

UNAUDITED FINANCIAL RESULTS 2nd QUARTER FY2010

20th April 2010







AGENDA



- ☐ Highlights Of The Group's Performance
- ☐ Details Of The Group's Performance
- A B Q \square



Highlights Of The Group's Performance

"Powering The Nation"



KEY HIGHLIGHTS



3 Months ended 28th February 2010 (2nd Quarter)

- Net profit before forex of RM855.7 million
- 0.7% increase in Group Revenue against a 0.2% decline in Operating Expenses
- EBITDA margin at 32.1%
- Forex translation gain of RM144.4 million

6 Months ended 28th February

- Net profit before forex of RM1,607.4 million
- 2.8% increase in Group Revenue against a 0.6% decline in Operating Expenses
- Electricity demand growth in Peninsula increased by 8.0%
- EBITDA margin at 30.8% compared to 26.3% for the corresponding period in FY2009
- Forex translation gain of RM99.0 million

FINANCIAL HIGHLIGHTS



- Group Demand Grew by 7.3%, Revenue Increased by 2.8% Reflecting Tariff Adjustment Effective 1st March'09
- 24.9% Increase in Operating Profit Resulting from Lower Fuel Prices and Higher Demand
- Net Profit Attributable to Equity Holder's of RM1,706.4mn

RM'mn	2Q	2Q	Varianc e
	FY'09	FY'10	%
Revenue	14,321.2	14,727.4	2.8
Operating expenses	(12,426.4)	(12,346.4)	(0.6)
Operating income	156.9	180.8	15.2
Operating profit	2,051.7	2,561.8	24.9
Forex			
- Transaction	(21.3)	8.9	>100.0
Share of results of jointly controlled entities			
and associates (net of tax)	18.1	8.2	(54.7)
Profit/(Loss) before finance cost	2,048.5	2,578.9	25.9
Finance income	102.9	88.4	(14.1)
Finance cost	(572.0)	(530.9)	7.2
Profit/(Loss) before taxation	1,579.4	2,136.4	35.3
Taxation and Zakat			
- Company and subsidiaries	(146.2)	(446.3)	> (100.0)
- Deferred taxation	(182.7)	(90.1)	(50.7)
Profit/(Loss) before Forex Translation Gain/(Loss)	1,250.5	1,600.0	27.9
- Translation Gain / (Loss)	(1,536.7)	99.0	> 100.0
Profit/(Loss) for the period	(286.2)	1,699.0	> 100.0
Attributable to:			
- Equity holders of the Company	(269.5)	1,706.4	> 100.0
- Minority interests	(16.7)		(55.7)
•	(286.2)	` ′	> 100.0

FINANCIAL HIGHLIGHTS



Year-On-Year Analysis

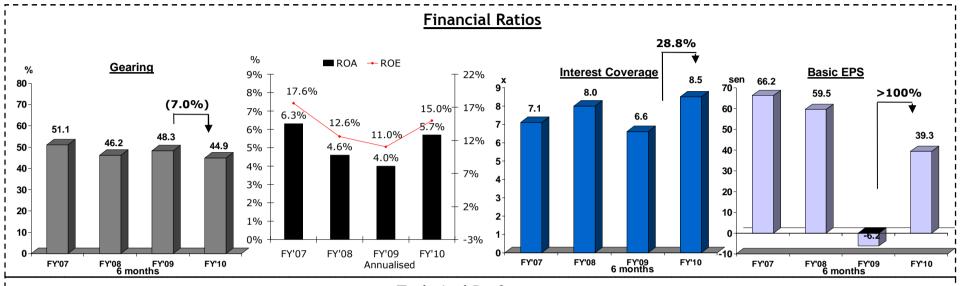
Improvement in EBITDA Resulted From Lower Generation Costs

