

ANALYSTS' BRIEFING

**Unaudited Financial Results
for the 1st Quarter FY'12
ended 30th November 2011**

17th January 2012

Prepared By:

▪ Investor Relations & Management Reporting Department

GROUP FINANCE DIVISION

AGENDA

Highlights of the Group's Performance

Details of the Group's Performance

Question & Answer



AGENDA



HIGHLIGHTS OF THE GROUP'S PERFORMANCE



3-month ended 30th November 2011 (1st Quarter FY2012)

- Net loss of RM224.7million
- 29.5% increase in Operating Expenses Year-on-Year from continued generation using oil and distillate
- 12.5% increase in Group Revenue
- 3.9% unit electricity demand growth in Peninsular Malaysia
- EBITDA margin at 15.1% compared to 28.5% for the corresponding period in FY2011



FINANCIAL RESULTS

Unaudited Income Statement (Group)

- 12.5% increase in Group Revenue against 29.5% increase in Operating Expenses
- 76.4% decrease in Operating Profit Resulting from Higher Fuel Costs
- Net Loss Attributable to the Owners of the Company of RM224.7mn

RM'mn	YTD FY 2011	YTD FY 2012	Variance %
Continuing Operation:			
Revenue	7,731.2	8,694.4	12.5
Operating expenses	(6,557.6)	(8,491.8)	29.5
Operating income	84.6	94.9	12.2
Operating profit	1,258.2	297.5	(76.4)
Forex			
- Transaction Gain / (Loss)	(1.5)	(1.1)	(26.7)
- Translation Gain / (Loss)	(104.8)	(419.1)	>100.0
Share of results of jointly controlled entities and associates (net of tax)	10.5	19.8	88.6
Profit / (Loss) before finance cost	1,162.4	(102.9)	>(100.0)
Finance income	89.1	69.4	(22.1)
Finance cost	(249.1)	(181.9)	(27.0)
Profit / (Loss) before taxation	1,002.4	(215.4)	>(100.0)
Taxation and Zakat			
- Company and subsidiaries	(268.2)	(18.8)	(93.0)
- Deferred taxation	(15.7)	11.2	>(100.0)
Profit / (Loss) from continuing operations	718.5	(223.0)	>(100.0)
Discontinued Operations:			
Profit/ (Loss) from discontinued operations (net of tax)	-	-	-
Profit / (Loss) for the financial period	718.5	(223.0)	>(100.0)
Attributable to:			
- Owners of the Company	716.5	(224.7)	>(100.0)
- Non-controlling interests	2.0	1.7	(15.0)
	718.5	(223.0)	>(100.0)



FINANCIAL HIGHLIGHTS

Year-On-Year Analysis

The Quarterly Loss in the 1QFY2012 is Attributed to Higher Fuel Costs from Higher Coal Price and Consumption & Higher Utilisation of Oil & Distillate Resulting in Lower EBITDA Margin

RM mn	1Q	
	1Q FY2011	1Q FY2012
Total Units Sold (GWh)	24,324.6	25,225.0
Revenue	7,731.2	8,694.4
Operating Expenses (before depreciation)	5,610.8	7,475.7
Operating Income	84.6	94.9
EBITDA	2,205.0	1,313.6
EBITDA Margin (%)	28.5%	15.1%
Depreciation and Amortisation	946.8	1,016.1
EBIT	1,258.2	297.5
EBIT Margin (%)	16.3%	3.4%
Finance Cost	249.1	181.9
Profit Before Tax & Forex Translation	1,107.2	203.7
Net Profit Before Forex Translation	821.3	194.4
Translation Gain / (Loss)	(104.8)	(419.1)
Net Profit attributable to :		
Equity Holders	716.5	(224.7)
Non-controlling Interest	2.0	1.7

	1st Qtr (Sept-Nov)		
	FY'11	FY'12	Var. (%)
Average Coal Price Consumed (USD/MT) *			
FOB	78.3	100.8	28.7%
Freight	16.9	8.7	-48.5%
Others	0.6	0.5	-16.7%
CIF	95.8	110.0	14.8%
Average Coal Price Consumed (RM/MT) (CIF)	298.3	342.0	14.6%
Coal Consumption (mn MT)	4.4	5.0	13.6%



FINANCIAL HIGHLIGHTS

Operating Expenses - Year-on-Year Analysis

29.5% Increase in Operating Expenses Mainly from Higher Generation Costs

RM'mn

	YTD 1QFY2011	YTD 1QFY2012	Variance RM mn	Variance %
Total IPP Purchases/Cost	3,169.8	3,724.3	554.5	17.5
Fuel Costs	1,297.3	2,380.0	1,082.7	83.5
Repair & Maintenance	261.3	292.9	31.6	12.1
Staff Costs	657.6	751.0	93.4	14.2
TNB General Expenses	134.6	180.2	45.6	33.9
Subs Gen Exp, Cost of Sales & Provision	90.2	147.3	57.1	63.3
Depreciation & Amortisation	946.8	1,016.1	69.3	7.3
	6,557.6	8,491.8	1,934.2	29.5



FINANCIAL RESULTS

Fuel Analysis - Year-on-Year Generation Mix

Y-o-Y Analysis Shows Higher Generation Cost,
 from Higher Usage of Oil and Distillate

Fuel Cost (RM mn)					Units Generated (Gwh)				
Fuel Type	3 Months		Variance		Fuel Type	3 Months		Variance	
	YTD FY'11	YTD FY'12	RM mn	%		YTD FY'11	YTD FY'12	Gwh	%
Gas	1,278.7	1,408.1	129.4	10.1	Gas	13,610.4	11,244.8	(2,365.6)	(17.4)
Coal	1,343.3	1,827.0	483.7	36.0	Coal	10,195.2	11,848.9	1,653.7	16.2
Dist.	17.6	413.8	396.2	>100.0	Dist.	27.4	718.5	691.1	>100.0
Oil	16.4	593.3	576.9	>100.0	Oil	34.1	1,114.7	1,080.6	>100.0
Hydro	0.0	0.0	-	0.0	Hydro	1,482.1	1,357.8	(124.3)	(8.4)
Total	2,656.0	4,242.2	1,586.2	59.7	Total	25,349.2	26,284.7	935.5	3.7

Consumption	1QFY2011	1QFY2012	Variance
Oil (MT)	10,554	271,949	261,395
Distillate (mn litres)	6	169	163



