



# PRESENTATION TO ANALYSTS

Unaudited Consolidated Results for the  
3<sup>rd</sup> Quarter FY2014 ended 31<sup>st</sup> May 2014

16<sup>th</sup> July 2014

**RESULTS SNAPSHOTS**

**RESULTS HIGHLIGHTS**

**RESULTS DETAILS**

**QUESTION & ANSWER**

# 3<sup>rd</sup> QUARTER FY2014



3 Months Ended 31<sup>st</sup> May 2014 vs Preceding Year Corresponding Quarter

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- **Group Operating Profit increased by 4.7% to RM1.95 billion (3QFY2013: RM1.86 billion).**
- **Profit Before Tax declined by 4.3% to RM1.97 billion (3QFY2013: RM2.06 billion).**
- **EBITDA margin reduced by 3.3 percentage point to 27.4% (3QFY2013: 30.7%).**

# CUMULATIVE FY2014



## 9 Months FY2014 vs Preceding Year Corresponding Period

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- **Group Operating Profit declined by 0.8% to RM4.93 billion (9MFY2013: RM4.97 billion).**
- **Lower Forex Translation Gain of RM292.2 million (9MFY2013: RM1,110.7 million).**
- **Profit Before Tax declined by 15.8% to RM4.80 billion (9MFY2013: RM5.71 billion).**
- **EBITDA margin reduced by 2.2 percentage point to 27.5% (9MFY2013: 29.7%).**

# 3<sup>rd</sup> QUARTER FY2014

3 Months Ended 31<sup>st</sup> May 2014 vs Previous Quarter

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- **Group Operating Profit increased to RM1.95 billion (2QFY2014: RM1.47 billion).**
- **Profit Before Tax increased to RM1.97 billion (2QFY2014: RM1.23 billion).**
- **EBITDA margin increased to 27.4% (2QFY2014: 27.0%).**

# GROUP PROFIT ANALYSIS



## Normalised Profit Remained Stable After Tax Adjustments

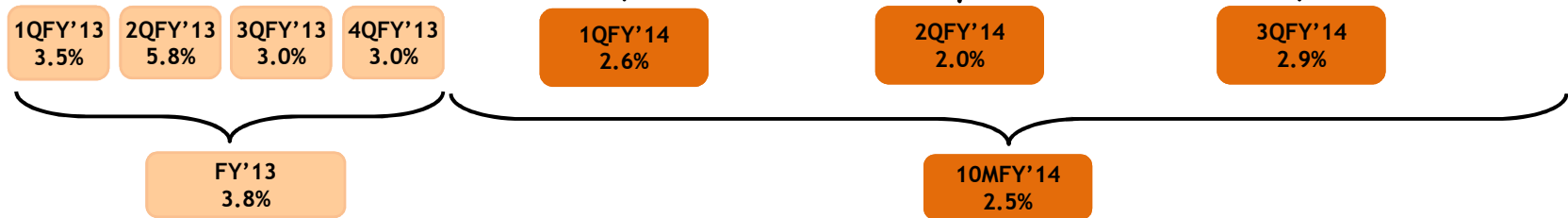
(RM mn)	FY2014			9-month	
	1Q	2Q	3Q	FY2014	FY2013 (Restated)
Profit Before Tax	1,602.6	1,233.7	1,968.6	4,804.9	5,707.0
Less : Forex Translation Gain / (Loss)	252.7	(119.0)	158.5	292.2	1,110.7
Profit Before Forex & Tax	1,349.9	1,352.7	1,810.1	4,512.7	4,596.3
Taxation and Zakat	115.90	415.20	(230.90)	300.2	(1,230.70)
Profit Before Forex & After Tax	1,465.8	1,767.9	1,579.2	4,812.9	3,365.6
Add : Tax Adjustments					
Reinvestment Allowance for FY2014	(201.7)	(75.5)	(137.5)	(414.7)	
FY2013 Over Provision - Reinvestment Allowance		(662.0)		(662.0)	
Change in Corporate Tax Rate	(188.7)			(188.7)	
IC4 Prior Year Adjustments & FY2012 Under Provision					232.7
<b>Normalised Profit Before Forex And After Tax</b>	<b>1,075.4</b>	<b>1,030.4</b>	<b>1,441.7</b>	<b>3,547.5</b>	<b>3,598.3</b>

# ELECTRICITY GROWTH IN PENINSULA



Slower Electricity Growth for 9MFY'14 due to Lower Consumption by Steel Mills

UNITS SALES		FY 2013				FY 2014									
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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
	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
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
	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
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
	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
Others	Gwh	433	459	448	416	157	155	152	156	156	155	149	158	159	159
	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
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
	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

