



## UNAUDITED FINANCIAL RESULTS 1<sup>ST</sup> HALF FY2009

15<sup>th</sup> April 2009



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# AGENDA

- ❑ **Highlights Of The Group's Performance**
- ❑ **Details Of The Group's Performance**
- ❑ **Q&A**

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# Highlights Of The Group's Performance

*"Powering The Nation."*

**Y.Bhg. Tan Sri Leo Moggie**  
**CHAIRMAN**

# KEY HIGHLIGHTS

## 3 Months ended 28 February '09 (2<sup>nd</sup> Qtr)

- Net profit of RM674.6 million
- 6.9% decline in Group Revenue compared to 1<sup>st</sup> Qtr FY'09 against an 11.2% decrease in Operating Expenses
- EBITDA margin at 30.7%
- Forex translation loss of RM97.0 million

## 6 months FY'09

- Net loss of RM269.5 million
- 19.2% increase in Group Revenue against a 30.7% increase in Operating Expenses
- -3.2% unit electricity demand growth in Peninsula
- Average Coal price of USD100.9/mt
- EBITDA margin at 26.3% compared to 37.1%
- Forex translation loss of RM1,536.7 million
- Economic loss of RM786.3 million

# FINANCIAL HIGHLIGHTS

## Quarterly Analysis – 2<sup>nd</sup> Qtr Reported Net Profit of RM674.6mn

RM mn	FY'09		
	1st Qtr	2nd Qtr	6 Months
<b>Total Units Sold (GWh)</b>	22,587.0	20,580.8	43,167.8
<b>Revenue</b>	7,414.6	6,906.6	14,321.2
Operating Expenses (without depreciation)	5,822.8	4,885.2	10,708.0
<b>Operating Income</b>	56.4	100.5	156.9
<b>EBITDA</b>	<b>1,648.2</b>	<b>2,121.9</b>	<b>3,770.1</b>
<b>EBITDA Margin (%)</b>	<b>22.2%</b>	<b>30.7%</b>	<b>26.3%</b>
<b>Depreciation and Amortisation</b>	757.4	961.0	1,718.4
<b>EBIT</b>	<b>890.8</b>	<b>1,160.9</b>	<b>2,051.7</b>
<b>EBIT Margin (%)</b>	<b>12.0%</b>	<b>16.8%</b>	<b>14.3%</b>
<b>Finance Cost</b>	285.2	286.8	572.0
<b>Finance Income</b>	51.6	51.3	102.9
<b>Profit Before Tax &amp; Forex Translation</b>	<b>667.0</b>	<b>912.4</b>	<b>1,579.4</b>
<b>Net Profit Before Forex Translation</b>	495.6	771.6	1,267.2
<b>Translation Gain / (Loss)</b>	(1,439.7)	(97.0)	(1,536.7)
<b>Net Profit / (Loss) attributable to :</b>			
<b>Equity Holders</b>	<b>(944.1)</b>	<b>674.6</b>	<b>(269.5)</b>
<b>Minority Interest</b>	3.4	(20.1)	(16.7)

	1st Qtr		2nd Qtr		YTD	
	FY'08	FY'09	FY'08	FY'09	FY'08	FY'09
<b>Average Contracted Coal Price (USD/MT)</b>	<b>55.3</b>	<b>113.9</b>	<b>52.6</b>	<b>85.8</b>	<b>53.9</b>	<b>100.9</b>
<b>Coal Consumption* (mn MT)</b>	2.7	3.0	2.8	2.0	5.5	5.0

# FINANCIAL HIGHLIGHTS

## 6 Months Reported Net Loss of RM269.5mn

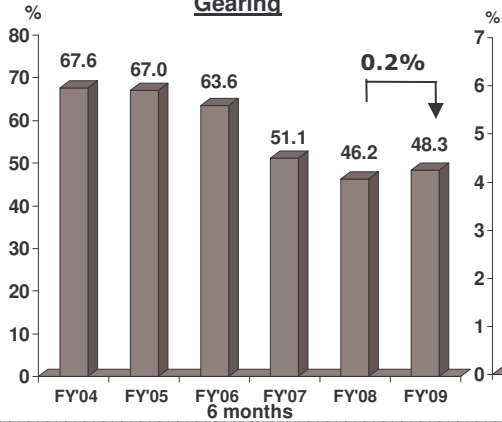
**RM mn**

	YTD 6 Months FY'08	YTD 6 Months FY'09
Revenue	12,014.8	14,321.2
Operating Expenses	(9,507.4)	(12,426.4)
Other Operating Income	273.0	156.9
Operating Surplus	2,780.4	2,051.7
Finance Cost	(570.1)	(572.0)
Finance Income	94.3	102.9
Transaction Gain/(Loss)	9.4	(21.3)
Profit Before Tax & Translation Gain/(Loss)	2,338.0	1,579.4
Net Profit Before Translation Gain	2,055.3	1,267.2
Translation Gain/(Loss)	522.8	(1,536.7)
Profit/(Loss) for the period	2,586.1	(286.2)
Profit/(Loss) Attributable to:		
Equity Holders	2,578.1	(269.5)
Minority Interests	8.0	(16.7)