FINANCIAL RESULTS

Fuel Analysis - Quarterly Generation Mix

Q-o-Q Analysis Shows Lower Generation Costs from Lower Usage of Distillate

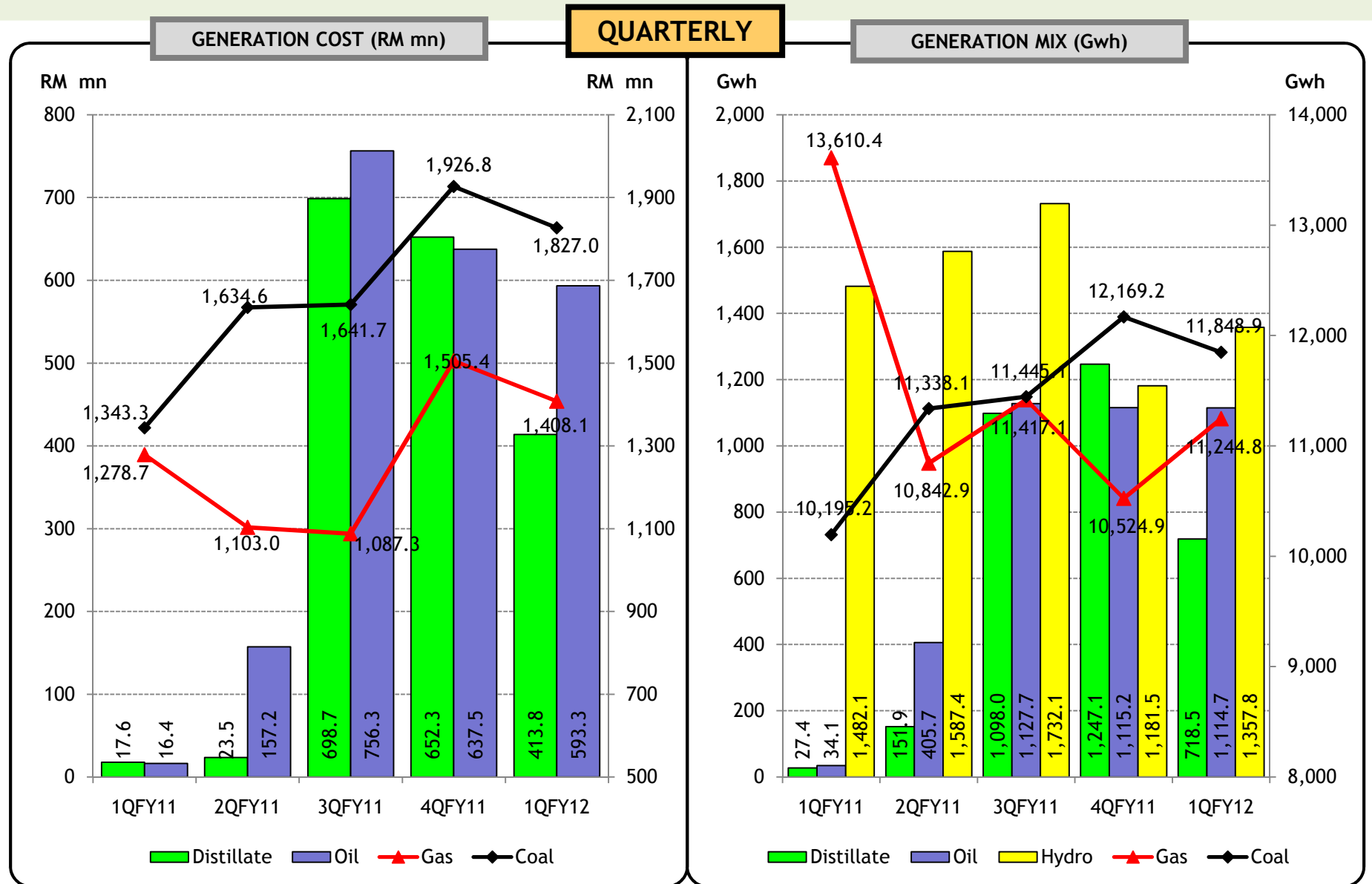
Fuel Cost (RM mn)					Units Generated (Gwh)				
Fuel Type	3Months		Variance		Fuel Type	3Months		Variance	
	4Q FY'11	1Q FY'12	RM mn	%		4Q FY'11	1QFY'12	Gwh	%
Gas	1,505.4	1,408.1	(97.3)	(6.5)	Gas	10,524.9	11,244.8	719.9	6.8
Coal	1,926.8	1,827.0	(99.8)	(5.2)	Coal	12,169.2	11,848.9	(320.3)	(2.6)
Dist.	652.3	413.8	(238.5)	(36.6)	Dist.	1,247.1	718.5	(528.6)	(42.4)
Oil	637.5	593.3	(44.2)	(6.9)	Oil	1,115.2	1,114.7	(0.5)	(0.0)
Hydro	0.0	0.0	-	0.0	Hydro	1,181.5	1,357.8	176.3	14.9
Total	4,722.0	4,242.2	(479.8)	(10.2)	Total	26,237.9	26,284.7	46.8	0.2

Consumption	4QFY2011	1QFY2012	Variance
Oil (MT)	262,342	271,949	9,607
Distillate (mn litres)	296	169	(127)



FINANCIAL RESULTS

Fuel - Quarterly Generation Mix



PERFORMANCE INDICATORS

Headline Key Performance Indicators

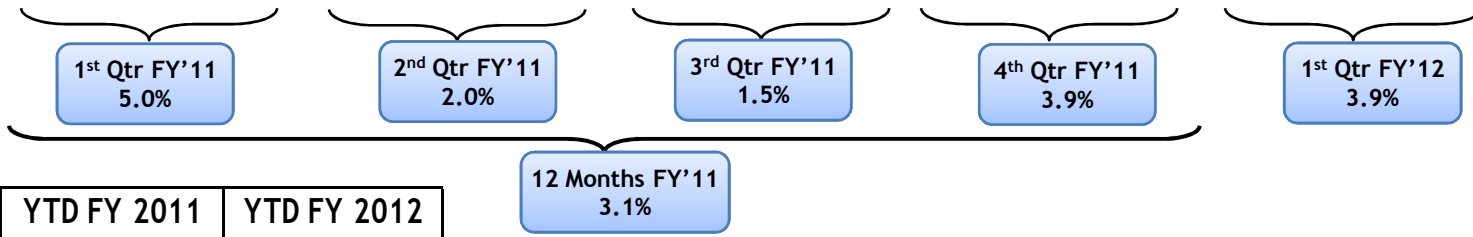
INITIATIVES	ACTUAL FY 2011	YTD FY 2012
		1 st Qtr
Return on Assets (ROA) (%)	2.1	2.1
Company CPU (sen/kwh)	32.7	33.9
Revenue from Non-Regulated Business (RM bn)	1.8	0.4
Unplanned Outage Rate (UOR)(%)	7.1	6.0
T & D Losses (%)	9.0	8.5
Transmission System Minutes (mins)	1.0	0.2
Distribution SAIDI (mins)	78.9	14.6



ANALYSIS OF ELECTRICITY GROWTH M-O-M IN PENINSULA

For 1QFY2012, Peninsula Reported 3.9% Growth Y-o-Y

		FY 2011												FY 2012			
UNITS SALES		Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Industrial	Gwh	3,377	3,072	3,502	3,290	3,423	3,445	3,041	3,614	3,497	3,513	3,464	3,627	3,500	3,310	3,620	3,396
	Growth (%)	1.4	(0.6)	2.1	0.4	2.1	1.3	2.5	3.2	2.5	(0.6)	3.8	5.5	3.6	7.7	3.4	3.2
Commercial	Gwh	2,612	2,462	2,682	2,398	2,536	2,486	2,342	2,776	2,703	2,759	2,735	2,729	2,687	2,856	2,470	2,677
	Growth (%)	9.5	6.0	7.5	1.9	2.9	3.1	0.7	4.8	2.5	5.5	6.8	2.8	2.9	16.0	(7.9)	11.6
Domestic	Gwh	1,674	1,479	1,604	1,455	1,486	1,422	1,454	1,590	1,652	1,674	1,645	1,600	1,779	1,522	1,577	1,517
	Growth (%)	8.6	7.7	10.5	6.2	(0.1)	0.9	(6.7)	(4.2)	1.3	1.9	7.4	2.6	6.3	2.9	(1.7)	4.3
Others	Gwh	116	123	123	124	126	120	113	127	124	132	121	124	163	166	69	134
	Growth (%)	9.4	16.0	10.8	8.8	0.8	11.1	(3.4)	6.7	6.9	17.9	(4.7)	9.7	40.5	35.0	(43.9)	8.1
TOTAL	Gwh	7,779	7,136	7,911	7,267	7,571	7,473	6,950	8,107	7,976	8,078	7,965	8,080	8,129	7,854	7,736	7,724
	Growth (%)	5.7	3.5	5.7	2.2	1.9	1.9	(0.2)	2.2	2.3	2.2	5.4	4.1	4.5	10.1	(2.2)	6.3