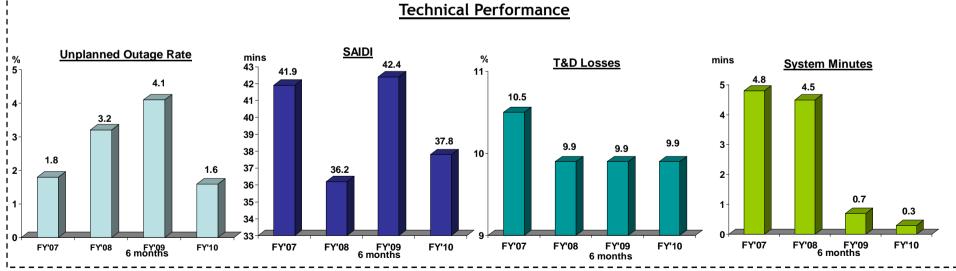
RM mn	FY 2009	FY 2010
	6 Months	6 Months
Total Units Sold (GWh)	43,167.8	46,335.9
Revenue	14,321.2	14,727.4
Operating Expenses (without depreciation)	10,708.0	10,372.7
Operating Income	156.9	180.8
EBITDA	3,770.1	4,535.5
EBITDA Margin (%)	26.3%	30.8%
Depreciation and Amortisation	1,718.4	1,973.7
EBIT	2,051.7	2,561.8
EBIT Margin (%)	14.3%	17.4%
Finance Cost	572.0	530.9
Profit Before Tax & Forex Translation	1,579.4	2,136.4
Net Profit Before Forex Translation	1,267.2	1,607.4
Translation Gain / (Loss)	(1,536.7)	99.0
Net Profit attributable to :		
Equity Holders	(269.5)	1,706.4
Minority Interest	(16.7)	(7.4)

FY 2010	FY 2010
1Q	2Q
23,117.5	23,218.4
7,338.3	7,389.1
5,259.3	5,113.4
82.8	98.0
2,161.8	2,373.7
29.5%	32.1%
920.6	1,053.1
1,241.2	1,320.6
16.9%	17.9%
260.0	270.9
1,018.5	1,117.9
751.7	855.7
(45.4)	144.4
706.3	1,000.1
(8.8)	1.4

FINANCIAL & TECHNICAL PERFORMANCE







PERFORMANCE INDICATORS



Headline Key Performance Indicators

INITIATIVES	71010712	TARGET FY 2010	YTD 1 st QTR FY 2010	YTD 2 nd Qtr FY 2010
Return on Assets (ROA) (%) *	4.0	4.5	5.8	5.7
Gearing (%) *	46.5	44 - 46	45.9	44.9
Unplanned Outage Rate (UOR) (%) **	2.9	3.6 - 4.0	1.4	1.6
T & D Losses (%)	9.7	9.0 - 9.5	*** 9.9 2 9.5 3	$\frac{9.9 \ 2}{9.5 \ 3}$
Transmission System Minutes (mins)	1.0	5 - 7	0.2	0.3
Distribution SAIDI (mins)	68.6	68 - 72	14.2	37.8

Key drivers are:

⁻ Demand growth at 2.3% (adopted forecast)

⁻ Coal price at USD85/mt

⁻ Gas price at RM10.70/mmbtu

^{**} Excluding KEV

^{***} Revision made by Distribution

Note: 1 based on adjusted annualised net profit

² based on 12-month moving average (as total system)

³ based on YTD (as total system)

ANALYSIS OF ELECTRICITY GROWTH M-O-M IN PENINSULA



Strong Recovery in Electricity Demand Growth

		FY 2009 FY 2010										
UNITS SALES		1Q	2Q	3Q	4Q	Sept	Oct	Nov	Dec	Jan	Feb	Mar
ial	Gwh	9,825	8,354	8,476	9,605	3,330	3,092	3,429	3,276	3,353	3,402	2,967
Industrial	Growth (%)	(1.7)	(17.1)	(14.6)	(8.6)	(4.9)	(4.5)	11.1	9.0	17.8	36.1	13.7
cial	Gwh	6,942	6,577	6,916	7,424	2,385	2,323	2,495	2,353	2,465	2,412	2,325
Commercial	Growth (%)	3.6	0.1	2.9	6.9	1.5	(3.9)	14.6	7.3	9.0	13.7	7.5
tic	Gwh	4,092	3,968	4,262	4,471	1,541	1,373	1,452	1,370	1,488	1,409	1,558
Domestic	Growth (%)	3.9	3.4	6.4	11.0	16.9	(6.3)	10.9	4.4	10.1	8.0	13.6
ά	Gwh	308	319	306	431	106	106	111	114	125	108	117
Others	Growth (%)	3.2	5.4	3.6	40.2	6.0	(0.9)	10.0	14.0	17.9	(4.4)	18.9
4	Gwh	21,167	19,218	19,960	21,931	7,362	6,894	7,487	7,113	7,431	7,331	6,966
TOTAL	Growth (%)	1.1	(7.6)	(4.7)	0.6	1.3	(4.6)	12.2	7.6	13.2	21.4	11.7

