



UNAUDITED FINANCIAL RESULTS 1ST HALF FY2008

14th April 2008



AGENDA

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

Highlights Of The Group's Performance

"Powering The Nation."

Y.Bhg. Tan Sri Leo Moggie
CHAIRMAN

KEY HIGHLIGHTS

- Net profit before forex translation gain of RM2,055.3 million
- RM827 million increase in revenue from electricity sales as a consequence of the 7.7% demand growth reported in Peninsular Malaysia
- A 14.7% increase in operating expenses principally from the higher cost of electricity generation
- EBITDA margin at 37.0% from 39.9% reported previously
- Economic loss of RM315.5 million as a result of deterioration in operating margin
- Total Group debt of RM22.5 billion
- Capex incurred for the 6 months amounted to RM2,083 million

FINANCIAL HIGHLIGHTS

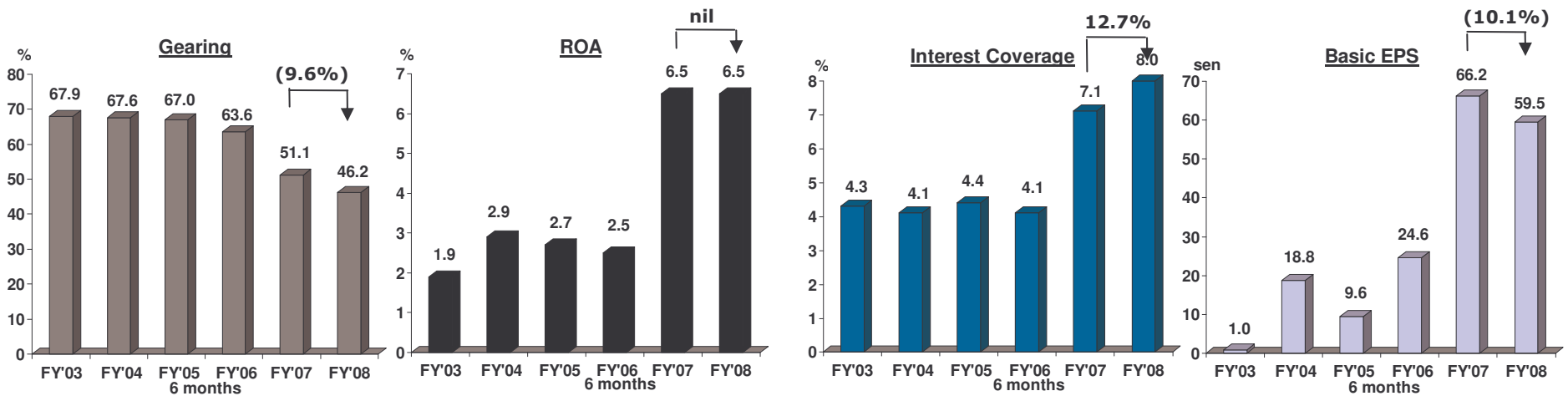
RM mn

	6 Months FY'07	6 Months FY'08
Revenue	11,283.7	12,307.6
Operating Expenses	(8,544.9)	(9,800.2)
Other Operating Income	266.6	367.3
Operating Surplus	3,005.4	2,874.7
Finance Cost	(637.6)	(570.1)
Transaction Gain/(Loss)	(17.2)	9.4
Profit Before Tax & Translation Gain/(Loss)	2,373.8	2,338.0
Taxation & Zakat		
Company & Subsidiaries	(508.0)	(443.9)
Deferred Taxation	341.9	169.2
Net Profit Before Translation Gain	2,186.1	2,055.3
Translation Gain	614.9	522.8
Profit for the period	2,822.6	2,586.1
Profit Attributable to:		
Equity Holders	2,801.0	2,578.1
Minority Interests	21.6	8.0
	2,822.6	2,586.1

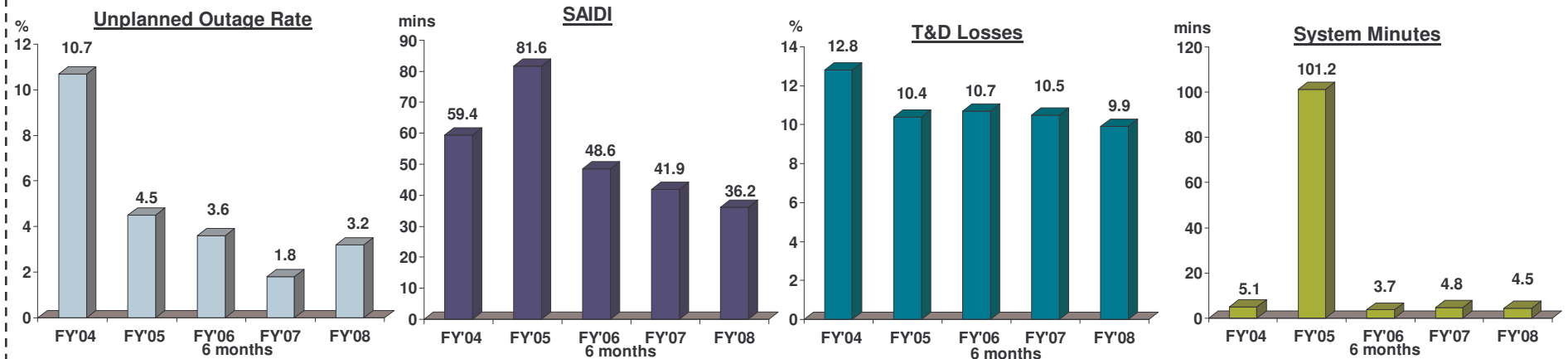
FINANCIAL RATIOS & TECHNICAL PERFORMANCE

