

ANALYST BRIEFING

**Group Unaudited Financial Results
for the 1st Half FY2013 ended 28th February 2013**

18th April 2013

YOU SEE

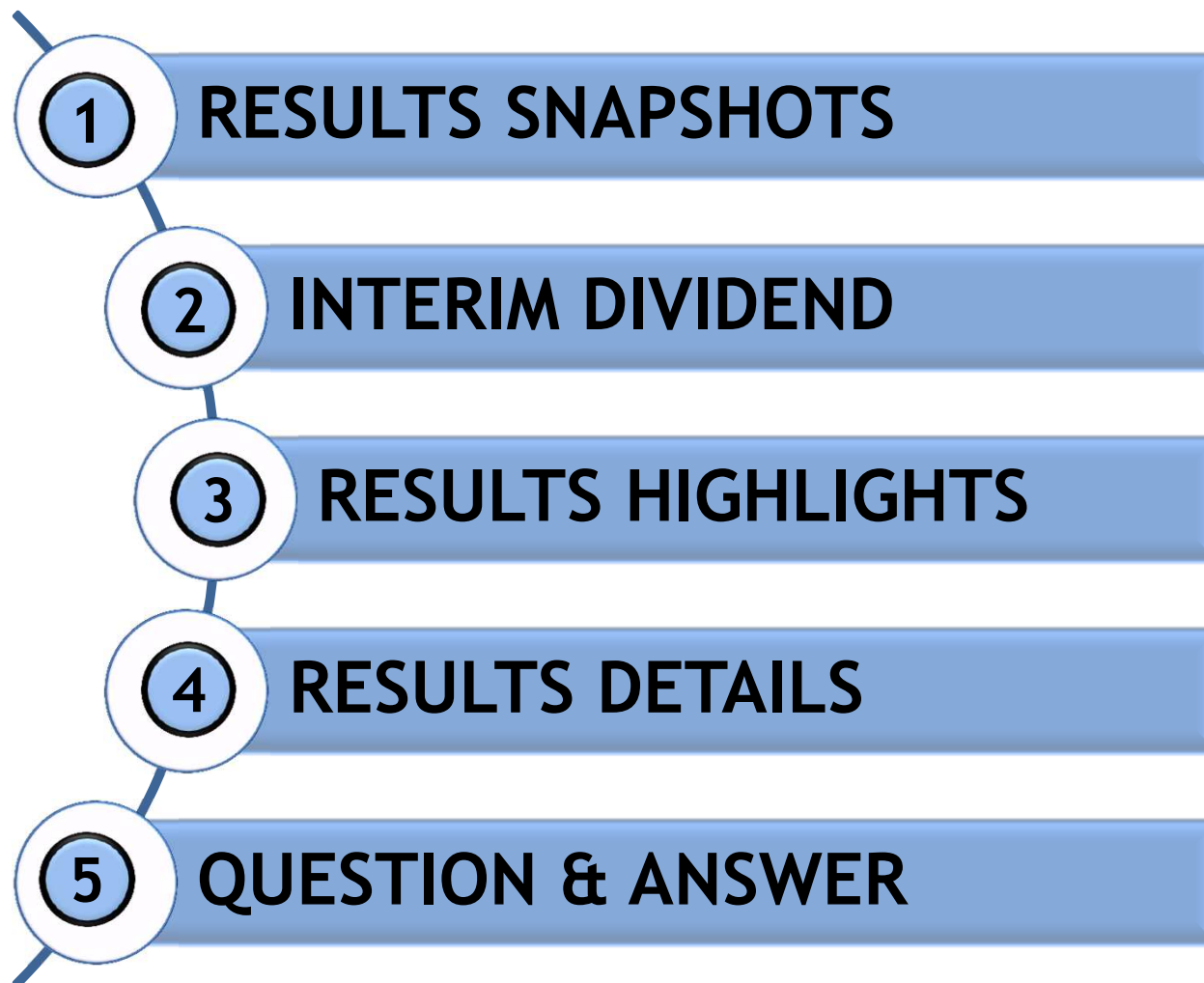


KEEPING THE LIGHTS ON

AGENDA

Analyst Briefing 1st Half FY2013

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ANALYST BRIEFING 1st HALF FY2013

RESULTS SNAPSHOTS

YOU SEE



KEEPING THE LIGHTS ON

RESULTS SNAPSHOTS

3-Month (2nd Quarter FY2013)



3-Month Ended 28th February 2013 (2nd Quarter FY2013)

- **Net Profit of RM1.27 billion (1QFY2013: RM1.42 billion).**
- **2.1% increase in Operating Expenses.**
- **Average Coal Price of USD84.7/mt (1QFY2013: USD84.4/mt).**
- **EBITDA margin at 27.1% (1QFY2013: 31.0%).**
- **Strengthening of RM against Yen by 9.1%.**

RESULTS SNAPSHOTS

6-Month (First Half FY2013)

YOU SEE



6-Month Ended 28th February 2013 (First Half FY2013)

- Net Profit of RM2.69 billion (1HFY2012: RM2.68 billion).
- 3.8% increase in Group Revenue against 5.4% decrease in Operating Expenses.
- Average Coal Price of USD84.6/mt (1HFY2012: USD109.3/mt).
- 4.6% unit electricity demand growth in Peninsular Malaysia.
- EBITDA margin at 29.1% (1HFY2012: 32.8%).
- Strengthening of RM against Yen by 15.8%.



ANALYSIS OF FINANCIAL RESULTS WITH RESTATED FUEL COST COMPENSATION

RESULTS SNAPSHOTS

Adjusted Net Profit (Restated Fuel Cost Compensation)



**28.7% Improvement in Adjusted Net Profit Before Forex Translation
Mainly Attributed to Electricity Demand Growth and Lower Coal Price**

RM mn	1HFY'12 (Restated)	1HFY'13 ^{**}	Variance
Net Profit Attributable to the Owners of the Company	2,677.1	2,687.6	0.4%
Adjustments *			
Fuel Cost Compensation Recognised in Other Income	(2,023.0)		
Current Year Fuel Cost Compensation	702.4		
Tax	330.2		
Adjusted Net Profit	1,686.7	2,687.6	59.3%
Forex Translation Gain	209.3	786.0	>100%
Adjusted Net Profit Before Forex Translation Gain	1,477.4	1,901.6	28.7%

* Mechanism was approved in Apr 2012, and only restated into respective periods in 3QFY12