⁻ FY2009 recorded a contraction of 2.6%

2 Qtr YTD FY 2009 YTD FY 2010 Growth (%) (3.2) 8.0 1st Qtr FY'10 2.7%

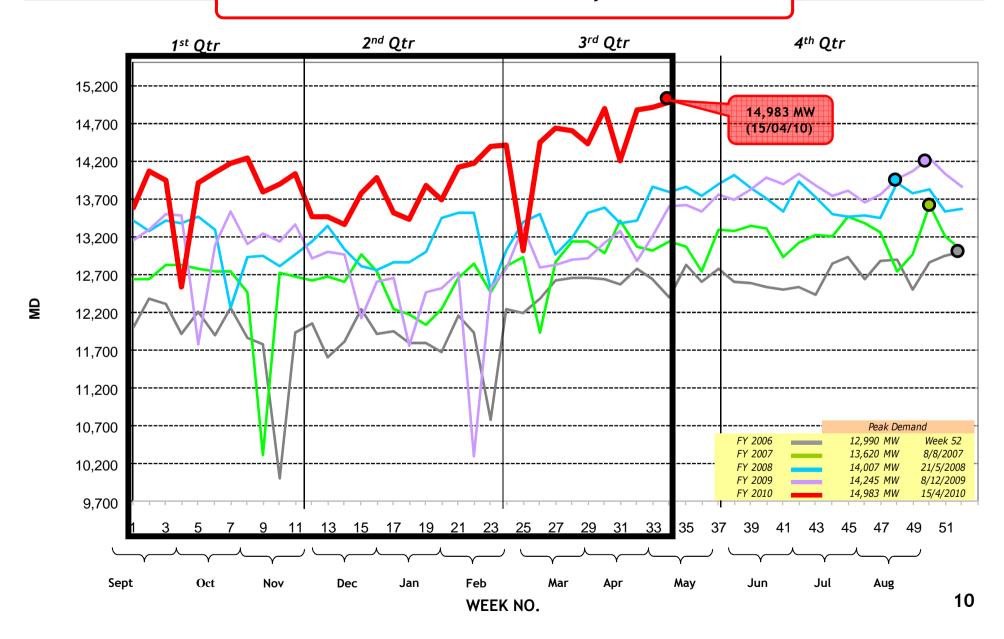
2nd Qtr FY'10 13.8%

SYSTEM WEEKLY PEAK DEMAND PENINSULA)



For FY2005/06 to FY2009/10 (Sept - Aug Period)

FY2010 Peak Demand has Increased by 5.2% vs FY2009



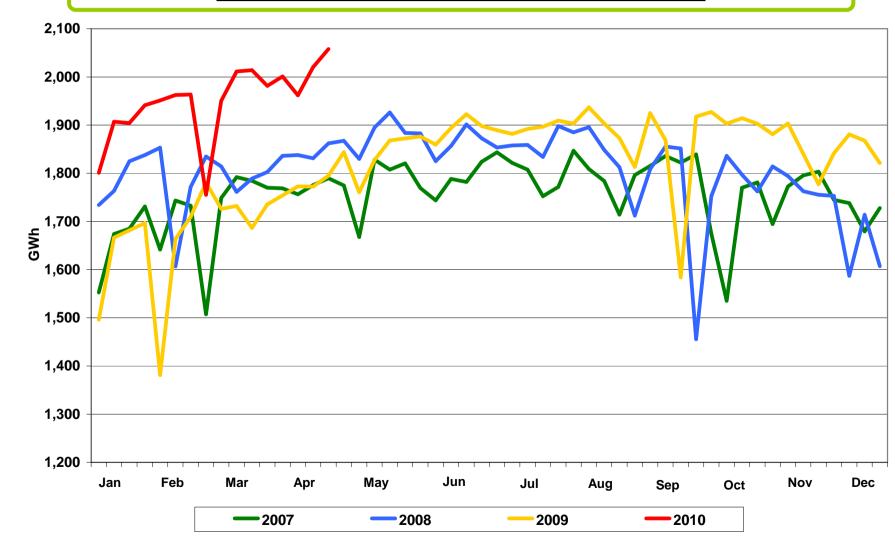
WEEKLY ELECTRICITY DEMAND GROWTH (PENINSULA)



For FY2005/06 to FY2009/10 (Sept - Aug Period)

Strong Recovery in Electricity Demand Growth

Weekly Generation (Gwh) - Week Ending 18th April 2010



INTERIM DIVIDEND



The Board of Directors has approved an interim gross dividend of 6.0 sen per ordinary share less income tax of 25% in respect of the financial year ending 31st August 2010.