Our Commitment to Achieve Service Excellence 10/10

Financial Ratios



Technical Performance



HEADLINE KEY PERFORMANCE INDICATORS

ROA Target at Risk as a Result of High Coal Prices

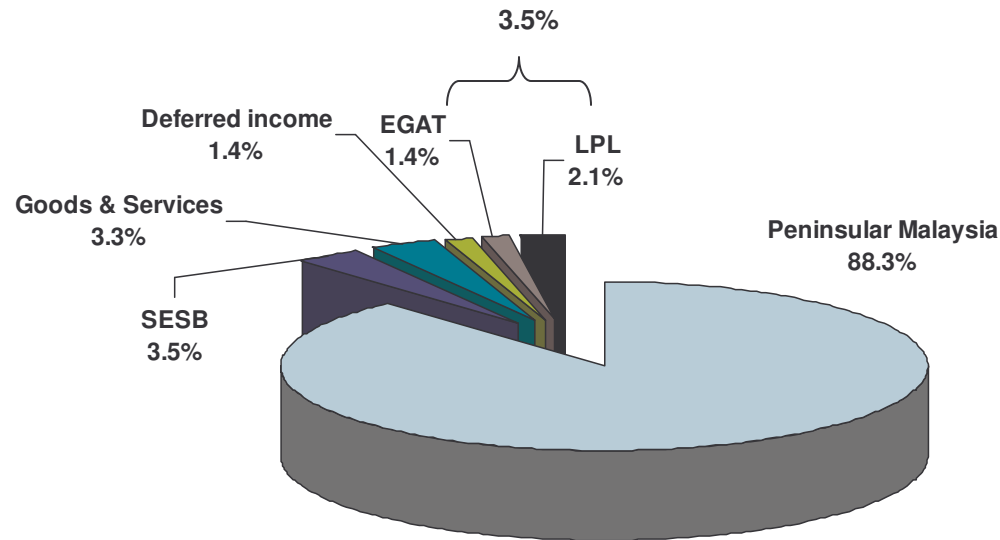
Metrics	Actual	Target FY'08	FY'08	
	FY'07		(3 mths)	(6 mths)
Return on Assets (ROA)	6.3%	5.5%	7.0%*	6.5%*
Gearing	49.9%	50.0%	47.0%	46.2%
Unplanned Outage Rate (UOR)	2.2%	< 4.0%	1.8%	3.2%
T&D Losses	10.0%	< 10.0%	9.4%**	9.9%**
			7.8%***	8.2%***
Transmission System Minutes	9.3 mins	< 7 mins	2.5 mins	4.5 mins
Distribution SAIDI	83 mins	78 mins	17.7 mins	36.2 mins

Note: * based on adjusted annualised net profit

** based on 12-month rolling averages

*** based on YTD

CORE REVENUE

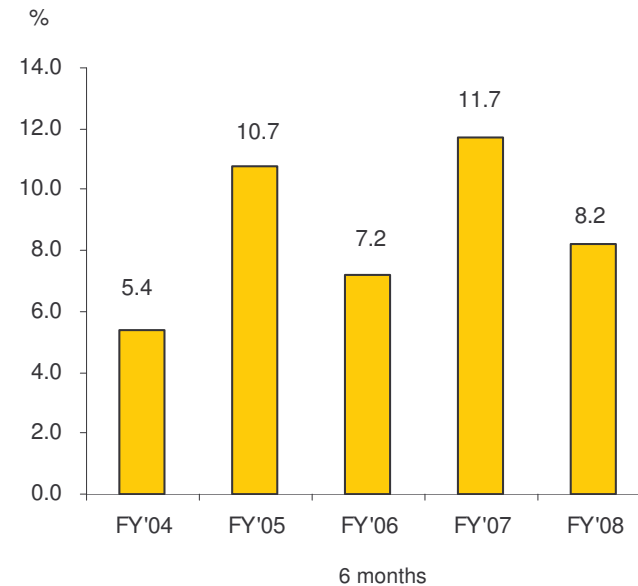


6 Months FY'08 Total RM12,307.6 mn
6 Months FY'07 Total RM11,283.7 mn

Breakdown of Electricity Sales

	6 Months					
	RM mn			Gwh		
	FY'07	FY'08	%	FY'07	FY'08	%
Pen. Malaysia	10,043.2	10,871.7	8.2	38,749.1	41,722.9	7.7
EGAT	201.5	171.4	(14.9)	1,274.7	963.8	(24.4)
SESB	391.5	427.3	9.1	1,570.9	1,699.6	8.2
LPL	264.8	257.3	(2.8)	782.6	794.9	1.6
Total	10,901.0	11,727.7	7.6	42,377.3	45,181.2	6.6

SESB Electricity Demand Growth (Gwh)