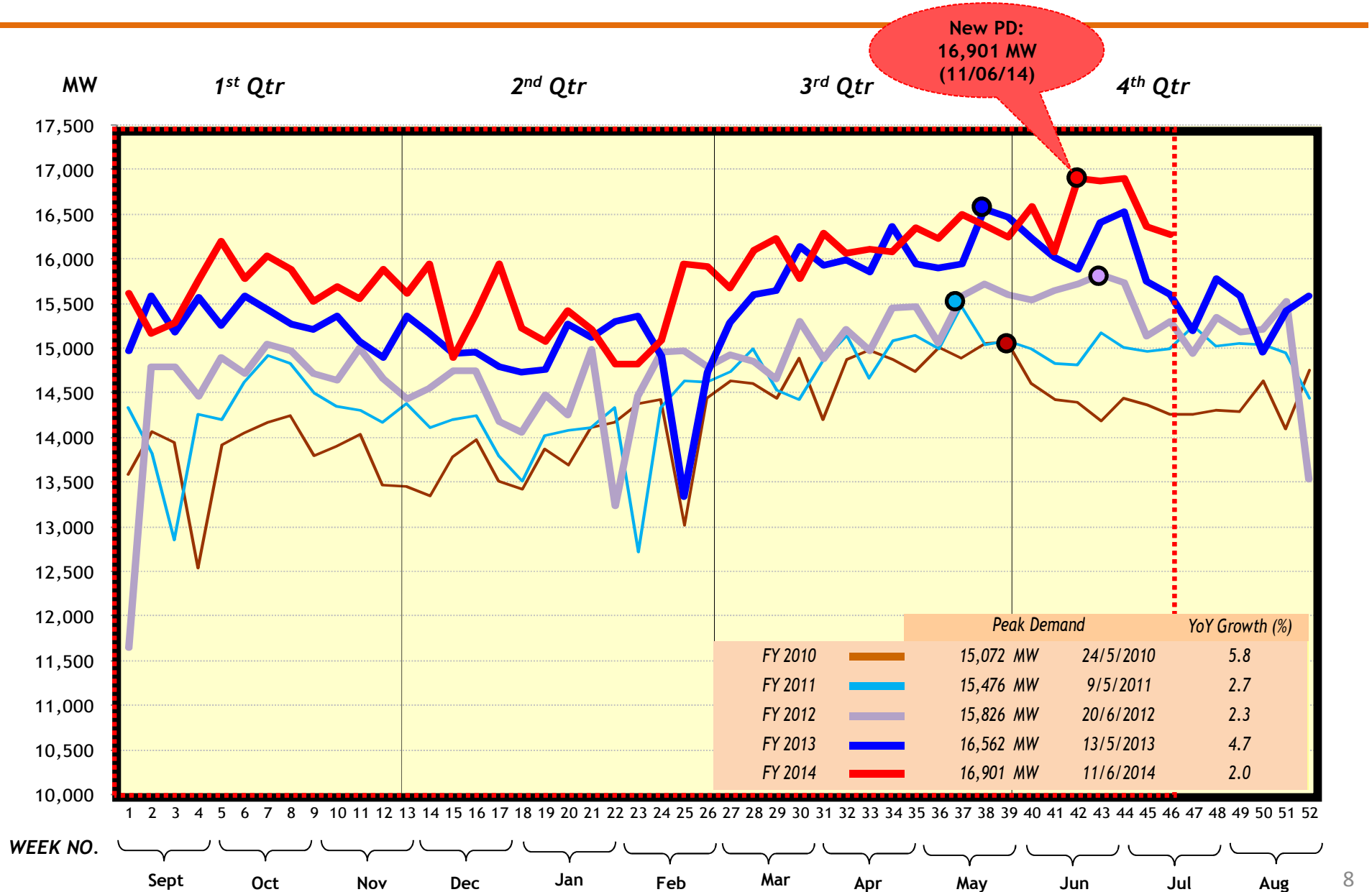


	9MFY'13	9MFY'14
Growth (%)	4.1	2.5

# SYSTEM WEEKLY MAXIMUM DEMAND (PENINSULA)



For FY2010 to FY2014



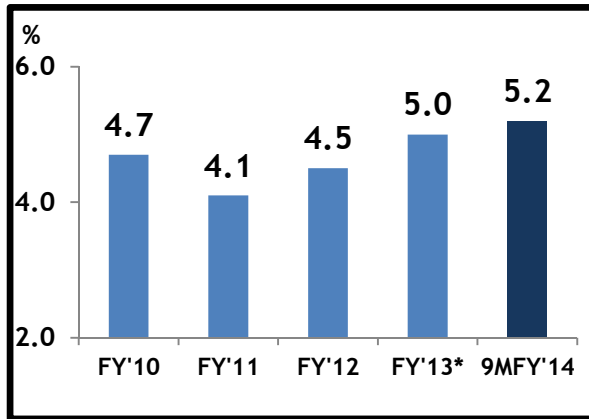


# HEADLINE KEY PERFORMANCE INDICATORS

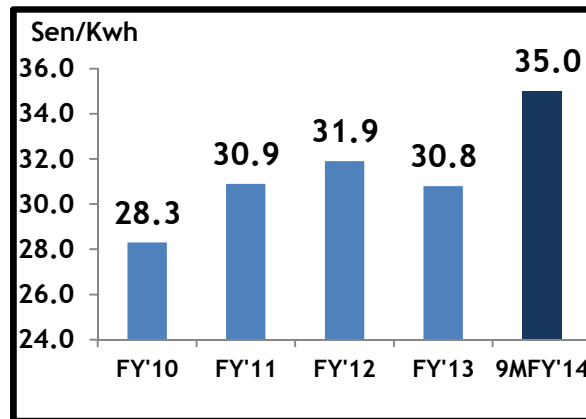


## Financial Indicators

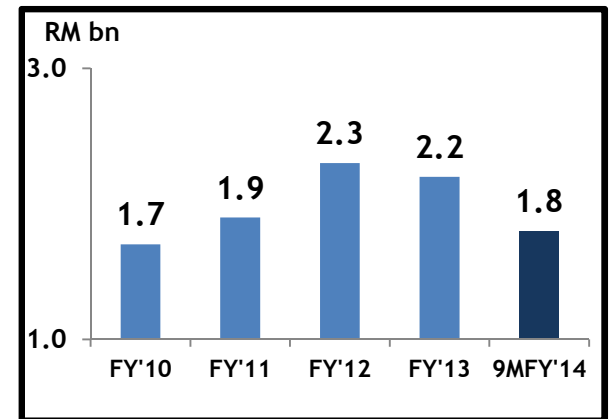
1 Return on Assets (ROA)(%)



2 Company CPU (sen/kwh)



3 Revenue from Non-Regulated Business (RM bn)



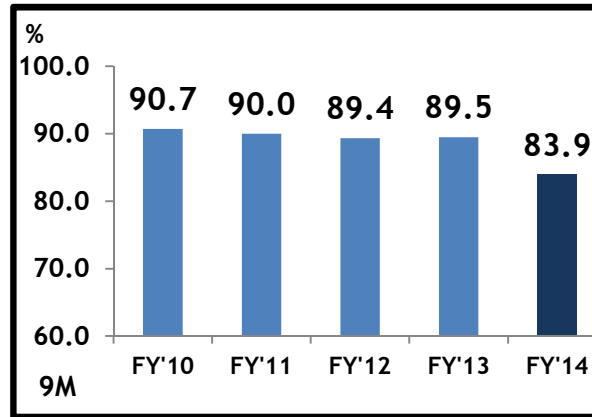
\*not restated ('10-'11)

\* FY2013 restated

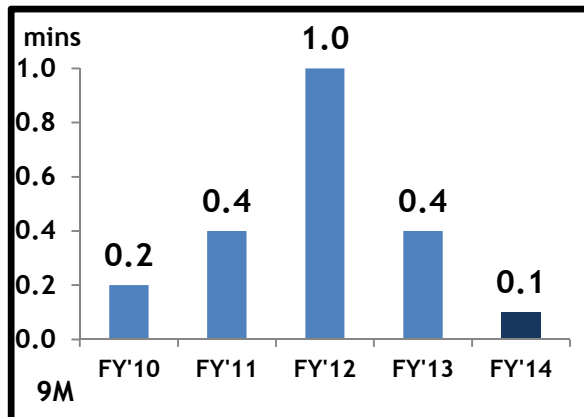
# HEADLINE KEY PERFORMANCE INDICATORS

## Technical Indicators

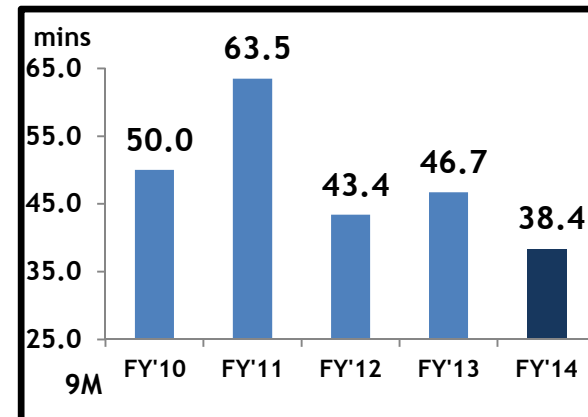
1 Equivalent Plant Availability Factor (EAF) (%)