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

AGENDA



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Details Of The Group's Performance

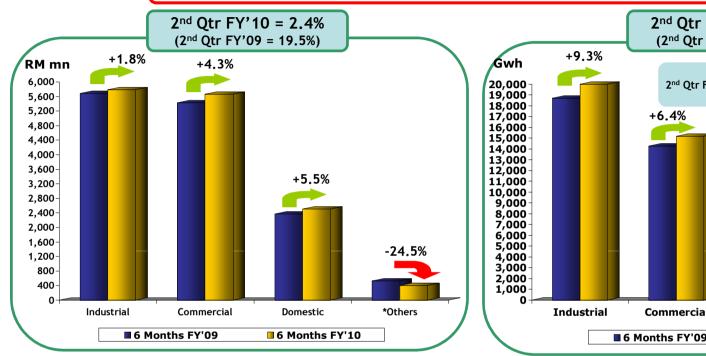
"Service Excellence 10/10"

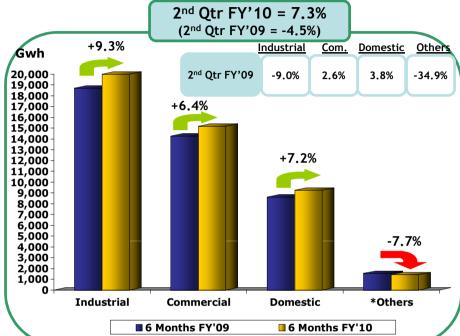


ANALYSIS OF ELECTRICITY GROWTH BY SECTORS (GROUP)



Both Peninsula and SESB Continue to Report Strong Demand Growth





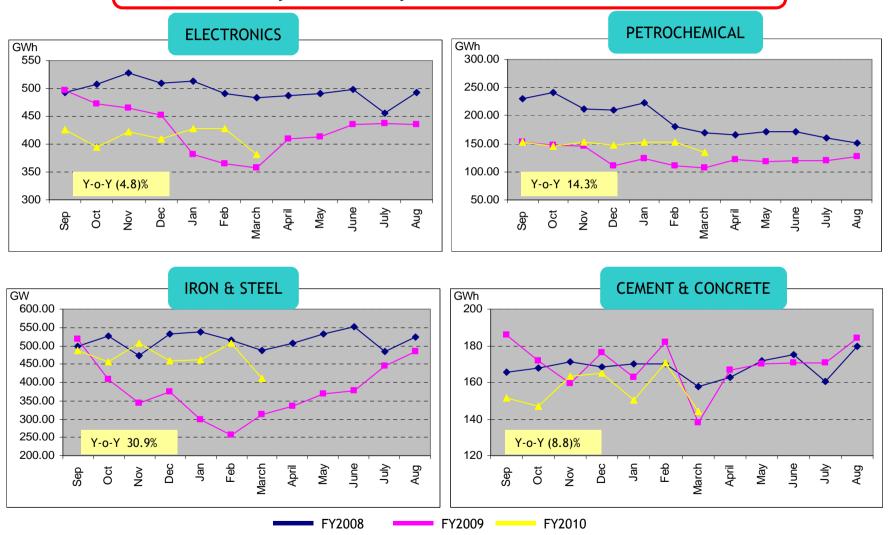
* Includes Specific Agriculture, Mining, Public Lighting, LPL & EGAT (-) Indicates Negative Growth

	2QFY'09	Sen/ KWh	2QFY'10	Sen/ KWh	Growth %
UNITS SOLD	GWh		GWh		
- TNB	40,385.4		43,616.9		8.0
- EGAT (Export)	125.6		17.5		(86.1)
- SESB	1,881.1		1,980.5		5.3
- LPL	775.7		721.0		(7.1)
Total units sold (Gwh)	43,167.8		46,335.9		7.3
REVENUE	RM mn		RM mn		
Sales of Electricity					
- TNB	13,177.7	32.6	13,614.0	31.2	3.3
- EGAT (Export)	27.7	22.1	5.9	33.7	(78.7)
- SESB	463.4	24.6	498.6	25.2	7.6
- LPL	349.4	45.0	230.5	32.0	(34.0)
Total Sales of Electricity	14,018.2	32.5	14,349.0	31.0	2.4
Goods & Services	127.9		180.7		41.3
Deferred Income	175.1		181.1		3.4
TOTAL REVENUE	14,321.2		14,710.8		2.7

SECTORAL ANALYSIS - INDUSTRIAL SECTOR (PENINSULA)



Industrial Sectors Recorded Positive Growth Y-o-Y of 9.4% Mainly Attributed by Petrochemical & Iron & Steel



^{*} Source: Top 1,000 PRIME customers database (PRIME customer YTD unit sales equivalent to 37.6% of total YTD unit sales)

^{*} PRIME customers for 4 sectors above attributes 44.1% from the whole PRIME customers YTD unit sales

SECTORAL ANALYSIS - COMMERCIAL SECTOR (PENINSULA)

