



TENAGA NASIONAL BERHAD

**UNAUDITED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED
28TH FEBRUARY 2006**

13 April 2006



AGENDA

- ❑ **Highlights Of Group's Performance**
- ❑ **Details Of Group's Performance**

Highlights Of Group's Performance

“One Team. One Spirit. One Goal.”

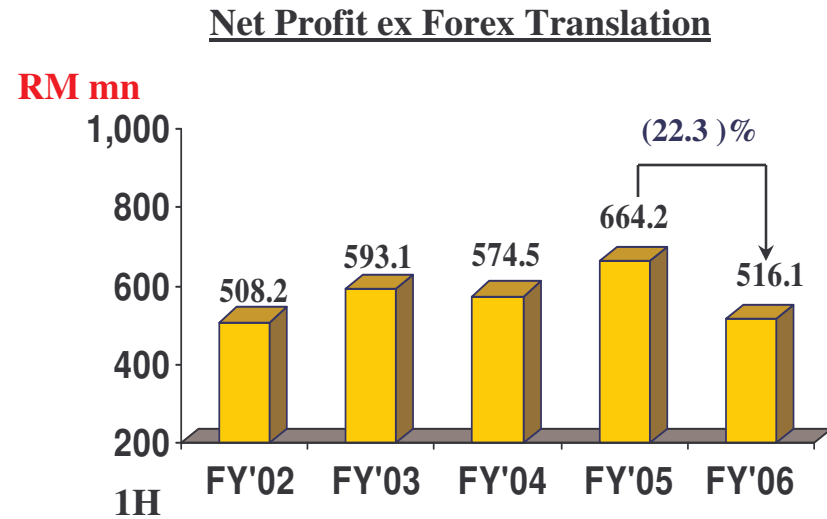
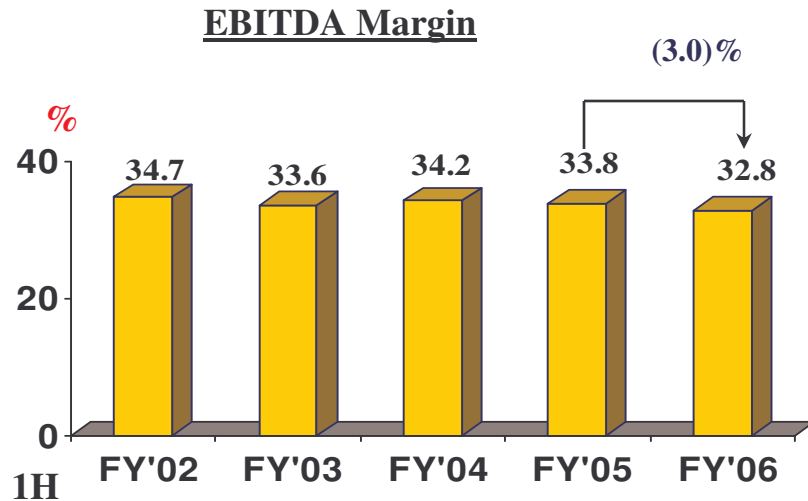
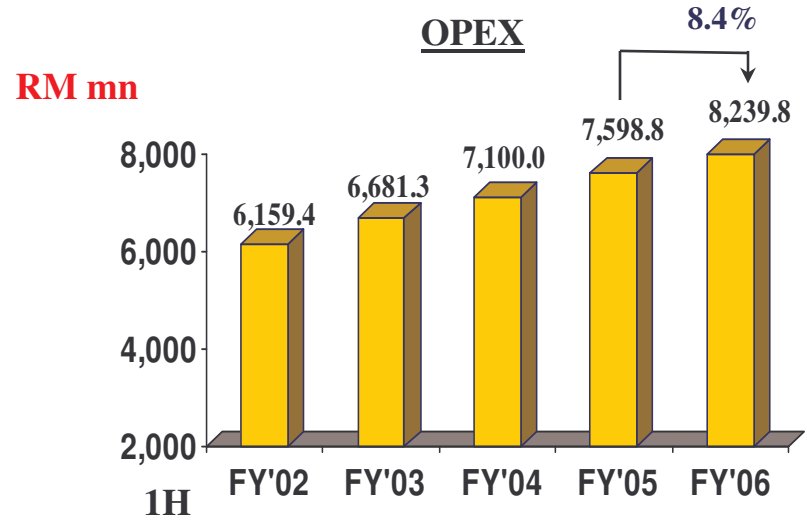
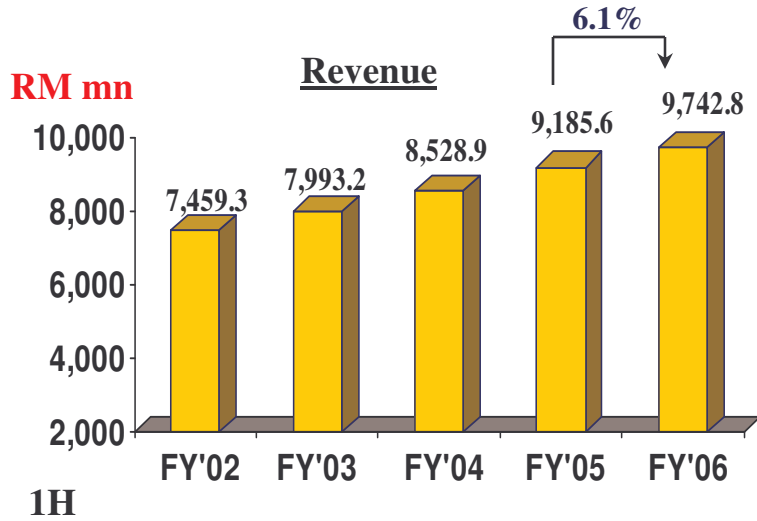
Y.Bhg. Tan Sri Datuk Amar Leo Moggie

CHAIRMAN

Highlights.....

