6% <sup>2</sup> 9.5% <sup>3</sup>
Transmission System Minutes (mins)	6.6	6.5	0.4
Distribution SAIDI (mins)	78.0	75.0	22.9

$$\text{Gearing} = \frac{\text{Long-term \& Short-term debt}}{\text{Long-term \& Short-term debt} + \text{Shareholders Funds} + \text{MI}}$$

Note: <sup>1</sup> based on adjusted annualised net profit as calculated above  
<sup>2</sup> based on 12-month rolling averages  
<sup>3</sup> based on YTD

\* Preliminary given the current economic uncertainties  
 \*\* excludes KEV



# ANALYSIS OF ELECTRICITY GROWTH IN PENINSULAR MALAYSIA

UNITS SALES		Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Industrial	Gwh	3,486	3,283	3,226	3,277	3,355	3,447	3,108	3,412	3,403	3,532	3,417	3,565	3,501	3,238	3,086	3,007
	Growth (%)	7.2	8.5	10.0	(1.7)	6.4	13.0	8.4	2.1	2.2	4.6	4.2	5.5	0.4	(1.4)	(4.3)	(8.2)
Commercial	Gwh	2,324	2,154	2,223	2,183	2,235	2,152	2,091	2,253	2,377	2,330	2,282	2,336	2,349	2,416	2,177	2,193
	Growth (%)	8.5	11.6	9.4	5.6	10.3	7.8	8.7	1.4	10.4	3.6	5.1	5.6	1.1	12.2	(2.1)	0.5
Domestic	Gwh	1,331	1,293	1,315	1,259	1,269	1,310	1,284	1,289	1,431	1,350	1,336	1,343	1,318	1,465	1,309	1,312
	Growth (%)	4.5	17.4	(0.3)	4.8	1.3	16.7	4.0	(2.5)	6.8	0.6	4.3	6.8	(0.9)	13.3	(0.5)	4.2
TOTAL	Gwh	7,242	6,828	6,863	6,817	6,963	7,010	6,579	7,051	7,313	7,314	7,134	7,349	7,268	7,226	6,673	6,612
	Growth (%)	7.2	11.2	7.7	1.9	6.7	12.0	7.6	1.0	5.7	3.6	4.5	6.0	0.4	5.8	(2.8)	(3.0)