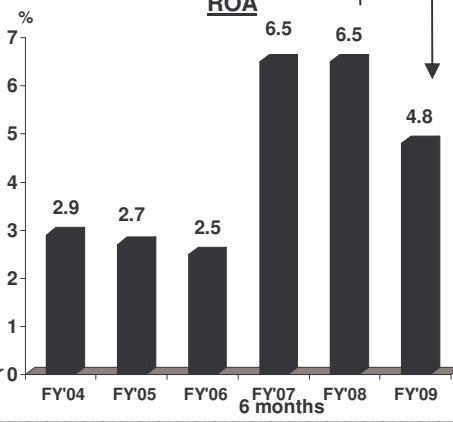
# FINANCIAL PERFORMANCE & RATIOS

## Financial Ratios

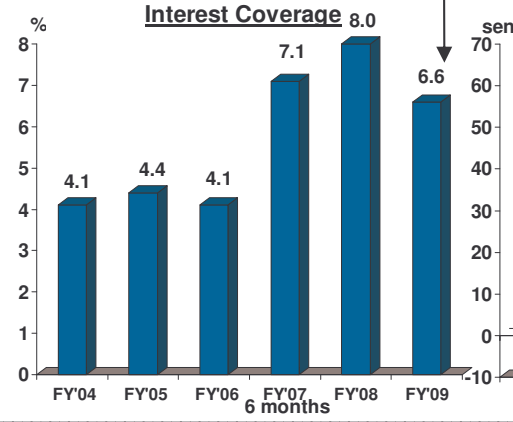
### Gearing



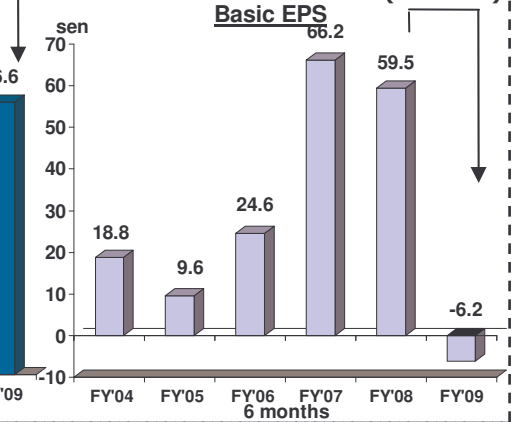
### ROA



### Interest Coverage

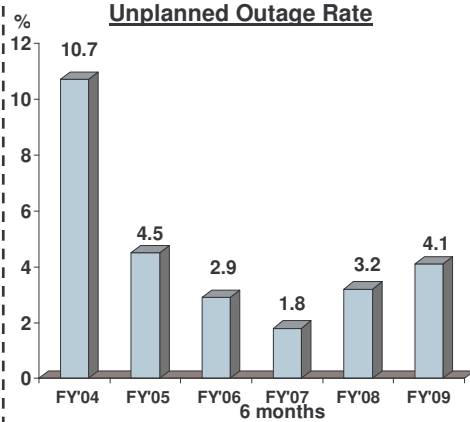


### Basic EPS

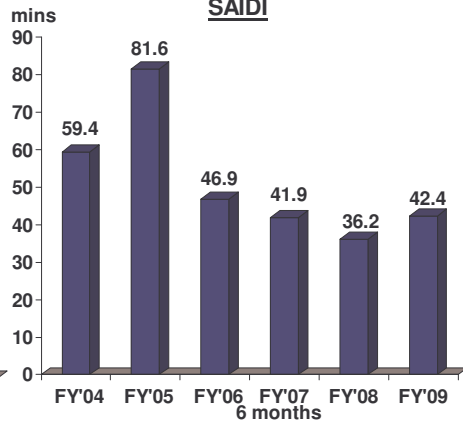


## Technical Performance

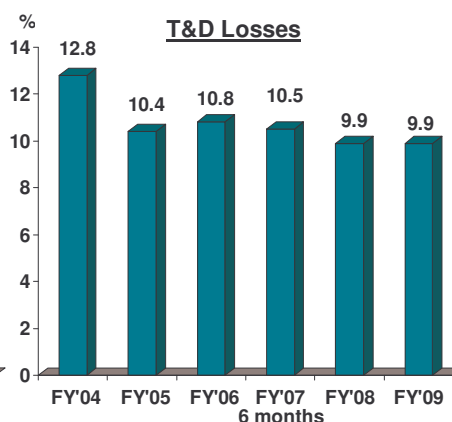
### Unplanned Outage Rate



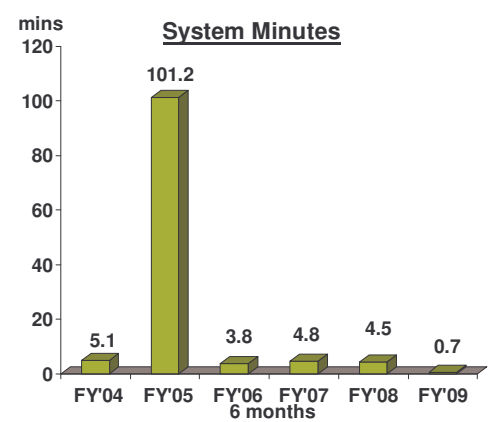
### SAIDI



### T&D Losses



### System Minutes



## ECONOMIC PROFIT/(LOSS)

RM mn	YTD 6 Months	
	FY'08	FY'09
<u>NOPLAT computation:</u>		
EBIT	2,337.8	1,719.7
Adjusted Tax	(607.8)	(429.9)
<b>NOPLAT</b>	<b>1,730.0</b>	<b>1,289.8</b>
<u>Economic Charge computation:</u>		
Avg. Invested Capital	53,971.0	54,923.9
WACC	7.6%	7.6%
<b>Economic Charge</b>	<b>(4,080.2)</b>	<b>(4,152.2)</b>
<b>Pro-rated for 6-month period</b>	<b>(2,040.1)</b>	<b>(2,076.1)</b>
<b>ECONOMIC PROFIT / (LOSS) (NOPLAT + ECONOMIC CHARGE)</b>	<b>(310.1)</b>	<b>(786.3)</b>



# HEADLINE KEY PERFORMANCE INDICATORS

## ROA Target Revised To 3.7%

Initiatives	FY'08 Actual	Target	FY'09	
			3 Months	6 Months
Return on Assets (ROA)	4.6%	3.7% *	3.9% <sup>1</sup>	4.8% <sup>1</sup>
Gearing	46.9%	48 - 50%	49.3%	48.3%
Unplanned Outage Rate (UOR) **	3.3%	3 - 3.5%	2.8%	4.1%
T&D Losses	9.5%	9 - 9.5%	9.6% <sup>2</sup> 8.5% <sup>3</sup>	9.9% <sup>2</sup> 9.2% <sup>3</sup>
Transmission System Minutes (mins)	6.6	6.5 - 7.0	0.4	0.7
Distribution SAIDI (mins)	78.0	75 - 80	22.9	42.4

$$\text{Gearing} = \frac{\text{Long-term \& Short-term debt}}{\text{Long-term \& Short-term debt} + \text{Shareholder's Funds} + \text{MI}}$$

\* ROA calculated based on assumptions of:

- Coal price at USD85/mt
- Demand growth -0.5%
- Exchange rate USD1 = RM3.68

\*\* Excluding KEV

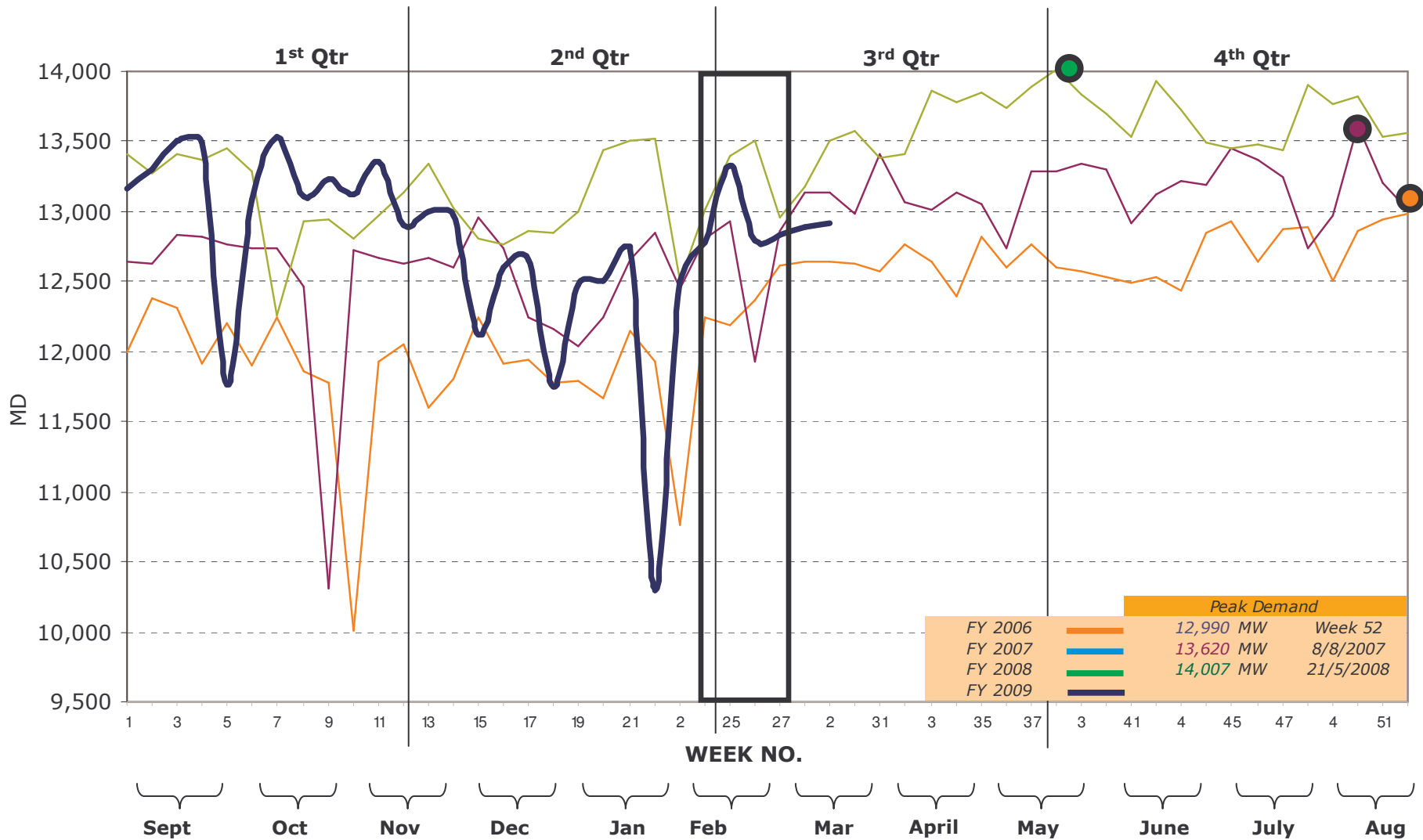
Note: <sup>1</sup> based on adjusted annualised net profit  
<sup>2</sup> based on 12-month rolling averages  
<sup>3</sup> based on YTD