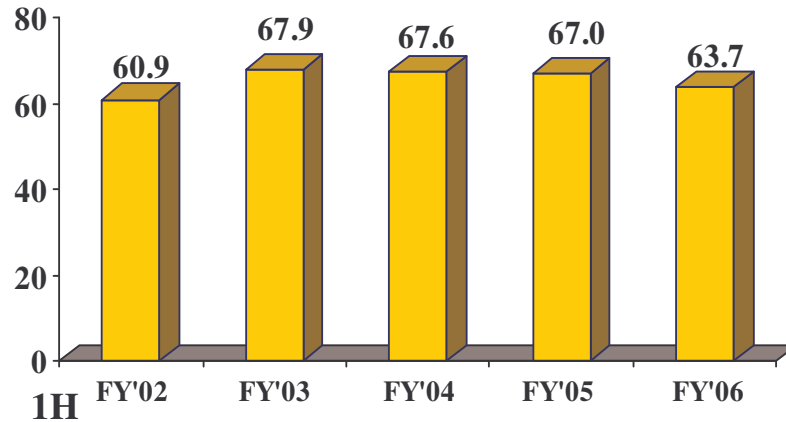
RM mn	1H FY'05	1H FY'06
Revenue	9,185.6	9,742.8
Operating Expenses	(7,598.8)	(8,239.8)
Other Operating Income	170.4	222.0
Operating Surplus	1,757.2	1,725.0
Finance Cost	(705.2)	(789.0)
Transaction Loss	(35.1)	(131.3)
Profit Before Tax & Translation (loss)/gain	1,084.3	812.6
Net Profit Before Translation (loss)/ gain	664.2	516.1
Translation (loss)/gain	(360.6)	479.0
Net Profit	303.6	995.1
Economic Loss	(932.2)	(1,003.7)
Cashflow before borrowing	(3,810.9)	(893.4)

Opex Outpaces Revenue Growth

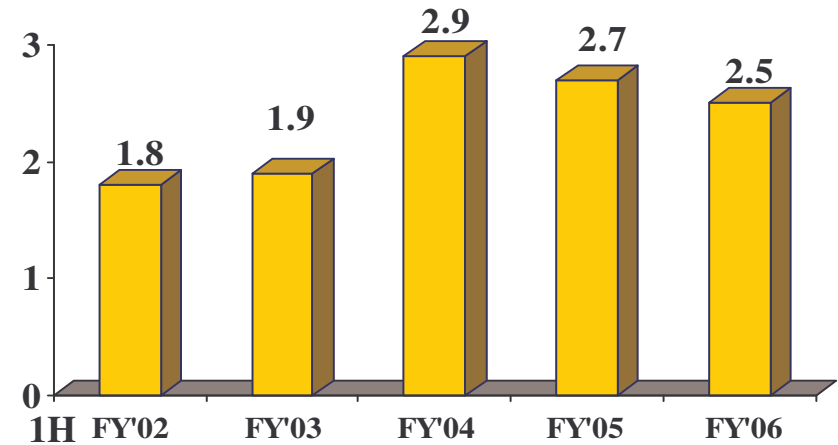


Measured By Financial Ratios

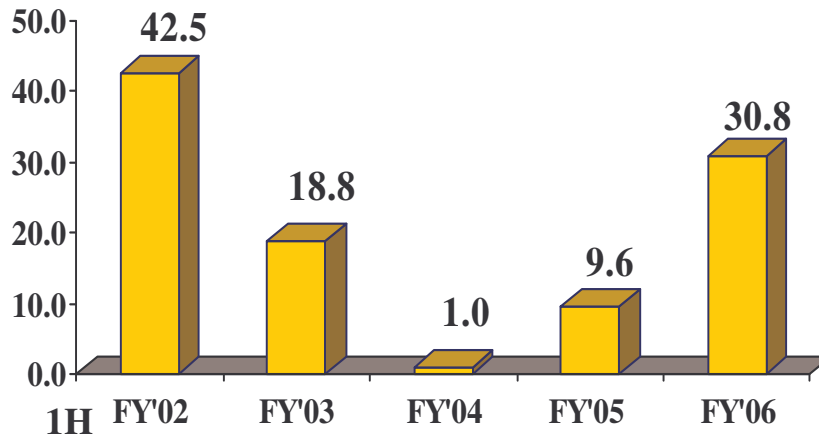
Gearing (%)



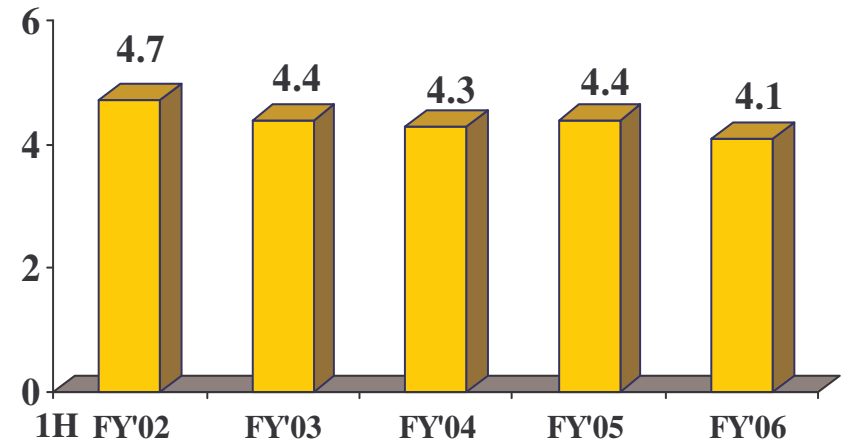
ROA (%)



Basic Earnings Per Share (Sen)



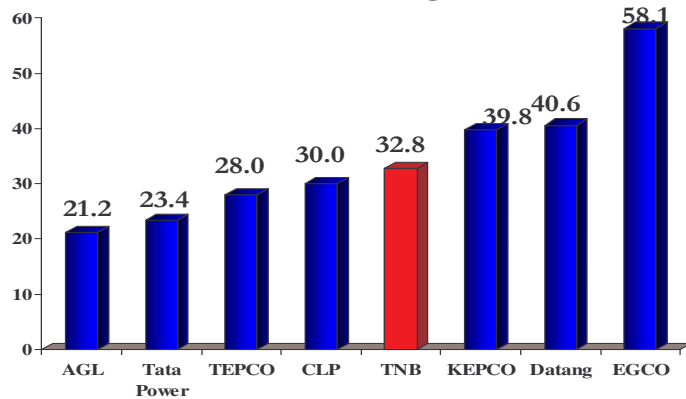
Interest Coverage (X)