1Q FY'08  
8.6%

2Q FY'08  
6.7%

3Q FY'08  
4.6%

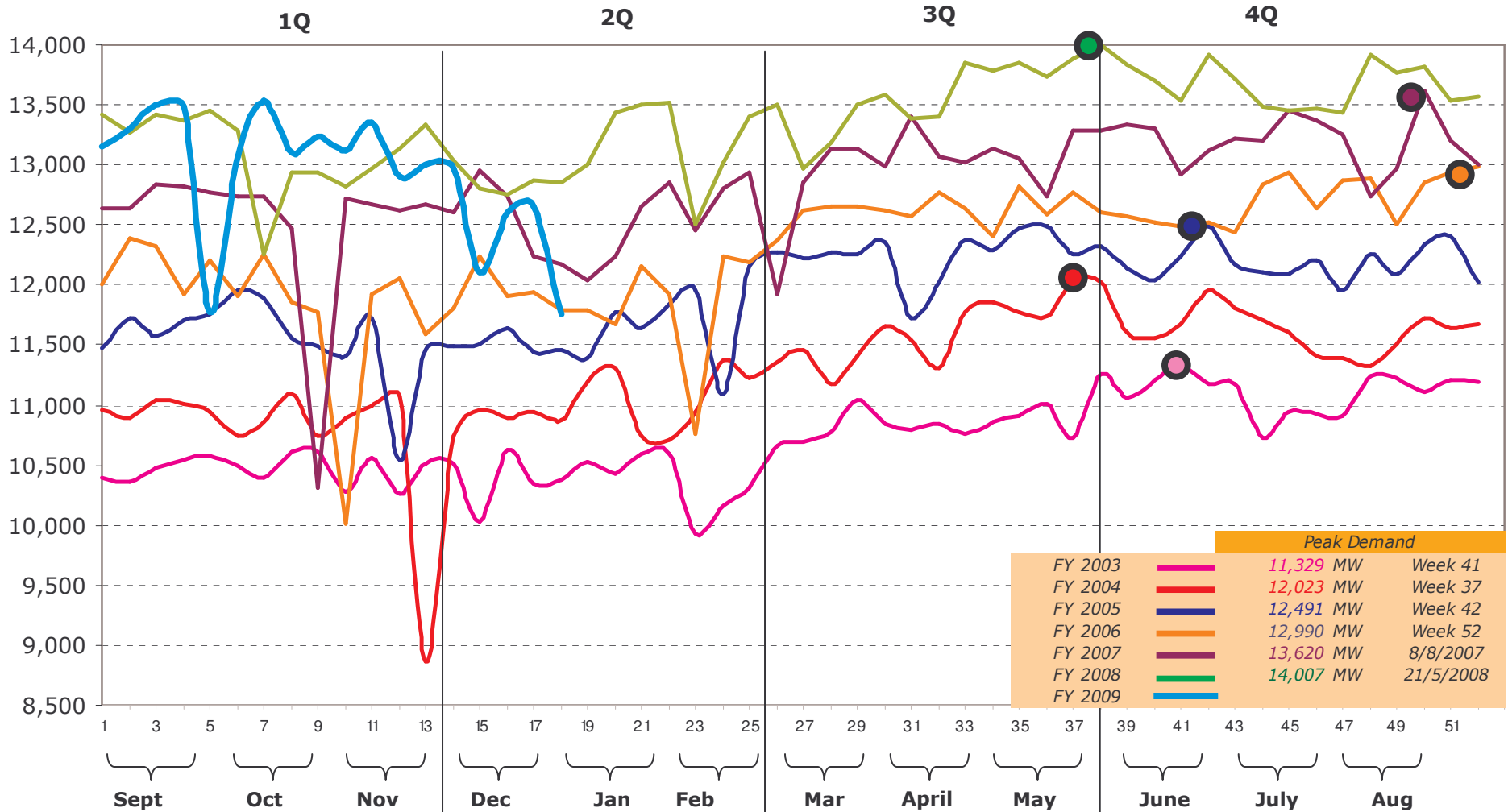
4Q FY'08  
4.7%

1Q FY'09  
1.1%