2 Transmission System Minutes (mins)



3 Distribution SAIDI (mins)



**RESULTS SNAPSHOTS**

**RESULTS HIGHLIGHTS**

**RESULTS DETAILS**

**QUESTION & ANSWER**

# UNAUDITED INCOME STATEMENT (GROUP)

## Year-on-Year Analysis



- 12.6% Increase in Revenue against 15.4% Increase in Operating Expenses
- Lower Operating Profit of RM4.93bn
- Lower Forex Translation Gain of RM292.2mn
- Lower Taxation due to Utilisation of Reinvestment Allowance & Reduction in Corporate Tax Rate

RM'mn	CUMULATIVE		
	Current Year To Date 31.05.14	Preceding Year Corresponding Period (Restated) 31.05.13	Variance %
Revenue	31,104.0	27,628.5	12.6
Operating expenses	(26,517.0)	(22,975.1)	(15.4)
Other operating income	347.9	320.3	8.6
<b>Operating profit</b>	<b>4,934.9</b>	<b>4,973.7</b>	<b>(0.8)</b>
Foreign exchange			
- Translation gain	292.2	1,110.7	(73.7)
- Transaction gain	2.3	24.4	(90.6)
Share of results of jointly controlled entities	0.2	(0.1)	>100.0
Share of results of associates (net of tax)	52.4	62.3	(15.9)
<b>Profit before finance cost</b>	<b>5,282.0</b>	<b>6,171.0</b>	<b>(14.4)</b>
Finance income	174.3	153.8	13.3
Finance cost	(651.4)	(617.8)	(5.4)
<b>Profit from ordinary activities before taxation</b>	<b>4,804.9</b>	<b>5,707.0</b>	<b>(15.8)</b>
Taxation and Zakat			
- Company and subsidiaries	253.2	(1,169.2)	>100.0
- Deferred taxation	47.0	(61.5)	>100.0
<b>Profit for the period</b>	<b>5,105.1</b>	<b>4,476.3</b>	<b>14.0</b>
Attributable to:			
- Owners of the Company	5,115.5	4,442.4	15.2
- Non-controlling interests	(10.4)	33.9	>(100.0)
<b>Profit for the period</b>	<b>5,105.1</b>	<b>4,476.3</b>	<b>14.0</b>

# QUARTERLY & YEARLY ANALYSIS



## 2.2pp Reduction in EBITDA Margin Despite Tariff Review in Jan'14 Mainly due to Higher LNG Consumption & Cost

Table 1:

RM mn	9MFY'14	9MFY'13 (Restated)	1QFY'14	2QFY'14	3QFY'14
Total Units Sold (GWh)	79,843.7	78,009.8	26,717.4	26,257.4	26,868.9
Revenue	31,104.0	27,628.5	9,585.4	10,008.6	11,510.0
Operating Expenses (before depreciation)	22,911.9	19,752.8	6,966.1	7,426.2	8,519.6
Operating Income	347.9	320.3	67.9	115.5	164.5
EBITDA	8,540.0	8,196.0	2,687.2	2,697.9	3,154.9
EBITDA Margin (%)	27.5%	29.7%	28.0%	27.0%	27.4%
Depreciation and Amortisation	3,605.1	3,222.3	1,164.3	1,231.2	1,209.6
EBIT	4,934.9	4,973.7	1,522.9	1,466.7	1,945.3
EBIT Margin (%)	15.9%	18.0%	15.9%	14.7%	16.9%
Finance Cost	651.4	617.8	240.5	203.1	207.8
Profit Before Tax & Forex Translation	4,512.7	4,596.3	1,349.9	1,352.7	1,810.1
Net Profit Before Forex Translation	4,823.3	3,331.7	1,482.2	1,789.1	1,552.0
Translation Gain/(Loss)	292.2	1,110.7	252.7	(119.0)	158.5
Net Profit attributable to : Equity Holders	5,115.5	4,442.4	1,734.9	1,670.1	1,710.5
Non-controlling Interest	(10.4)	33.9	(16.4)	(21.2)	27.2

Table 2:

FY2014 Average Gas Volume (mmscfd)	
1Q	1,321
2Q	1,383
3Q	1,405
CY2014 Average LNG Price (RM/mmbtu)	
1Q	46.019
2Q	47.649

Table 3:

	9MFY'14	9MFY'13	Var (%)
<b>COAL PRICE &amp; CONSUMPTION</b>			
<b>Average Coal Price Consumed (USD/MT)</b>			
FOB	66.9	74.8	-10.6%
Freight	9.0	9.2	-2.2%
Others	0.6	0.5	20.0%
<b>CIF</b>	<b>76.5</b>	<b>84.5</b>	<b>-9.5%</b>
<b>Average Coal Price Consumed (RM/MT) (CIF)</b>	<b>249.3</b>	<b>259.5</b>	<b>-3.9%</b>
<b>Coal Consumption (mn MT)</b>	<b>13.6</b>	<b>15.7</b>	<b>-13.4%</b>

# OPERATING EXPENSES



Y-o-Y Analysis Shows 15.4% Increase in OPEX Mainly Attributed to Higher Generation Costs

RM mn	9MFY'14	9MFY'13 (Restated)	Variance RM mn	Variance %
Capacity Payment	2,762.2	3,332.0	569.8	17.1
Energy Payment	6,833.2	7,016.5	183.3	2.6
Total IPPs Purchases/Costs	17,274.6	14,565.8	(2,708.8)	7.3
Fuel Costs	9,595.4	10,348.5	753.1	(82.1)
	7,679.2	4,217.3	(3,461.9)	
Repair & Maintenance	1,198.7	1,149.3	(49.4)	(4.3)
Staff Costs	2,584.7	2,355.6	(229.1)	(9.7)
TNB General Expenses	1,025.1	997.5	(27.6)	(2.8)
Subs. Gen Exp, Cost of Sales & Provision	828.8	684.6	(144.2)	(21.1)
Depreciation & Amortisation	3,605.1	3,222.3	(382.8)	(11.9)
<b>Total Operating Expenses</b>	<b>26,517.0</b>	<b>22,975.1</b>	<b>(3,541.9)</b>	<b>(15.4)</b>