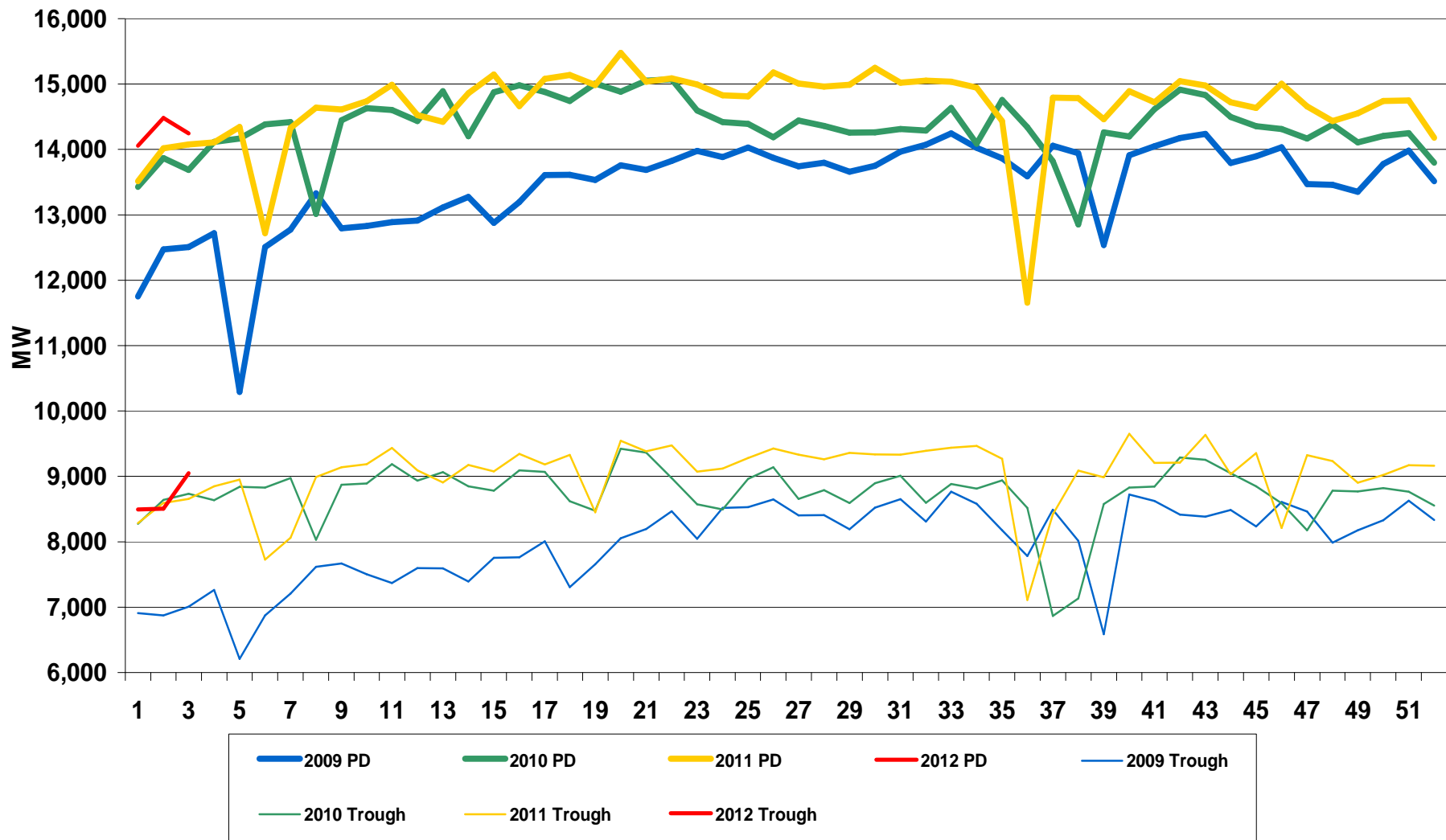
1st Qtr	YTD FY 2011	YTD FY 2012
Growth (%)	5.0	3.9



SYSTEM WEEKLY PEAK DEMAND (PENINSULA)

For FY2009/10 to FY2012/13

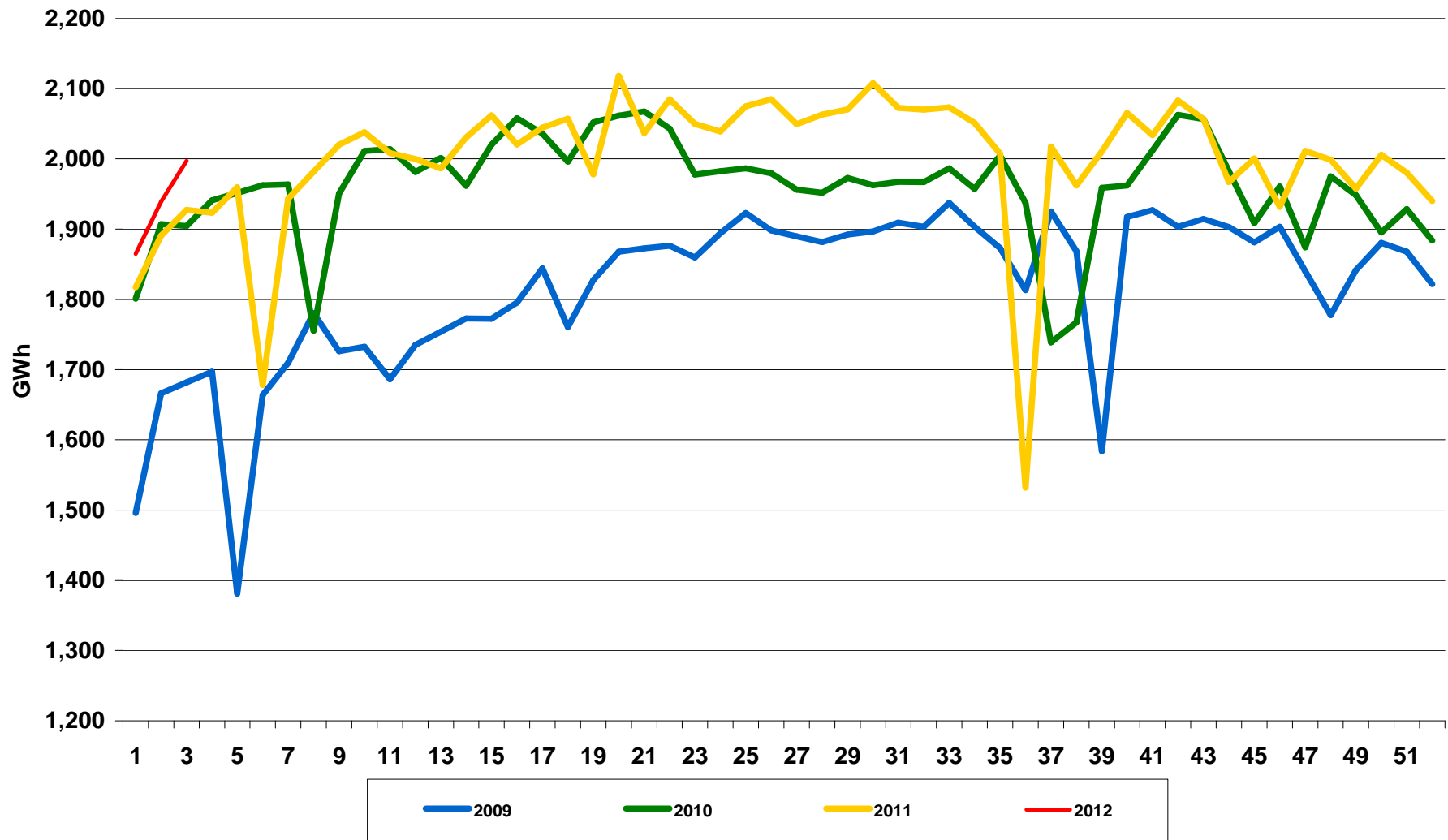
Weekly Peak Demand & Trough (MW) - Week Ending 15th January 2012