ANALYSIS OF ELECTRICITY GROWTH IN PENINSULAR MALAYSIA

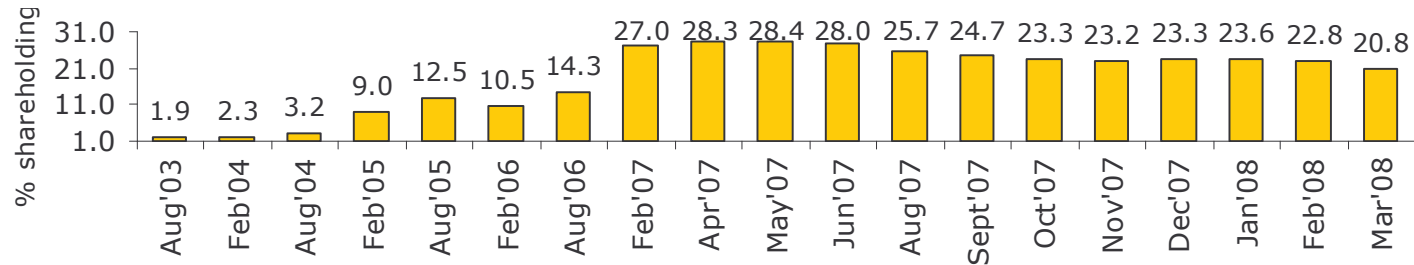
**7.7% Unit Demand Growth Reported for 6 Months FY'08
Commercial & Industrial Sectors at 8.8% & 7.1% respectively**

		Sep'06	Oct'06	Nov'06	Dec'06	Jan'07	Feb'07	Mar'07	Apr'07	May'07	Jun'07	Jul'07	Aug'07	Sep'07	Oct'07	Nov'07	Dec'07	Jan'08	Feb'08	Mar'08
Industrial	Gwh	3,251	3,027	2,933	3,334	3,153	3,050	2,866	3,342	3,252	3,376	3,278	3,380	3,486	3,283	3,226	3,277	3,355	3,447	3,108
	Growth (%)	4.6	3.8	3.4	6.1	6.0	4.7	3.5	5.0	3.1	3.1	3.3	3.4	7.2	8.5	10.0	(1.7)	6.4	13.0	8.4
Commercial	Gwh	2,143	1,929	2,031	2,067	2,027	1,996	1,923	2,222	2,451	2,249	2,171	2,213	2,324	2,154	2,223	2,183	2,235	2,152	2,091
	Growth (%)	10.4	3.7	4.7	7.5	7.6	7.9	7.5	8.2	7.9	8.1	8.3	8.3	8.5	11.6	9.4	5.6	10.3	7.8	8.7
Domestic	Gwh	1,273	1,102	1,319	1,201	1,253	1,123	1,235	1,322	1,340	1,341	1,281	1,257	1,331	1,293	1,315	1,259	1,269	1,310	1,284
	Growth (%)	8.8	(0.1)	3.4	4.9	5.5	4.5	5.5	6.0	6.2	6.5	6.7	6.6	4.5	17.4	(0.3)	4.8	1.3	16.7	4.0
Others	Gwh	90	85	91	90	94	88	89	96	(125)	92	94	82	101	99	99	98	104	101	96
	Growth (%)	20.6	14.6	22.5	23.1	30.7	12.8	29.0	37.3	19.2	24.6	20.1	10.7	12.2	16.1	8.8	9.2	15.6	14.3	7.9
TOTAL	FY07 (Gwh)	6,757	6,143	6,373	6,692	6,527	6,257	6,113	6,982	6,918	7,058	6,824	6,932	7,242	6,828	6,863	6,817	6,963	7,010	6,579
	FY06 (Gwh)	6,287	6,243	6,017	5,856	6,125	6,155	6,002	6,136	7,131	6,620	6,355	6,519							
	Growth (%)	7.5	(1.6)	5.9	14.3	6.6	1.7	1.8	13.8	(3.0)	6.6	7.4	6.3	7.2	11.2	7.7	1.9	6.7	12.0	7.6
		1Q FY'07 3.9%			2Q FY'07 6.6%			3Q FY'07 8.4%			4Q FY'07 6.8%			1Q FY'08 8.6%			2Q FY'08 6.7%			
		1HFY'07 5.6%						2HFY'07 7.6%						6 Months FY'08 7.7%						

SHAREHOLDING STATUS

20.8% Foreign Shareholding as at 31 March 2008

Foreign Shareholding



Main Shareholdings

		Aug'07	Feb'08	Variance
	Name	%	%	%
1	Khazanah Nasional Berhad	37.67	37.81	0.37
2	Employees Provident Fund (EPF) Board	10.06	9.03	(10.24)
3	Skim Amanah Saham Bumiputera	7.23	8.59	18.81
4	Kumpulan Wang Persaraan (Diperbadankan)(KWAP)	3.23	3.25	0.62
5	Other Corporations & Govt. Agencies	9.90	16.59	67.58
	Subtotal	68.09	75.27	10.54
6	Foreign	25.67	22.83	(11.06)
7	Malaysian Public	6.24	1.90	(69.55)
	Total	100.00	100.00	
	Paid Up Capital (mn shares)	4,331.71	4,333.47	0.04

ECONOMIC PROFIT

Higher Economic Losses from:-

- i) Decline in EBIT
- ii) Higher WACC of 7.6%
- iii) Increase in invested capital

ECONOMIC PROFIT STATEMENT	6 Months FY'07	6 Months FY'08
	RM mn	RM mn
<u>NOPLAT computation:</u>		
EBIT	2,578.7	2,337.8
Adjusted Tax	(696.2)	(607.8)
NOPLAT	1,882.5	1,729.9
<u>Economic Charge computation:</u>		
Avg. Invested Capital	53,022.1	53,971.0
WACC	7.5%	7.6%
Economic Charge Full Year	(3,960.7)	(4,091.0)
Economic Charge Sept-Feb	(1,980.4)	(2,045.5)
ECONOMIC PROFIT / (LOSS) (NOPLAT + ECONOMIC CHARGE)	(97.9)	(315.5)

Announcement of Interim Dividend For FY'08

The Board of Directors has approved an interim gross dividend of 10.0 sen per ordinary share in respect of the financial year ending 31st August '08.