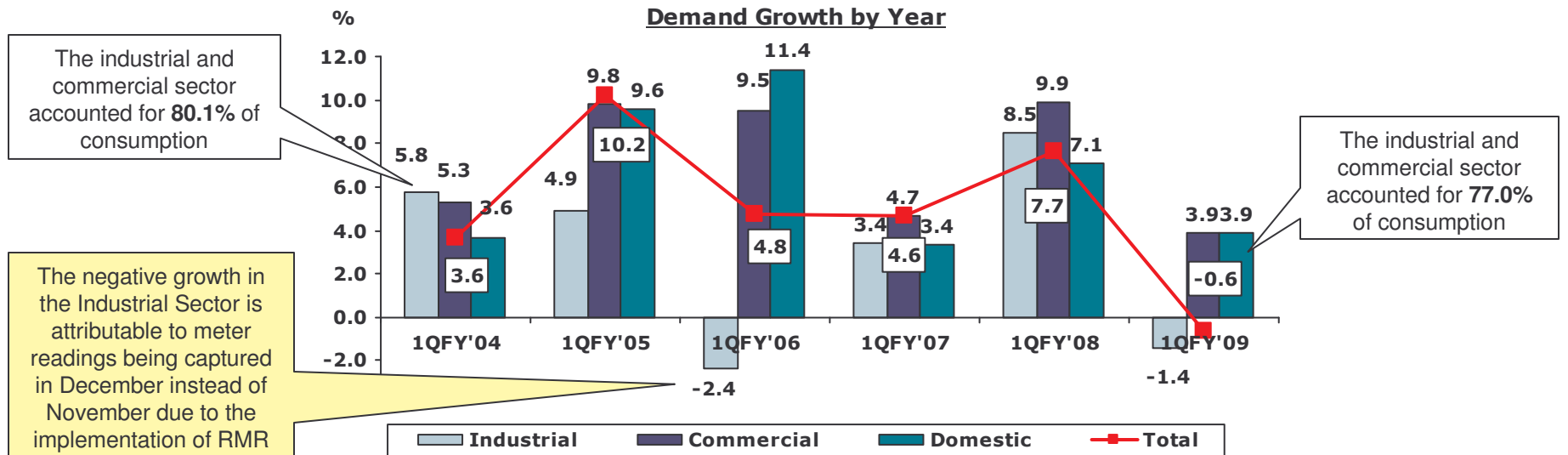
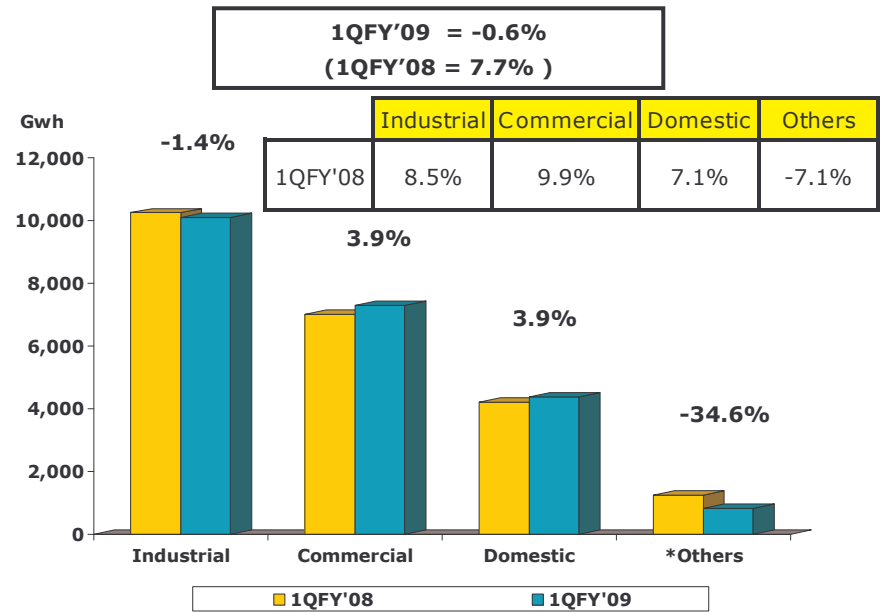
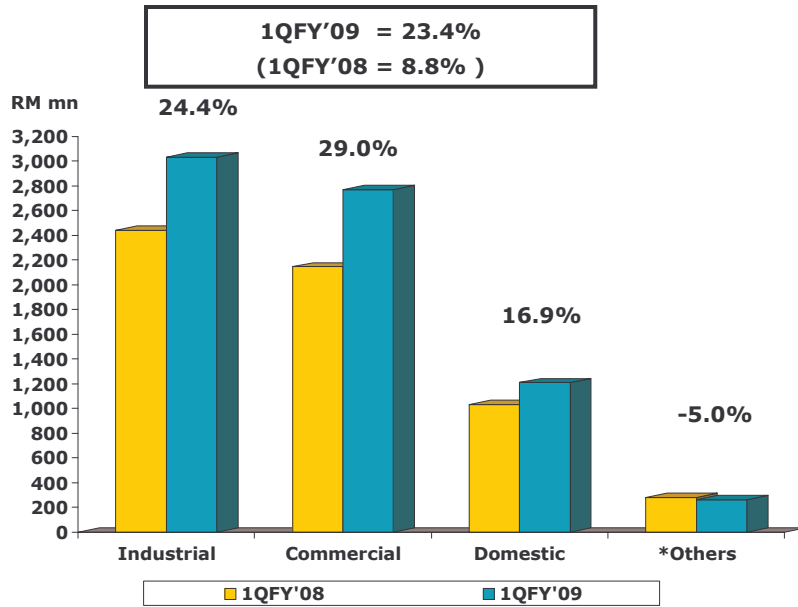
	1QFY'08	1QFY'09
Growth (%)	8.6	1.1

