

# SIARAN AKHBAR

## PRESS RELEASE



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### TNB'S RESULTS REFLECT EFFICIENCY IMPROVEMENTS AND STRONG RINGGIT

- Translation gain at RM363mil compared to losses of RM439mil the year before
- Operating surplus declines by 6.3%
- EBITDA margin declines to 33.7% compared to 36.8% the year before
- ROA remains low at 1.5%

**Kuala Lumpur, 25 January 2006** - Tenaga Nasional Berhad (TNB) has announced a net profit before translation gain of RM233.1mil for its first quarter ended 30 November 2005 ("1<sup>st</sup> Qtr FY2006"), as a result of the strengthening of the Ringgit against other currencies.

TNB's net profit before translation effects was RM447.3mil for the same corresponding period last year.

Resulting from the stronger Ringgit, TNB recorded a translation gain of RM362.5mil in the 1<sup>st</sup> Qtr FY2006, turning around its translation losses of the previous corresponding quarter of last year amounting to RM438.8mil.

For the 1<sup>st</sup> Qtr FY2006, TNB revenue improved by 8.1% to RM4,911.4mil compared with RM4,544.8mil in the same corresponding period last year. As a result, earnings per share rose to 18.45sen.

In line with the cost management and efficiency drivers that were declared for FY2006, TNB reported total cost savings achieved in 1<sup>st</sup> Qtr FY2006 of RM169.8 million which contributed to the improved bottom-line and reduced TNB high uncontrollable costs.

Speaking at the press conference today, TNB's Chairman, Tan Sri Datuk Amar Leo Moggie highlighted that "TNB's return on assets (before translation gains and on an annualized basis) remains low compared to its peers at 1.5%".

TNB's President/Chief Executive Officer, Dato' Che Khalib Mohamad Noh elaborated, "our key focus for the year is to continue with our ongoing efforts to improve efficiency and further improve the quality of service to our customers."

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“In the 1<sup>st</sup> Qtr FY2006, we continued to face pressure to manage our operating expenses, particularly arising from higher fuel costs and corresponding increases in materials and logistics. As a result, operating surplus declined by 6.3%.”

Dato’ Che Khalib also commented that TNB has reported its key initiatives and targets for FY2006, which will cover both the financial and technical aspects of the business. The key focus will continue to be on cost management efforts, improving core operations and service excellence as well as value creation from TNB’s landbank.

### Financial Highlights

Group	1 <sup>st</sup> Quarter ended 30 November 2005 RM mn	1 <sup>st</sup> Quarter ended 30 November 2004 RM mn
<b>Total Revenue</b>	4,911.4	4,544.8
<b>Operating Expenses</b>	(4,092.4)	(3,647.4)
<b>Other Operating Income</b>	103.6	87.5
<b>Operating Surplus</b>	922.6	984.9
<b>Profit [<i>Before Taxation &amp; translation (loss)/gain</i>]</b>	386.4	655.3
<b>Net Profit [<i>Before translation (loss)/gain</i>]</b>	233.1	447.3
<b>Translation (loss)/gain</b>	362.5	(438.8)
<b>Total Profit Before Taxation</b>	748.9	216.5
<b>Total Profit</b>	595.6	8.5
<b>Earnings per share</b>	18.45 sen	0.27 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. TNB’s distribution system supplies electricity to approximately 6.6 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, civil and electrical engineering works and services, repair and maintenance services and fuel; undertakes research and development and project management services.

For further information, please visit [www.tnb.com.my](http://www.tnb.com.my).

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