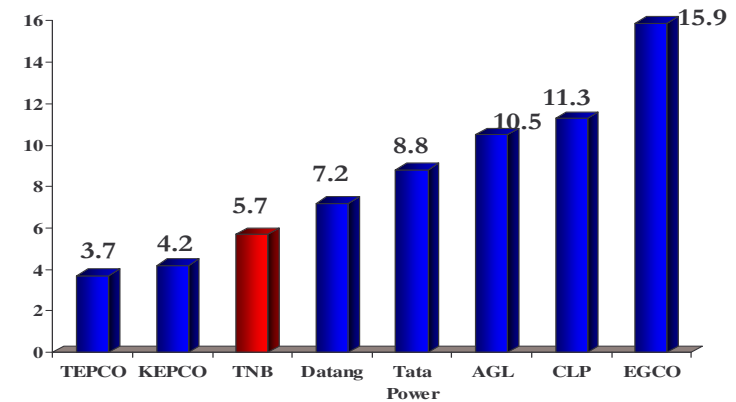
Benchmarked Against Other Utilities

	TNB	TEPCO	Tata Power	CLP	KEPCO	Datang	AGL	EGCO
Rating (Moody's/S&P)	Baa1/BBB	Aa3/AA-	Ba2/BB+	A1/A	A2/A	-/BBB	Baa1/BBB	Not rated

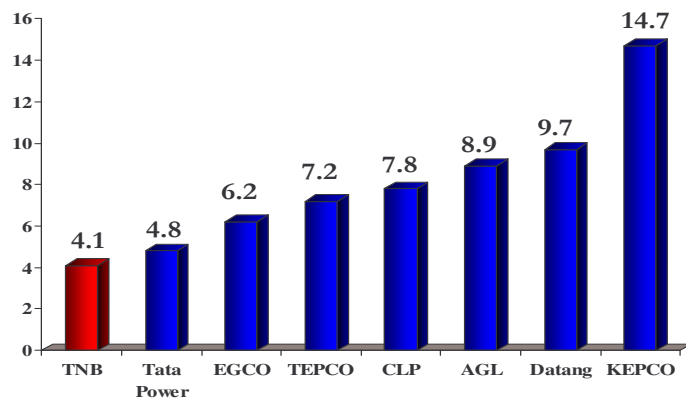
EBITDA Margin (%)



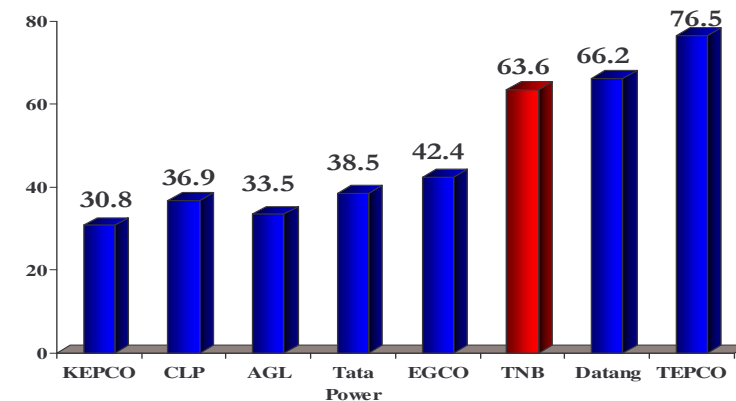
Return On Invested Capital (%)



Interest Coverage (x)



Debt to Total Capital (%)