# SYSTEM WEEKLY MAXIMUM DEMAND

## For FY2002/03 to FY2008/09 (Sept - Aug Period)



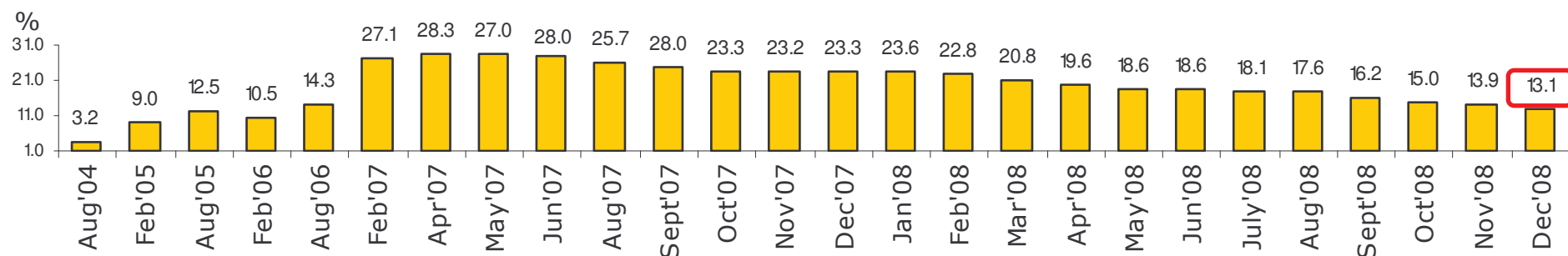
# ANALYSIS OF ELECTRICITY GROWTH BY SECTORS



\* Includes Mining, Public Lighting and LPL

# SHAREHOLDING

## Foreign Shareholding



## Main Shareholdings

	Aug'07	Aug'08	Dec'08	Variance (Dec'08 & Aug'08)
Name	%	%	%	%
Khazanah Nasional Berhad	37.67	37.80	37.80	0.00
Employees Provident Fund Board	10.06	11.32	13.53	19.52
Skim Amanah Saham Bumiputera	7.23	8.94	8.94	0.00
Kumpulan Wang Persaraan	3.23	3.53	3.53	0.00
Other Corporations & Govt. Agencies	9.90	17.14	17.20	0.35
<b>Subtotal</b>	<b>68.09</b>	<b>78.73</b>	<b>81.00</b>	2.88
Foreign	25.67	17.64	13.10	(25.74)
Malaysian Public	6.24	3.63	5.90	62.53
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
Paid Up Capital (mn shares)	4,331.71	4,334.50	4,334.60	0.00

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## **Details Of The Group's Performance**

***"Service Excellence 10/10"***

**Y.Bhg. Dato' Sri Che Khalib Bin Mohamad Noh  
President/Chief Executive Officer**

## OPERATING EXPENSES

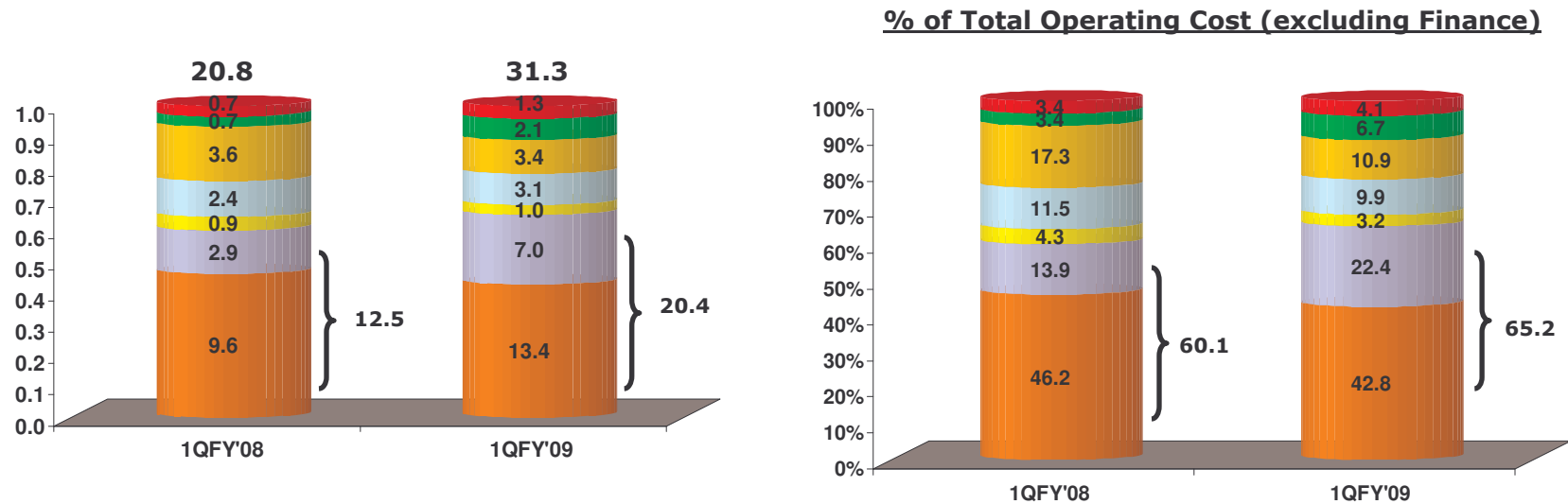
RM mn	1QFY'08	1QFY'09	Changes (%)	Increase
Sales of Electricity	5,898.4	7,276.5	23.4%	1,378.1
IPP	(2,176.0)	(3,036.1)	39.5%	860.1
Fuel	(692.7)	(1,580.6)	128.2%	887.9
R&M	(200.9)	(222.4)	10.7%	21.5
Salary & Related Costs	(369.1)	(518.6)	40.5%	149.5
FRS 119 (Staff Benefits)	(167.0)	(177.6)	6.3%	10.6
Depreciation	(818.5)	(757.4)	(7.5%)	(61.1)
General Expenses	(100.3)	(102.7)	2.4%	2.4
Provisions	10.6	(5.7)	(153.8%)	16.3
Subs. Cost of Sales	(217.8)	(600.4)	175.7%	382.6
Subs. General Expenses	(10.9)	(59.1)	442.2%	48.2
<b>TOTAL OPERATING EXPENSES</b>	<b>(4,742.6)</b>	<b>(7,060.6)</b>	<b>48.9%</b>	<b>2,318.0</b>