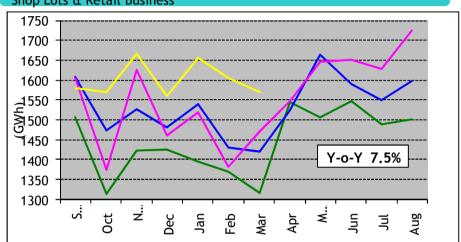


Strong Growth from Commercial Sub-sectors

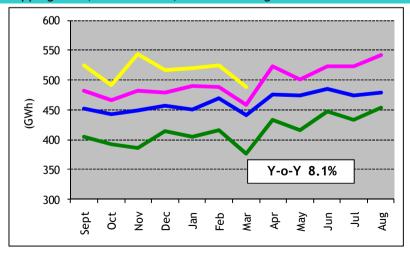
<u>Low Voltage</u> Shop Lots & Retail Business

FY2007

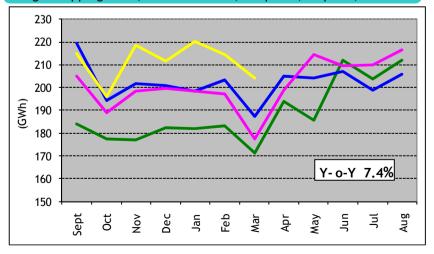
FY2008



Medium Voltage Shopping Malls, 3 Star Hotels, Office Buildings



Medium Voltage (Peak/Off-Peak) Mega Shopping Malls, 4-5 Star Hotels, Hospitals, Airports, Ports



OPERATING EXPENSES



0.6% Decline in Operating Expenses due to Lower Generation Costs

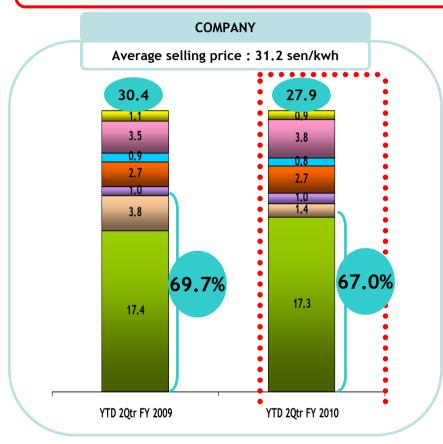
RM'mn	2QFY'09	2QFY'10	Variance
	201107	201110	RM mn
	44.224.2	44.707.4	104.0
Revenue	14,321.2	14,727.4	406.2
Total IPP Purchases	5,710.8	5,905.3	194.5
Fuel Costs	2,755.0	2,068.6	(686.4)
Repair & Maintenance	451.4	484.4	33.0
Staff costs	1,296.9	1,361.9	65.0
TNB General Expenses	299.4	339.0	39.6
Main Subs.Gen Exp & Cost of Sales, Other Subsidiaries & Provisions	194.5	213.5	19.0
Depreciation & Amortisation	1,718.4	1,973.7	255.3
	12,426.4	12,346.4	(80.0)

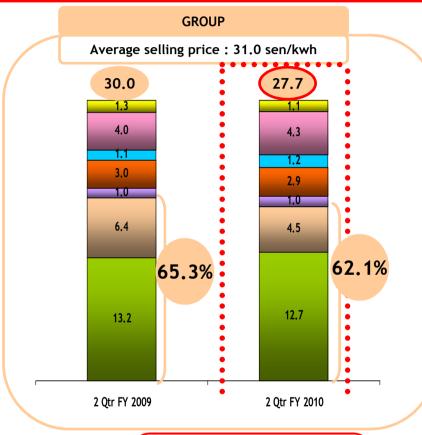
COST PER UNIT



• 7.7% Decline In Cost Per Unit Sold

• Significant Improvement in Margin at Group Level from 2.5 sen/kwh to 3.3 sen/kwh in FY2010





	YTD FY'09	YTD FY'10
ASP	32.5	31.0
CPU	30.0	27.7
MARGIN	2.5	3.3

INDUSTRY GENERATION IN PENINSULA (TNB & IPPs)

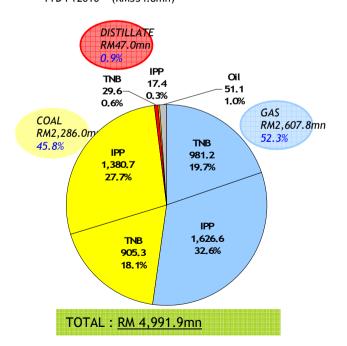


Y-o-Y Analysis

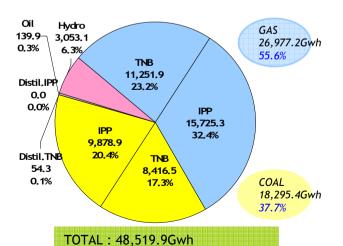
Coal Generation Increased to 37.7% from Reduction in Gas Allocation & Higher Demand