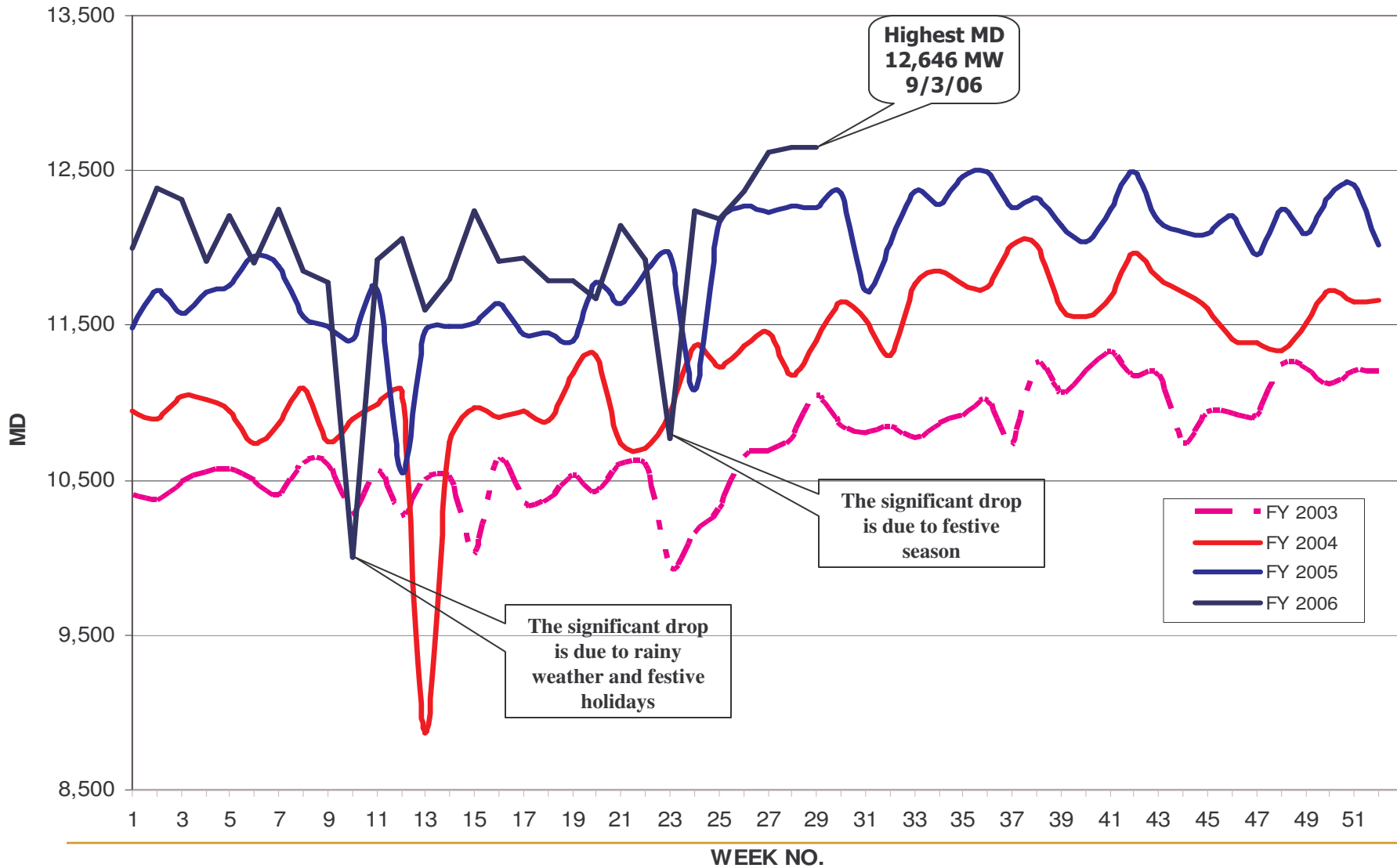


Source: Citigroup



Note: TNB's figure is based on annualised 1HFY06. Other utilities are based on FY'05 except for KEPCO (based on FY04), which has not released its consolidated a/c

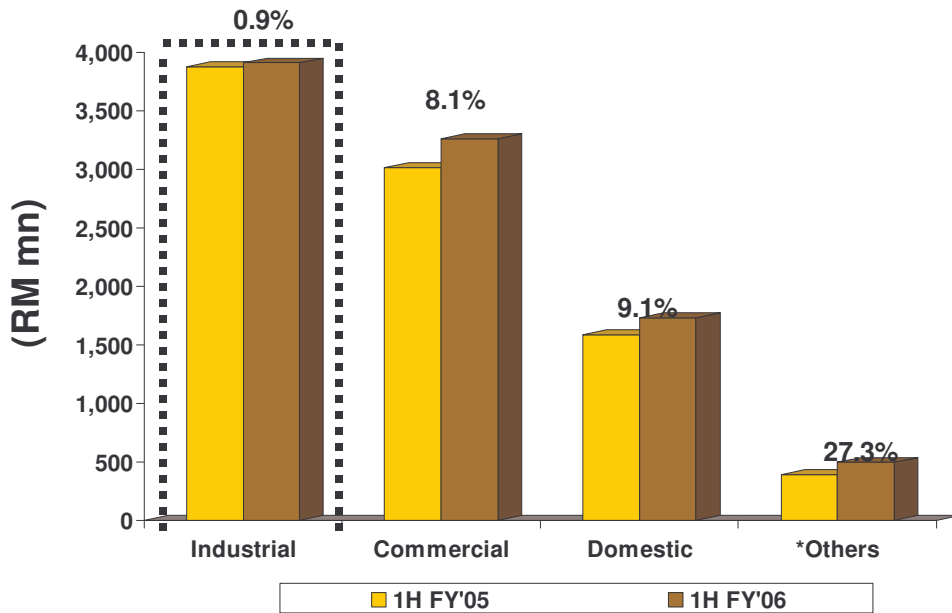
Peak Demand Hits New Record High



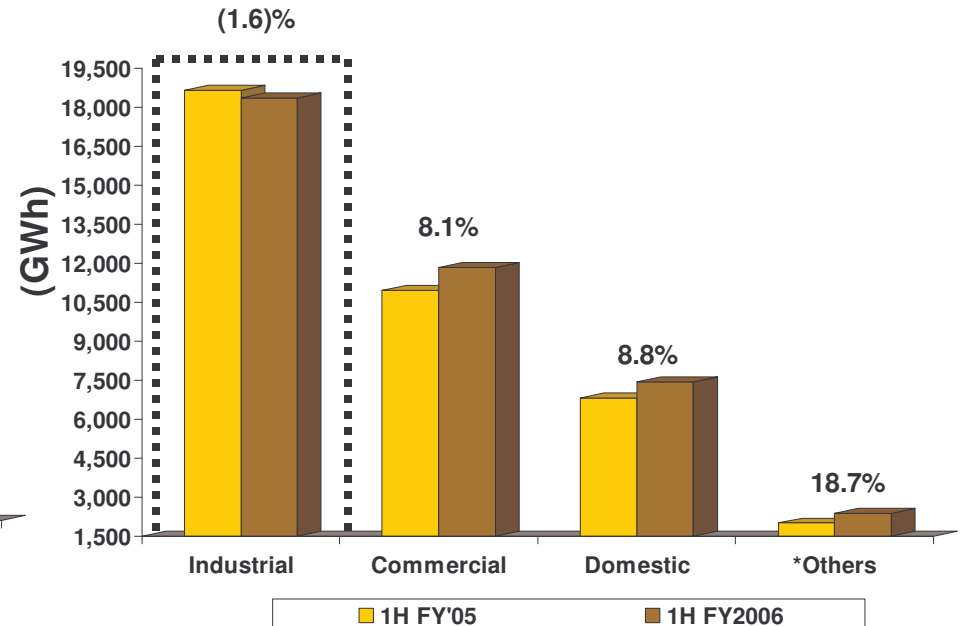
Analysis Of Electricity Growth By Sectors

The Industrial and Commercial Sectors together account for 76.3% of total electricity sales.