# COST PER UNIT

50.5% Increase In Cost Per Unit Sold

63.2% Increase In IPP & Fuel Cost Per Unit Sold

COST PER UNIT SOLD (sen/kWh)	1Q FY'03	1Q FY'04	1Q FY'05	1Q FY'06	1Q FY'07	1Q FY'08	1Q FY'09
	19.8	19.7	18.9	20.3	20.1	20.8	31.3

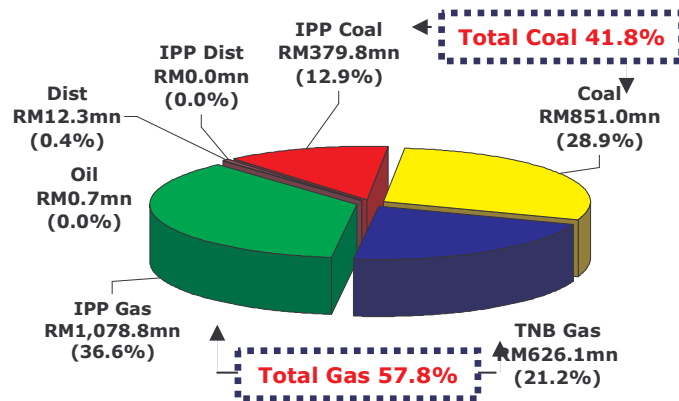




# INDUSTRY GENERATION IN PENINSULAR MALAYSIA (TNB & IPPS)

Coal Generation Accounts for 30.9% of Units Generated in Pen. Malaysia

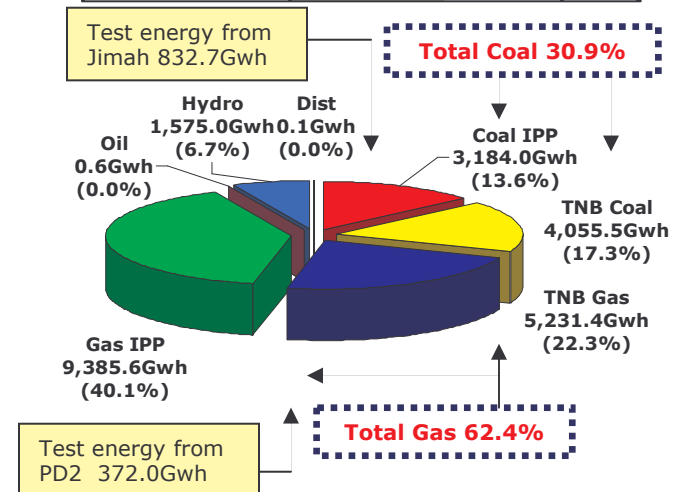
Fuel Cost (RM mn)				
Fuel Type	3 Months		Variance	
	FY 2008	FY 2009	RM	%
Gas	793.4	1,704.9	911.5	114.9
Coal	503.2	1,230.8	727.6	144.6
Dist.	6.3	12.3	6.0	95.2
Oil	1.0	0.7	(0.3)	(30.0)
Hydro	0.0	0.0	0.0	-
<b>Total</b>	<b>1,303.9</b>	<b>2,948.7</b>	<b>1,644.8</b>	<b>126.1</b>



**TOTAL : RM 2,948.7mn**

Total Coal Consumption = 3.0mn MT  
Average Contracted Price of coal consumed = USD113.9/MT

Units Generated (Gwh)				
Fuel Type	1Q		Variance	
	FY 2008	FY 2009		%
Gas	15,410.9	14,617.0	(793.9)	(5.2)
Coal	6,082.5	7,239.5	1,157.0	19.0
Dist.	0.1	0.1	0.0	4.9
Oil	0.8	0.6	(0.2)	4.3
Hydro	1,611.8	1,575.0	(36.8)	(2.3)
<b>Total</b>	<b>23,106.1</b>	<b>23,432.2</b>	<b>326.1</b>	<b>1.4</b>