**RESULTS SNAPSHOTS**

**RESULTS HIGHLIGHTS**

**RESULTS DETAILS**

**QUESTION & ANSWER**

# DETAILS OF REVENUE



Increase in Tariff Resulted in 9.8% Increase in Group Sales of Electricity

	9MFY'14		9MFY'13		Growth
UNITS SOLD	GWh		GWh		%
- TNB	75,758.8		73,921.9		2.5
- EGAT (Export)	20.8		2.9		>100.0
- SESB	3,505.0		3,431.0		2.2
- LPL	559.1		654.0		(14.5)
<b>Total Units Sold (GWh)</b>	<b>79,843.7</b>		<b>78,009.8</b>		<b>2.4</b>
REVENUE	RM mn	Sen/KWh	RM mn	Sen/KWh	
Sales of Electricity					
- TNB	27,500.2	36.3	24,964.9	33.8	10.2
- EGAT (Export)	20.0	96.2	3.2	110.3	>100.0
- SESB	1,117.0	31.9	1,023.4	29.8	9.1
- LPL	381.1	68.2	432.1	66.1	(11.8)
<b>Sales of Electricity</b>	<b>29,018.3</b>	<b>36.3</b>	<b>26,423.6</b>	<b>33.9</b>	<b>9.8</b>
LPL Operating Lease (FRS117)	(20.0)		(29.1)		31.3
Accrued Revenue	652.2		275.2		>100.0
<b>Total Sales of Electricity</b>	<b>29,650.5</b>		<b>26,669.7</b>		<b>11.2</b>
Goods & Services	1,136.9		690.2		64.7
Deferred Income	316.6		268.6		17.9
<b>Total Revenue</b>	<b>31,104.0</b>		<b>27,628.5</b>		<b>12.6</b>



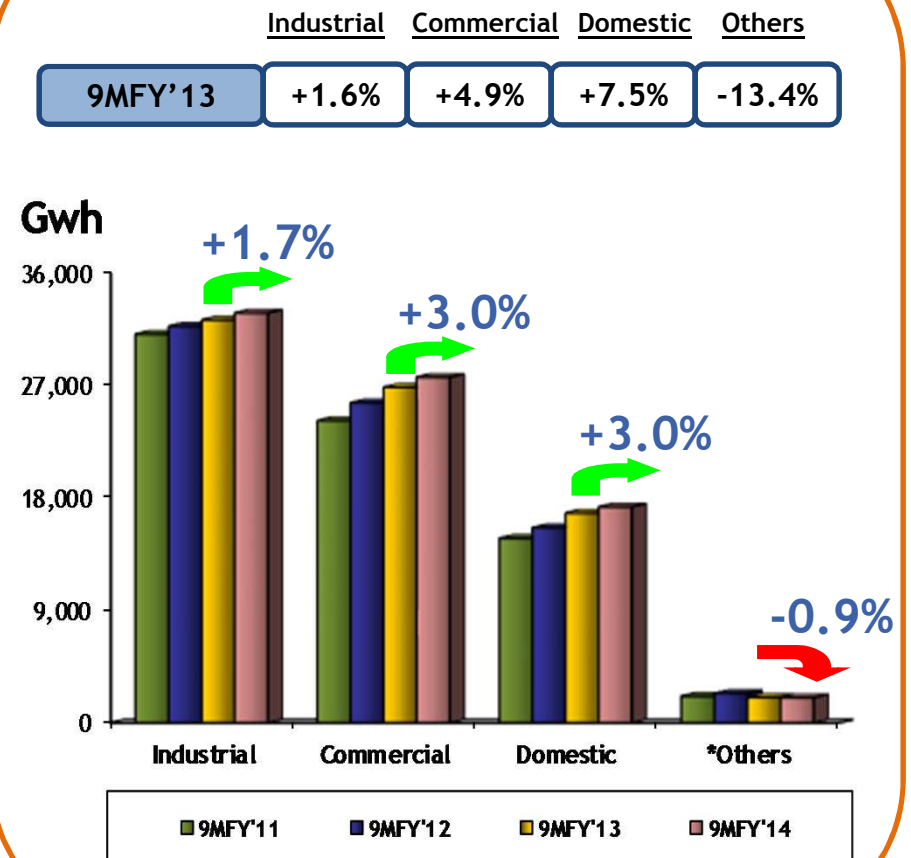
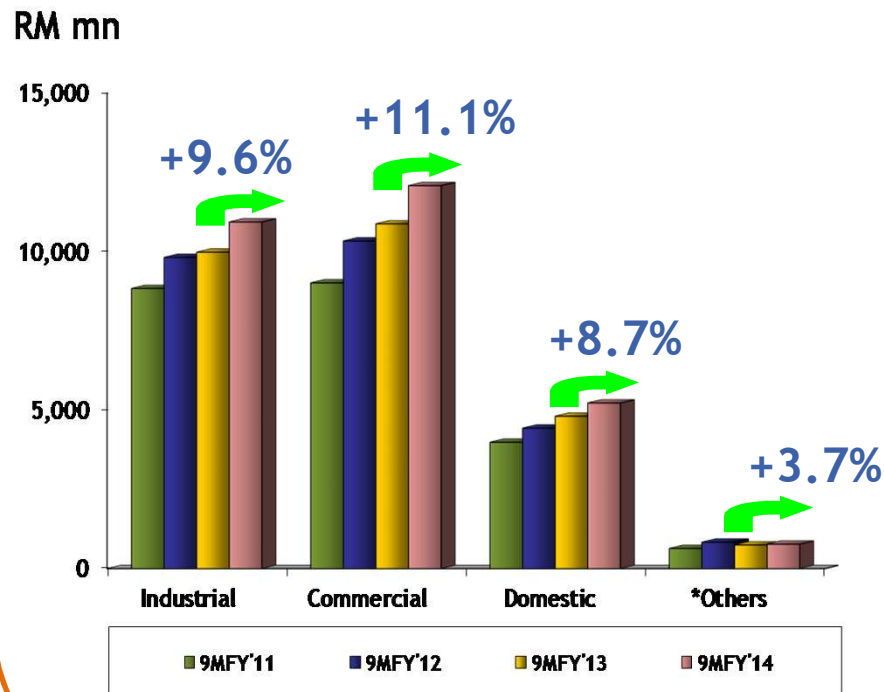
# ELECTRICITY GROWTH BY SECTORS (GROUP)



## Analysis

9MFY'14 = 9.9%  
(9MFY'13 = 3.9%)

9MFY'14 = 2.4%  
(9MFY'13 = 3.5%)