1H FY'06 = 6.0%



1H FY'06 = 4.1%



•The negative growth in the Industrial Sector is attributable to February meter readings captured in March. If we were to include these readings industrial revenue growth would be 1.9% while unit growth would be (0.5)%.

Headline Key Performance Indicators

<i>Initiatives</i>	<i>Target FY'06</i>	<i>1H FY'06</i>
Return on Assets (ROA)	2.4%	2.5%*
Gearing	63.0%	63.7%
Unplanned Outage Rate (UOR)	5.0%	2.9%
Reduction in Transmission & Distribution Losses	9.5%	10.81%
Distribution SAIDI	133 minutes	46.9 minutes**

Gearing (%) :
$$\frac{\text{LTD} + \text{STD}}{\text{LTD} + \text{STD} + \text{Shareholders' Fund} + \text{MI}}$$

Return on Asset :
$$\frac{\text{Group Net Profit (Adjusted for FOREX and FRS 119)}}{\text{Group (Non Current Assets + Current Assets)}}$$

* Based on annualised figure
 ** represents the statistic for YTD

TNB Faces Continuous Pressure from Rising Operating Expenses

1H FY'06

- ❑ 17.1% increase in fuel cost arising from increase in coal prices.
- ❑ 19.5% increase in repair and maintenance principally from increase in material costs.

FY'07 Onwards

- ❑ Future additional IPP capacity payments upon commissioning of Tanjung Bin Power Sdn Bhd (First Unit September 2006 – capacity payment of at least RM630 mn). Upon completion of Jimah Energy Ventures Sdn Bhd, additional capacity payments will rise to at least RM 2,130 mn)

AGENDA

- ❑ Highlights Of Group's Performance
- ❑ Details Of Group's Performance

Details Of Group's Performance

“Maintenance For A Sustainable Future”

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

Company Wide Initiatives

<i>Initiatives</i>	FINANCIALS		<u>RM mn</u>
	<i>Target FY'06</i>		<i>1H FY'06</i>
Recovery of Theft Backbilling	20.0	-	14.7 71.2 Identified
Reduction In General Expenses	50.0		9.7
Value Creation From Landbank	30.0		1.5
SESB Turnaround (Diesel Subsidy)	300.0	300.0 12 Months	138.1 recognised 172.5 billed for 6 months
Reduction in T&D Losses (10.5% to 9.5%)	60.0		(24.8)
Recovery from Delinquent Accounts	130.0		166.7
Manage Overtime Claims Paid	10.0	5% reduction of FY'05	10.7
Manage Medical Claims Paid	No Increase		(3.3)
TOTAL	600.0		313.3

Company Wide Initiatives

TECHNICAL		
<i>Initiatives</i>	<i>Target FY'06</i>	<i>1H FY'06</i>
Generation Availability	86.5%	90.4%
Unplanned Outage Rate (UOR)	5.0%	2.9%
Distribution SAIDI	133 minutes	46.9 minutes*
System Minutes	10	3.8*
Reduction in ACP : (Pen. Malaysia)	32 days**	37 days**
*represents the statistics for YTD		
**Excluding PLMAH		

Company Wide Initiatives

<i>Initiatives</i>	<i>Target FY'06</i>	<i>1H FY'06</i>
Return on Asset (ROA)	2.4%	2.5%*
Debt Mix (%) (RM vs Other Currencies)	57:43	54:46
Gearing (%)	63.0	63.7
Reducing Procurement Process Time (Closing of Tenders)	90% in 90 days	78% in 90 days
*based on annualised net profit		

Gearing (%) :
$$\frac{\text{LTD} + \text{STD}}{\text{LTD} + \text{STD} + \text{Shareholders' Fund} + \text{MI}}$$

Return on Asset :
$$\frac{\text{Group Net Profit (Adjusted for FOREX and FRS 119)}}{\text{Group (Non Current Assets + Current Assets)}}$$

Economic Profit / (Loss)

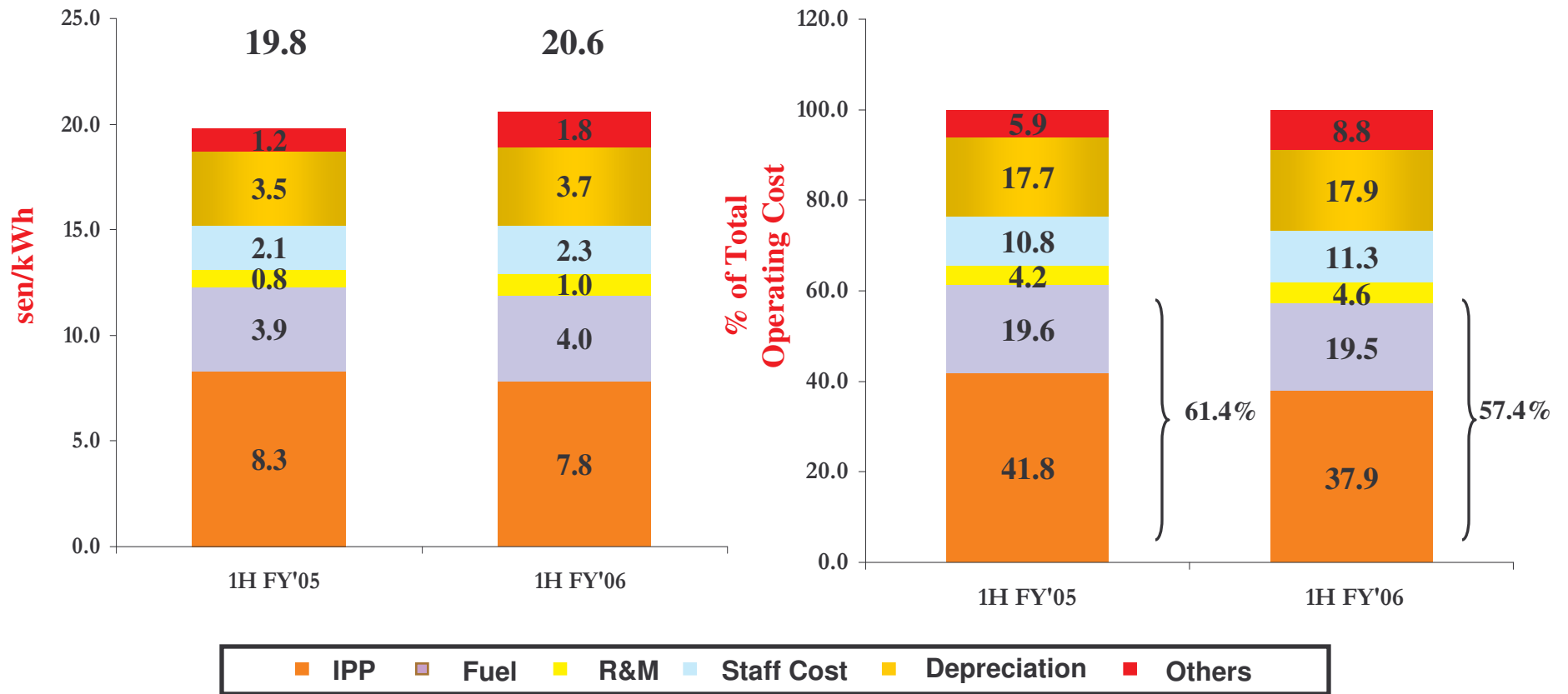
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	2Q		(6 Months) YTD	
	FY'05	FY'06	FY'05	FY'06
<u>NOPLAT computation</u>				
Earning Before Interest and Tax (EBIT)*	613.8	608.5	1,442.0	1,352.7
Adjusted TAX	(171.9)	(170.4)	(403.8)	(378.8)
NOPLAT	441.9	438.1	1,038.2	973.9
<u>Economic Charge computation</u>				
Average Invested Capital	52,614.0	52,807.1	52,614.0	52,807.1
WACC	7.5%	7.5%	7.5%	7.5%
Economic Charge	(985.2)	(988.8)	(1,970.4)	(1,977.6)
Economic Profit / (loss)	(543.3)	(550.7)	(932.2)	(1,003.7)