# ANALYSIS OF ELECTRICITY GROWTH IN PENINSULA

UNITS SALES		Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar																	
Industrial	Gwh	3,486	3,283	3,226	3,277	3,355	3,447	3,108	3,412	3,403	3,532	3,417	3,565	3,501	3,238	3,086	3,007	2,842	2,500	2,609																	
	Growth (%)	7.2	8.5	10.0	(1.7)	6.4	13.0	8.4	2.1	2.2	4.6	4.2	5.5	0.4	(1.4)	(4.3)	(8.2)	(15.3)	(27.5)	(16.1)																	
		YoY (9.4%)																																			
Commercial	Gwh	2,324	2,154	2,223	2,183	2,235	2,152	2,091	2,253	2,377	2,330	2,282	2,336	2,349	2,416	2,177	2,193	2,253	2,122	2,157																	
	Growth (%)	8.5	11.6	9.4	5.6	10.3	7.8	8.7	1.4	10.4	3.6	5.1	5.6	1.1	12.2	(2.1)	0.5	0.8	(1.4)	3.2																	
		YoY 1.9%																																			
Domestic	Gwh	1,331	1,293	1,315	1,259	1,269	1,310	1,284	1,289	1,431	1,350	1,336	1,343	1,318	1,465	1,309	1,312	1,341	1,305	1,371																	
	Growth (%)	4.5	17.4	(0.3)	4.8	1.3	16.7	4.0	(2.5)	6.8	0.6	4.3	6.8	(0.9)	13.3	(0.5)	4.2	5.7	(0.4)	6.8																	
		YoY 3.6%																																			
TOTAL	Gwh	7,242	6,828	6,863	6,817	6,963	7,010	6,579	7,051	7,313	7,314	7,134	7,349	7,268	7,226	6,673	6,612	6,566	6,040	6,235																	
	Growth (%)	7.2	11.2	7.7	1.9	6.7	12.0	7.6	1.0	5.7	3.6	4.5	6.0	0.4	5.8	(2.8)	(3.0)	(5.7)	(13.8)	(5.2)																	
		1Q FY'08 8.6%						2Q FY'08 6.7%						3Q FY'08 4.6%						4Q FY'08 4.7%						1Q FY'09 1.1%						2Q FY'09 (7.6)%					
		6 Months						YTD FY'08						YTD FY'09						7 Months FY'09 (3.5)%																	
		Growth (%)						7.7						(3.2)																							

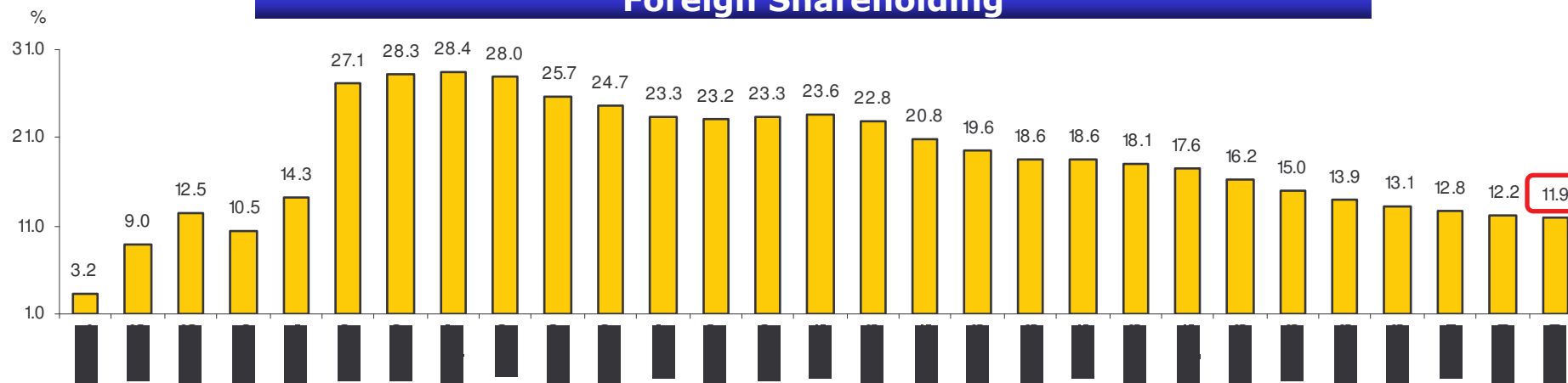
# SYSTEM WEEKLY PEAK DEMAND

## For FY2005/06 to FY2008/09 (Sept - Aug Period)



# SHAREHOLDING

## Foreign Shareholding



## Main Shareholdings

	Aug'07	Aug'08	Feb'09	Variance (Feb'09 & Aug'08)
Name	%	%	%	%
Khazanah Nasional Berhad	37.67	37.80	37.80	0.00
Employees Provident Fund Board	10.06	11.32	14.14	24.91
Skim Amanah Saham Bumiputera	7.23	8.94	9.01	0.78
Kumpulan Wang Persaraan	3.23	3.53	3.53	0.00
Other Corporations & Govt. Agencies	9.90	17.14	17.68	3.15
<b>Subtotal</b>	<b>68.09</b>	<b>78.73</b>	<b>82.16</b>	4.36
Foreign	25.67	17.64	12.15	(31.12)
Malaysian Public	6.24	3.63	5.69	56.75
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
Paid Up Capital (mn shares)	4,331.71	4,334.50	4,334.60	0.00

## INTERIM DIVIDEND

**The Board of Directors has approved an interim dividend of:**

- **2.0 sen gross per ordinary share less income tax of 25%**
- **a tax-exempt dividend of 2.0 sen per ordinary share (equivalent to 2.7 sen gross dividend per ordinary share)**
- **total interim dividend payable is equivalent to gross dividend of 4.7 sen per ordinary share (2008: 10.0 sen) in respect of the financial year ending 31 August 2009.**

**The Books Closure and Payment dates will be announced in due course.**

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# AGENDA

- **Highlights Of The Group's Performance**
- **Details Of The Group's Performance**
- **Q&A**