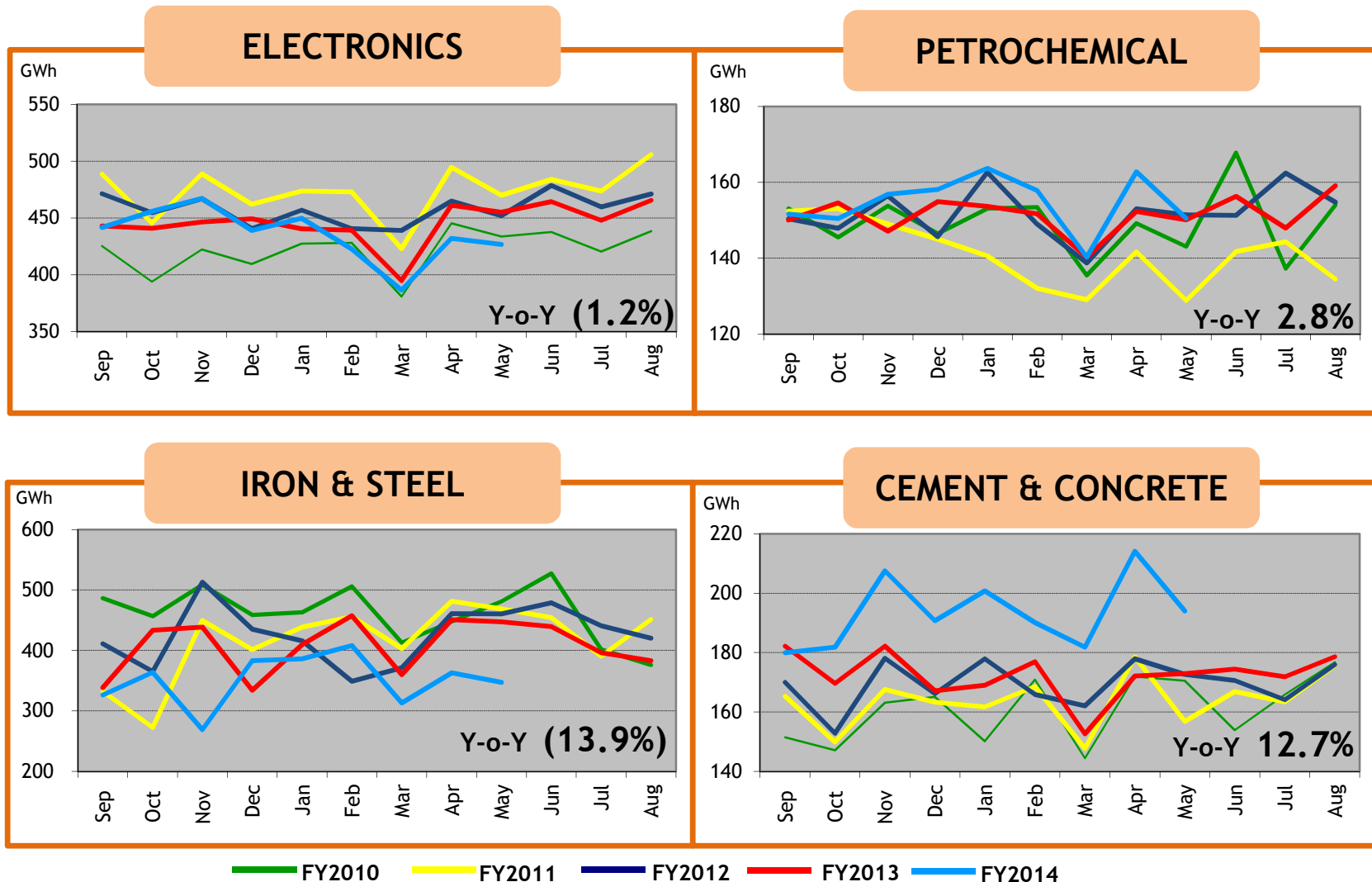


Notes:  
\* Includes Specific Agriculture, Mining, Public Lighting, LPL & EGAT  
Revenue excluding accrued revenue

# DETAILS OF REVENUE: SECTORAL ANALYSIS



Industrial Sector\* (Peninsula) Recorded Y-o-Y Growth of 1.7%



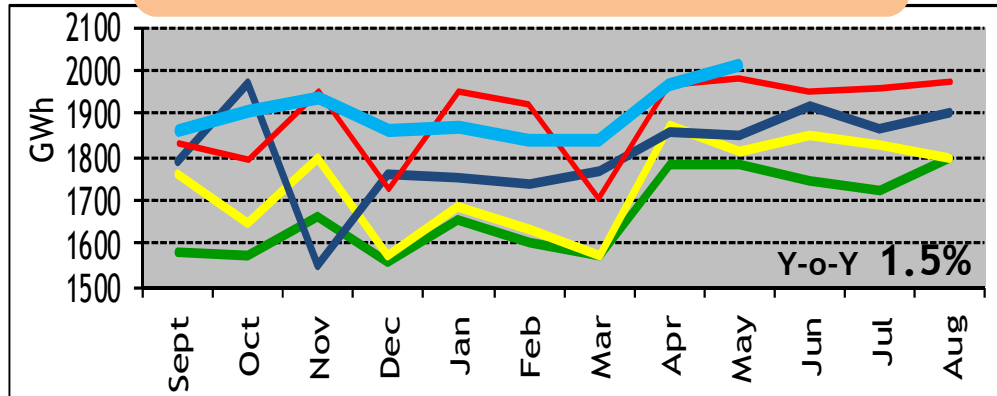
\* Source : Top 1,000 PRIME customers database (PRIME customer YTD unit sales equivalent to 32.6% of total YTD unit sales)  
\* PRIME customers for 4 sectors above attributes 39.8% from the whole PRIME customers YTD unit sales