Fuel Cost (RM mn)						
Fuel	2nd	Qtr	Varia	ince		
Туре	YTD FY'09	YTD FY'10	RM mn	%		
Gas	3,501.2	2,607.8	(893.4)	(25.5)		
Coal*	1,835.5	2,286.0	450.5	24.5		
Dist.	28.3	47.0	18.7	66.1		
Oil	1.5	51.1	49.6	> 200.0		
Hydro	0.0	0.0	-	-		
Total	5,366.5	4,991.9	(374.6)	(7.0)		

^{*} Includes fuel adj: YTD FY2009 = RM383.1mn YTD FY2010 = (RM334.8mn)



	Units Generated (Gwh)						
Fuel	2nd	Qtr	Varia	ince			
Туре	YTD FY'09	YTD FY'10	Gwh	%			
Gas	29,575.0	26,977.2	(2,597.8)	(8.8)			
Coal	11,041.6	18,295.4	7,253.8	65.7			
Dist.	22.0	54.3	32.3	> 200.0			
Oil	1.2	139.9	138.7	> 200.0			
Hydro	3,053.2	3,053.1	(0.1)	(0.0)			
Total	43,693.0	48,519.9	4,826.9	11.0			

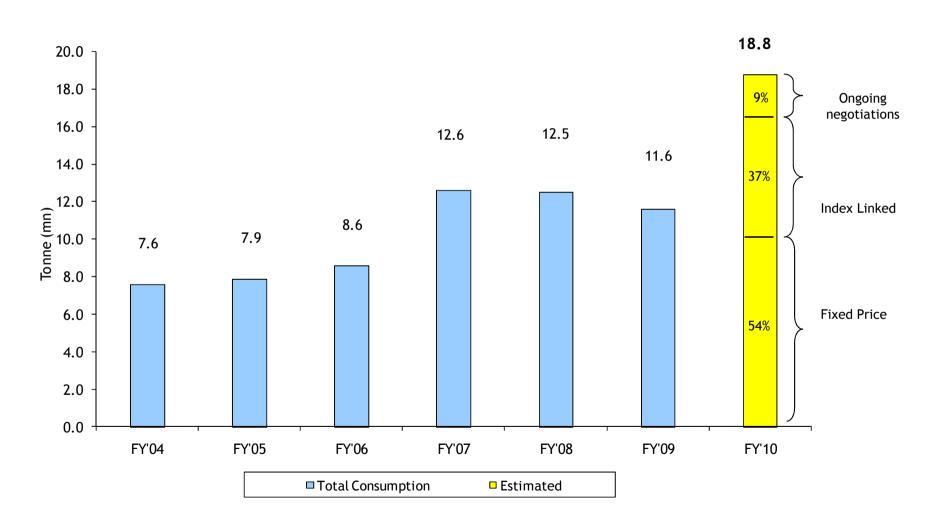


Fuel Cost/Gwh: 10.29sen

COAL REQUIREMENT



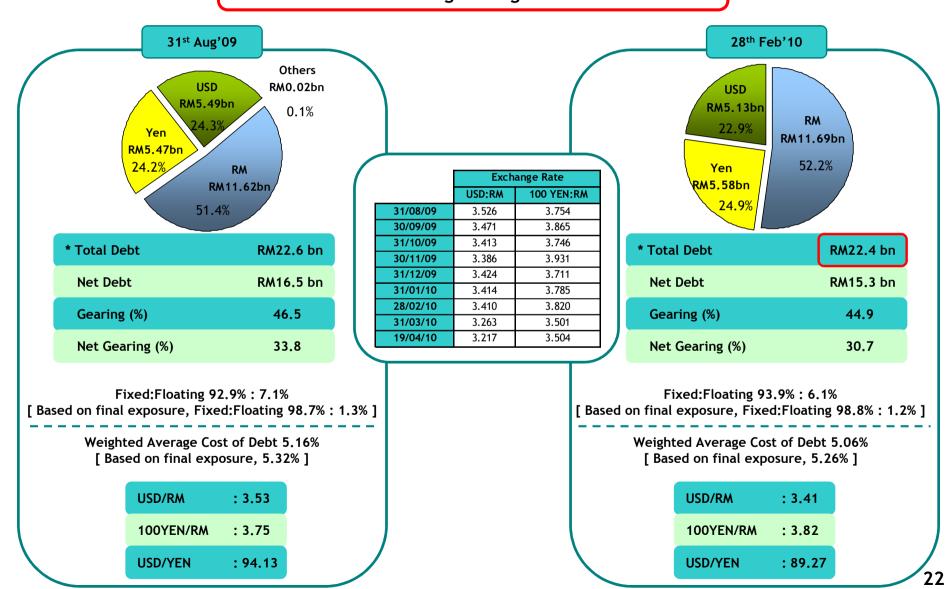
Coal Procurement Estimate for FY2010 at 18.8 mn MT