WEEKLY ELECTRICITY DEMAND GROWTH (PENINSULA)

For FY2009/10 to FY2012/13

Weekly Generation (Gwh) - Week Ending 15th January 2012



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AGENDA



DETAILS OF THE GROUP'S PERFORMANCE



DETAILS OF REVENUE

By Business Segments

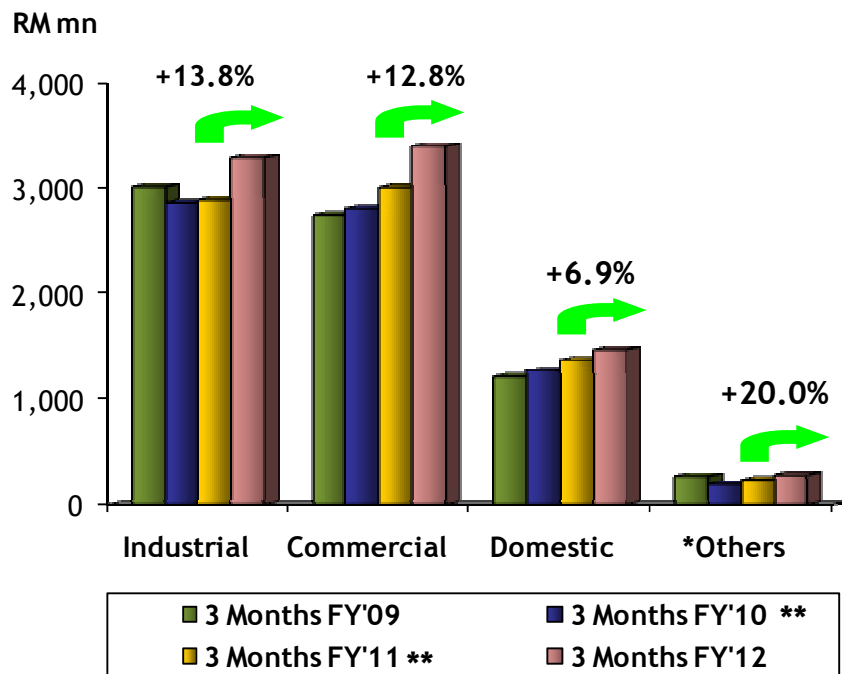
12.3% Increase in Group Sales of Electricity

	YTD 1QFY'11		YTD 1QFY'12		Growth
UNITS SOLD	GWh		GWh		%
- TNB	22,826.3		23,719.1		3.9
- EGAT (Export)	65.1		2.9		(95.5)
- SESB	1,055.2		1,112.6		5.4
- LPL	378.0		390.4		3.3
Total Units Sold (GWh)	24,324.6		25,225.0		3.7
REVENUE	RM mn	Sen/KWh	RM mn	Sen/KWh	
Sales of Electricity					
- TNB	7,136.1	31.3	7,981.9	33.7	11.9
- EGAT (Export)	13.6	20.9	4.4	151.7	(67.6)
- SESB	269.5	25.5	323.4	29.1	20.0
- LPL	127.2	33.7	168.5	43.2	32.5
Sales of Electricity	7,546.4	31.0	8,478.2	33.6	12.3
Accrued Revenue	4.8		(55.6)		>(100.0)
Total Sales of Electricity	7,551.2		8,422.6		11.5
Goods & Services	86.3		178.2		>100.0
Deferred Income	93.7		93.6		(0.1)
Total Revenue	7,731.2		8,694.4		12.5

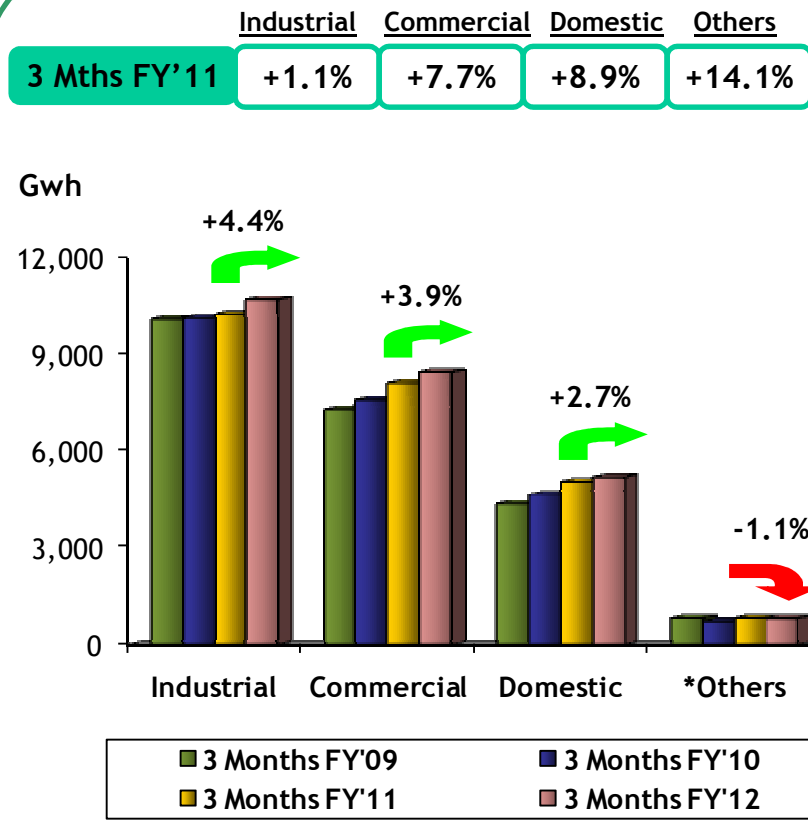


ANALYSIS OF ELECTRICITY GROWTH BY SECTORS (GROUP)

