



The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE 2nd QUARTER ENDED 28 FEBRUARY 2013

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 28.02.13	PRECEDING YEAR CORRESPONDING QUARTER 29.02.12 (Restated)	CURRENT YEAR TO DATE 28.02.13	PRECEDING YEAR CORRESPONDING PERIOD 29.02.12 (Restated)
Revenue	8,850.2	8,628.2	17,981.0	17,322.6
Operating expenses	(7,626.3)	(7,692.1)	(15,092.2)	(15,951.9)
Other operating income	108.1	2,155.4	201.0	2,250.3
Operating profit	1,332.0	3,091.5	3,089.8	3,621.0
Foreign exchange				
- Translation gain	388.6	628.4	786.0	209.3
- Transaction gain/(loss)	2.6	(2.1)	5.0	(3.2)
Share of results of jointly controlled entities	-	(0.3)	(0.1)	(0.5)
Share of results of associates (net of tax)	24.7	(30.2)	50.4	(10.2)
Profit before finance cost	1,747.9	3,687.3	3,931.1	3,816.4
Finance income	64.4	32.9	113.4	102.3
Finance cost	(207.3)	(222.4)	(436.9)	(434.3)
Profit from ordinary activities before taxation	1,605.0	3,497.8	3,607.6	3,484.4
Taxation and Zakat				
- Company and subsidiaries	(321.4)	(607.8)	(872.4)	(626.6)
- Deferred taxation	(22.1)	(146.6)	(58.3)	(190.8)
Profit for the period	1,261.5	2,743.4	2,676.9	2,667.0
Attributable to:				
- Owners of the Company	1,272.1	2,751.2	2,687.6	2,677.1
- Non-controlling interest	(10.6)	(7.8)	(10.7)	(10.1)
Profit for the period	1,261.5	2,743.4	2,676.9	2,667.0
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	23.06	50.42	48.72	49.06
Diluted	23.01	50.41	48.61	49.05

These unaudited Condensed Consolidated Income Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2012.



B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2nd QUARTER ENDED 28 FEBRUARY 2013
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 28.02.13	PRECEDING YEAR CORRESPONDING QUARTER 29.02.12 (Restated)	CURRENT YEAR TO DATE 28.02.13	PRECEDING YEAR CORRESPONDING PERIOD 29.02.12 (Restated)
Profit for the period	1,261.5	2,743.4	2,676.9	2,667.0
Other Comprehensive Income/(Expense) (net of tax): -				
Foreign currency translation differences	23.6	(28.3)	57.2	(33.1)
Defined benefit plan actuarial losses	-	-	(3,223.9)	-
Total Comprehensive Income/(Expense) for the Period	1,285.1	2,715.1	(489.8)	2,633.9
Attributable to: -				
- Owners of the Company	1,295.7	2,722.9	(479.1)	2,644.0
- Non-controlling interest	(10.6)	(7.8)	(10.7)	(10.1)
Total Comprehensive Income/(Expense) for the Period	1,285.1	2,715.1	(489.8)	2,633.9

These unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2012.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2013

(Amounts in RM million unless otherwise stated)