Cost Savings Shadowed by Higher Operating Expenses

Operating Expenses (RM mn)	1H FY'05	1H FY'06	Changes (%)
▪ IPP	3,177.1	3,123.8	(1.7)
▪ Fuel	1,489.9	1,745.1	17.1
▪ Fuel Subsidy - SESB	-	(138.1)	-
▪ R&M	318.5	380.7	19.5
▪ Staff	819.1	928.0	13.3
▪ Depreciation	1,343.7	1,475.3	9.8
▪ Others	450.5	725.0	60.9
TOTAL OPERATING EXPENSES	7,598.8	8,239.8	8.4

Increasing Trend in Cost Per Unit Sold

COST PER UNIT SOLD (sen/kWh)	1H FY'02	1H FY'03	1H FY'04	1H FY'05	1H FY'06
	20.0	20.1	20.2	19.8	20.6



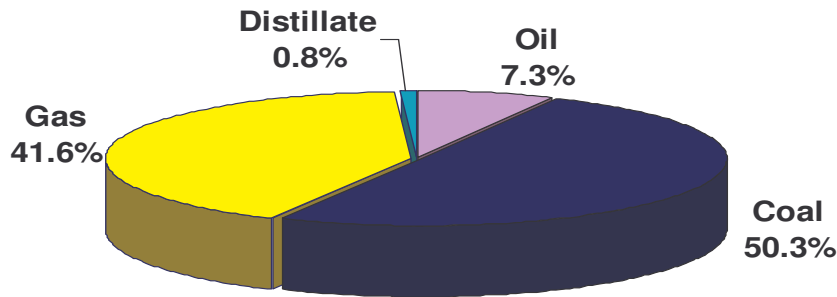
Additional Capacity Payment & Utilisation Payment

RM mn	Tanjung Bin	Jimah Energy Ventures	Total Capacity Payment
FY'07	630-740* (Unit 1 – Sept'06) (Unit 2- Feb'07) (Unit 3- Sept'07)	-	630-740*
FY'08	1,260-1,449*	-	1,260-1,449*
FY'09	1,260-1,449*	135-221* (Unit 1 – Jan'09) (Unit 2 – July'09)	1,395-1,670*
FY'10	1,260-1,449*	688-859*	1,948-2,308*
FY'11	1,260-1,499*	870-1,023*	2,130-2,522*