The Books Closure period for dividend entitlement & dividend payment dates will be announced later.

AGENDA

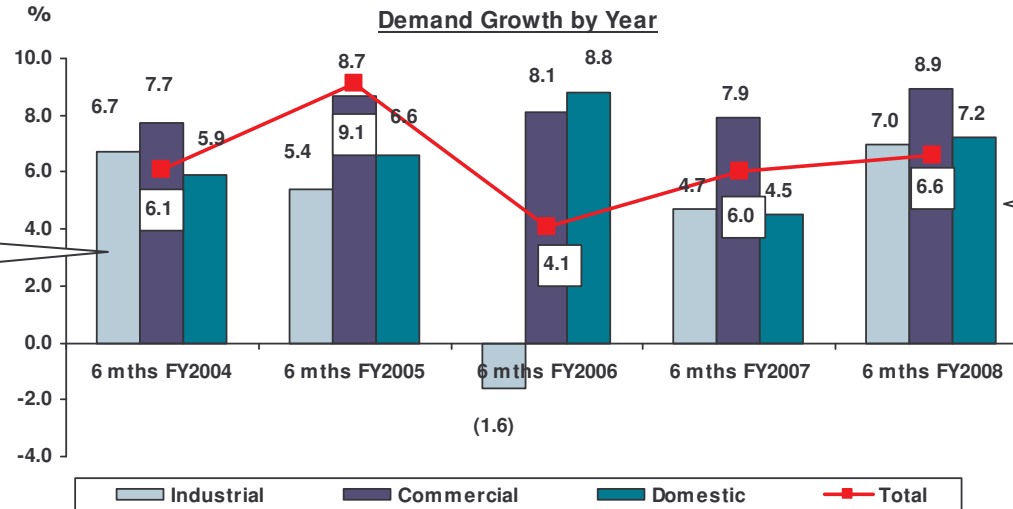
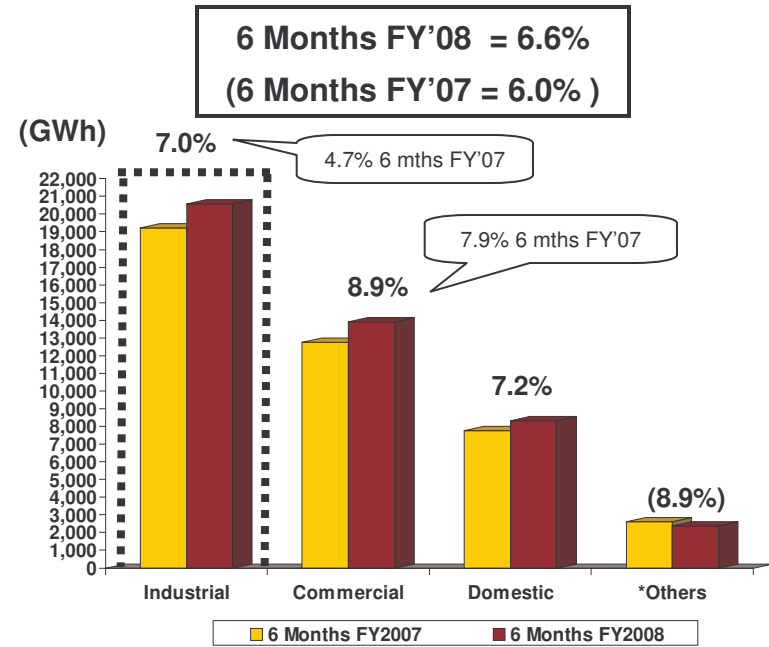
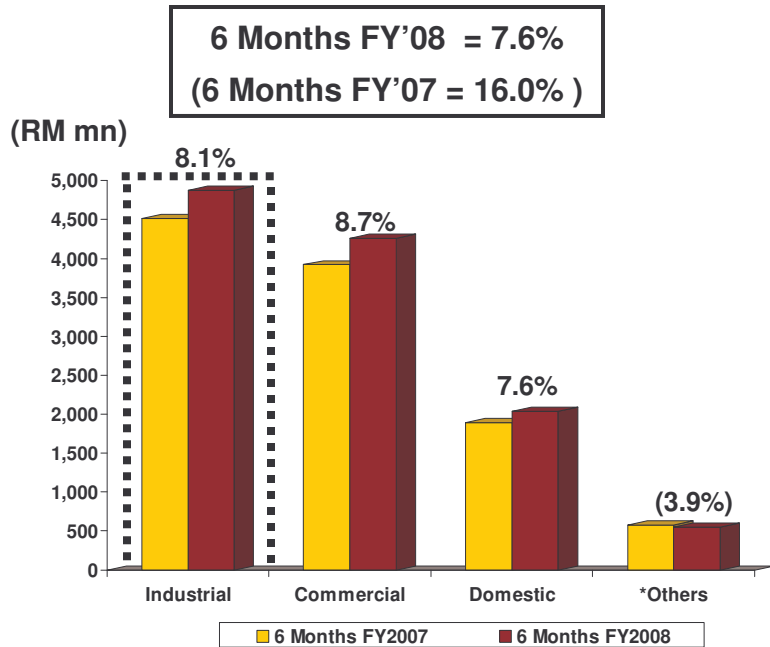
- ❑ **Highlights Of The Group's Performance**
- ❑ **Details Of The Group's Performance**

Details Of The Group's Performance

"Service Excellence 10/10"