	28.02.2013	31.08.2012 (Restated)	01.09.2011 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	66,083.2	64,769.9	61,861.4
Jointly controlled entity	0.3	0.4	0.6
Associates	468.2	491.2	407.8
Investments in unquoted debt securities	163.7	163.7	164.0
Available-for-sale financial assets	38.0	38.0	38.0
Deferred tax assets	2.5	-	30.2
Derivative financial instruments	63.3	116.3	89.9
Long term receivables	367.0	419.2	388.6
Prepaid leases	4,103.8	3,789.3	3,161.0
Lease receivables	14.5	-	-
	<u>71,304.5</u>	<u>69,788.0</u>	<u>66,141.5</u>
CURRENT ASSETS			
Non-current assets held for sale	10.5	9.8	11.4
Inventories	2,767.7	2,842.2	2,645.9
Trade receivables	5,606.9	5,843.9	4,819.0
Other receivables	943.6	1,144.8	1,203.1
Current tax assets	19.3	142.4	264.5
Amount due from associates	63.3	62.6	14.6
Lease receivables	0.9	-	-
Marketable securities	9.4	9.1	8.6
Derivative financial instruments	0.3	-	1.5
Deposits, bank and cash balances	7,589.3	8,626.3	3,954.2
	<u>17,011.2</u>	<u>18,681.1</u>	<u>12,922.8</u>
CURRENT LIABILITIES			
Trade payables	(3,733.4)	(4,534.5)	(4,116.3)
Other payables	(666.2)	(1,212.1)	(1,455.1)
Amount due to associates	(647.7)	(697.9)	(707.9)
Current taxation liabilities	(458.1)	(331.0)	(5.7)
Derivative financial instruments	(0.1)	-	-
Deferred income	(892.7)	(894.7)	(523.9)
Short term borrowings	(1,374.3)	(1,604.2)	(1,727.3)
Hire purchase creditors and finance lease obligation	(59.5)	(55.1)	(49.1)
	<u>(7,832.0)</u>	<u>(9,329.5)</u>	<u>(8,585.3)</u>
NET CURRENT ASSETS	9,179.2	9,351.6	4,337.5
NON-CURRENT LIABILITIES			
Borrowings	(20,310.1)	(21,467.6)	(17,326.8)
Consumer deposits	(3,389.0)	(3,284.7)	(3,084.9)
Derivative financial instruments	(15.1)	(21.5)	(44.1)
Employee benefits	(10,516.4)	(6,141.6)	(6,154.0)
Other liabilities	(887.9)	(892.2)	(910.0)
Deferred tax liabilities	(6,852.3)	(7,874.1)	(7,370.7)
Deferred income	(2,223.4)	(2,291.2)	(2,849.6)
Government development grants	(744.2)	(671.0)	(627.2)
Hire purchase creditors and finance lease obligation	(1,344.4)	(1,338.8)	(1,334.3)
	<u>(46,282.8)</u>	<u>(43,982.7)</u>	<u>(39,701.6)</u>
TOTAL NET ASSETS	<u>34,200.9</u>	<u>35,156.9</u>	<u>30,777.4</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	5,564.4	5,501.6	5,456.6
Share premium	4,814.3	4,529.1	4,332.6
Other reserves	(3,167.6)	(18.5)	10.0
Retained profits	26,742.4	24,885.1	20,747.6
	<u>33,953.5</u>	<u>34,897.3</u>	<u>30,546.8</u>
NON-CONTROLLING INTEREST	<u>247.4</u>	<u>259.6</u>	<u>230.6</u>
TOTAL EQUITY	<u>34,200.9</u>	<u>35,156.9</u>	<u>30,777.4</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	Sen 610.2	Sen 634.3	Sen 559.8

These unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2012.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 28 FEBRUARY 2013
(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company							Total equity
	Ordinary shares of RM1.00 each	Employees'			Revaluation and other reserves	Retained profits	Non controlling interest	
		Share premium	Share Option Scheme reserve	Employee Benefit Reserve				
At 1 September 2012								
(as previously reported)	5,501.6	4,529.1	181.6	-	467.1	25,457.9	261.0	36,398.3
Effects of adoption of MFRS 119	-	-	-	(2.3)	-	(1,237.7)	(1.4)	(1,241.4)
Effects of adoption of MFRS 1	-	-	-	-	(664.9)	664.9	-	-
As at 1 September 2012 (restated)	5,501.6	4,529.1	181.6	(2.3)	(197.8)	24,885.1	259.6	35,156.9
Profit for the period	-	-	-	-	-	2,687.6	(10.7)	2,676.9
Foreign currency translation reserve	-	-	-	-	57.2	-	-	57.2
Employee Benefit Reserve	-	-	-	(3,223.9)	-	-	-	(3,223.9)
Total comprehensive income	-	-	-	(3,223.9)	57.2	2,687.6	(10.7)	(489.8)
Transaction with owners								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(1.5)	(1.5)
Dividend paid FY2012	-	-	-	-	-	(830.3)	-	(830.3)
Provision for share option	-	-	17.6	-	-	-	-	17.6
Issuance of share capital								
- share options	62.8	285.2	-	-	-	-	-	348.0
	62.8	285.2	17.6	-	-	(830.3)	(1.5)	(466.2)
At 28 February 2013	5,564.4	4,814.3	199.2	(3,226.2)	(140.6)	26,742.4	247.4	34,200.9

These unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2012.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 28 FEBRUARY 2013 (CONTINUATION)
(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company							Total equity
	Ordinary shares of RM1.00 each	Share premium	Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Non controlling interest		
At 1 September 2011 (restated)	5,456.6	4,332.6	156.6	532.8	21,518.8	232.0	32,229.4	
Effects of adoption of MFRS 119	-	-	-	-	(1,450.6)	(1.4)	(1,452.0)	
Effects of adoption of MFRS 1	-	-	-	(679.4)	679.4	-	-	
As at 1 September 2011 (restated)	5,456.6	4,332.6	156.6	(146.6)	20,747.6	230.6	30,777.4	
Profit for the period	-	-	-	-	2,677.1	(10.1)	2,667.0	
Total other comprehensive income	-	-	-	(33.1)	-	-	(33.1)	
Total comprehensive income	-	-	-	(33.1)	2,677.1	(10.1)	2,633.9	
Transaction with owners								
Dividend paid to non-controlling interest	-	-	-	-	-	(1.5)	(1.5)	
Purchase of non-controlling interest share	-	-	-	-	-	21.9	21.9	
Provision for share option	-	-	0.7	-	-	-	0.7	
Issuance of share capital - share options	0.9	3.4	-	-	-	-	4.3	
At 29 February 2012 (restated)	0.9	3.4	0.7	-	-	20.4	25.4	
At 29 February 2012 (restated)	5,457.5	4,336.0	157.3	(179.7)	23,424.7	240.9	33,436.7	

These unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2012.



E. UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2013

(Amounts in RM million unless otherwise stated)

	FY2013 ended 28.02.13	FY2012 ended 29.02.12
Operating activities		
Cash generated from operations	4,026.6	3,965.2
Retirement benefits paid	(305.4)	(309.4)
Consumer contributions received	444.1	287.9
Customer deposits received	104.3	97.5
Tax paid	(613.9)	(57.4)
Net cash inflow from operating activities	<u>3,655.7</u>	<u>3,983.8</u>
Investing activities		
Investment in associates:		
- addition	-	(91.9)
- proceeds from redemption of unsecured loan notes/RULS	2.6	2.6
Dividend Income	-	5.1
Interest income received	94.3	74.2
Property, plant and equipment:		
- purchases	(3,506.5)	(2,586.2)
- disposals	2.8	1.4
Assets held for sale		
- disposals	0.6	13.2
Net cash out-flow from investing activities	<u>(3,406.2)</u>	<u>(2,581.6)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	329.3	4,998.2
- repayments	(918.7)	(1,003.2)
Interest paid	(314.6)	(414.3)
Proceeds from issuance of shares	348.0	4.3
Dividend paid to non-controlling interests	(1.5)	(1.5)
Dividends paid	(830.3)	-
Government development grants received	102.5	101.5
Net cash out-flow from financing activities	<u>(1,285.3)</u>	<u>3,685.0</u>
Changes in deposit, bank and cash balances	(1,035.8)	5,087.2
Currency translation differences	(1.2)	(0.5)
Deposit, bank and cash balances		
- at start of period	8,626.3	3,954.2
- at end of period	<u>7,589.3</u>	<u>9,040.9</u>
Cash at bank, held in trust ¹	(170.1)	(214.9)
Debt Reserve Account ²	(190.0)	(223.1)
Funds from MOF ³	(2.5)	(4.9)
Cash and cash equivalents	<u>7,226.7</u>	<u>8,598.0</u>

1. Deposits and cash at bank held in trust are in respect of a grant given to a subsidiary by the Malaysian Government for a designated capital project.

2. Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.

3. Ministry of Finance (MOF) fund given to a subsidiary under stimulus package for training programmes.

These unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2012.

F. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

These unaudited condensed interim financial statements of the Group have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting", issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 August 2012.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and jointly controlled entities as at 31 August 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 August 2012.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2012 were not subject to any qualification.

3) CHANGES IN ACCOUNTING POLICIES

The Group had adopted the Malaysian Financial Reporting Standards ("MFRS") framework commencing 1 September 2012. The MFRS Framework comprises standards as issued by the International Accounting Standards Board ("IASB"). This condensed interim financial statements is the Group's first MFRS compliant condensed report, hence MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" has been applied.

Application of MFRS 1 – Adoption transitional arrangements

Subject to certain transition elections as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 September 2011 (date of transition) and throughout all financial periods presented, as if these policies had always been in effect. Comparative figures for 2012 in these condensed interim financial statements have been restated to give effect to these changes.

MFRS 1 allows exemptions from the application of certain MFRSs to assist companies with the transition process. The following optional exemption, contained within MFRS 1, have been utilised in the preparation of the Group's Statement of Financial Position as at 1 September 2011.

Foreign Currency Translation Reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation difference of RM215.5 million was adjusted to retained earnings.

Revaluation Reserve

Under the transitional provision of FRS 116 ("Property, Plant and Equipment"), certain freehold land, buildings and civil works are stated at previous years' revaluations less accumulated depreciation. Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the revaluation surplus amounting to RM894.9 million was transferred to retained earnings.



New standards, amendments to standards and IC interpretations that are applicable to the Group effective 1 September 2012

- Revised MFRS 124 "Related Party Disclosures"
- Amendment to MFRS 7 "Financial Instruments: Disclosures – Transfers of Financial Assets"
- Amendment to MFRS 112 "Deferred Tax : Recovery of Underlying Assets"
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income"

The adoption of the revised standards, amendments to standards and IC Interpretations did not have any significant impact to the Group during the current quarter and financial period to date, except the disclosure requirements under MFRS 124, which is still being assessed.

Early adoption of MFRS 119 "Employee Benefits"

The Group has decided to early adopt the Amendment to MFRS 119 "Employee Benefits", which is to be effective starting 1 January 2013.

Previously, net actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions have been recognised to the income statement, as the case may be, over the expected average remaining service lives of the participating employees.

In accordance with the new standards, actuarial gains and losses are to be recognised in the Other Comprehensive Income in the financial period in which they occur and no longer deferred using the corridor approach.

The adoption of Amendment to MFRS 119 resulted in a change in accounting policy. This has been accounted for as a Prior Year Adjustment (PYA) in accordance with MFRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors.

The full impact of the adoption of MFRS 119 is still being finalised.

Impact of adoption of new standards

Arising from the application of MFRS 1 and the early adoption of MFRS 119 above, the condensed financial statements for the previous financial periods have been restated as follows:

	As previously reported for period ended 1 Sep 2011 RM Million	Adjustments		Restated for period ended 1 Sep 2011 RM Million
		Effect of application of MFRS 1 RM Million	Effect of adoption of MFRS 119 RM Million	
Condensed Consolidated Statement Of Financial Position				
Non-Current Liabilities				
Employee benefits	(4,220.5)	-	(1,933.5)	(6,154.0)
Deferred tax liability	(7,852.2)	-	481.5	(7,370.7)
Capital and Reserves attributable to Owners of the Company				
Revaluation & Other Reserves	(689.4)	679.4	-	(10.0)
Retained profits	(21,518.8)	(679.4)	1,450.6	(20,747.6)
Non-controlling interest	(232.0)	-	1.4	(230.6)