3 Mths FY'12 = 12.3%
(3 Mths FY'11 = 5.2%)



3 Mths FY'12 = 3.7%
(3 Mths FY'11 = 5.2%)



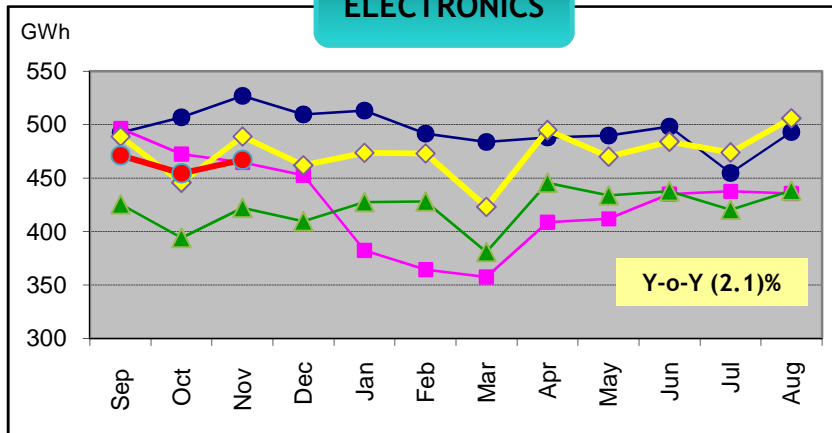
* Includes Specific Agriculture, Mining, Public Lighting, LPL & EGAT
 ** Revenue For FY2010, FY2011 & FY2012 exclude accrued revenue
 (-) Indicates Negative Growth



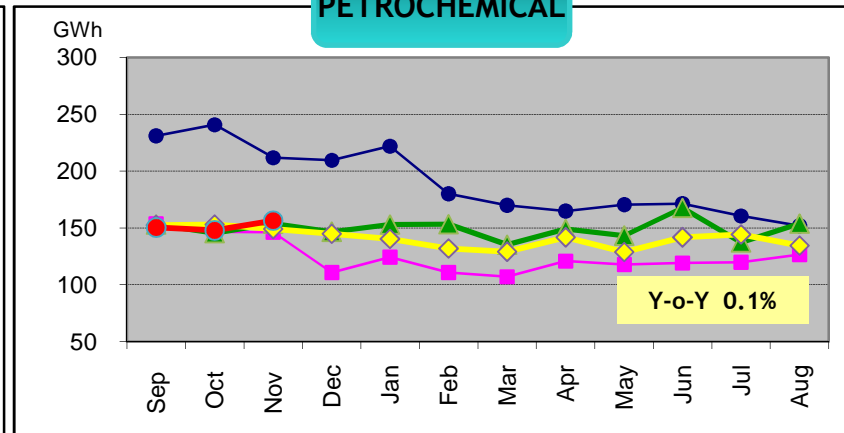
SECTORAL ANALYSIS - INDUSTRIAL SECTOR* (PENINSULA)

Y-o-Y Growth of 4.8%

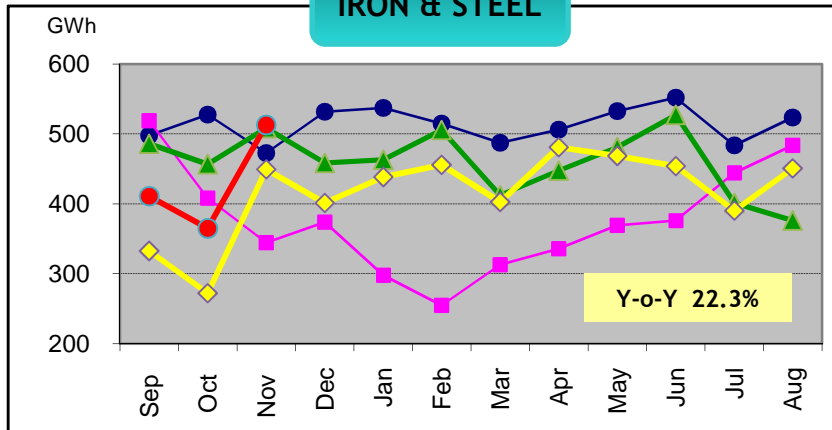
ELECTRONICS



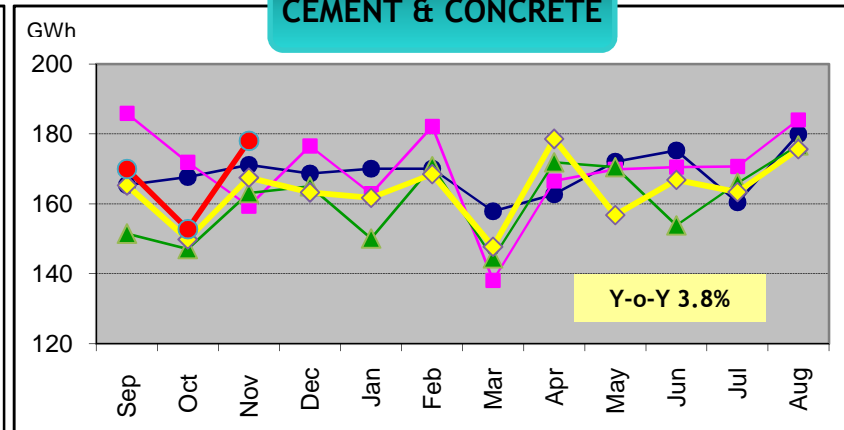
PETROCHEMICAL



IRON & STEEL



CEMENT & CONCRETE



● FY2008 ■ FY2009 ▲ FY2010 ◆ FY2011 ● FY2012

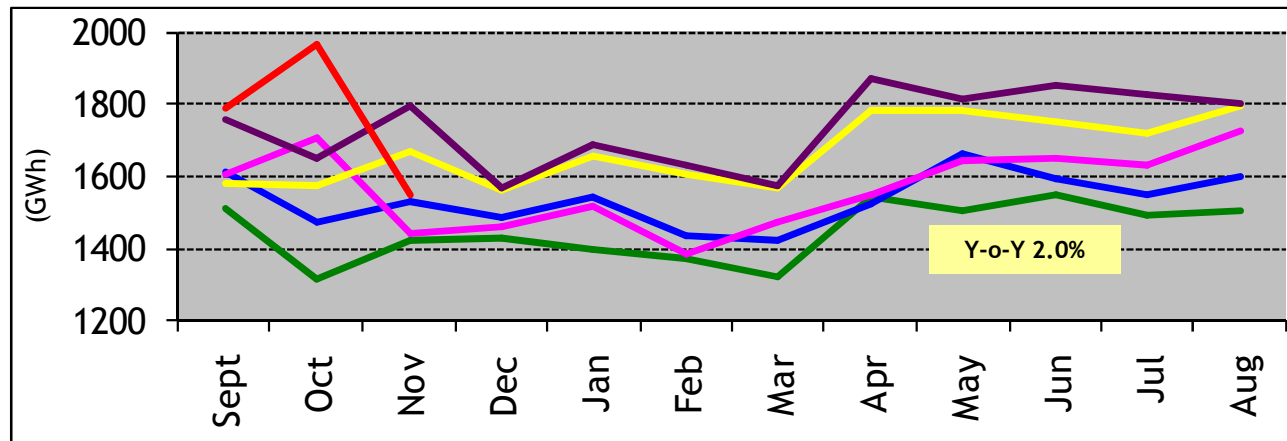
* Source : Top 1,000 PRIME customers database (PRIME customer YTD unit sales equivalent to 35.9% of total YTD unit sales)
* PRIME customers for 4 sectors above attributes 42.7% from the whole PRIME customers YTD unit sales