** Includes Fuel Cost Compensation of RM580.7mn

RESULTS SNAPSHOTS

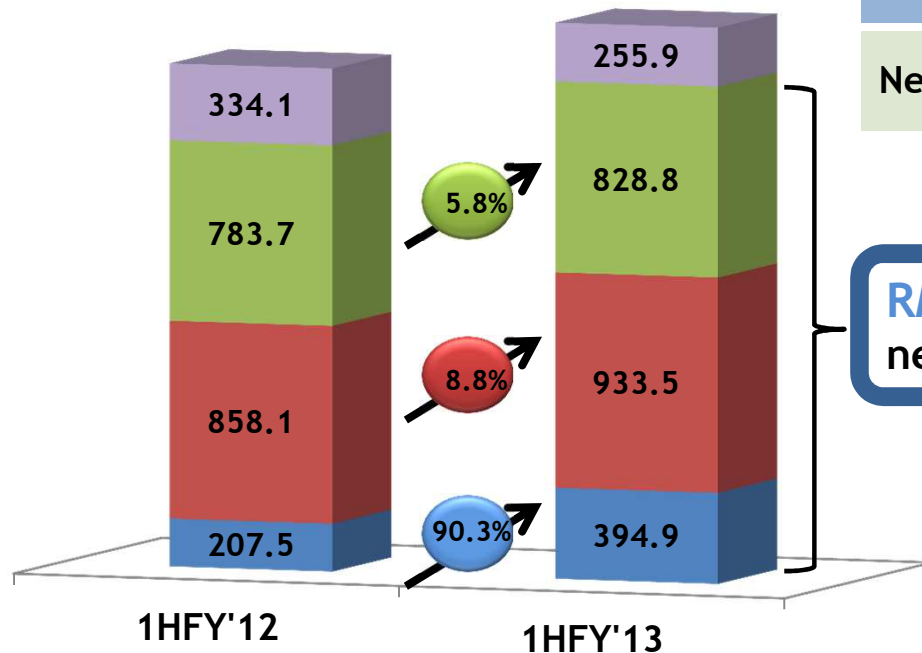
Recurring Capital Expenditure

YOU SEE



Returns Reinvested into
Nation's Energy Supply Security and Sustainability

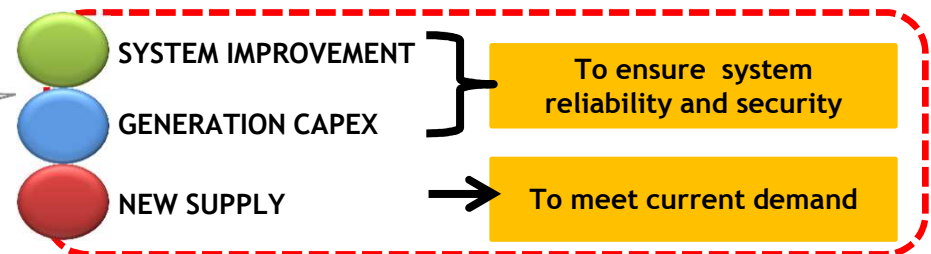
2,183.4	TOTAL RECURRING CAPEX (RM mn)	2,413.1
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■ Generation Maintenance ■ New Supply
■ System Improvement ■ General Capex

RM million	1HFY'12	1HFY'13
Net Profit Attributable to Holders	2,677.1	2,687.6

RM2.2bn was spent on generation capex, new supply and system improvement



MAJOR PROJECTS*
* not part of recurring capex

→ To meet future demand

RESULTS SNAPSHOTS

Progress of Major Projects



1,000MW

Janamanjung Unit 4

51%

- COD 31st March 2015

265MW

Hulu Terengganu Hydro

34%

- COD Sept 2015 (U1)
- Dec 2015 (U2)

372MW

Ulu Jelai Hydro

28%

- COD Dec 2015 (U1)
- Mar 2016 (U2)

1,070MW

Prai

2%

- COD 1st Jan 2016

RESULTS SNAPSHOTS

Headline Key Performance Indicators



INITIATIVES	ACTUAL FY 2012 (Restated)	1QFY'13	1H FY'13
Return on Assets (ROA) (%)	4.5	5.4	5.2
Company CPU (sen/kwh)	31.9	29.0	29.2
Revenue from Non-Regulated Business (RM bn)	2.3	0.5	1.0
Unplanned Outage Rate (UOR) (%)	3.5	5.0	3.6
T & D Losses (%)	8.2	8.7	8.2
Transmission System Minutes (mins)	1.0	0.1	0.1
Distribution SAIDI (mins)	62.3	15.1	30.0

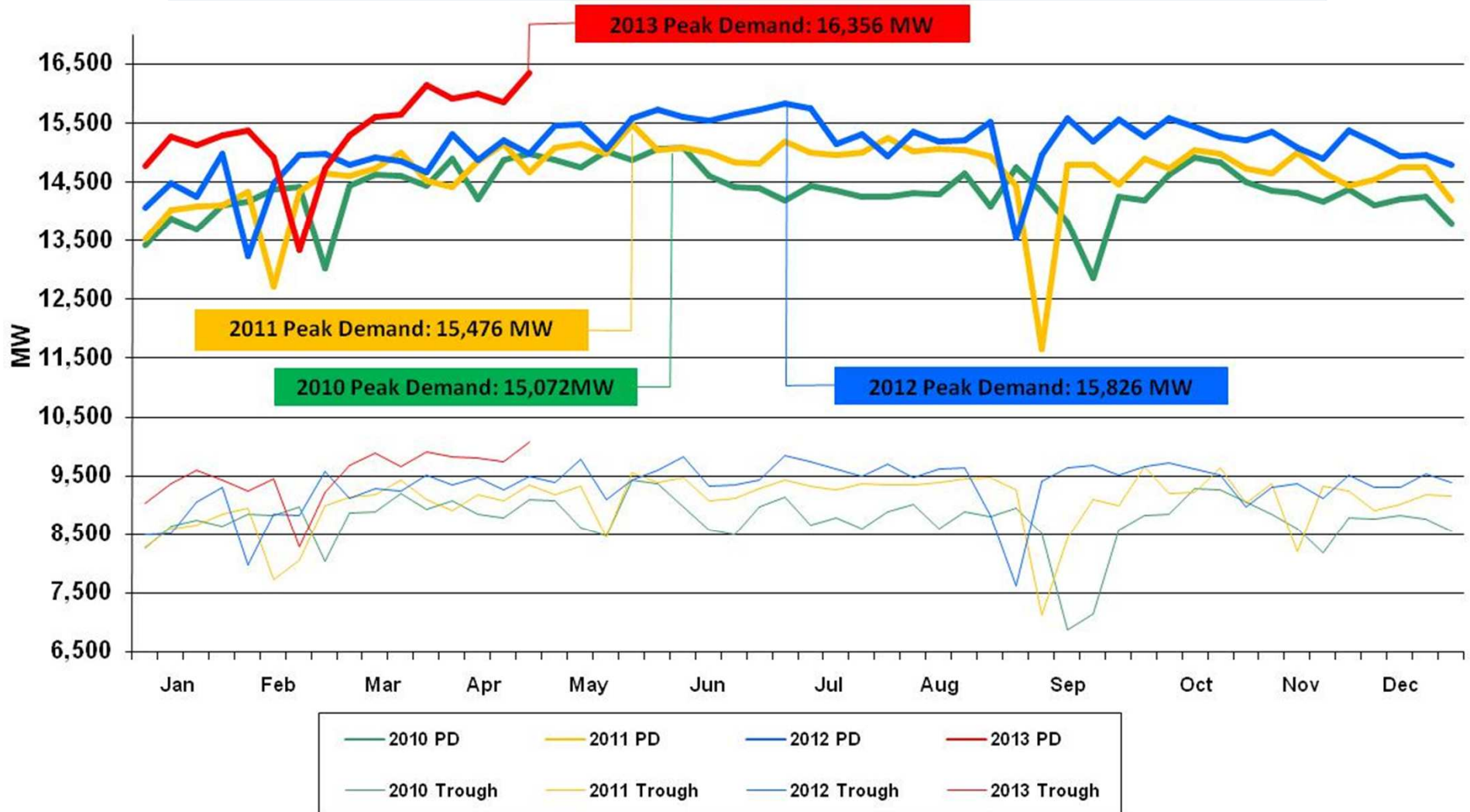
RESULTS SNAPSHOTS

System Weekly Peak Demand (Peninsula) for FY2009/10 to FY2013/14

YOU SEE



Weekly Peak Demand & Trough (MW)