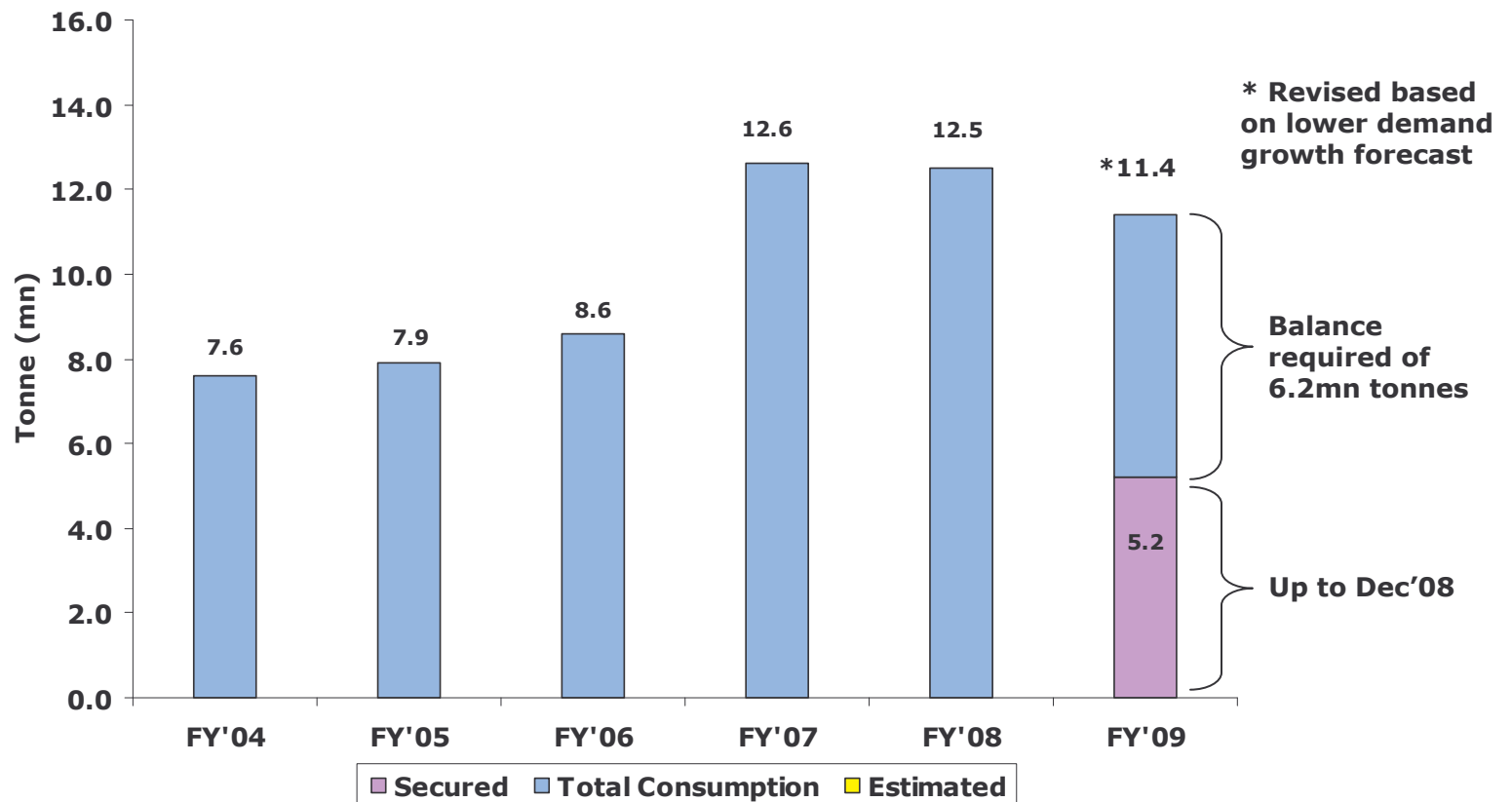


**TOTAL : 23,432.2 Gwh**  
Fuel Cost/Gwh : 12.58 sen

# REVISED COAL REQUIREMENT FOR FY'09 OF 11.4MN MT

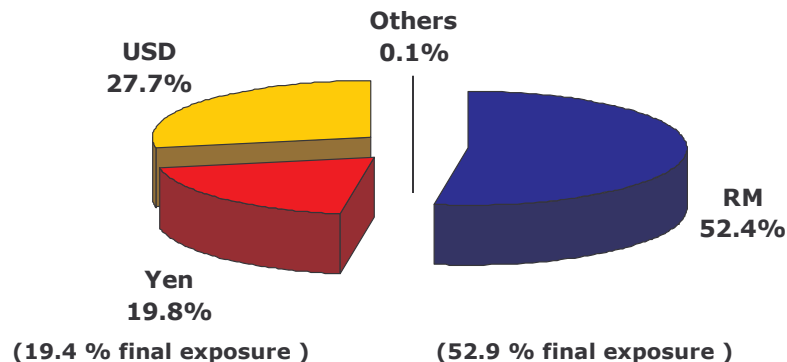
Pricing for 32% of Remaining 6.2mn Tonnes Required Based on Index-Linked