	As previously reported for period ended 31 Aug 2012 RM Million	Adjustments		Restated for period ended 31 Aug 2012 RM Million
		Effect of application of MFRS 1 RM Million	Effect of adoption of MFRS 119 RM Million	
Condensed Consolidated Statement Of Financial Position				
Non-Current Liabilities				
Employee benefits	(4,489.7)	-	(1,651.9)	(6,141.6)
Deferred tax liability	(8,284.6)	-	410.5	(7,874.1)
Capital and Reserves attributable to Owners of the Company				
Revaluation & Other Reserves	(648.7)	664.9	2.3	18.5
Retained profits	(25,457.9)	(664.9)	1,237.7	(24,885.1)
Non-controlling interest	(261.0)	-	1.4	(259.6)
Condensed Consolidated Income Statements				
Operating expenses	(31,592.1)	-	283.9	(31,308.2)
Deferred taxation	(462.6)	-	(71.0)	(533.6)

	CUMULATIVE FOR PRECEEDING YEAR			
	As previously reported for period ended 29 Feb 2012 RM Million	Adjustments		Restated for period ended 29 Feb 2012 RM Million
		Effect of application of MFRS 1 RM Million	Effect of adoption of MFRS 119 RM Million	
Condensed Consolidated Income Statement				
Operating expenses	(16,093.9)	-	142.0	(15,951.9)
Deferred taxation	(155.3)	-	(35.5)	(190.8)

4) SEASONAL OR CYCLICAL FACTORS

The businesses of the Group are not subject to material seasonal or cyclical fluctuations.

5) UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME or CASH FLOWS

The early adoption of MFRS 119 "Employee Benefits" and the remeasurement of long term liability of employee benefits have resulted in a material change to the balances in liabilities and equity, as disclosed in Note 3 and 6 respectively.

Additionally, as part of the impairment assessment required under MFRS 116 "Property, Plant and Equipment", a provision for impairment of RM100.0 million was recognised in relation to a subsidiary. The provision amount is also disclosed in Note 18.

6) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

The Group has recognised an amount of RM3,223.9 million (net of tax) in the Other Comprehensive Income (OCI) during the current reporting period in relation to the remeasurement of long term employee benefits liability.

7) DEBT AND EQUITY SECURITIES

During the period, a total of 62,858,621 ordinary shares of RM1.00 each were issued under the Employee Share Option Scheme II ("ESOS II").

Except for the above, there were no other issuance, cancellation, repurchases, resales and repayments of debt and equity securities during the period under review.



8) DIVIDENDS

The Board of Directors has approved a single tier interim dividend of 10.0 sen per ordinary share in respect of the quarter ended 28 February 2013.

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

There was no dividend paid during the quarter.

9) SEGMENTAL REPORTING

Segmental reporting is not presented as the Group is principally engaged in the generation, transmission, distribution and sales of electricity and the provision of other related services, which are substantially within a single business segment. The Group operates primarily in Malaysia.

10) VALUATION OF PROPERTY, PLANT & EQUIPMENT

The Group does not adopt a revaluation policy on its Property, Plant and Equipment.

11) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting period.

12) CHANGES IN THE COMPOSITION OF THE GROUP

There was no material change to the composition of the Group during the reporting period.

13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 28 Feb 2013	As at 31 Aug 2012
Claims by third parties	365.3	320.8
Trade guarantees and performance bonds	15.7	27.4
Other contingent liabilities	-	5.0
	<u>381.0</u>	<u>353.2</u>

Claims by third parties include claims by contractors, consumers and former employees. These claims are being addressed and the Directors are of the opinion that their ultimate resolution will not have a material effect on the financial position of the Group.