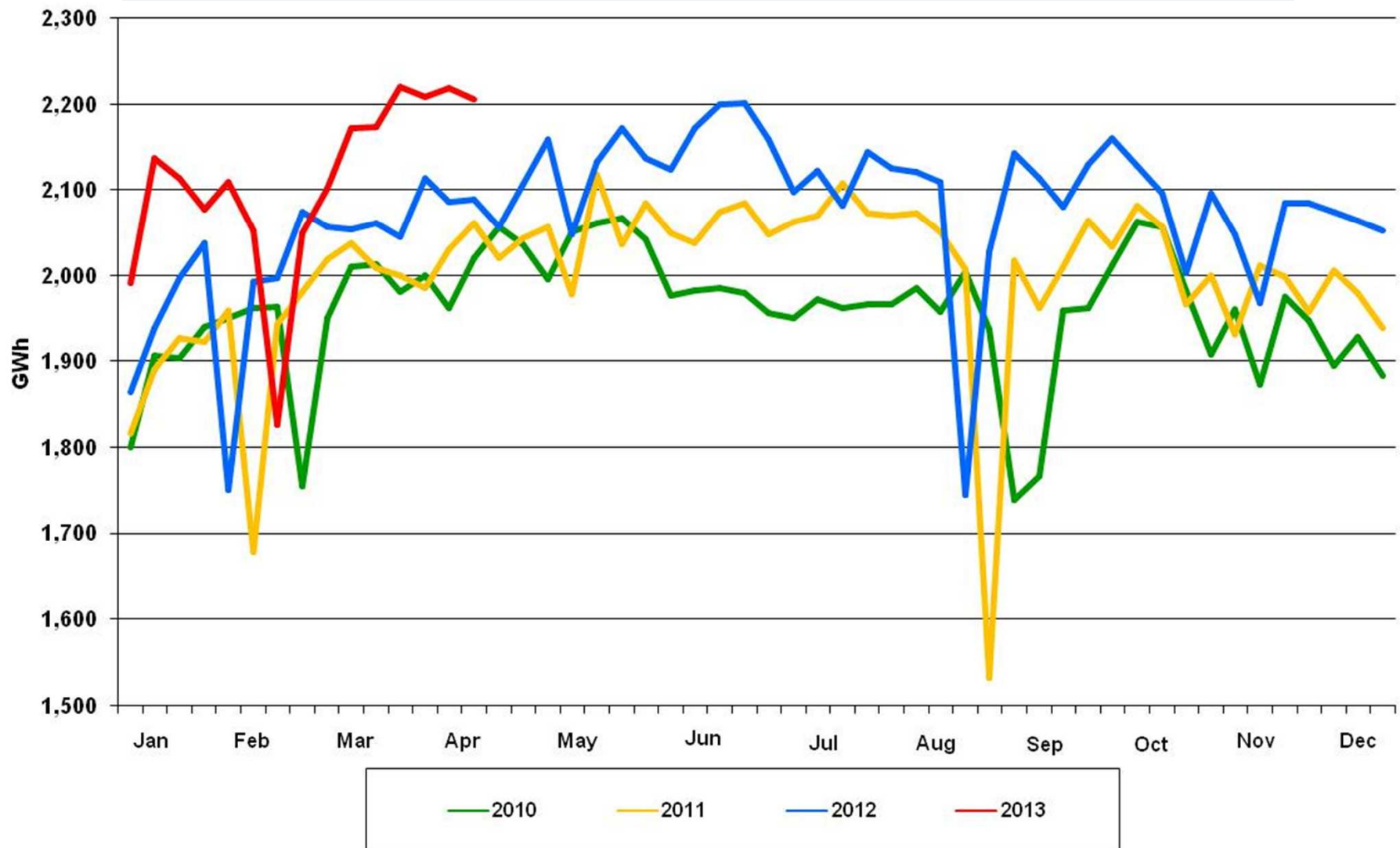


RESULTS SNAPSHOTS

Weekly Electricity Demand Growth (Peninsula) for FY2009/10 to FY2013/14



Weekly Generation (Gwh) - Week Ending 14th April 2013



ANALYST BRIEFING 1st HALF FY2013

INTERIM DIVIDEND

YOU SEE



KEEPING THE LIGHTS ON

RESULTS HIGHLIGHTS

Interim Dividend

YOU SEE



The Board of Directors has Approved an Interim Dividend of 10.0 sen Representing 53% of the Company's Free Cashflow

INTERIM DIVIDEND

Single-Tier Dividend of 10.0 sen
per ordinary share



53% of Company's Free Cashflow

Tenaga is committed to pay out dividend based on its Dividend Policy whereby:
*Dividend is paid out based on **40%-60%** of its Company's Annual Free Cashflow;
Cashflow from Operations less Normalised Capex and Interest Servicing*

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

ANALYST BRIEFING 1st HALF FY2013

RESULTS HIGHLIGHTS

YOU SEE



KEEPING THE LIGHTS ON

RESULTS HIGHLIGHTS

Unaudited Income Statement (Group)

YOU SEE



- 3.8% Increase in Group Revenue against 5.4% Decrease in Operating Expenses
- Net Profit Attributable to the Owners of the Company of RM2.69bn

RM'mn

	1HFY2012 (Restated)	1HFY2013	Variance %
Continuing Operations:			
Revenue	17,322.6	17,981.0	3.8
Operating expenses	(15,951.9)	(15,092.2)	5.4
Operating income	2,250.3	201.0	(91.1)
Operating profit	3,621.0	3,089.8	(14.7)
Forex			
- Transaction Gain / (Loss)	(3.2)	5.0	>100.0
- Translation Gain / (Loss)	209.3	786.0	>100.0
Share of results of jointly controlled	(10.7)	50.3	>100.0
Profit before finance cost	3,816.4	3,931.1	3.0
Finance income	102.3	113.4	10.9
Finance cost	(434.3)	(436.9)	(0.6)
Profit before taxation	3,484.4	3,607.6	3.5
Taxation and Zakat			
- Company and subsidiaries	(626.6)	(872.4)	(39.2)
- Deferred taxation	(190.8)	(58.3)	69.4
Profit for the financial period	2,667.0	2,676.9	0.4
Attributable to:			
- Owners of the Company	2,677.1	2,687.6	0.4
- Non-controlling interests	(10.1)	(10.7)	(5.9)
	2,667.0	2,676.9	0.4

RESULTS HIGHLIGHTS

Year-on-Year Analysis (Restated Fuel Cost Compensation for FY2012)

YOU SEE



Improved EBITDA Margin Resulted from Lower Generation Costs & Steady Demand Growth from Commercial Sector