	FY'04	FY'05	FY'06	FY'07	FY'08	YTD Dec'08
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	76.4	107.7

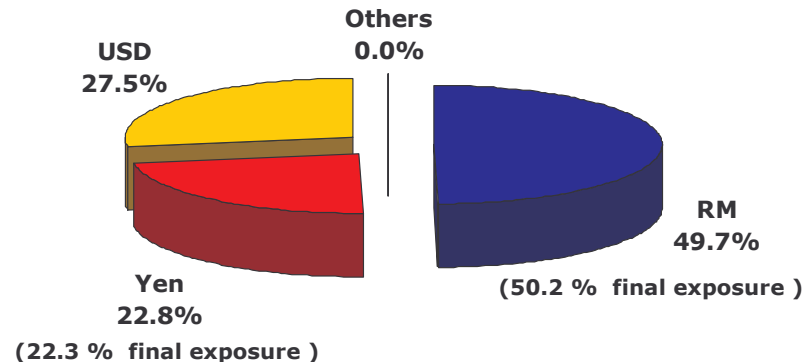


# ANALYSIS OF DEBT EXPOSURE

**31<sup>st</sup> Aug'08**



**30<sup>th</sup> Nov'08**



*Total Debt	<b>RM22.7 bn</b>
Net Debt	RM17.3 bn
Gearing (%)	46.9
Net Gearing (%)	35.8

*Total Debt	<b>RM24.0 bn</b>
Net Debt	RM18.9 bn
Gearing (%)	49.3
Net Gearing (%)	38.7

**Fixed:Floating 92.2% : 7.8%**  
**Weighted Average Cost of Debt 5.49%**

**Fixed:Floating 92.3% : 7.7%**  
**(Based on final exposure – Fixed:Floating 98.6% : 1.4%)**

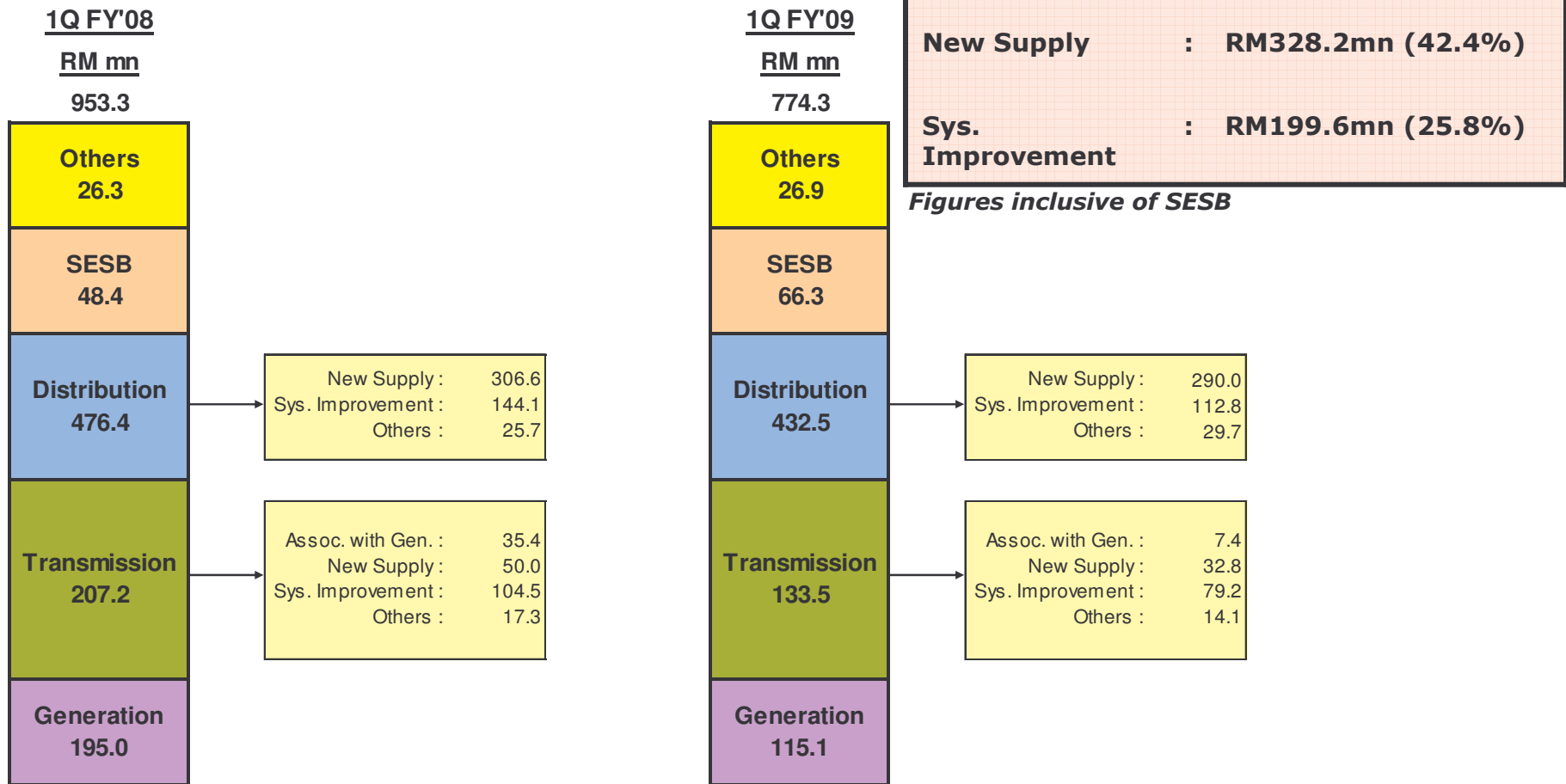
**Weighted Average Cost of Debt 5.33%**  
**(Based on final exposure – 5.42%)**