# DETAILS OF REVENUE: SECTORAL ANALYSIS

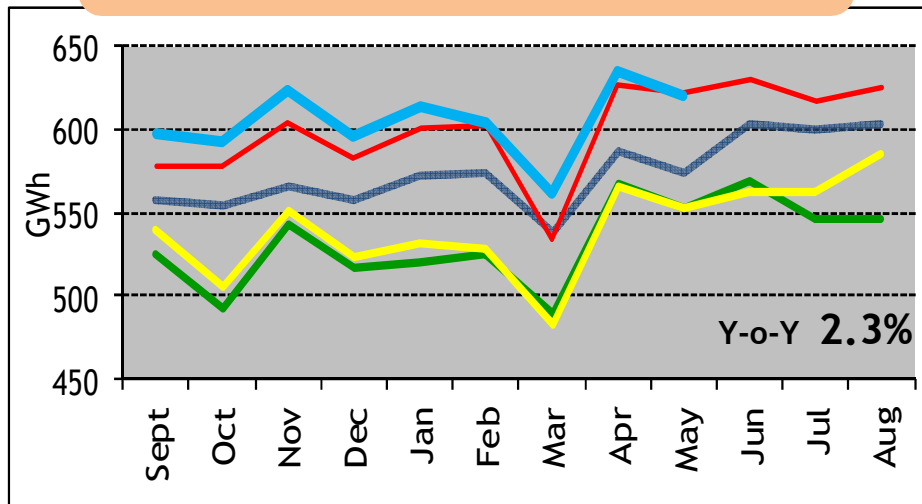


Commercial Sector (Peninsula) Recorded Y-o-Y Growth of 3.0%

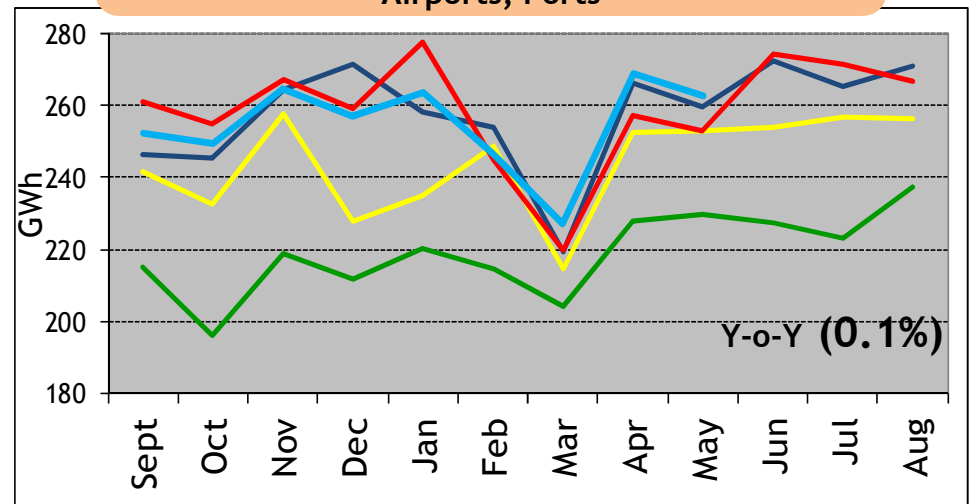
## LOW VOLTAGE Shop Lots & Retail Business



## MEDIUM VOLTAGE Shopping Malls, 3 Star Hotels, Office Buildings



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

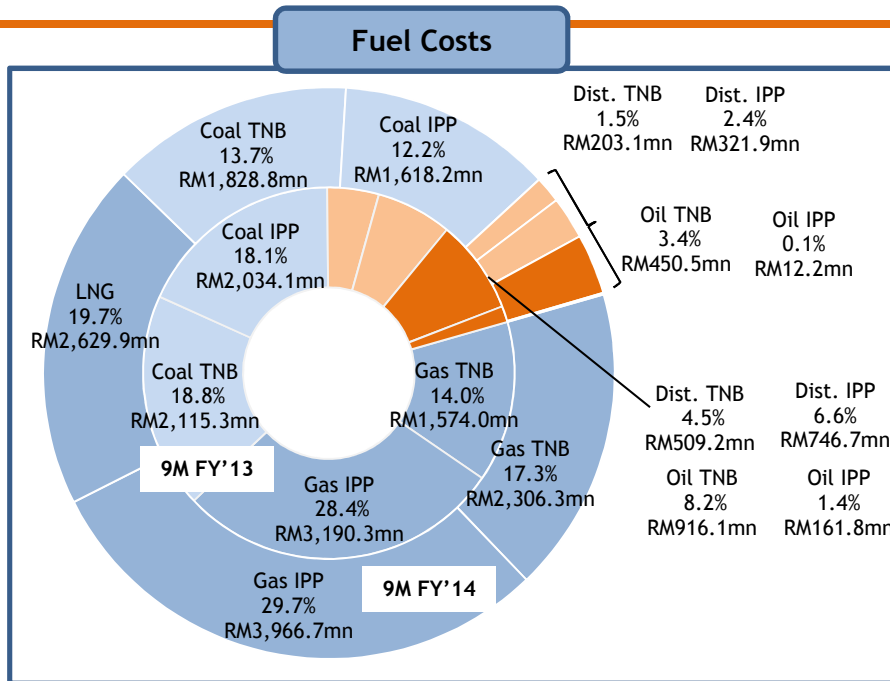


— FY2010 — FY2011 — FY2012 — FY2013 — FY2014

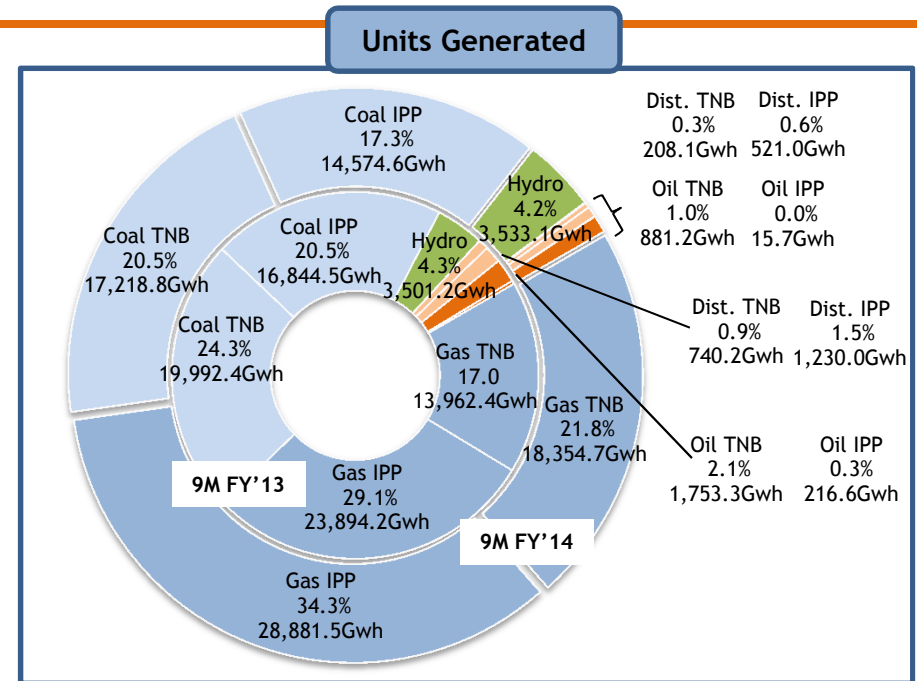
# INDUSTRY GENERATION IN PENINSULA (TNB & IPPs)