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

ANALYSIS OF ELECTRICITY GROWTH BY SECTORS



The industrial and commercial sector accounted for **68.2%** of consumption

The industrial and commercial sector accounted for **76.3%** of consumption



* Includes Mining, Public Lighting and LPL

COMPANY WIDE INITIATIVES

FY'08 Targets and 2Q Performance

<i>Metrics</i>	Actual FY'07	Target FY'08	3 mths FY'08	6 mths FY'08
RM mn				
Increase in Non-Tariff Revenue				
Land Sales *	359.2	100.0	35.3	85.5
Savings from Work Process Improvements				
Improved Procurement Strategy/Planning **	0.0	50.0	1.9	14.4
Reduction in Stock Level from Effective Inventory Stock Management (excluding Fuel)	(12.9)	50.0	(255.7)	(304.1)
Recoveries				
Recovery from Delinquent Accounts	180.0	16.0	18.1	18.1
Recovery from Theft Backbilling	53.2	50.0	10.2	21.2
TOTAL	579.5	266.0	(190.2)	(164.9)

* Based on S&P signing

** Savings derived from effective contract management and consolidated purchases

OPERATING EXPENSES

Increase in Electricity Sales Wiped Out Principally By Higher IPP & Fuel Costs

RM mn	6 Months FY'07	6 Months FY'08	Changes (%)	Variance
Sales of Electricity	10,901.0	11,727.7	7.6%	826.7
IPP	3,488.3	4,461.7	27.9%	973.4
Fuel	1,715.1	1,640.9	(4.3%)	(74.2)
Fuel Subsidy - SESB	(203.3)	(243.9)	20.0%	40.6
R&M	431.3	418.1	(3.1%)	(13.2)
Salary & Related Costs	774.1	866.9	12.0%	92.8
FRS 119 (Staff Benefits)	322.7	333.9	3.5%	11.2
Depreciation	1,497.0	1,679.6	12.2%	182.6
General Expenses	247.0	244.9	(0.9%)	(2.1)
Provisions	3.2	0.6	(81.3%)	(2.6)
Subs. Cost of Sales	108.4	284.2	162.2%	175.8
Subs. General Expenses	161.1	113.3	(29.7%)	(47.8)
TOTAL OPERATING EXPENSES	8,544.9	9,800.2	14.7%	1,255.3

RM858.6mn

FINANCIAL HIGHLIGHTS

RM mn	FY'07	FY'08		
	(6 Months)	(6 Months)	1Q	2Q
Sales of Electricity	10,901.0	11,727.7	5,898.4	5,829.3
Other Income	382.7	579.9	309.9	270.0
Operating Expenses (with depreciation)	8,544.9	9,800.2	4,742.6	5,057.6
Operating Income	266.6	367.3	216.7	150.6
EBITDA	4,502.4	4,554.3	2,500.9	2,053.4
EBITDA Margin (%)	39.9%	37.0%	40.3%	33.7%
Finance Cost	637.6	570.1	290.0	280.1
Profit Before Tax & Forex Translation	2,373.8	2,338.0	1,401.6	936.4
Net Profit Before Forex Translation	2,186.1	2,055.3	1,272.5	782.8
Translation Gain	614.9	522.8	242.4	280.4
Net Profit attributable to :				
Equity Holders	2,801.0	2,578.1	1,514.9	1,063.2
Minority Interest	21.6	8.0	2.0	6.0

COST PER UNIT SOLD

Increase in Electricity Sales Wiped Out Principally By Higher IPP & Fuel Costs

6 months

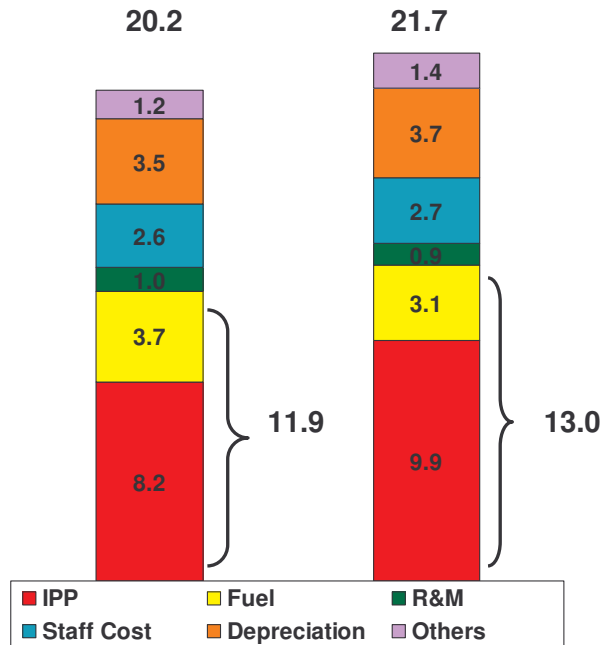
COST PER UNIT SOLD (sen/kWh)	FY'03	FY'04	FY'05	FY'06	FY'07	FY'08
	20.1	20.2	19.8	20.6	20.2	21.7

Cost Per Unit Sold (sen/kWh)