USD/RM	:	3.39
100YEN/RM	:	3.13
USD/YEN	:	108.31

	30/11/08	14/1/09
USD/RM	: 3.62	3.57
100YEN/RM	: 3.80	3.97
USD/YEN	: 95.26	89.92

# CAPITAL EXPENDITURE

## 68.2% Utilised for New Supply and System Improvement



# CASHFLOW

RM'mn	Group		Company	
	31-Aug-08	30-Nov-08	31-Aug-08	30-Nov-08
Cashflow From Operations	7,341.4	778.1	5,508.1	301.8
(-) Capex	(4,607.4)	(683.4)	(4,137.6)	(601.8)
(-) Interest Servicing	(1,225.1)	(258.2)	(876.6)	(180.2)
(+) Dividend from Subsidiaries	3.6	0.0	542.9	0.0
<b>FREE CASH FLOW</b>	<b>1,512.5</b>	<b>(163.5)</b>	<b>1,036.8</b>	<b>(480.2)</b>
(+) New Debt	815.8	330.7	375.4	40.2
(-) Repayment	(1,967.3)	(438.7)	(1,461.0)	(120.4)
(+) Proceeds from issuance of shares	19.6	0.8	19.6	0.8
<b>Cash Flow After Debt Service</b>	<b>380.6</b>	<b>(270.7)</b>	<b>(29.2)</b>	<b>(559.6)</b>
<b>Others</b>	<b>(275.9)</b>	<b>53.4</b>	<b>(282.2)</b>	<b>45.3</b>
<b>Net Cash</b>	<b>104.7</b>	<b>(217.3)</b>	<b>(311.4)</b>	<b>(514.3)</b>
Currency translation differences	(20.1)	2.0	-	
<b>Cash Balance</b>	<b>5,383.9</b>	<b>5,168.6</b>	<b>4,213.0</b>	<b>3,698.6</b>

## OUTLOOK FOR FY2009

### Demand Growth:-

- Decline in industrial activity during the month of December 2008
- Prolonged closure of factories during the festive holidays which could continue into the next quarter
- Global economic activities which remain turbulent
- Given the declining economic activities, demand growth for full year FY2009 expected to trend lower

### Operating Expenditure:-

- Whilst coal prices may ease the weakening Ringgit may continue to keep coal prices high
- Higher interest loan payments if weak Ringgit continues to weaken against USD and Japanese Yen
- Increase in capacity payments with the commissioning of Jimah
- Given the foregoing scenario, the Group's financial performance for FY2009 will likely be worse

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**We now open the session for  
Q&A**



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# Thank You



*Powering The Nation's Progress*

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