RM mn	1HFY2012 (Restated)	1HFY2013	1QFY2013	2QFY2013
Total Units Sold (Gwh)	49,923.5	52,129.1	26,070.4	26,058.7
Revenue	17,322.6	17,981.0	9,130.8	8,850.2
Operating Expenses (before depreciation)	13,185.7	12,957.1	6,394.5	6,562.6
Operating Income	227.3	201.0	92.9	108.1
EBITDA	4,364.2	5,224.9	2,829.2	2,395.7
EBITDA Margin (%)	25.2%	29.1%	31.0%	27.1%
Depreciation and Amortisation	2,063.8	2,135.1	1,071.4	1,063.7
EBIT	2,300.4	3,089.8	1,757.8	1,332.0
EBIT Margin (%)	13.3%	17.2%	19.3%	15.1%
Finance Cost	434.3	436.9	229.6	207.3
Profit Before Tax & Forex Translation	1,954.5	2,821.6	1,605.2	1,216.4
Net Profit Before Forex Translation	1,477.4	1,901.6	1,018.1	883.5
Translation Gain	209.3	786.0	397.4	388.6
Net Profit Attributable to Equity Holders	1,686.7	2,687.6	1,415.5	1,272.1
Non-controlling Interest	(10.1)	(10.7)	(0.1)	(10.6)

COAL PRICE & CONSUMPTION	1HFY'12	1HFY'13	Var (%)
Average Coal Price Consumed (USD/MT)			
FOB	99.6	74.9	-24.8%
Freight	9.2	9.1	-1.1%
Others	0.5	0.6	20.0%
CIF	109.3	84.6	-22.6%
Average Coal Price Consumed (RM/MT) (CIF)	339.6	259.8	-23.5%
Coal Consumption (mn MT)	10.0	10.3	3.0%

RESULTS HIGHLIGHTS

Year-on-Year Analysis OPEX (Restated Fuel Cost Compensation)



Lower Generation Cost from Lower Coal Price and Decreased Oil Utilisation

RM mn	1HFY2012 (Restated)	1HFY2013	Variance RM mn	Variance %
Total IPPs Purchases/Costs	6,950.5	6,766.3	(184.2)	2.7
Fuel Costs	3,432.3	2,878.1	(554.2)	16.1
Repair & Maintenance	713.8	753.6	39.8	(5.6)
Staff Costs	1,231.7	1,607.2	375.5	(30.5)
TNB General Expenses	543.2	492.9	(50.3)	9.3
Subs. Gen Exp, Cost of Sales & Provision	314.2	459.0	144.8	(46.1)
Depreciation & Amortisation	2,063.8	2,135.1	71.3	(3.5)
Total Operating Expenses	15,249.5	15,092.2	(157.3)	1.0

RESULTS HIGHLIGHTS

Fuel Analysis: Year-on-Year Generation Mix (Peninsula)



Y-o-Y Analysis shows Reduction in Fuel Costs due to Lower Coal Price

Fuel Cost (RM mn)				
Fuel Type	1HFY'12	1HFY'13	Variance	
			RM mn	%
Gas	2,893.2	3,134.5	241.3	8.3
Coal	3,536.2	2,739.8	(796.4)	(22.5)
Dist.	552.6	685.2	132.6	24.0
Oil	783.9	469.2	(314.7)	(40.1)
Hydro	0.0	0.0	-	-
Sub Total	7,765.9	7,028.7	(737.2)	(9.5)
Fuel Cost Compensation	702.4	580.7	(121.7)	(17.3)
Total	7,063.5	6,448.0	(615.5)	(8.7)

Units Generated (Gwh)				
Fuel Type	1HFY'12	1HFY'13	Variance	
			Gwh	%
Gas	22,953.6	24,876.8	1,923.2	8.4
Coal	23,534.6	24,240.8	706.2	3.0
Dist.	974.4	1,133.8	159.4	16.4
Oil	1,480.9	869.6	(611.3)	(41.3)
Hydro	3,040.4	2,028.0	(1,012.4)	(33.3)
Total	51,983.9	53,149.0	1,165.1	2.2

Consumption	1HFY'12	1HFY'13	Variance
Oil (MT)	351,622	216,328	(135,294)
Distillate (mn litres)	224	262	38

RESULTS HIGHLIGHTS

Fuel Analysis: Quarterly Generation Mix (Peninsula)



Higher Gas Supply Resulted in Lower Utilisation of Oil & Distillate in 2QFY'13

Fuel Cost (RM mn)				
Fuel Type			Variance	
	1QFY'13	2QFY'13	RM mn	%
Gas	1,423.8	1,710.7	286.9	20.2
Coal	1,326.8	1,413.0	86.2	6.5
Dist.	612.5	72.7	(539.8)	(88.1)
Oil	393.8	75.4	(318.4)	(80.9)
Hydro	0.0	0.0	0.0	0.0
Sub Total	3,756.9	3,271.8	(485.1)	(12.9)
Fuel Cost Compensation	538.5	42.2	(496.3)	(92.2)
Total	3,218.4	3,229.6	11.2	0.3

Units Generated (Gwh)				
Fuel Type			Variance	
	1QFY'13	2QFY'13	Gwh	%
Gas	12,244.9	12,631.9	387.0	3.2
Coal	12,010.8	12,230.0	219.2	1.8
Dist.	1,019.3	114.5	(904.8)	(88.8)
Oil	744.5	125.1	(619.4)	(83.2)
Hydro	1,037.5	990.5	(47.0)	(4.5)
Total	27,057.0	26,092.0	(965.0)	(3.6)

Consumption	1QFY'13	2QFY'13	Variance
Oil (MT)	184,207	32,121	(152,086)
Distillate (mn litres)	250	12	(238)

RESULTS HIGHLIGHTS

Analysis of Electricity Growth in Peninsula

YOU SEE



Year-on-Year Demand Growth of 4.6% Mainly Driven by Commercial Sector of 5.3%

UNITS SALES		FY 2012				FY 2013						
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Industrial	Gwh	10,430	10,098	10,463	10,931	3,395	3,518	3,628	3,410	3,518	3,614	3,093
	Growth (%)	4.8	(0.6)	3.1	3.1	(3.0)	6.3	0.2	0.4	1.8	11.3	(6.3)
Commercial	Gwh	8,013	8,017	8,199	8,600	2,765	2,724	2,922	2,669	2,938	2,869	2,570
	Growth (%)	3.3	8.0	4.8	4.6	2.9	(4.6)	18.3	(0.3)	9.7	7.8	(1.6)
Domestic	Gwh	4,878	4,750	4,965	5,282	1,802	1,614	1,760	1,645	1,715	1,774	1,693
	Growth (%)	2.5	8.9	5.7	7.4	1.3	6.0	11.6	8.4	5.7	10.2	5.5
Others	Gwh	398	406	408	418	150	136	147	145	155	159	152
	Growth (%)	9.9	9.7	12.1	10.9	(8.0)	(18.1)	113.0	8.2	9.9	21.4	15.2
TOTAL	Gwh	23,719	23,271	24,035	25,231	8,112	7,992	8,457	7,869	8,326	8,416	7,508
	Growth (%)	203.9	204.3	204.4	204.6	(0.2)	1.8	9.3	1.9	5.4	10.0	(1.9)