## Higher Fuel Cost from Increased LNG Consumption & Cost



\* % based on generation market share



\* % indicates generation market share

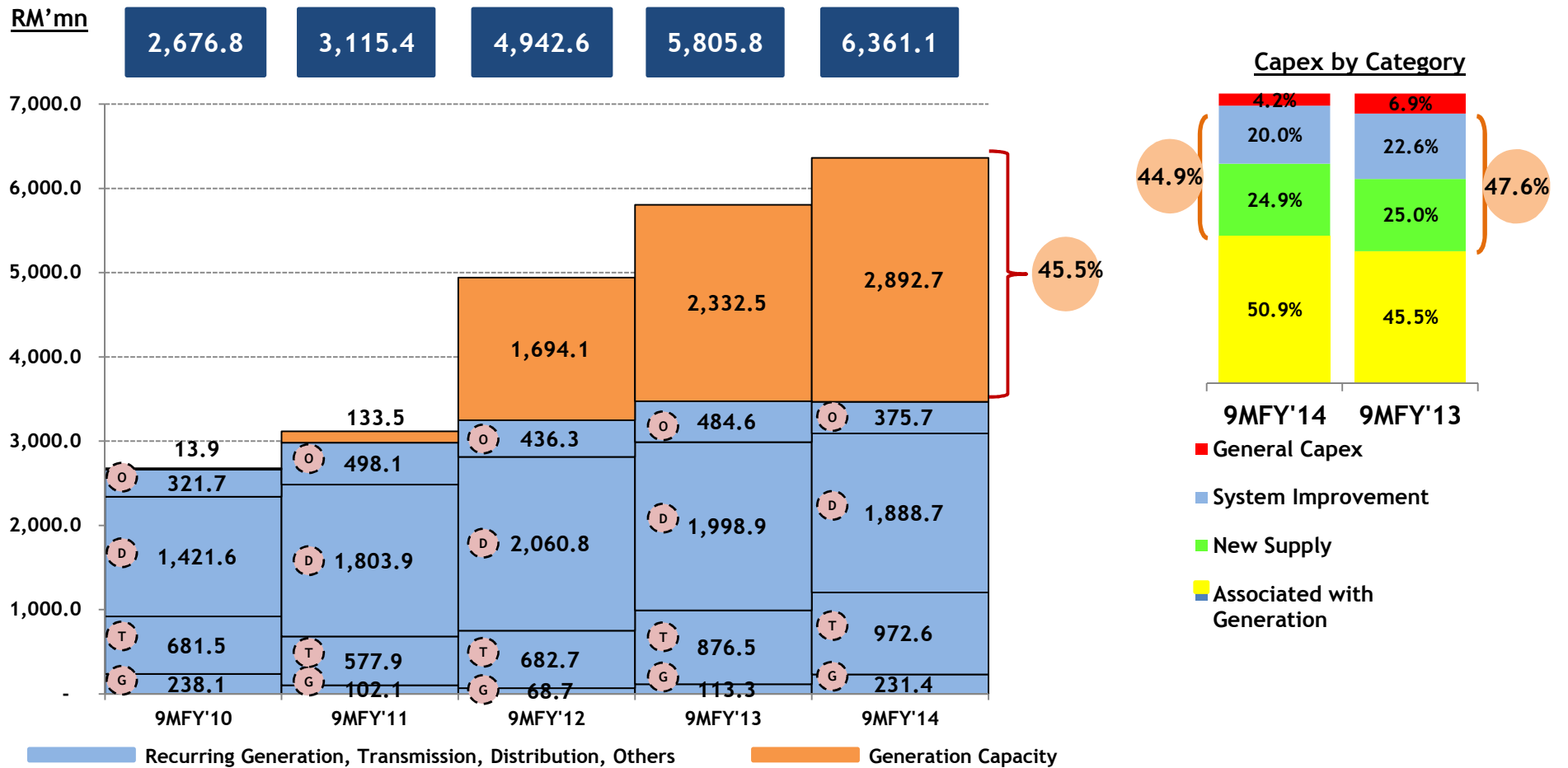
Fuel Type	Fuel Cost (RM mn)				Variance	
	9M FY'14	%	9M FY'13	%	RM mn	%
Gas	6,273.0	66.7	4,764.3	42.4	4,138.6	86.9
LNG	2,629.9		0.0			
Coal	3,447.0	25.9	4,149.4	36.9	(702.4)	(16.9)
Dist.	525.0	3.9	1,255.9	11.1	(730.9)	(58.2)
Oil	462.7	3.5	1,077.9	9.6	(615.2)	(57.1)
Hydro	0.0	0.0	0.0	0.0	-	0.0
<b>Total</b>	<b>13,337.6</b>	<b>100.0</b>	<b>11,247.5</b>	<b>100.0</b>	<b>2,090.1</b>	<b>18.6</b>

Fuel Type	Units Generated (Gwh)					
	9M FY'14	%	9M FY'13	%	Variance	
					Gwh	%
Gas & LNG	47,236.2	56.1	37,856.6	46.1	9,379.6	24.8
Coal	31,793.4	37.8	36,836.9	44.8	(5,043.5)	(13.7)
Dist.	729.1	0.9	1,970.2	2.4	(1,241.1)	(63.0)
Oil	896.9	1.0	1,969.9	2.4	(1,073.0)	(54.5)
Hydro	3,533.1	4.2	3,501.2	4.3	31.9	0.9
<b>Total</b>	<b>84,188.7</b>	<b>100.0</b>	<b>82,134.8</b>	<b>100.0</b>	<b>2,053.9</b>	<b>2.5</b>

# CAPITAL EXPENDITURE



Major Projects Represent 45.5% of Total CAPEX



# STATUS OF MAJOR PROJECTS

All Major Projects are on Track as Scheduled



## Janamanjung Unit 4

**99%** 1,000MW

COD 31<sup>st</sup> Mar 2015

## Hulu Terengganu Hydro

**74%** 265MW

COD Sept 2015 (U1)  
Dec 2015 (U2)

## Ulu Jelai Hydro

**58%** 372MW

COD Dec 2015 (U1)  
Mar 2016 (U2)

## Prai

**56%** 1,070MW

COD 1<sup>st</sup> Jan 2016

## Janamanjung Unit 5

**5%** 1,000MW

COD 1<sup>st</sup> Oct 2017

# COAL REQUIREMENT



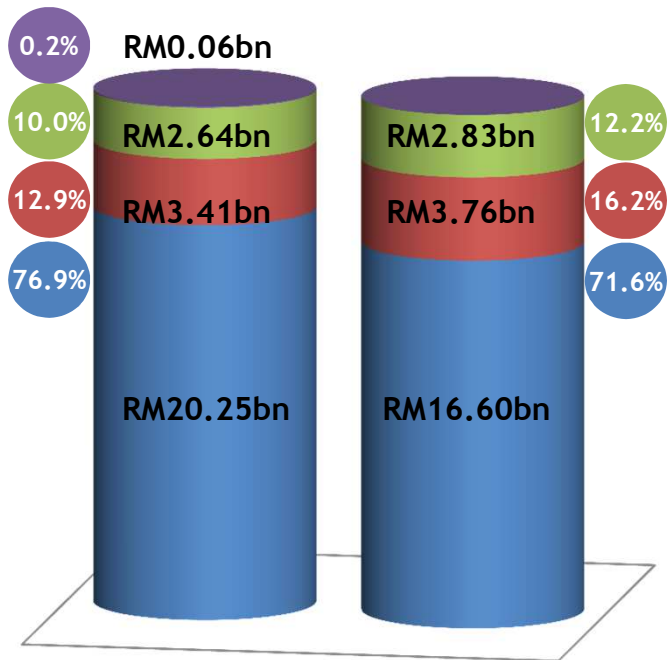
Average Coal Price for 9MFY'14 was at USD76.5/MT

	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	9MFY'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	76.5