% of Total Operating Cost

6 Months FY'07

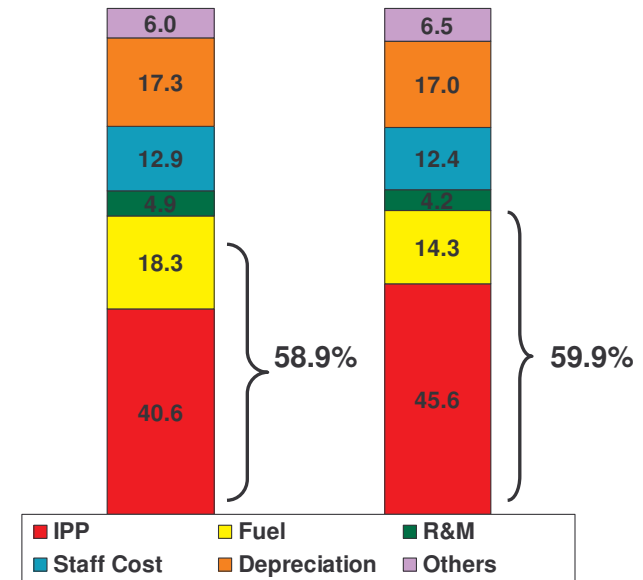
6 Months FY'08



*Fuel includes fuel adjustment and fuel subsidy - SESB

6 Months
FY'07

6 Months
FY'08



*Fuel includes fuel adjustment and fuel subsidy - SESB

TNB & IPP FUEL COST (PEN. MALAYSIA ONLY)

Only 2.1% Increase in Fuel Cost Despite a 13.6% Increase from Coal Generation as a Result of:-

i) 43.9% increase in hydro generation

ii) Impact of higher coal prices offset by the current strong RM against USD

	6 Months FY'07	6 Months FY'08
Average Coal Price	USD49.0/MT	USD53.9/MT
Average price/Kwh generated	7.95sen/Kwh	7.87sen/Kwh

Units Generated (Gwh)						Fuel Type	Fuel Cost (RM mn)						
6 Months FY'07		6 Months FY'08		Variance			6 Months FY'07		6 Months FY'08		Variance		
Gwh	%	Gwh	%	Gwh	%		RM mn	%	RM mn	%	RM mn	%	
30,630.1	69.1	29,892.1	64.6	(738.0)	(2.4)	Gas	1,607.6	63.7	1,541.6	59.8	(66.0)	(4.1)	
11,172.4	25.2	12,688.1	27.5	1,515.7	13.6	Coal	888.5	35.2	998.1	38.7	109.6	12.3	
11.2	0.0	13.9	0.0	2.7	24.1	Distillate	16.6	0.7	25.4	1.0	8.8	53.0	
34.5	0.1	71.7	0.2	37.2	107.8	Oil	12.5	0.4	13.4	0.5	0.9	7.2	
2,470.5	5.6	3,556.1	7.7	1,085.6	43.9	Hydro	0.0	0.0	0.0	0.0	0.0	0.0	
Total	44,318.7	100.0	46,221.9	100.0	1,903.2	4.3		2,525.2	100.0	2,578.5	100.0	53.3	2.1

Note: Total Coal Consumption (MT)

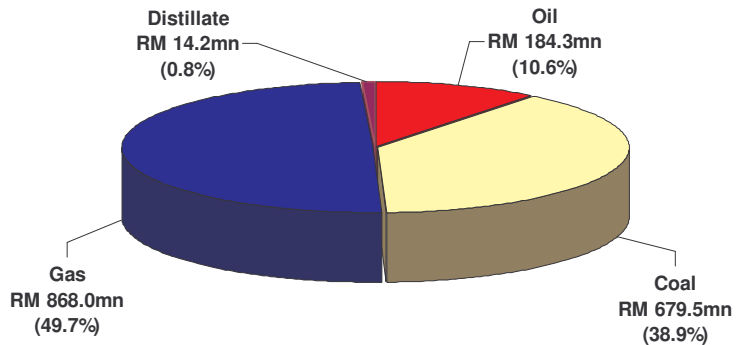
- 6 Months FY'07 : 5.0 mn

- 6 Months FY'08 : 5.5 mn

Increase in Coal Generation to Meet Demand Growth and Shortfall from Decline in Gas Generation as a Consequence of Gas Curtailment

ANALYSIS OF FUEL COST BY GENERATION MIX – TNB GROUP

6 Months FY'07

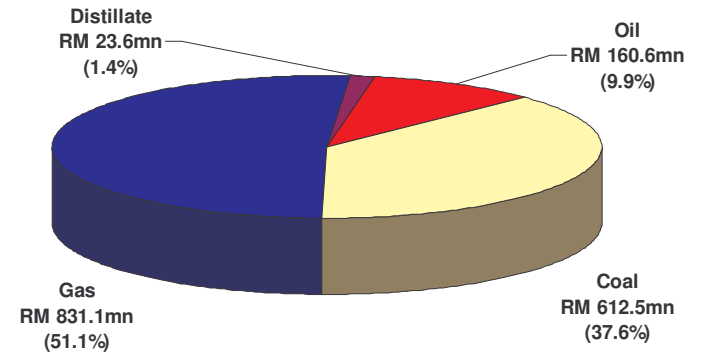


TOTAL: RM1,746.0 mn
NET OF SESB'S FUEL SUBSIDY = RM1,542.7 mn

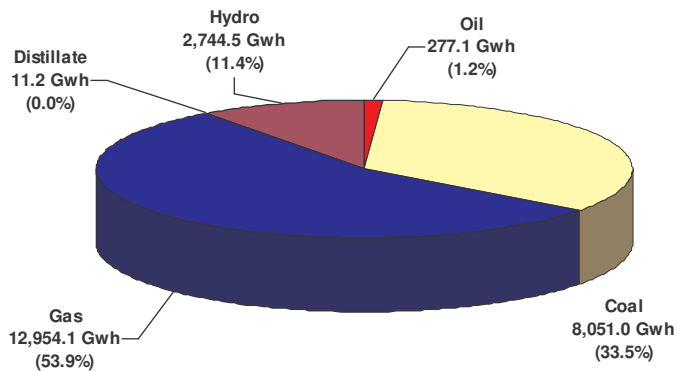
6 months

RM mn	FY'07	FY'08
Gas		
TNB	676.3	653.5
SESB	19.4	29.3
LPL	172.3	148.3
Total	868.0	831.1
Oil		
TNB	12.5	13.4
SESB	171.8	147.2
Total	184.3	160.6