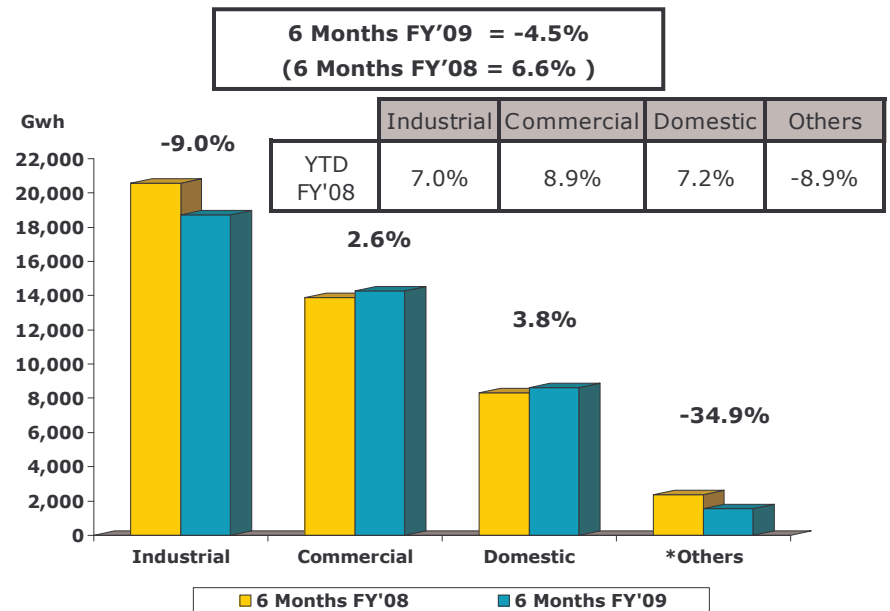
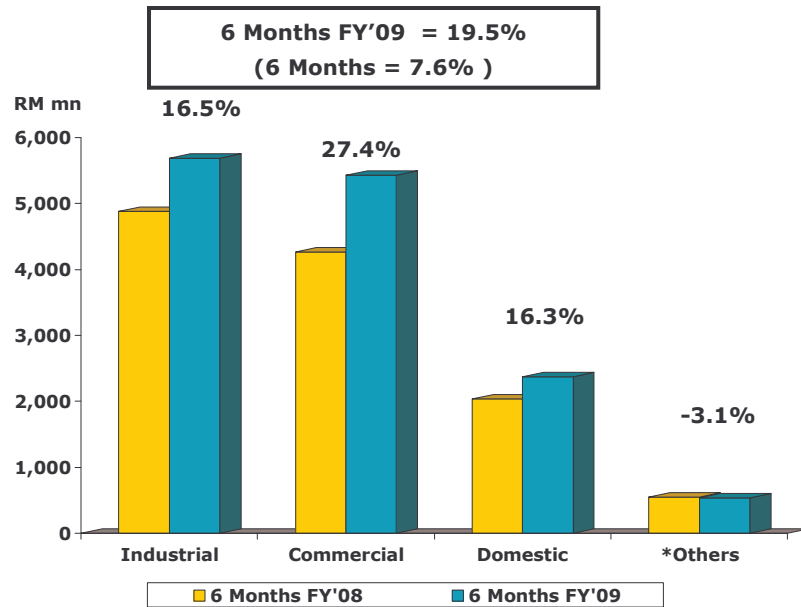
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## **Details Of The Group's Performance**

***"Service Excellence 10/10"***

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

# ANALYSIS OF ELECTRICITY GROWTH BY SECTORS

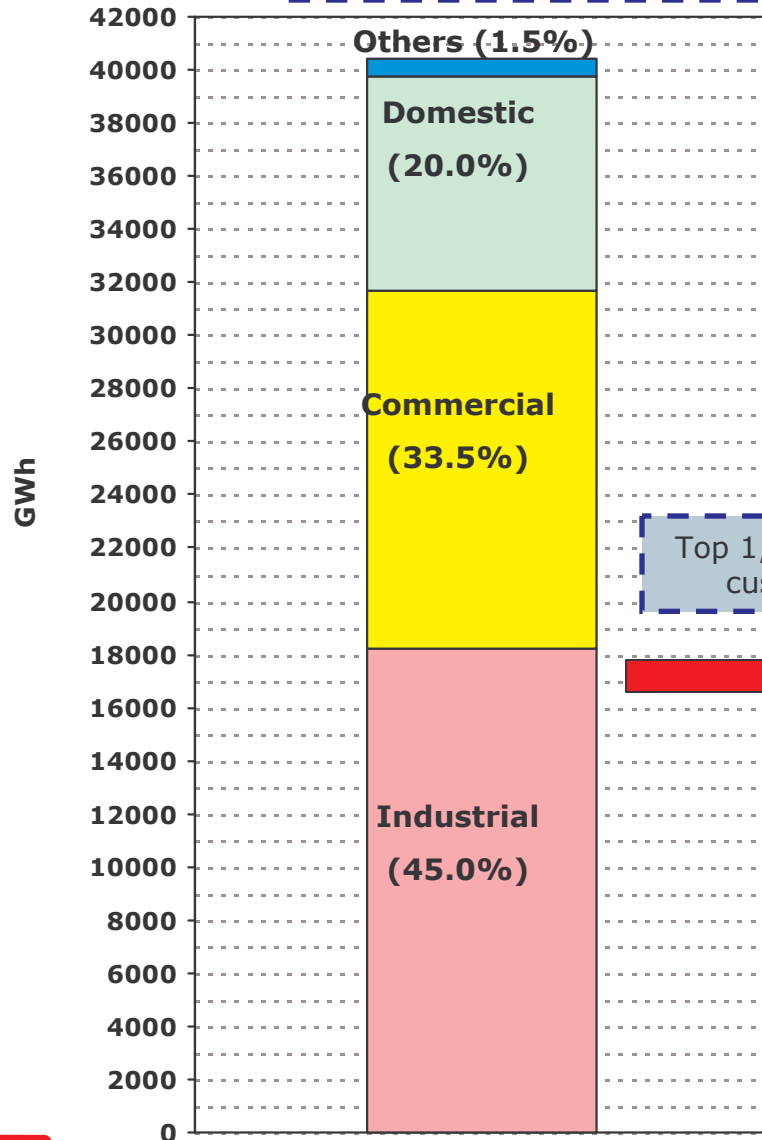


	YTD 6 Months FY'08	Sen/ KWh	YTD 6 Months FY'09	Sen/ KWh	Growth %
<b>UNITS SOLD</b>	<b>GWh</b>		<b>GWh</b>		
- TNB	41,722.9		40,385.4		(3.2)
- EGAT (Export)	963.8		125.6		(87.0)
- SESB	1,699.6		1,881.1		10.7
- LPL	794.9		775.7		(2.4)
<b>Total units sold (Gwh)</b>	<b>45,181.2</b>		<b>43,167.8</b>		<b>(4.5)</b>
<b>REVENUE</b>	<b>RM mn</b>		<b>RM mn</b>		
<b>Sales of Electricity</b>					
- TNB	10,871.7	26.1	13,177.7	32.6	21.2
- EGAT (Export)	171.4	17.8	27.7	22.1	(83.8)
- SESB	427.3	25.1	463.4	24.6	8.4
- LPL	257.3	32.4	349.4	45.0	35.8
<b>Total Sales of Electricity</b>	<b>11,727.7</b>	<b>26.0</b>	<b>14,018.2</b>	<b>32.5</b>	<b>19.5</b>



# SECTORAL ANALYSIS – Gwh (PENINSULA)

Top 1,000 PRIME Customers Account for **37.6%** of total Unit Electricity Sales.