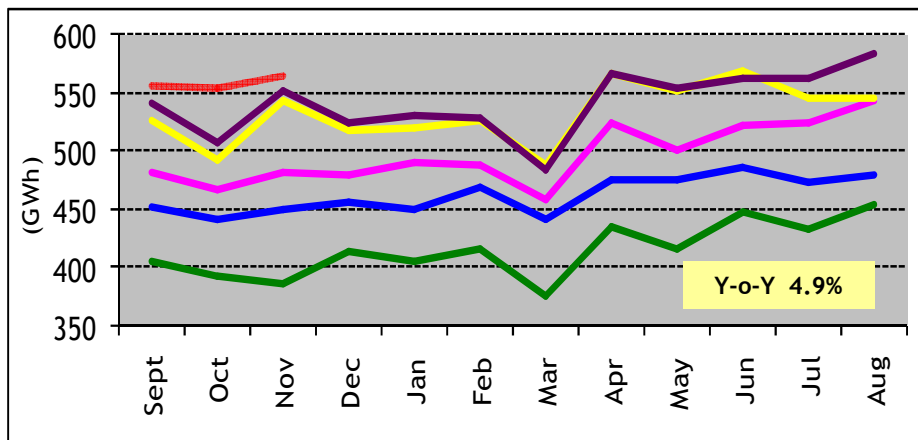
SECTORAL ANALYSIS - COMMERCIAL SECTOR (PENINSULA)

Commercial Sectors Recorded Positive Growth Y-o-Y of 3.3%

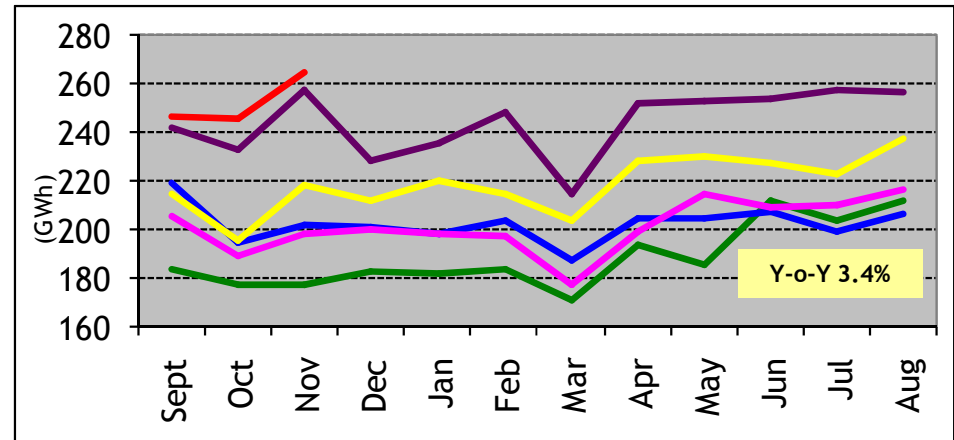
Low Voltage Shop Lots & Retail Business



Medium Voltage Shopping Malls, 3 Star Hotels, Office Buildings



Medium Voltage (Peak/Off-Peak) Mega Shopping Malls, 4-5 Star Hotels, Hospitals, Airports, Ports



— FY2007
 — FY2008
 — FY2009
 — FY2010
 — FY2011
 — FY2012

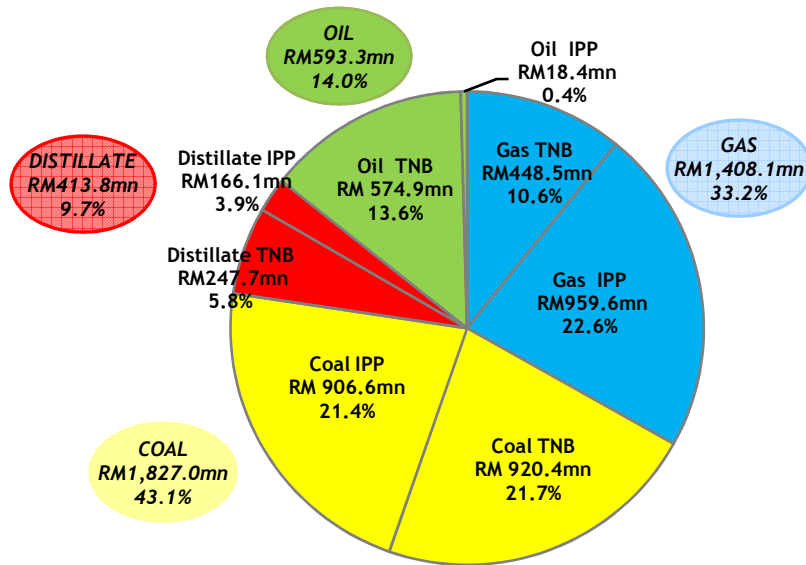
INDUSTRY GENERATION IN PENINSULA (TNB & IPPs)

Y-o-Y Analysis

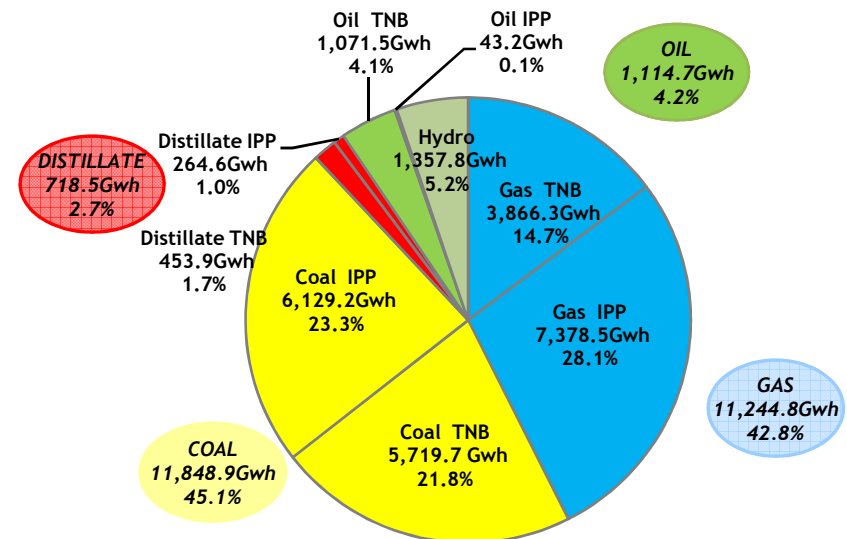
- Coal Represents 45.1% of the Industry Generation Mix
- 17.4% Decline in Gas Generation Mainly Attributed to Lower Gas Volume
- Higher Utilisation of Oil and Distillate

Fuel Cost (RM mn)				
Fuel Type	3 Months		Variance	
	YTD FY'11	YTD FY'12	RM mn	%
Gas	1,278.7	1,408.1	129.4	10.1
Coal*	1,343.3	1,827.0	483.7	36.0
Dist.	17.6	413.8	396.2	>100.0
Oil	16.4	593.3	576.9	>100.0
Hydro	0.0	0.0	-	0.0
Total	2,656.0	4,242.2	1,586.2	59.7

Units Generated (Gwh)				
Fuel Type	3 Months		Variance	
	YTD FY'11	YTD FY'12	Gwh	%
Gas	13,610.4	11,244.8	(2,365.6)	(17.4)
Coal	10,195.2	11,848.9	1,653.7	16.2
Dist.	27.4	718.5	691.1	>100.0
Oil	34.1	1,114.7	1,080.6	>100.0
Hydro	1,482.1	1,357.8	(124.3)	(8.4)
Total	25,349.2	26,284.7	935.5	3.7