1QFY'12
3.9%

2QFY'12
4.3%

3QFY'12
4.4%

4QFY'12
4.6%

1QFY'13
3.5%

2QFY'13
5.8%

FY'12
4.3%

7 Months FY'13
3.7%

	1HFY'12	1HFY'13
Growth (%)	4.1	4.6

ANALYST BRIEFING 1st HALF FY2013

RESULTS DETAILS

YOU SEE



KEEPING THE LIGHTS ON

RESULTS DETAILS

Details of Revenue by Business Segments

YOU SEE



4.4% Increase in Group Sales of Electricity

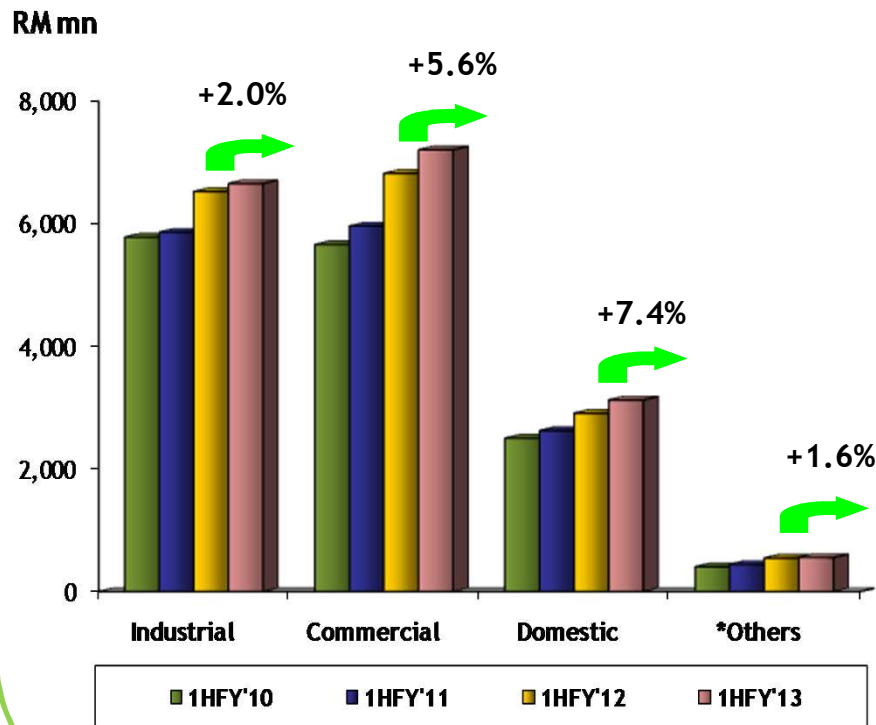
	1HFY'12 (Restated)		1HFY'13		Growth
UNITS SOLD	GWh		GWh		%
- TNB	46,989.9		49,171.3		4.6
- EGAT (Export)	5.1		2.1		(58.8)
- SESB	2,199.3		2,304.4		4.8
- LPL	729.2		651.3		(10.7)
Total Units Sold (GWh)	49,923.5		52,129.1		4.4
REVENUE	RM mn	Sen/KWh	RM mn	Sen/KWh	
Sales of Electricity					
- TNB	15,832.9	33.7	16,537.3	33.6	4.4
- EGAT (Export)	5.8	113.7	2.7	128.6	(53.4)
- SESB	636.5	28.9	680.2	29.5	6.9
- LPL	332.2	45.6	328.1	50.4	(1.2)
Sales of Electricity	16,807.4	33.7	17,548.3	33.7	4.4
LPL Operating Lease	-		(19.5)		>(100.0)
Accrued Revenue	(86.9)		(166.5)		(91.6)
Total Sales of Electricity	16,720.5		17,362.3		3.8
Goods & Services	414.5		439.5		6.0
Deferred Income	187.6		179.2		(4.5)
Total Revenue	17,322.6		17,981.0		3.8

RESULTS DETAILS

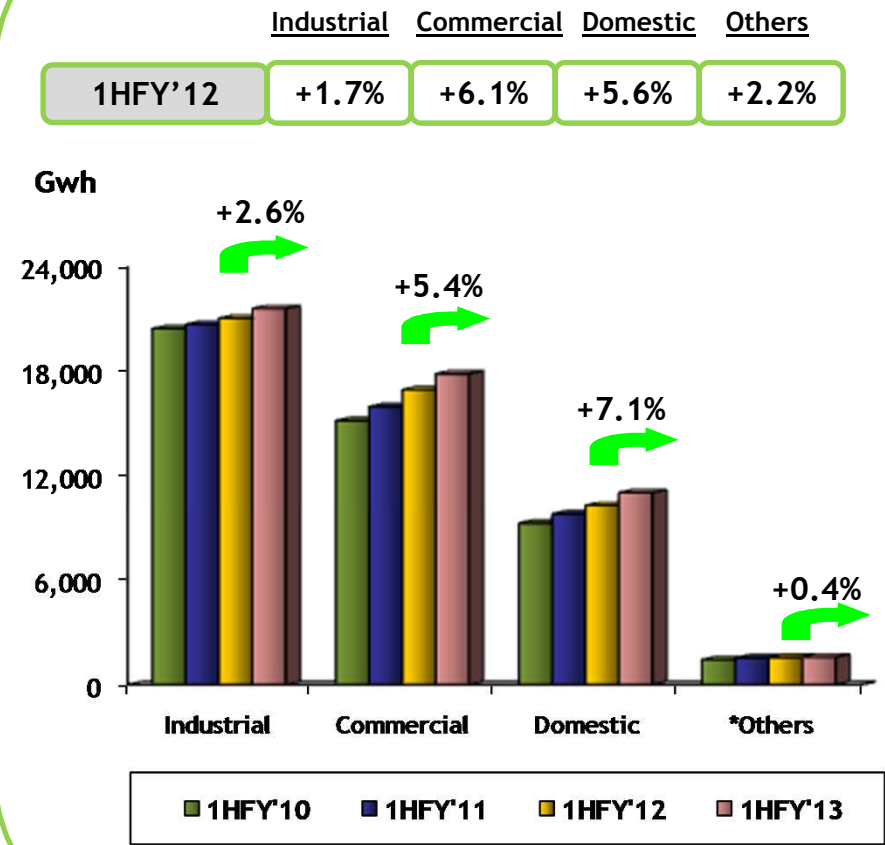
Analysis of Electricity Growth by Sectors (Group)



1HFY'13 = 4.4%
(1HFY'12 = 12.8%)



1HFY'13 = 4.4%
(1HFY'12 = 4.0%)



Notes:

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

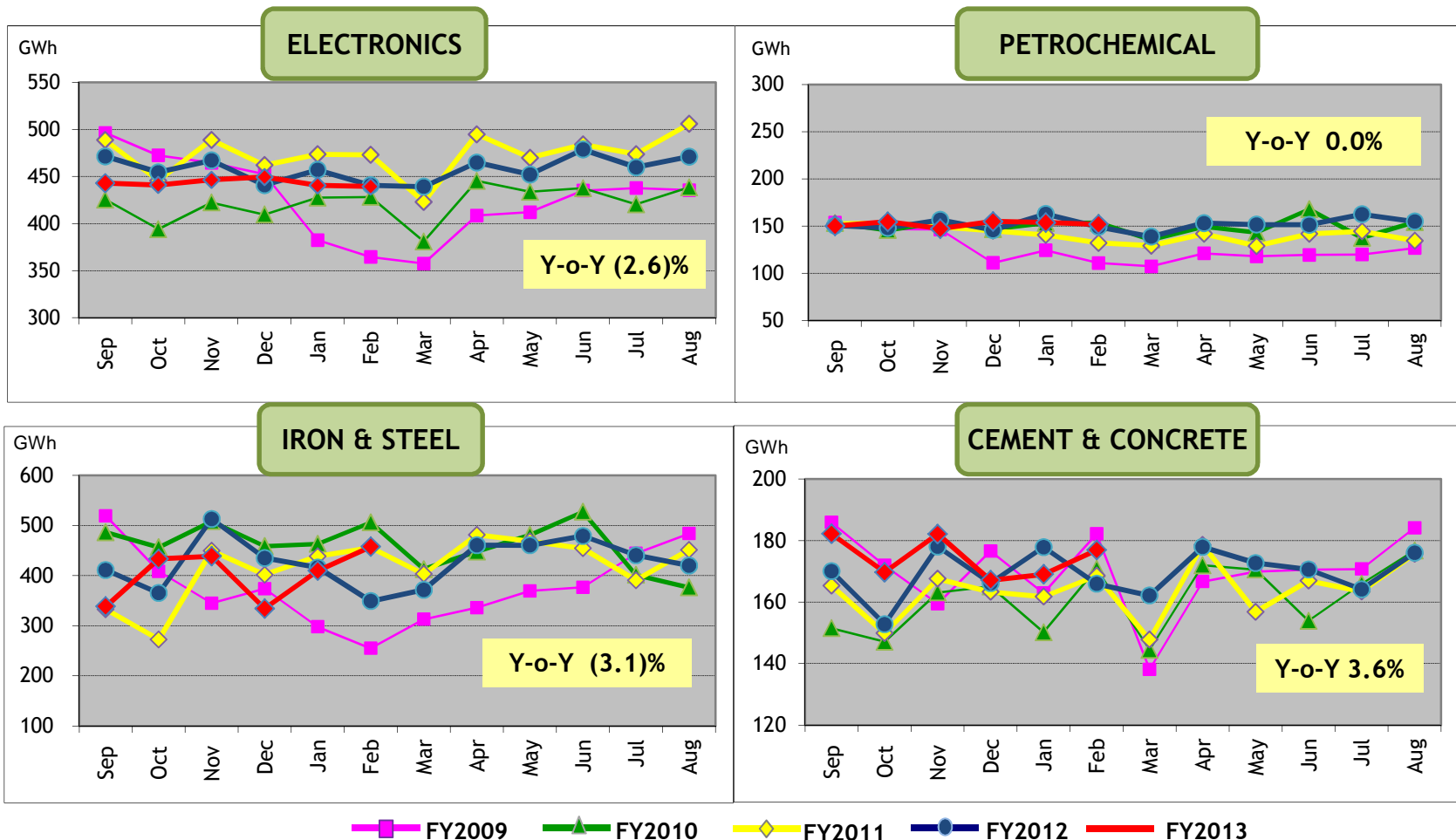
RESULTS DETAILS

Details of Revenue: Sectoral Analysis - Industrial Sector* (Peninsula)

YOU SEE



Industrial Sector Recorded Y-o-Y Growth of 2.7%



* Source : Top 1,000 PRIME customers database (PRIME customer YTD unit sales equivalent to 34.4% of total YTD unit sales)

* PRIME customers for 4 sectors above attributes 41.5% from the whole PRIME customers YTD unit sales

RESULTS DETAILS

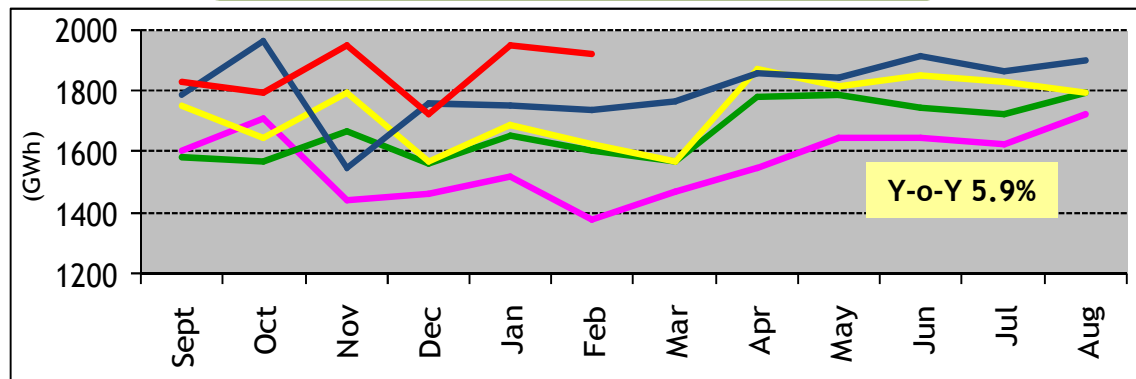
Details of Revenue: Sectoral Analysis - Commercial Sector (Peninsula)