Top 1,000 PRIME customers

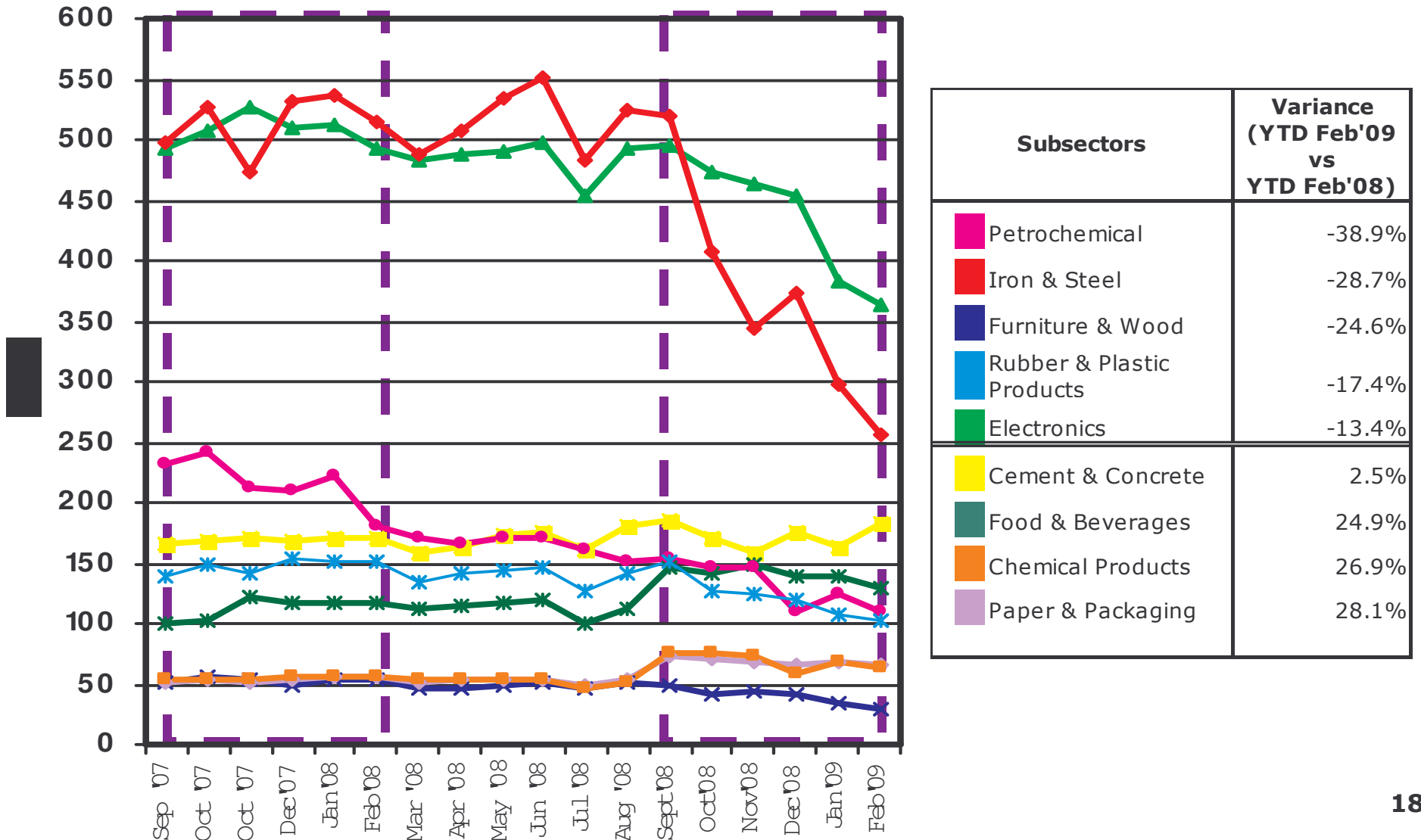
No.	Sales in Units (GWh)	% of Total Unit Sales (YTD FY'09)
1*	Services	6.6%
2	Electronics	6.5%
3	Iron & Steel	5.4%
4	Cement & Concrete	2.6%
5	Food & Beverages	2.1%
6	Petrochemical	2.0%
7	Textiles	1.8%
8	Rubber & Plastics Products	1.8%
9	Utilities	1.5%
10	Chemical Products	1.0%
11	Paper & Packaging	1.0%
12	Glass	1.0%
13	Computer	0.6%
14	Automotive and Parts	0.6%
15	Furniture & Wood	0.6%
16	Metals	0.6%
17**	Others	1.8%
	<b>Total</b>	<b>37.6%</b>

\* Services include Shopping Malls, Universities and Ports

\*\* Others include Ceramic & Tiles, Building Materials, Agricultural Products, Environment, Supplies and Industrial Products

# SECTORAL ANALYSIS – TOP 1,000 CUSTOMERS

- Petrochemical And Iron & Steel Reported Significant Decline
- Food & Beverage And Chemical Products, Paper & Packaging Recorded Higher Consumption



# OPERATING EXPENSES

## Increase in IPP & Fuel Cost From Higher Coal Prices

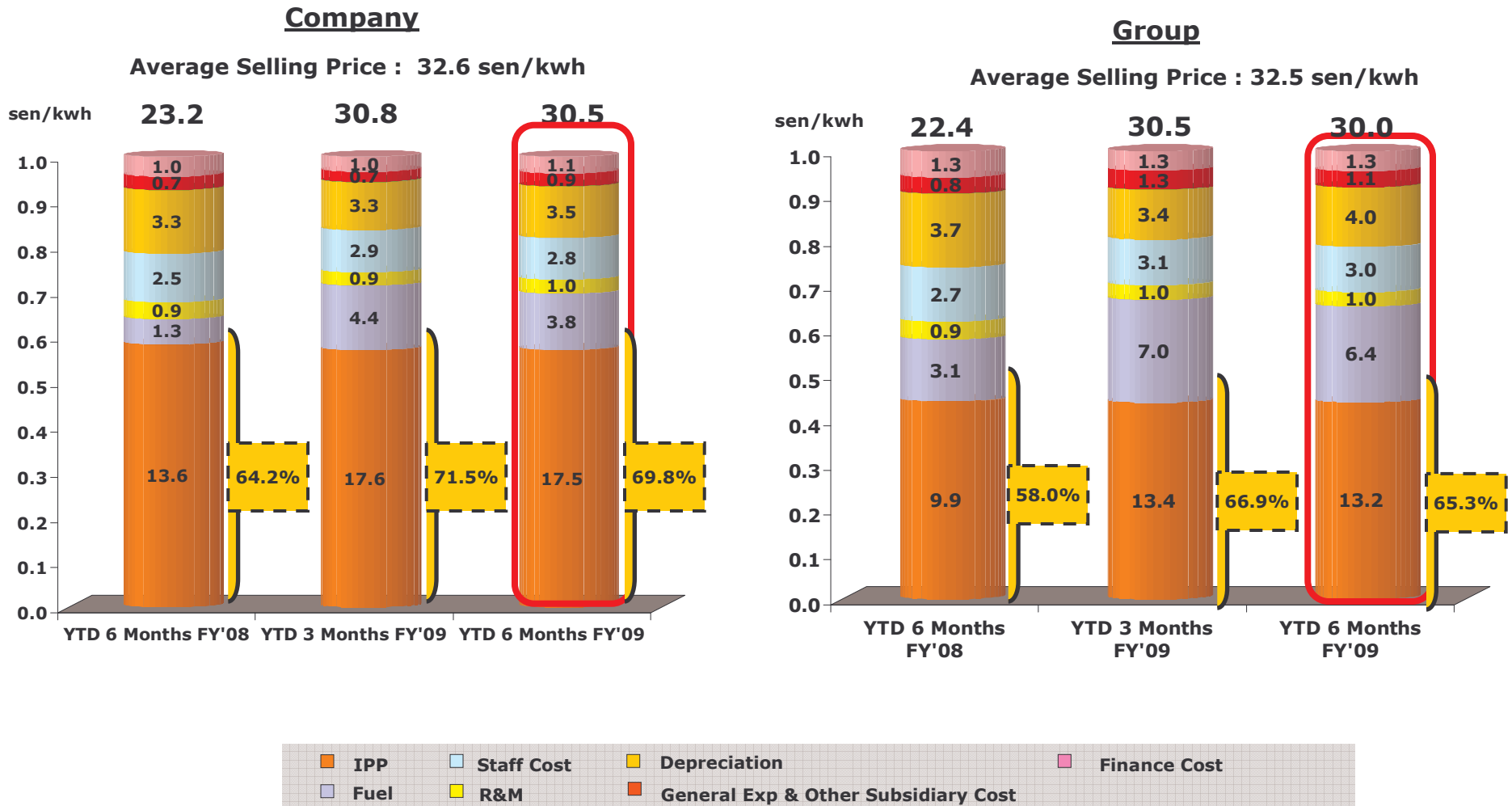
RM mn	FY'08	FY'09			Increase/ (Decrease)
	YTD 6 Months	1st Qtr	2nd Qtr	YTD 6 Months	YTD 6 Months FY'09 vs FY'08
Revenue	12,014.8	7,414.6	6,906.6	14,321.2	2,306.4
Total IPPs Purchased	4,461.7	3,036.1	2,674.7	5,710.8	1,249.1
Fuel Costs	1,397.0	1,580.6	1,174.4	2,755.0	1,358.0
Repair & Maintenance	410.0	222.4	229.0	451.4	41.4
Staff Costs	1,200.8	709.3	587.6	1,296.9	96.1
TNB General Expenses	245.0	89.6	209.8	299.4	54.4
* Subs. General Exp., Cost of Sales & Provisions	113.3	184.8	9.7	194.5	81.2
Depreciation	1,679.6	757.4	961.0	1,718.4	38.8
<b>Total Operating Expenses</b>	<b>9,507.4</b>	<b>6,580.2</b>	<b>5,846.2</b>	<b>12,426.4</b>	<b>2,919.0</b>