* Assuming Maximum Despatch Capacity of 100%

Higher Fuel Cost Resulted from Increase in Coal Prices

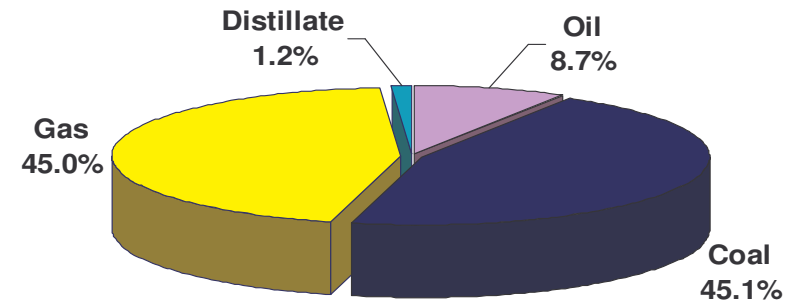
FUEL COST 1H FY'05 = RM1,489.9 mn



Avg. Coal Price = USD49.9/-per metric tonne

Avg. Coal Price Purchased From 3rd Parties = USD53.2/-per metric tonne

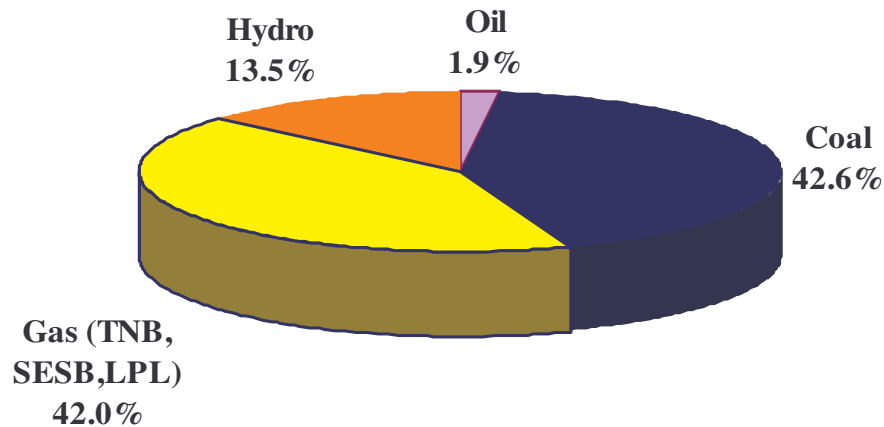
FUEL COST 1H FY'06 = RM1,745.1 mn



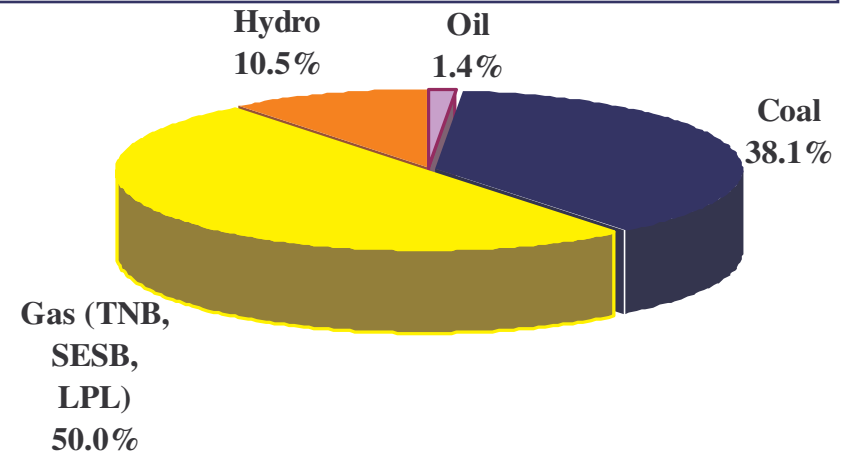
Avg. Coal Price = USD53.5/-per metric tonne