TOTAL : RM4,242.2mn



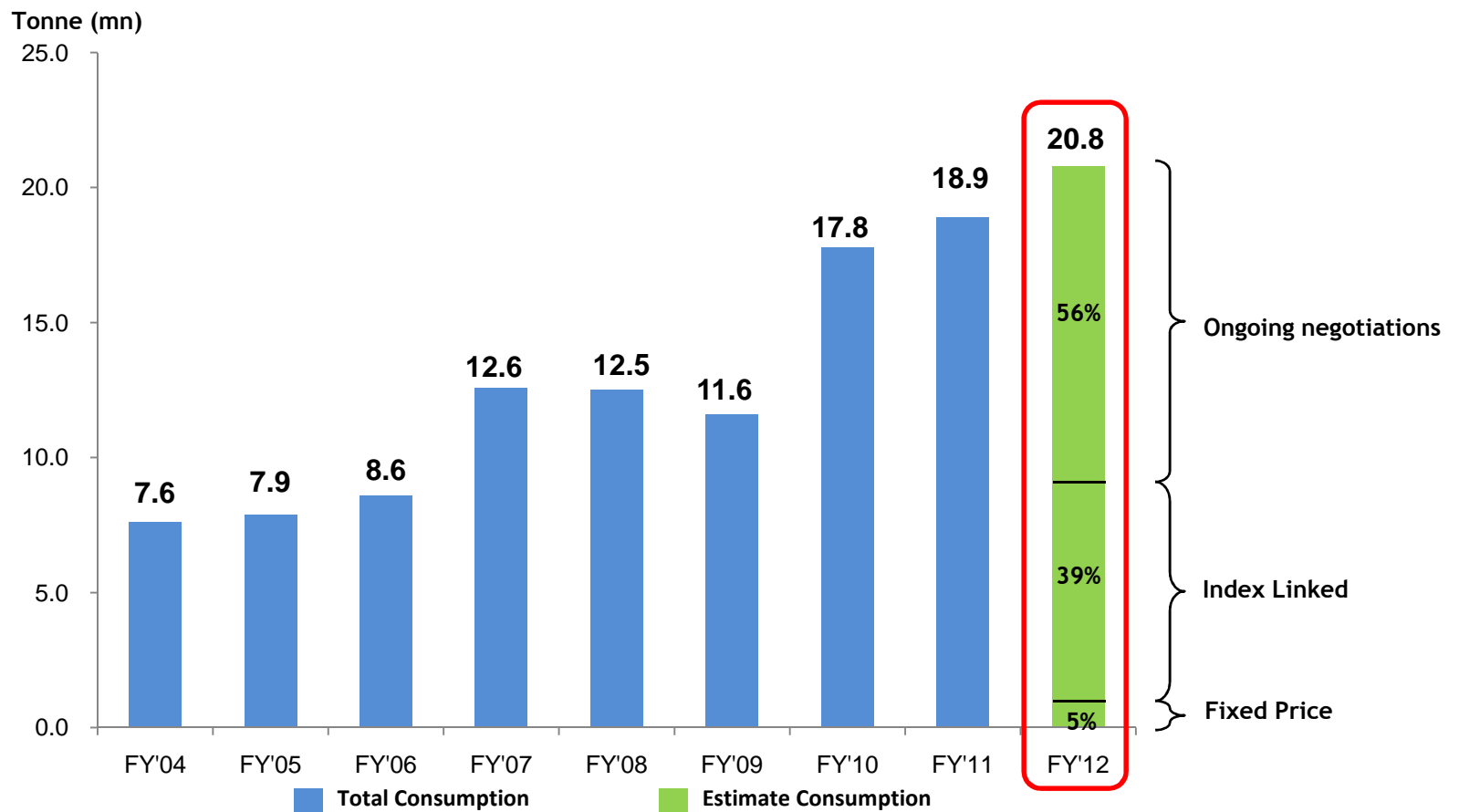
TOTAL : 26,284.7Gwh
Fuel Cost/Kwh : 16.14sen



COAL REQUIREMENT

Coal Procurement Estimate for FY2012 at 20.8 mn MT

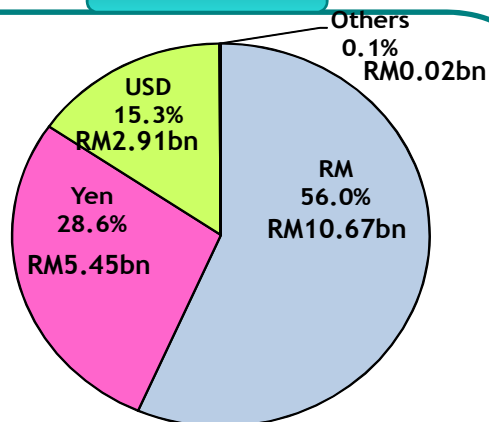
	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	1QFY'12
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	76.4	90.2	88.2	106.9	110.0



DEBT EXPOSURE & FOREX

- Increase in Ringgit Debts Mainly due to New Sukuk by TNBJ of RM4.9bn
- Yen & USD Strengthened against Ringgit

31st Aug'11



* Total Debt **RM19.1bn**

Net Debt RM15.1bn

Gearing (%) 38.6

Net Gearing (%) 30.6

Fixed:Floating 96.8% : 3.2%

[Based on final exposure, Fixed:Floating 100.0% : 0.0%]

Weighted Average Cost of Debt 4.94%

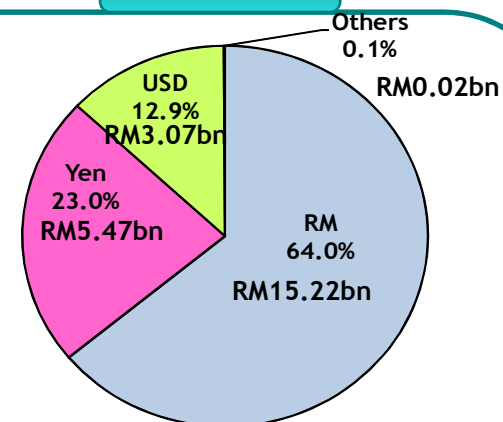
[Based on final exposure, 5.09%]

USD/RM : 2.98

100YEN/RM : 3.88

USD/YEN : 76.80

30th Nov'11



* Total Debt **RM23.8bn**

Net Debt RM15.9bn

Gearing (%) 44.2

Net Gearing (%) 29.5

Fixed:Floating 97.3% : 2.7%

[Based on final exposure, Fixed:Floating 100.0% : 0.0%]

Weighted Average Cost of Debt 4.75%

[Based on final exposure, 4.89%]

USD/RM : 3.18

100YEN/RM : 4.07

USD/YEN : 78.13

RM bn

Total Debt 31/08/11 19.1

- Debt Repayment (0.7)