} 2,607.1

\* TNB Fuel's Cost of Sales eliminated and set off against Revenue from Goods & Services

# COST PER UNIT

## 33.9% Increase In Group Cost Per Unit Sold



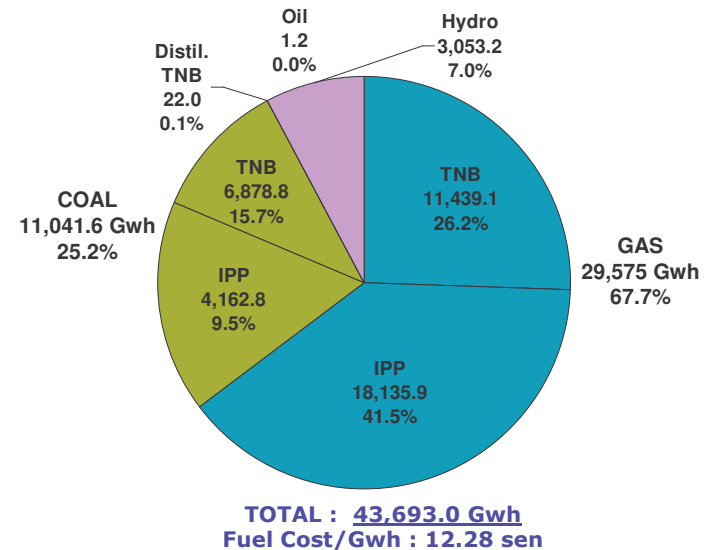
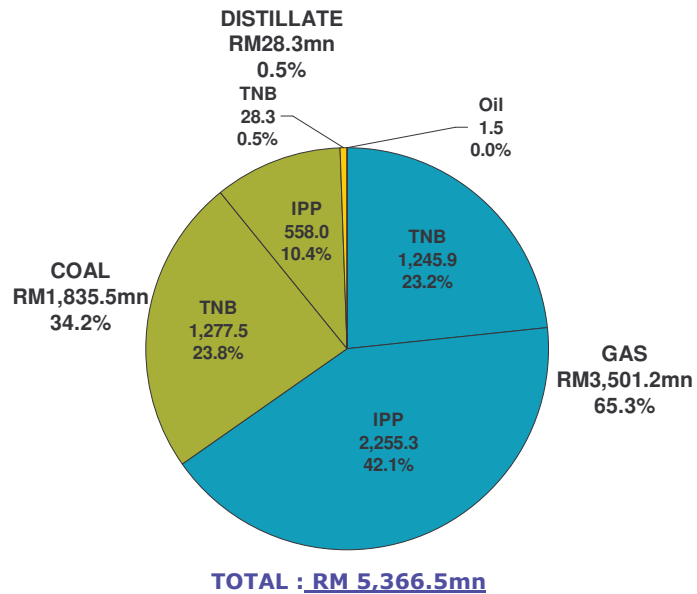
\* TNB Fuel's Cost of Sales eliminated and set off against Revenue from Goods & Services

# INDUSTRY GENERATION IN PENINSULA (TNB & IPPs)

## 13.1% Decrease In Coal Generation As A Result Of Negative Demand Growth

Fuel Cost (RM mn)				
Fuel Type	6 Months		Variance	
	FY'08	FY'09	RM mn	%
Gas	1,541.6	3,501.2	1,959.6	127.1
Coal	1,011.2	1,835.5	824.3	81.5
Dist.	25.4	28.3	2.9	11.4
Oil	13.4	1.5	(11.9)	(88.8)
Hydro	0.0	0.0	0.0	-
<b>Total</b>	<b>2,591.6</b>	<b>5,366.5</b>	<b>2,774.9</b>	<b>107.1</b>

Units Generated (Gwh)				
Fuel Type	6 Months		Variance	
	FY'08	FY'09	Gwh	%
Gas	29,892.1	29,575.0	(317.1)	(1.1)
Coal	12,688.2	11,041.6	(1,646.6)	(13.0)
Dist.	13.9	22.0	8.1	58.3
Oil	71.7	1.2	(70.5)	(98.3)
Hydro	3,556.1	3,053.2	(502.9)	(14.1)
<b>Total</b>	<b>46,222.0</b>	<b>43,693.0</b>	<b>(2,529.0)</b>	<b>(5.5)</b>