ANALYSIS OF DEBT EXPOSURE & FOREX



USD Exposure Reduced by 5.8% Resulting from Strengthening of RM



DEBT EXPOSURE & FOREX



RM99.0mn Translation Gain Principally from USD Exposure

Ex. Rate

1USD:RM

100JPY:RM

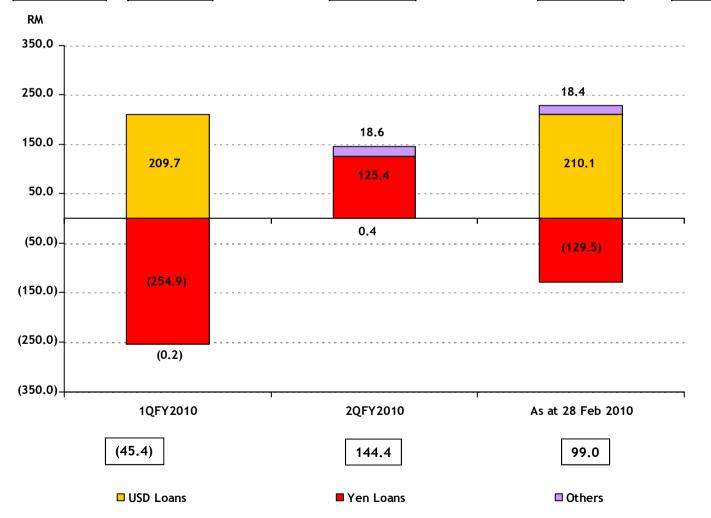
31/08/09
3.53
3.75

1QFY'10	
3.39	
3.93	

	2QFY'10
	3.41
1	3.82

28/2/2010						
3.4	11					
3.8	32					

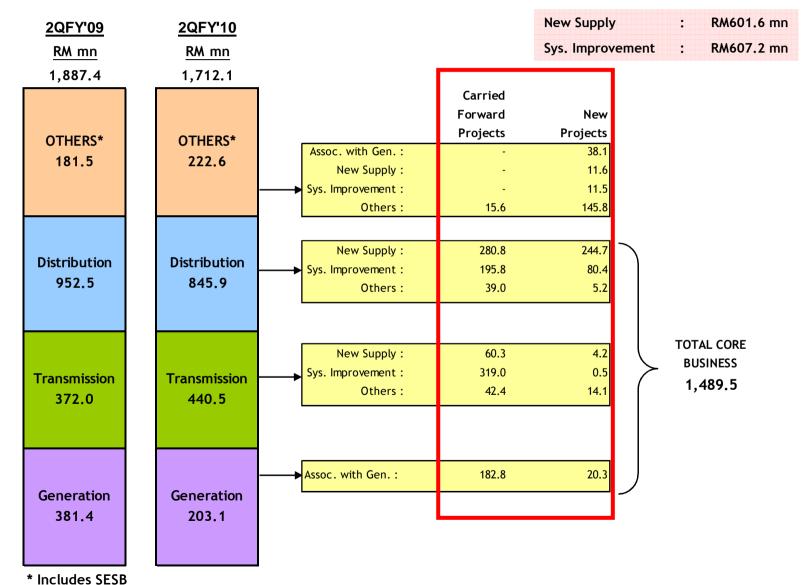




CAPITAL EXPENDITURE



- 66.3% of Total Capex Incurred are Carried Forward Projects
- 70.6% of Total Capex Incurred Relates to New Supply and System Improvement