6 Months FY'08

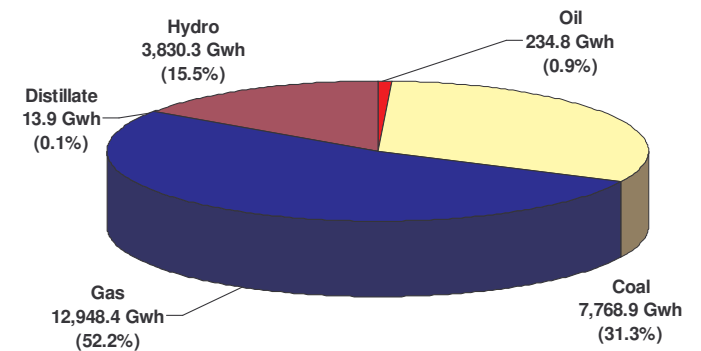


TOTAL: RM1,627.8 mn
NET OF SESB'S FUEL SUBSIDY = RM1,383.9 mn



TOTAL: 24,037.9 GWh

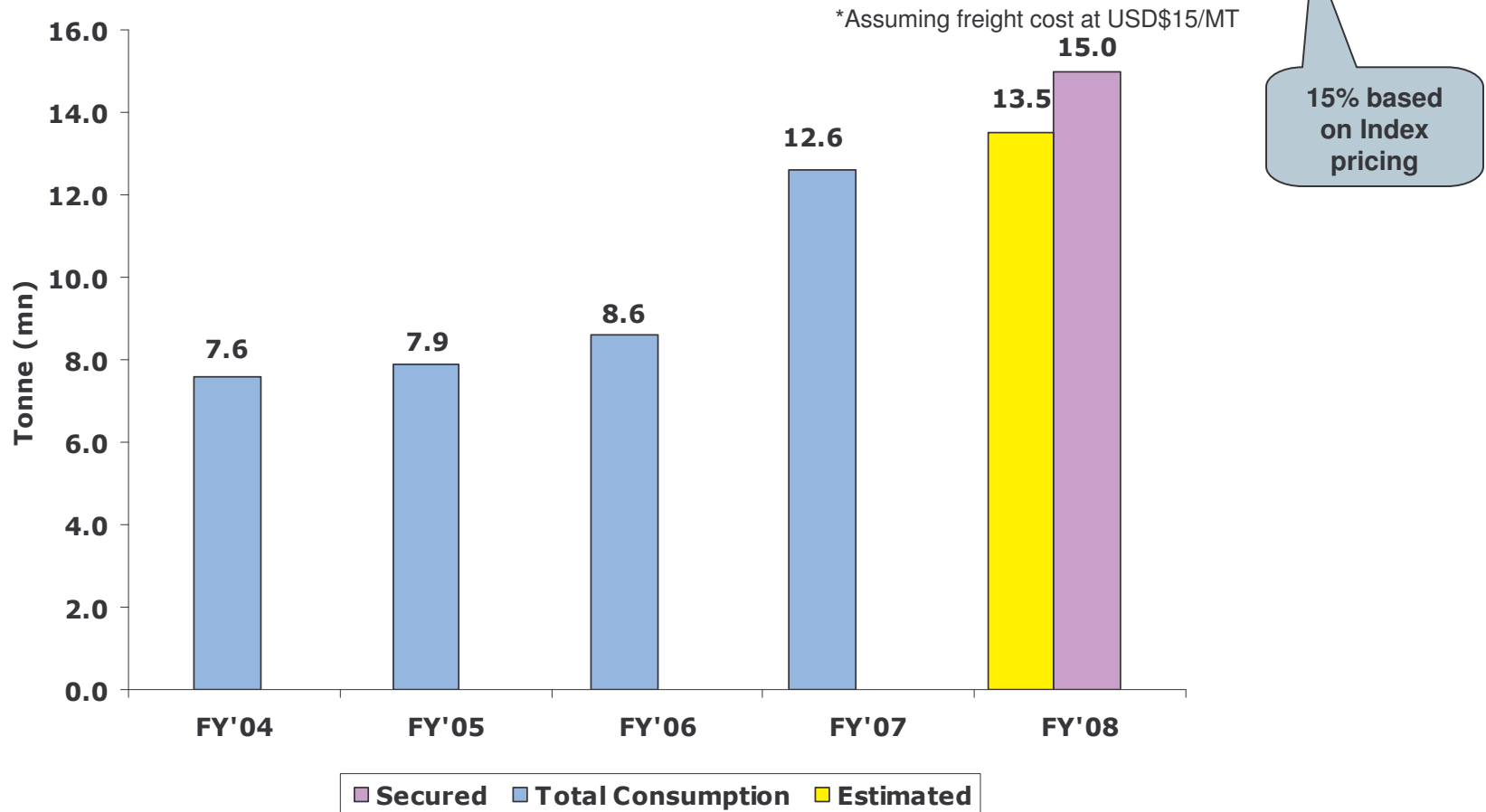
Gwh	FY'07	FY'08
Gas		
TNB	11,898.5	11,755.2
SESB	273.0	398.3
LPL	782.6	794.9
Total	12,954.1	12,948.4
Oil		
TNB	34.5	71.7
SESB	242.6	163.1
Total	277.1	234.8