YOU SEE

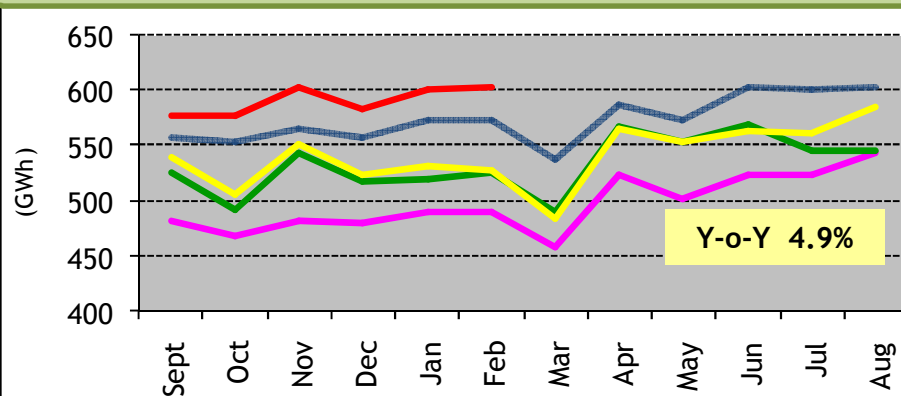


Commercial Sector Recorded Y-o-Y Growth of 5.3%

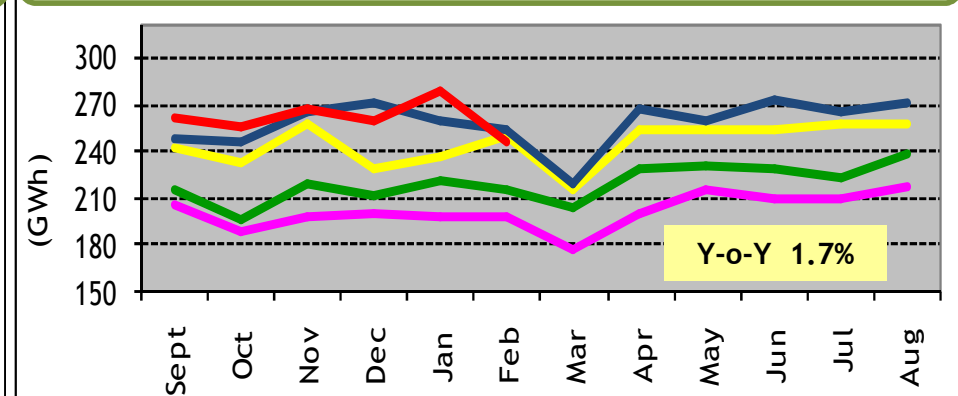
Low Voltage Shop Lots & Retail Business



Medium Voltage Shopping Malls, 3 Star Hotels, Office Buildings



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



FY2009 FY2010 FY2011 FY2012 FY2013

RESULTS DETAILS

Industry Generation in Peninsula (TNB & IPPs): Year-on-Year Analysis

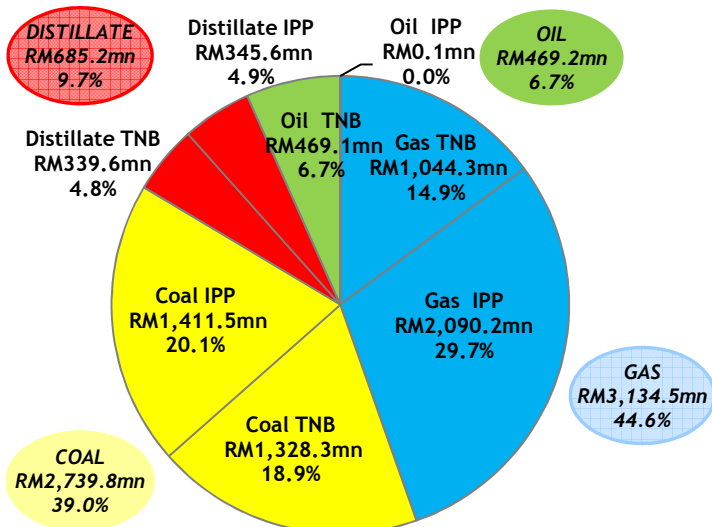
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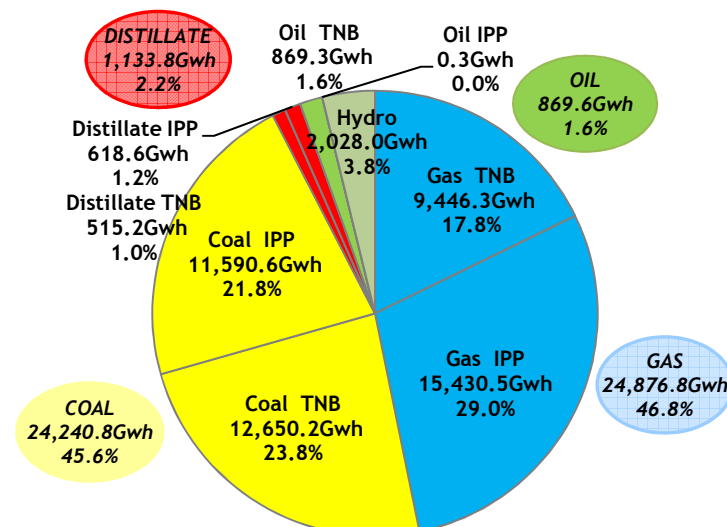
9.5% Reduction in Fuel Costs Mainly Attributed to Lower Coal Price and Decreased Oil Utilisation

Fuel Cost (RM mn)				
Fuel Type	1HFY'12	1HFY'13	Variance	
			RM mn	%
Gas	2,893.2	3,134.5	241.3	8.3
Coal	3,536.2	2,739.8	(796.4)	(22.5)
Dist.	552.6	685.2	132.6	24.0
Oil	783.9	469.2	(314.7)	(40.1)
Hydro	0.0	0.0	-	0.0
Total	7,765.9	7,028.7	(737.2)	(9.5)

Units Generated (Gwh)				
Fuel Type	1HFY'12	1HFY'13	Variance	
			Gwh	%
Gas	22,953.6	24,876.8	1,923.2	8.4
Coal	23,534.6	24,240.8	706.2	3.0
Dist.	974.4	1,133.8	159.4	16.4
Oil	1,480.9	869.6	(611.3)	(41.3)
Hydro	3,040.4	2,028.0	(1,012.4)	(33.3)
Total	51,983.9	53,149.0	1,165.1	2.2