+ Drawdowns 4.9

- Others * 0.5

Total Debt 30/11/11 23.8

* Others include Forex Translation Loss & Accrual

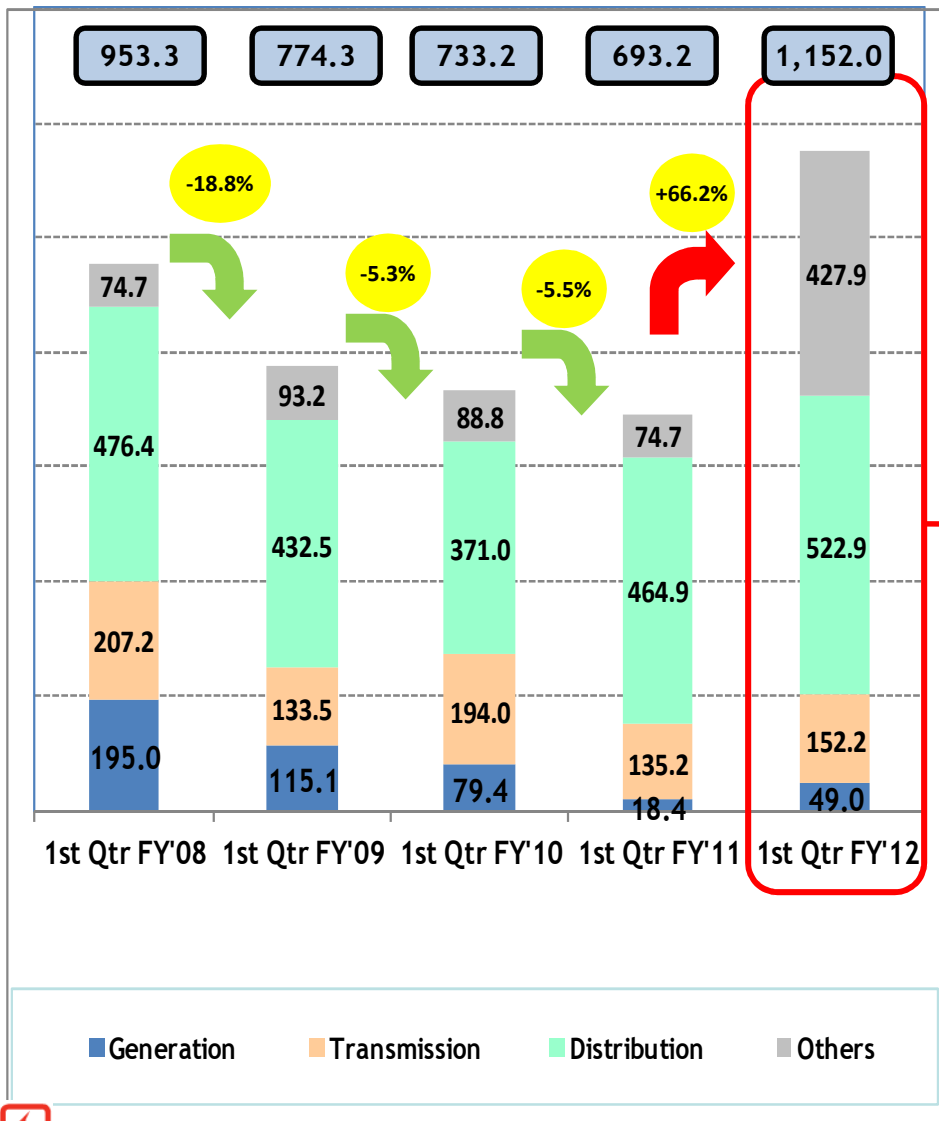
	Exchange Rate	
	USD:RM	100 YEN:RM
31/8/2011	2.977	3.880
30/9/2011	3.188	4.155
31/10/2011	3.064	3.887
30/11/2011	3.177	4.073



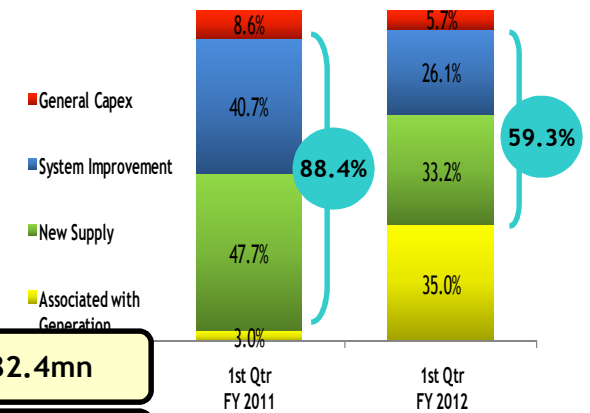
CAPITAL EXPENDITURE

Higher CAPEX from Manjung 4 Project & Distribution New Supply Projects

Capex By Division (RM mn)



Capex By Category



New Supply : RM382.4mn

Sys. Improvement : RM300.4mn

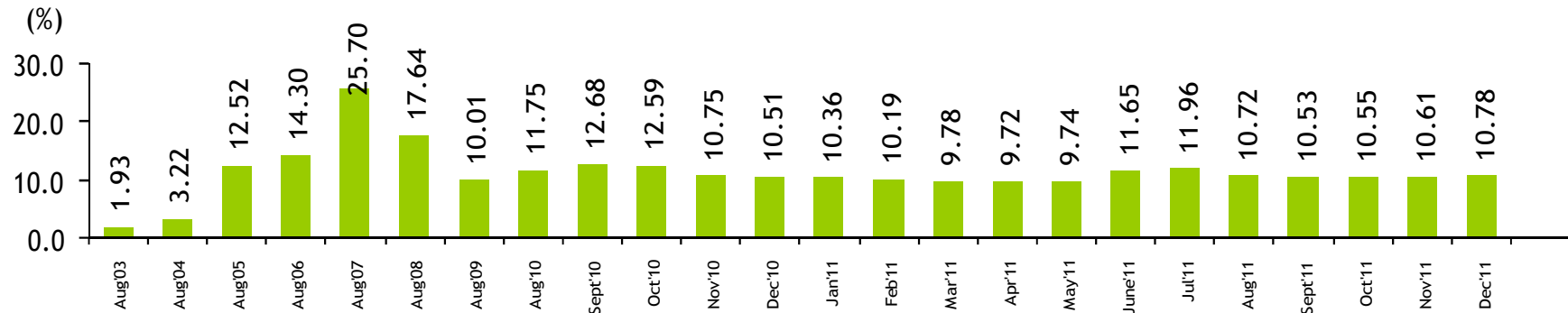
	Carried Forward Projects	New Projects
Assoc. with Gen. :	0.0	354.8
New Supply :	0.0	6.8
Sys. Improvement :	0.0	26.9
Others :	25.2	14.2
<hr/>		
New Supply :	99.4	207.0
Sys. Improvement :	101.0	100.7
Others :	13.7	1.1
<hr/>		
New Supply :	69.2	0.0
Sys. Improvement :	70.6	0.2
Others :	12.2	0.0
<hr/>		
Assoc. with Gen. :	48.8	0.2

TOTAL CORE BUSINESS RM724.1mn



SHAREHOLDING

Foreign Shareholding



Main Shareholding

	Aug'09	Aug'10	Aug'11	Nov'11	Variance (Nov'11 & Aug'11)
Name	%	%	%	%	%
Khazanah Nasional Berhad	37.78	35.65	35.55	35.55	0.00
Employees Provident Fund Board	13.99	12.48	13.17	13.56	2.96
Skim Amanah Saham Bumiputera	9.60	9.59	9.90	9.93	0.30
Kumpulan Wang Persaraan	3.15	2.88	3.75	3.75	0.00
Other Corporations & Govt. Agencies	19.51	24.92	20.13	20.07	(0.30)
Subtotal	84.03	85.52	82.50	82.86	0.44
Foreign	10.01	11.75	10.72	10.61	(1.03)
Malaysian Public	5.96	2.73	6.78	6.53	(3.69)
Total	100.00	100.00	100.00	100.00	
Paid Up Capital (mn shares)	4,337.00	4,352.70	5,456.60	5,456.70	



AGENDA

Highlights of the Group's Performance

Details of the Group's Performance

Question & Answer



AGENDA



“We now open the session for Q&A”



DISCLAIMER



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