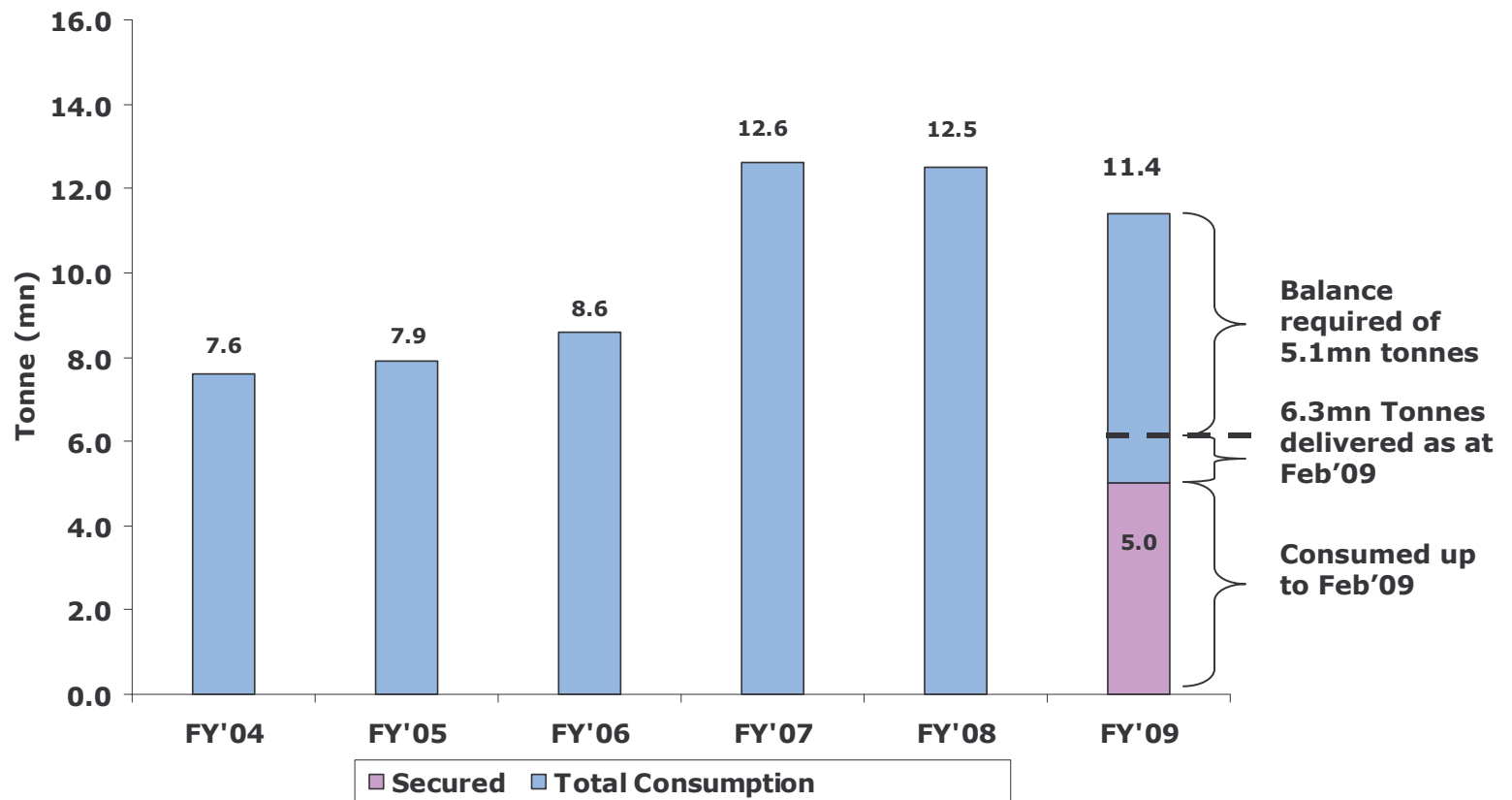


	YTD 6 Months FY'08	YTD 6 Months FY'09
Total Coal Consumption	5.5mn MT	5.0mn MT
Average Contracted Price of coal consumed	USD53.9/MT	USD100.9/MT

# COAL REQUIREMENTS FOR FY'09 OF 11.4MN MT

- 6.3 mn Tonnes Secured as at 28 Feb '09
- 31% of Remaining 5.1mn Tonnes is Based on Index-Linked Pricing

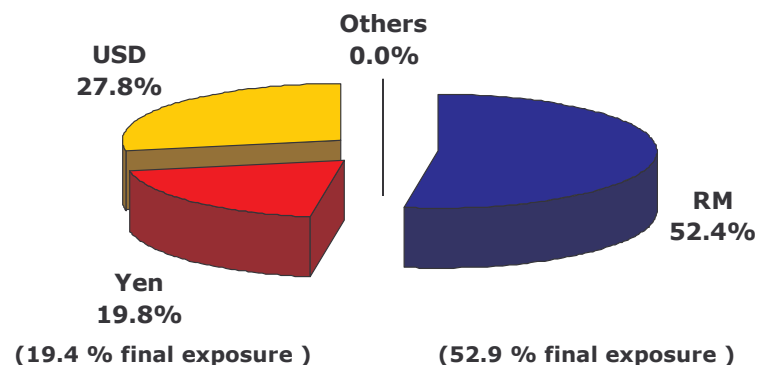
	FY'04	FY'05	FY'06	FY'07	FY'08	Feb'09
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	76.4	100.9



# ANALYSIS OF DEBT EXPOSURE

- Decrease in USD exposure following bond buyback
- Increase in total debt from weak ringgit

**31<sup>st</sup> Aug'08**

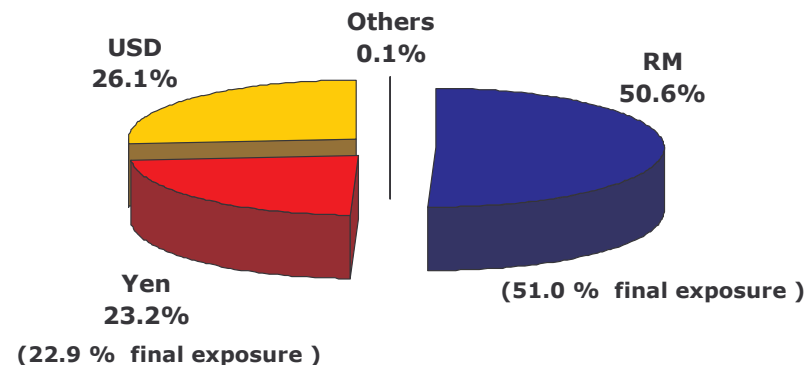


*Total Debt	<b>RM22.7 bn</b>
Net Debt	RM17.3 bn
Gearing (%)	46.9
Net Gearing (%)	35.8

*Fixed:Floating 92.2% : 7.8%*  
*Weighted Average Cost of Debt 5.49%*

USD/RM	:	3.39
100YEN/RM	:	3.13
USD/YEN	:	108.31

**28<sup>th</sup> Feb'09**



*Total Debt	<b>RM23.4 bn</b>
Net Debt	RM18.9 bn
Gearing (%)	48.3
Net Gearing (%)	39.0

*Fixed:Floating 92.1% : 7.9%*  
*(Based on final exposure – Fixed:Floating 98.6% : 1.4%)*

*Weighted Average Cost of Debt 5.27%*  
*(Based on final exposure – 5.36%)*

USD/RM	:	3.70
100YEN/RM	:	3.79
USD/YEN	:	97.63

# DEBT LIABILITY MANAGEMENT

## Announcement on Bond Buyback

- In total TNB has repurchased and cancelled USD175.3 mn nominal value of USD600.0mn 7.625% Notes due 2011 and USD150 million 7.50% Debentures due 2096.

### Impact of Buyback:

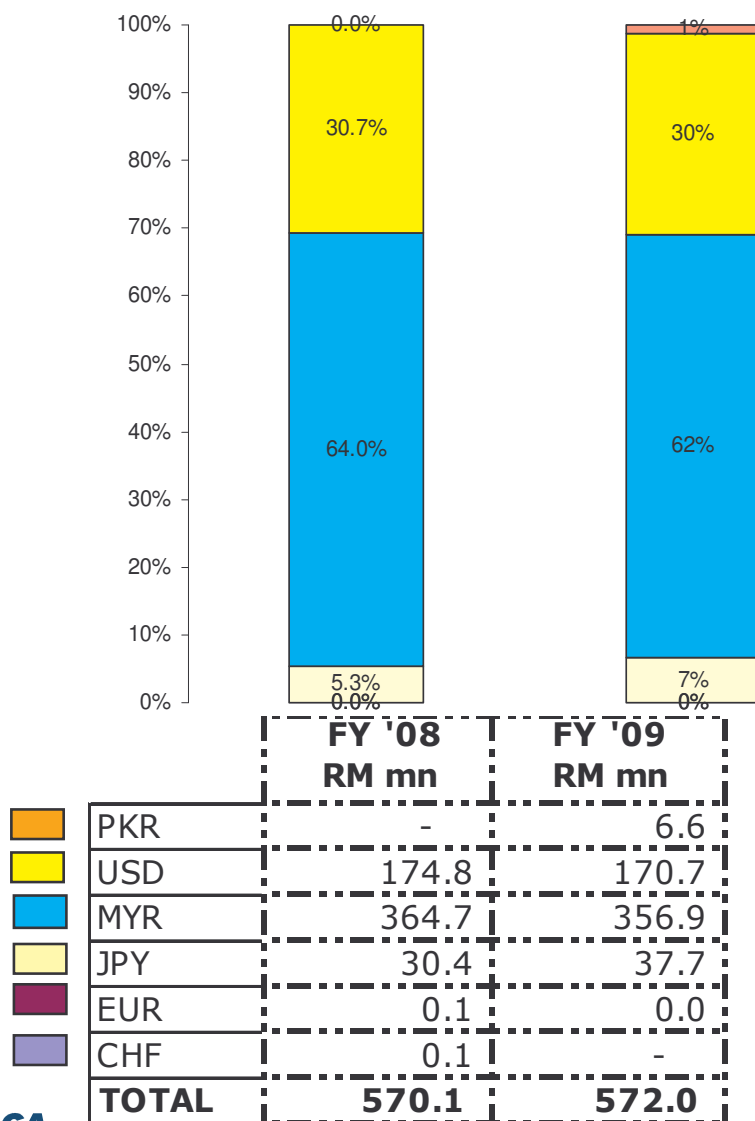
- 2.6% reduction in debt to RM23.4bn
- Reduction in USD debt exposure from 27.5% to 25.6%
- RM63.5mn charged to P&L