Cash Balance Continues to Improve

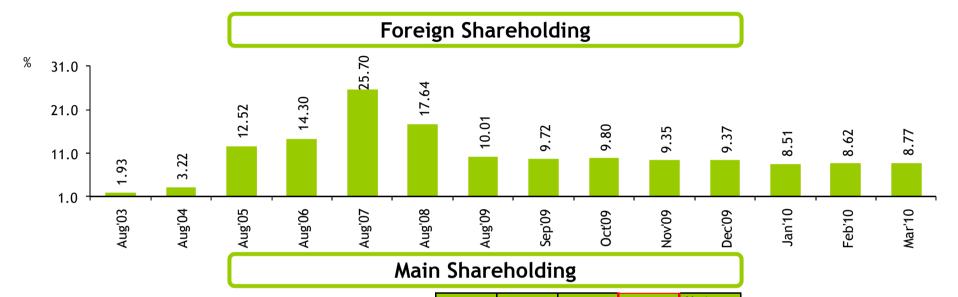
	Group							Company					
	FY 2009			FY 2	010	FY 2009				FY 2010			
	3 Mths	6 Mths	9 Mths	12 Mths	3 Mths	6 Mths	3 Mths	6 Mths	9 Mths	12 Mths	3 Mths	6 Mths	
Cashflow From Operations	778.1	2,486.9	4,711.5	7,409.9	1,550.0	3,246.2	301.8	1,831.2	3,524.8	5,930.4	1,022.1	2,337.0	
(-) Capex	(683.4)	(1,800.5)	(2,795.8)	(4,128.4)	(635.8)	(1,408.9)	(601.8)	(1,638.3)	(2,467.1)	(3,575.1)	(557.2)	(1,201.9)	
(-) Interest Servicing	(258.2)	(617.3)	(857.5)	(1,188.8)	(234.9)	(553.5)	(180.2)	(438.7)	(596.0)	(829.8)	(169.7)	(395.0)	
(+) Dividend from Subs/	0.0	54.0	54.0	54.0		17.4	0.0	54.0	54.0	54.1	16.4	18.0	
Assocs.													
FREE CASH FLOW	(163.5)	123.1	1,112.2	2,146.7	679.3	1,301.2	(480.2)	(191.8)	515.7	1,579.6	311.6	758.1	
(+) New Debt	330.7	628.0	652.1	592.2	109.1	424.2	40.2	65.0	249.2	289.0	53.4	129.0	
(-) Repayment	(438.7)	(1,404.8)	(1,615.8)	(1,796.7)	(393.7)	(578.9)	(120.4)	(754.0)	(1,139.9)	(1,178.2)	(237.6)	(283.1)	
(+) Proceeds from	0.8	0.8	1.6	15.2	17.6	32.7	0.8	0.8	1.6	15.2	17.6	32.7	
Issuance of Shares													
Cash Flow After													
Debt Service	(270.7)	(652.9)	150.1	957.4	412.3	1,179.2	(559.6)	(880.0)	(373.4)	705.6	145.0	636.7	
Others	53.4	(208.3)	(438.8)	(174.5)	85.8	(269.7)	45.3	(207.2)	315.9	271,2	42.9	(399.3)	
N-+ Ch		` ′	` ′	` '	400.4	` ′		, ,	((00.2)	07/ 0		· ·	
Net Cash	(217.3)	(861.2)	(288.7)	782.9	498.1	909.5	(514.3)	(1,087.2)	(689.3)	976.8	187.9	237.4	
Currency translation differences	2.0	2.6	(1.9)	(2.9)	(5.2)	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0	
Cash Balance	5,168.6	4,525.3	5,093.3	6,163.9	6,656.8	7,072.5	3,698.6	3,125.8	3,523.7	5,189.8	5,377.7	5,427.2	

Cash Balance as at 28th Feb 2010 (RM mn)

TNB	KEV	SESB	LPL	MTM	TNBJ	TNEC	UNITEN	TSG	TNB ES	ILSAS	OTHERS	GROUP
5,427.2	363.4	452.2	12.2	45.3	521.4	17.6	22.8	29.4	6.7	39.8	134.5	7,072.5

SHAREHOLDING





					variance
	Aug'07	Aug'08	Aug'09	Feb'10	(Feb'10 &
					Aug'09)
Name	%	%	%	%	%
Khazanah Nasional Berhad	37.67	37.80	37.78	35.73	(5.43)
Employees Provident Fund Board	10.06	11.32	13.99	16.15	15.44
Skim Amanah Saham Bumiputera	7.23	8.94	9.60	9.19	(4.27)
Kumpulan Wang Persaraan	3.23	3.53	3.15	2.36	(25.08)
Other Corporations & Govt. Agencies	9.90	17.14	19.51	22.00	12.76
Subtotal	68.09	78.73	84.03	85.43	1.67
Foreign	25.67	17.64	10.01	8.62	(13.89)
Malaysian Public	6.24	3.63	5.96	5.95	(0.17)
Total	100.00	100.00	100.00	100.00	0.00
Paid Up Capital (mn shares)	4,331.71	4,334.50	4,337.00	4,337.00	0.00
	•				

AGENDA



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



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





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THANK YOU

"Powering The Nation's Progress"