14) CAPITAL COMMITMENTS

	As at 28 Feb 2013	As at 31 Aug 2012
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	13,823.8	13,513.9
Contracted but not provided for in the financial statements	5,097.2	4,224.6
	<u>18,921.0</u>	<u>17,738.5</u>

G. ADDITIONAL INFORMATION AS REQUIRED BY PART A OF APPENDIX 9B OF THE BURSA MALAYSIA LISTING REQUIREMENTS

15) REVIEW OF PERFORMANCE

- (a) Performance of the current period ended 28 February 2013 (2nd Quarter FY2013) against the corresponding period ended 29 February 2012 (2nd Quarter FY2012):

The Group recorded a 4.4% or RM740.9 million improvement in sales of electricity from RM16,807.4 million to RM17,548.3 million. The improvement was mainly from sales of electricity in Peninsular Malaysia and Sabah which recorded an increase of 4.4% and 6.9% respectively. The electricity demand grew by 4.6% in the Peninsula and 4.8% in Sabah as compared to the corresponding period last financial year.

Profit attributable to the Owners of the Company for the period under review was RM2,687.6 million as compared to RM2,677.1 million recorded in the corresponding period last financial year, an increase of RM10.5 million or 0.4%. However, the Group recorded a lower operating profit mainly due to the compensation received from the Government and PETRONAS which was recognised as other income in the last corresponding period. The compensation received is inclusive of amounts related to prior periods. The current reporting period recorded a higher translation gain due to the strengthening of the Ringgit against the US Dollar and Japanese Yen amounting to RM576.7 million.

- (b) Performance of the current second quarter (three months) FY2013 against the corresponding second quarter (three months) FY2012:

The quarter recorded sales of electricity of RM8,742.1 million against RM8,329.2 million for the same period last financial year. The improvement was mainly from sales of electricity in the Peninsula and Sabah which recorded an increase of 5.0% and 8.6% respectively. The units sold also registered a growth of 5.8% in the Peninsula and 6.2% in Sabah as compared to the corresponding quarter.

Other operating income decreased by 95.0% as compared to the previous quarter, due to the compensation received from the Government and PETRONAS during the corresponding period of the previous financial year.

16) MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE PRECEDING QUARTER

- Performance of the current quarter (2nd Quarter FY2013) against the preceding quarter (1st Quarter FY2013):

The Group reported a lower total sales of electricity of RM8,742.1 million for the current quarter as compared to RM8,806.2 million in the preceding quarter, a decrease of RM64.1 million or 0.7%. The decrease was mainly contributed by the drop of sales of electricity in Peninsular Malaysia and Sabah of 0.6% and 0.1% respectively.

The lower Profit attributable to the Owners of the Company of RM1,272.1 million as compared to RM1,415.5 million recorded in the preceding quarter mainly due to lower revenue and higher operating expenses recorded during the quarter under review.



17) PROSPECTS

Bank Negara Malaysia in its 2012 Annual Report expects that the Malaysian economy will continue to remain on a solid and steady growth trajectory in 2013. The country's economic growth is expected to be sustained at between 5% – 6% in 2013, propelled by strong private consumption and more recently, the resurgence of private investment within the economy.

For the current financial year, electricity demand growth is expected to remain steady, mainly driven by commercial sector energy consumptions. However, issues relating to gas supply remain a concern.

Based on the above, the Group is expected to incur higher generation costs with continued usage of alternative fuels to make up for the shortfall in gas and meeting higher demand. Concerns over rising fuel prices will continue to pose as main challenges for the Group and is foreseen to have an impact on Tenaga's earnings in the coming quarters. Nonetheless, the Group will remain steadfast in ensuring energy supply security and sustainability for the country whilst balancing the Group's financial and technical performance towards long term sustainability.