# DEBT EXPOSURE & FOREX

## Finance Cost (Gross)

### Minimal Increase In Finance Cost From Forex Exposure



	Rate as at 28 Feb 08	Rate as at 28 Feb 09
EUR	4.86	4.70
100 Yen	3.06	3.79
USD	3.19	3.70

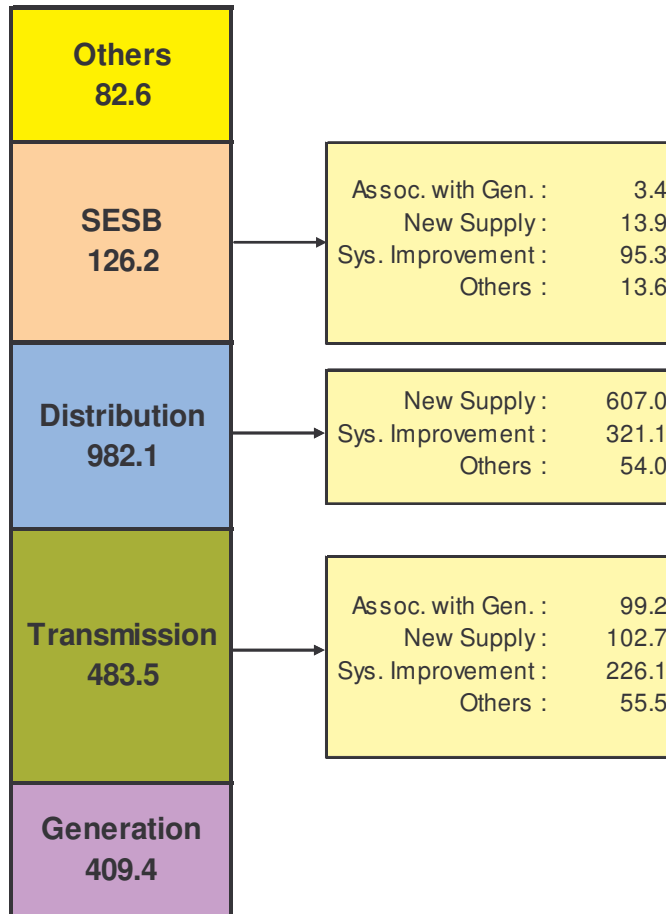
# CAPITAL EXPENDITURE

65.4% Utilised for New Supply and System Improvement

## 6 Months FY'08

RM mn

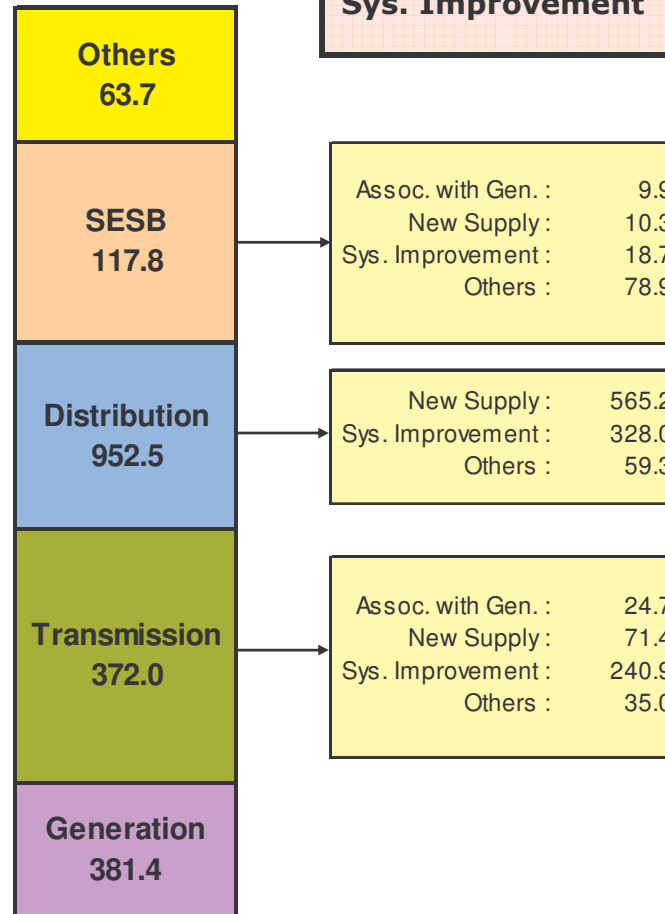
2,083.8



## 6 Months FY'09

RM mn

1,887.4



New Supply : RM646.9mn

Sys. Improvement : RM587.6mn

# CASHFLOW

	Group		Company	
	YTD FY'09		YTD FY'09	
	3 Months	6 Months	3 Months	6 Months
Cashflow From Operations	778.1	2,486.9	301.8	1,831.2
(-) Capex	(683.4)	(1,800.5)	(601.8)	(1,638.3)
(-) Interest Servicing	(258.2)	(617.3)	(180.2)	(438.7)
(+) Dividend from Subs/Assocs.	0.0	54.0	0.0	54.0
<b>FREE CASH FLOW</b>	<b>(163.5)</b>	<b>123.1</b>	<b>(480.2)</b>	<b>(191.8)</b>
(+) New Debt	330.7	628.0	40.2	65.0
(-) Repayment	(438.7)	(1,404.8)	(120.4)	(754.0)
(+) Proceeds from Issuance of Shares	0.8	0.8	0.8	0.8
<b>Cash Flow After Debt Service</b>	<b>(270.7)</b>	<b>(652.9)</b>	<b>(559.6)</b>	<b>(880.0)</b>
<b>Others</b>	<b>53.4</b>	<b>(208.3)</b>	<b>45.3</b>	<b>(207.2)</b>
<b>Net Cash</b>	<b>(217.3)</b>	<b>(861.2)</b>	<b>(514.3)</b>	<b>(1,087.2)</b>
Currency translation differences	2.0	2.6	0.0	0.0
<b>Cash Balance</b>	<b>5,168.6</b>	<b>4,525.3</b>	<b>3,698.6</b>	<b>3,125.8</b>

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# AGENDA

- ❑ **Highlights Of The Group's Performance**
- ❑ **Details Of The Group's Performance**
- ❑ **Q & A**

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**We now open the session for  
Q&A**

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# Thank You



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