# DEBT EXPOSURE & FOREX

Increase due to Sukuk Financing for Manjung 5 of RM3.7bn



31<sup>st</sup> May'14

31<sup>st</sup> Aug'13

■ RM ■ YEN ■ USD ■ Others

Statistics	31st May'14	31st Aug'13
Total Debt (RM bn)	26.4	23.2
Net Debt (RM bn)	15.4	13.7
Gearing (%)	40.0	39.5 *
Net Gearing (%)	23.3	23.2
Fixed : Floating (%)	99.3 : 0.7	98.8 : 1.2
<i>Final Exposure (%)</i>	100.0 : 0.0	100.0 : 0.0
Weighted Average Cost of Debt (%)	4.85	4.68
<i>Final Exposure (%)</i>	4.91	4.77

\* FY13 - Gearing restated

	31st May'14	31st Aug'13
USD/RM	3.21	3.29
100YEN/RM	3.16	3.35
USD/YEN	101.58	98.21



# SHAREHOLDING

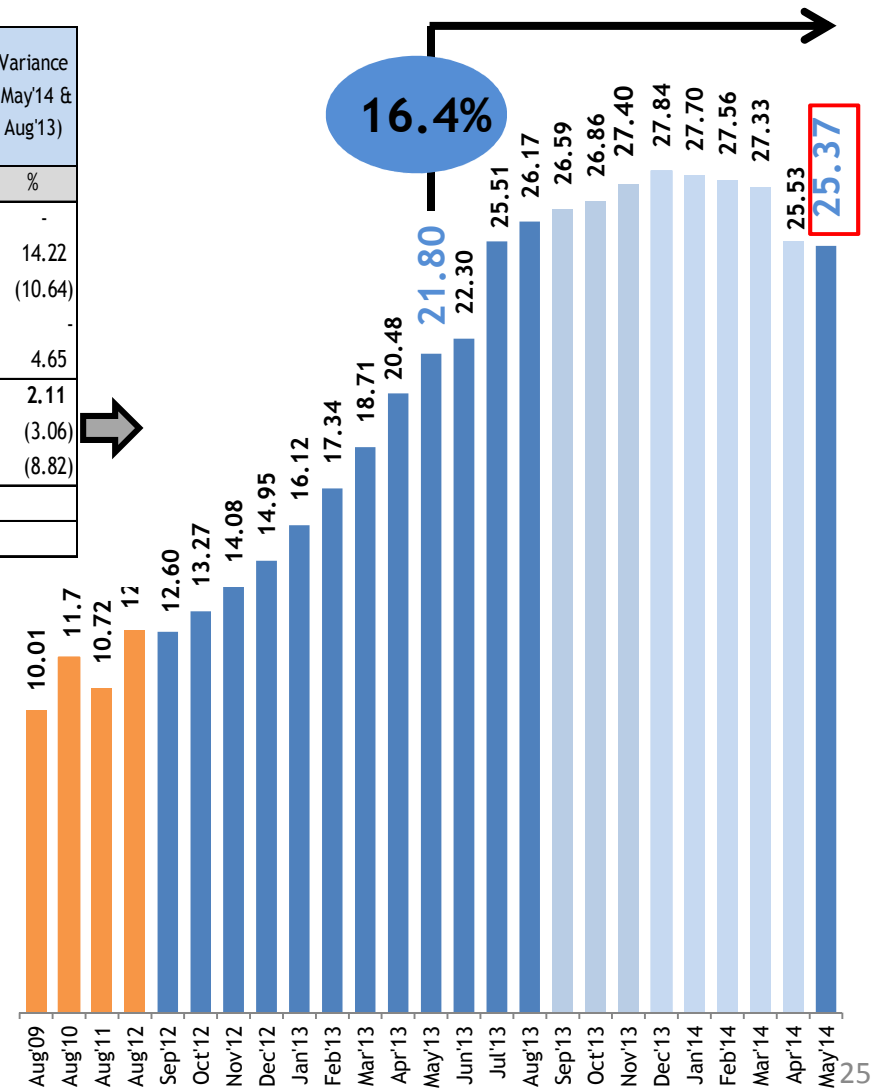


## Foreign Shareholding's Trend Remained Stable

Foreign shareholding stabilised at around 25% since its 2 percentage drop in Apr'14

### MAIN SHAREHOLDING

	Aug'10	Aug'11	Aug'12	Aug'13	Nov'13	Feb'14	May'14	Variance (May'14 & Aug'13)
Name	%	%	%	%	%	%	%	%
Khazanah Nasional Berhad	35.65	35.55	35.36	32.42	32.42	32.42	32.42	-
Employees Provident Fund Board	12.48	13.17	12.67	11.18	10.29	11.05	12.77	14.22
Skim Amanah Saham Bumiputera	9.59	9.90	10.66	8.27	6.64	7.16	7.39	(10.64)
Lembaga Tabung Haji	3.83	3.82	3.80	0.04	-	-	-	-
Other Corporations & Govt. Agencies	23.97	20.06	18.58	15.04	16.10	15.20	15.74	4.65
<b>Subtotal</b>	<b>85.52</b>	<b>82.50</b>	<b>81.07</b>	<b>66.91</b>	<b>65.45</b>	<b>65.83</b>	<b>68.32</b>	<b>2.11</b>
Foreign	11.75	10.72	12.64	26.17	27.40	27.56	25.37	(3.06)
Malaysian Public	2.73	6.78	6.29	6.92	7.15	6.61	6.31	(8.82)
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
Paid Up Capital (mn shares)	4,352.7	5,456.6	5,501.6	5,643.6	5,643.6	5,643.6	5,643.6	



**RESULTS SNAPSHOTS**

**RESULTS HIGHLIGHTS**

**RESULTS DETAILS**

**QUESTION & ANSWER**

# DISCLAIMER



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# CONTACT DETAILS



For further enquiries, kindly contact us at:

## INVESTOR RELATIONS & MANAGEMENT REPORTING DEPARTMENT

Tenaga Nasional Berhad  
4<sup>th</sup> Floor, TNB Headquarters  
No.129, Jalan Bangsar,  
59200 Kuala Lumpur, MALAYSIA

Tel : +603 2296 5566

Fax : +603 2284 0095

Email : [tenaga\\_ird@tnb.com.my](mailto:tenaga_ird@tnb.com.my)

Website : [www.tnb.com.my](http://www.tnb.com.my)

### IR OFFICERS:

<i>Anida</i>	+603 2296 6077	<a href="mailto:anidai@tnb.com.my">anidai@tnb.com.my</a>
<i>Sherleen</i>	+603 2296 6183	<a href="mailto:sherleenaa@tnb.com.my">sherleenaa@tnb.com.my</a>
<i>Effa</i>	+603 2296 6647	<a href="mailto:effarizamn@tnb.com.my">effarizamn@tnb.com.my</a>
<i>Nadia</i>	+603 2296 6787	<a href="mailto:nuranadiaah@tnb.com.my">nuranadiaah@tnb.com.my</a>



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**THANK YOU**

**Unaudited Consolidated Results for the  
3<sup>rd</sup> Quarter FY2014 ended 31<sup>st</sup> May 2014**