TOTAL: RM7,028.7 mn



TOTAL: 53,149.0 Gwh

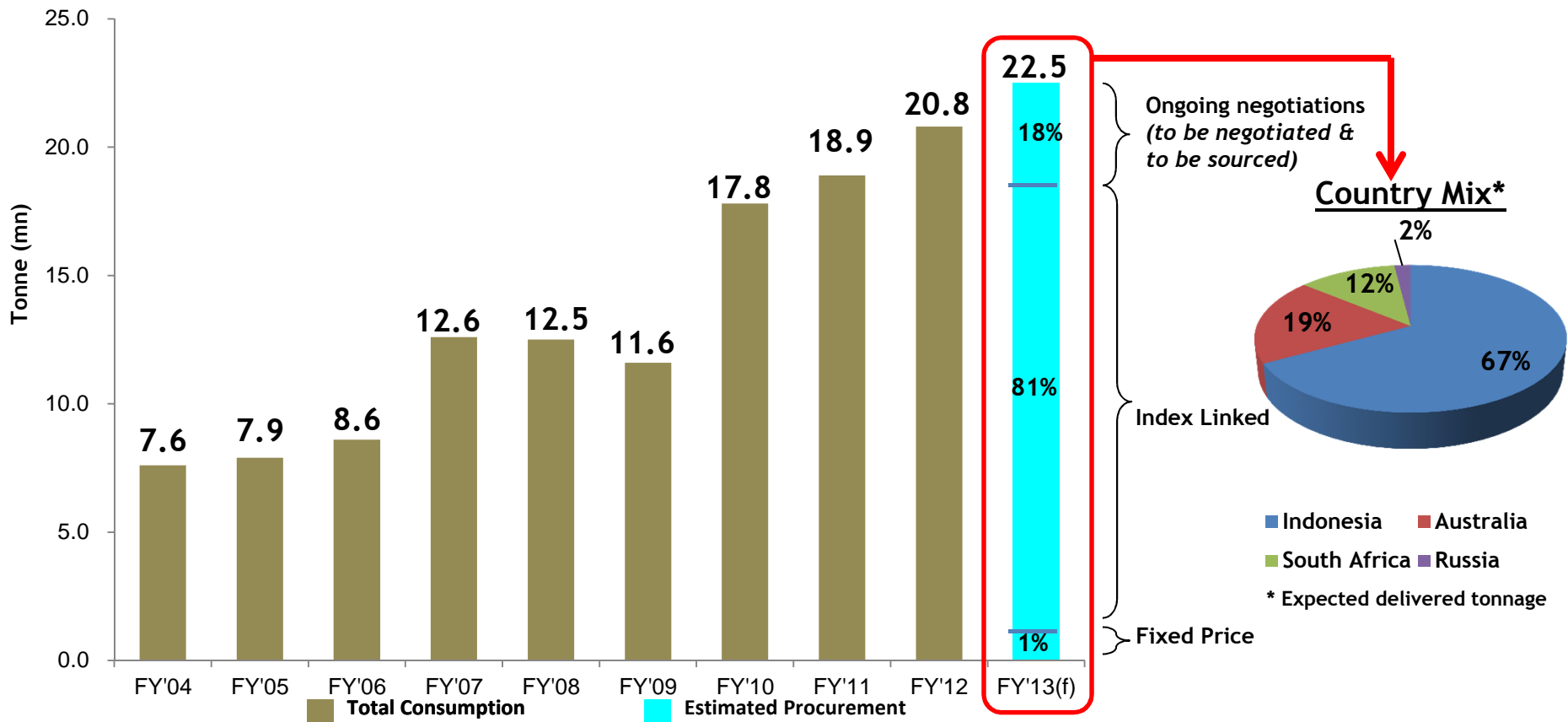
RESULTS DETAILS

Coal Requirement



Coal Procurement Estimate for FY2013 is at 22.5 mn MT

	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	1HFY'13
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	84.6



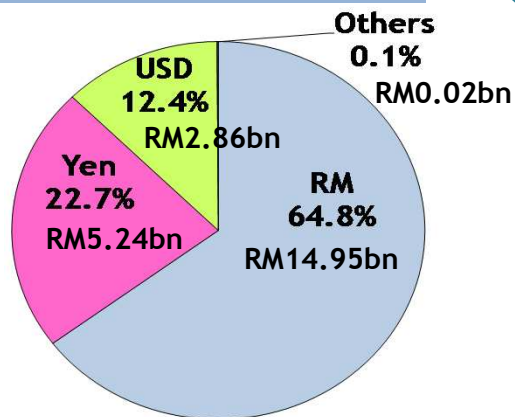
RESULTS DETAILS

Debt Exposure & Forex

YOU SEE



31st Aug'12



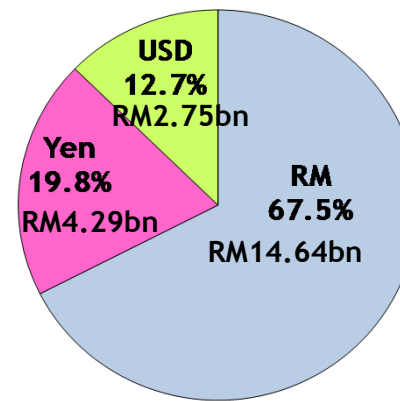
* Total Debt	RM23.1bn
Net Debt	RM14.4bn
Gearing (%)	39.6
Net Gearing (%)	24.8

Fixed:Floating 98.0% : 2.0%
[Based on final exposure, Fixed:Floating 100.0% : 0.0%]

Weighted Average Cost of Debt 4.80%
[Based on final exposure, 4.90%]

USD/RM	: 3.13
100YEN/RM	: 3.97
USD/YEN	: 78.84

28th Feb'13



* Total Debt	RM21.7bn
Net Debt	RM14.1bn
Gearing (%)	38.8
Net Gearing (%)	25.2

Fixed:Floating 98.3% : 1.7%
[Based on final exposure, Fixed:Floating 100.0% : 0.0%]

Weighted Average Cost of Debt 4.88%
[Based on final exposure, 4.98%]

USD/RM	: 3.09
100YEN/RM	: 3.35
USD/YEN	: 92.24

	RM bn
Total Debt 31/08/12	23.1
- Debt Repayment	(0.9)
+ Drawdowns	0.3
+ Others **	(0.8)
Total Debt 28/02/13	21.7

* Others include Forex Translation Loss & Accrual

	Exchange Rate	
	USD:RM	100 YEN:RM
31/8/2012	3.125	3.974
30/9/2012	3.063	3.948
31/10/2012	3.049	3.824
30/11/2012	3.040	3.681
31/12/2012	3.059	3.553
31/01/2013	3.103	3.413
28/02/2013	3.090	3.345

* In accordance with FRS 132

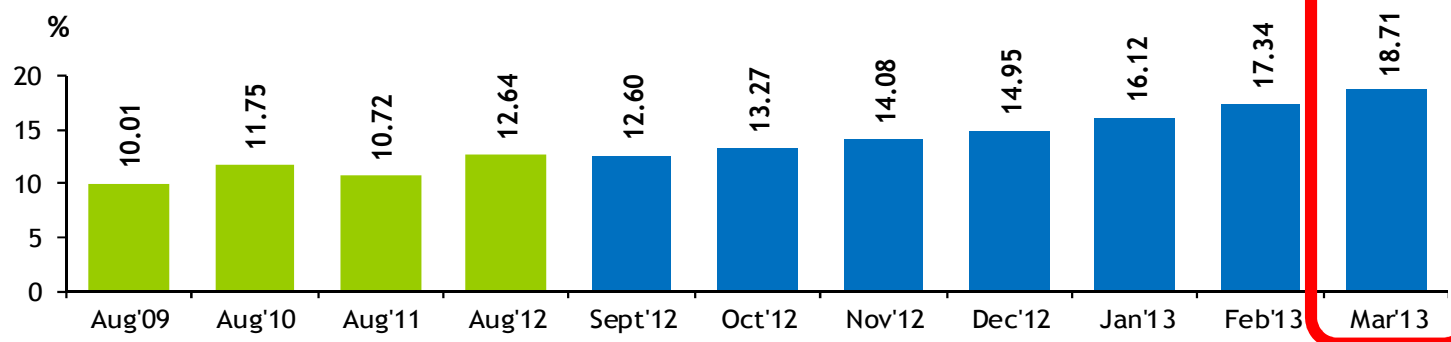
RESULTS DETAILS

Shareholding



**Foreign Interests Picked Up in
Anticipation of Positive Developments in the Power Industry**

Foreign Shareholding



Main Shareholding

	Aug'10	Aug'11	Aug'12	Nov'12	Feb'13	Variance (Feb'13 & Aug'12)
Name	%	%	%	%	%	%
Khazanah Nasional Berhad	35.65	35.55	35.36	35.04	33.78	(4.47)
Employees Provident Fund Board	12.48	13.17	12.67	12.68	12.26	(3.24)
Skim Amanah Saham Bumiputera	9.59	9.90	10.66	10.57	10.51	(1.41)
Lembaga Tabung Haji	3.83	3.82	3.80	3.77	3.79	(0.26)
Other Corporations & Govt. Agencies	23.97	20.06	18.58	17.34	15.66	(15.72)
Subtotal	85.52	82.50	81.07	79.40	76.00	(6.25)
Foreign	11.75	10.72	12.64	14.08	17.34	37.18
Malaysian Public	2.73	6.78	6.29	6.52	6.66	5.88
Total	100.00	100.00	100.00	100.00	100.00	
Paid Up Capital (mn shares)	4,352.7	5,456.6	5,501.6	5,535.3	5,564.4	

ANALYST BRIEFING 1st HALF FY2013

QUESTION & ANSWER SESSION

YOU SEE



KEEPING THE LIGHTS ON

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ANALYST BRIEFING 1st HALF FY2013

THANK YOU

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