Avg. Coal Price Purchased From 3rd Parties = USD57.7/-per metric tonne

TNB GROUP GENERATION 1H FY'05 = 22,568.4 GWh

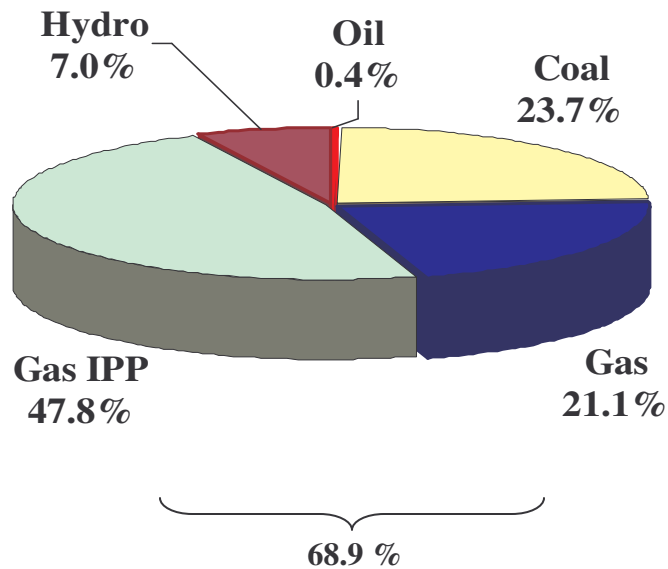


TNB GROUP GENERATION 1H FY'06 = 25,609.8 GWh

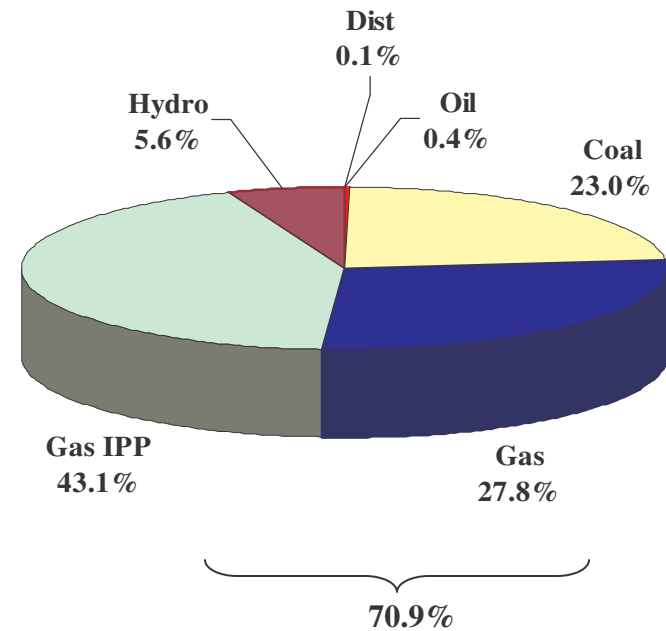


Achieving Optimal System Mix

INDUSTRY GENERATION
1H FY'05 = 40,529.2 GWh

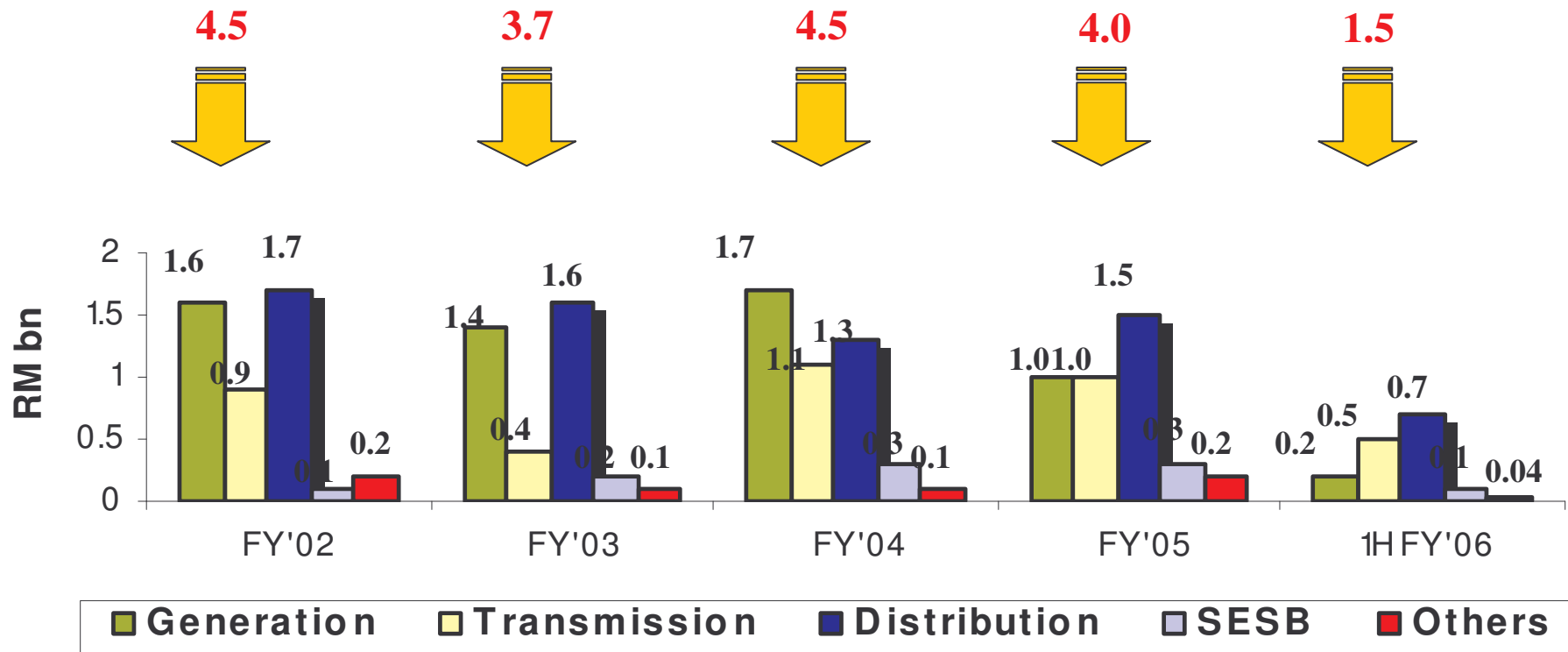


INDUSTRY GENERATION
1H FY'06 = 42,390.5 GWh



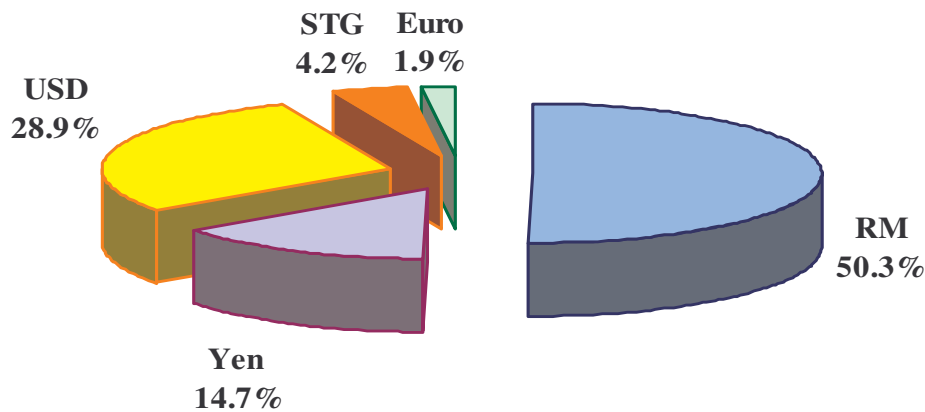
Peninsular Malaysia Only

Capex for FY'06 Target Of RM4.5 bn



Debt Portfolio Benefits From Strong Ringgit

31st Aug FY'05



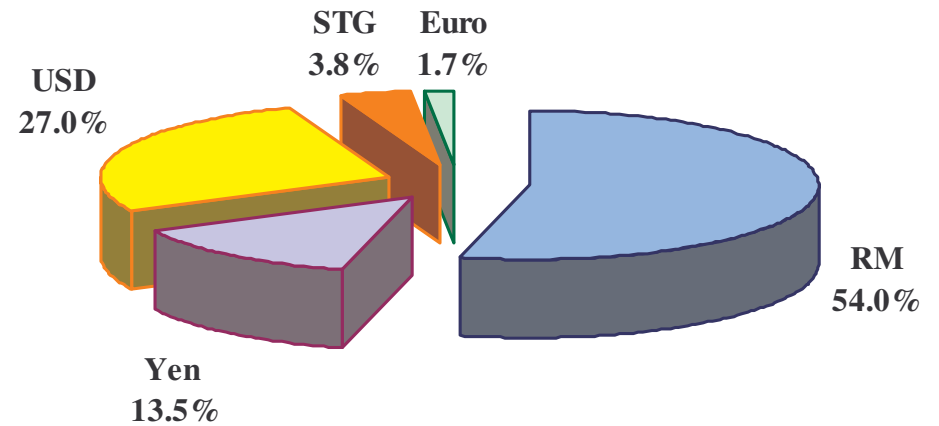
***Total Debt = RM29.9 bn**

Fixed 87.1% : 12.9%

Weighted Average Cost of Debt 5.35%

USD/RM	:	3.77
100YEN/RM	:	3.39
STG/RM	:	6.8
EURO/RM	:	4.6
USD/YEN	:	111.0

28th Feb FY'06



***Total Debt = RM29.8 bn**

Fixed 89.4% : 10.6%

Weighted Average Cost of Debt 5.75%

USD/RM	:	3.70
100YEN/RM	:	3.19
STG/RM	:	6.4
EURO/RM	:	4.4
USD/YEN	:	116.3

* In accordance with MASB 24

Thank You



Powering The Nation's Progress

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