TOTAL: 24,796.3 GWh

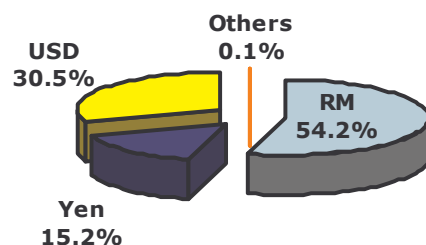
111% OF FY'08 COAL REQUIREMENT HAS BEEN SECURED

	FY'04	FY'05	FY'06	FY'07	FY'08
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	75.4*

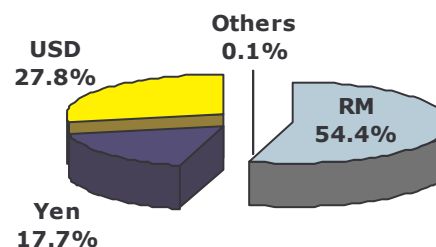


ANALYSIS OF DEBT EXPOSURE

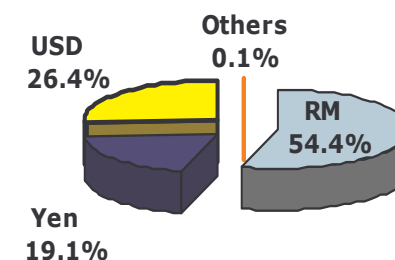
28th February 2007



31st August 2007



29th February 2008



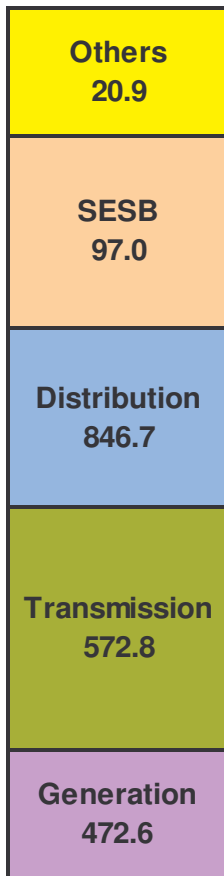
	As at 28-Feb-07	As at 31-Aug-07	As at 29-Feb-08
RM mn			
Total Debt	24,485.9	23,979.4	22,514.6
Cash Balance	4,837.2	5,299.3	5,129.2
Net debt	19,648.7	18,680.1	17,385.4
Total Finance Cost	637.6	1,305.0	570.1
Gross Gearing (%)	51.1	49.9	46.2
Net Gearing (%)	41.0	38.9	35.6
Weighted Average Cost of Debt (%)	6.00	5.85	5.66
Fixed/Floating (%)	90.9 : 9.1	91.9 : 8.1	92.9 : 7.1

CAPITAL EXPENDITURE

65.5% Utilised for New Supply and System Improvement

6 Months FY'07

RM mn
2,010.0

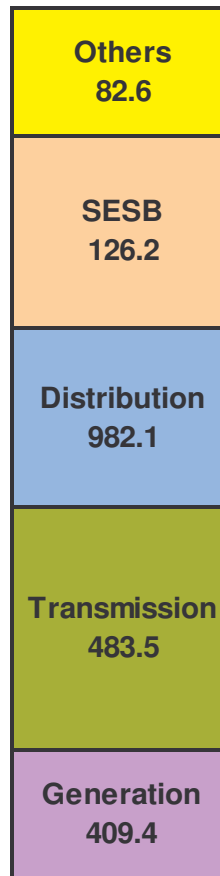


New Supply :	528.8
Sys. Improvement :	251.9
Others :	66.0

Assoc. with Gen. :	189.0
New Supply :	67.9
Sys. Improvement :	273.4
Others :	42.5

6 Months FY'08

RM mn
2,083.8



Assoc. with Gen. :	3.4
New Supply :	13.9
Sys. Improvement :	95.3
Others :	13.6

New Supply :	607.0
Sys. Improvement :	321.1
Others :	54.0

Assoc. with Gen. :	99.2
New Supply :	102.7
Sys. Improvement :	226.1
Others :	55.5

New Supply	:	RM723.6mn (34.7%)
Sys. Improvement	:	RM642.5mn (30.8%)

65.5%

CASHFLOW

Reduction in Cashflow from Operations from Increase in Generation Cost

	<u>Group</u>		<u>Company</u>	
	28-Feb-07	29-Feb-08	28-Feb-07	29-Feb-08
Cashflow From Operations	4,458.3	3,656.9	3,246.7	2,517.7
(-) Capex	(1,857.4)	(1,990.9)	(1,730.2)	(1,797.2)
(-) Interest Servicing	(742.0)	(664.9)	(527.6)	(466.5)
(+) Dividend from Subsidiaries	-	2.4	1.4	541.7
FREE CASHFLOW	1,858.9	1,003.5	990.3	795.7
(+) New Debt	294.0	402.4	72.1	99.6
(-) Repayment	(2,308.8)	(1,290.8)	(1,136.3)	(1,025.1)
(+) Proceeds from issuance of shares	1,380.8	12.7	1,380.8	12.7
Cashflow After Debt Service	1,224.9	127.8	1,306.9	(117.1)
Others	(398.5)	(287.8)	(340.5)	(272.8)
Net Cash	826.4	(160.0)	966.4	(389.9)
Currency translation differences	(7.0)	(10.1)	-	-
Cash Balance	4,756.1	5,129.2	4,091.1	4,134.4

**We are now open for
Q&A**

Thank You



Powering The Nation's Progress

www.tnb.com.my