Given the foregoing scenario, the Board of Directors recognises the Group's prospects for the year ending 31 August 2013 remain challenging.

18) PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at the profit from operations:

	Quarter ended 28 Feb 13	Period ended 28 Feb 13
Property, plant and equipment:		
-Depreciation	1,063.7	2,135.1
-Profit/(loss) on sale of properties	(0.5)	(0.5)
-Provision for impairment	100.0	100.0
Provision for receivables	32.1	45.1
Provision for inventories	0.3	1.7
Inventories written off	4.5	9.6

Other than the items highlighted above, there were no disposal of quoted investment during the quarter and financial period ended 28 February 2013.

19) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable as the Group did not publish any profit forecast.



20) TAXATION and ZAKAT

Taxation and Zakat for the reporting period comprised the following:-

	Individual quarter		Cumulative	
	ended 28 Feb 13	ended 29 Feb 12 (Restated)	ended 28 Feb 13	ended 29 Feb 12 (Restated)
Income Tax:				
Current tax and zakat	(321.4)	(607.8)	(872.4)	(626.6)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	(22.1)	(146.6)	(58.3)	(190.8)
Total taxation and zakat	(343.5)	(754.4)	(930.7)	(817.4)

For the reporting period ended 28 February 2013, the Group recorded a 25.8% effective tax rate which is approximately the statutory tax rate of 25.0%.

21) STATUS OF CORPORATE PROPOSALS

There were no material corporate proposals entered into during the reporting period.

22) GROUP BORROWINGS

- a) The analysis of Group borrowings classified under short and long term categories are as follows:-

	As at 28 Feb 13	As at 31 Aug 12
Short term - secured	590.5	547.9
- unsecured	783.8	1,056.3
Sub-total	1,374.3	1,604.2
Long term - secured	6,797.6	6,728.2
- unsecured	13,512.5	14,739.4
Sub-total	20,310.1	21,467.6
Total	21,684.4	23,071.8

- b) Currency denominations:-

	As at 28 Feb 13	As at 31 Aug 12
Japanese Yen	4,301.2	5,221.2
US Dollar	2,743.3	2,876.8
Others	-	23.1
Total Ringgit equivalent of foreign currency borrowings	7,044.5	8,121.1
Ringgit borrowings	14,639.9	14,950.7
Total	21,684.4	23,071.8

- c) Effective average cost of borrowing based on exposure as at 28 February 2013 was 4.98% (FY2012: 4.93%).
- d) Repayments of long term debts during the reporting period were as follows:
- Foreign currency denominated term loans of RM216.3 million, and
 - Ringgit denominated term loans of RM536.3 million.



23) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 28 February 2013	
	Notional Amount	Fair Value
	RM Million	RM Million
Forward Currency Contracts		
- Less than 1 year	58.9	0.2
- 1 year to 3 years	-	-
- More than 3 years	-	-
Interest Rate Swaps		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	365.7	(15.1)
Currency Options		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	869.8	63.3
Total	1,294.4	48.4

There is no change to the cash requirements of the derivatives, risk associated with the derivatives and policies to mitigate those risks since the last financial year.

Fair value changes of financial liabilities

The Group recognised a total net loss of RM26.5 million during the current quarter and RM46.5 million for the financial period to-date arising from the fair value changes on the derivatives financial instruments which are marked to market as at the date of the statement of financial position.



24) REALISED AND UNREALISED PROFITS

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	28 February 2013	31 August 2012 (Restated)
	RM Million	RM Million
Total retained profits of the Company and its subsidiaries		
-Realised	29,796.1	28,489.5
-Unrealised	(5,864.7)	(6,889.0)
Total share of retained profits from jointly controlled entities		
-Realised	(10.2)	(10.2)
-Unrealised	-	-
Total share of retained profits from associates		
-Realised	162.4	225.0
-Unrealised	(111.4)	(115.5)
Consolidation adjustments	2,770.2	3,185.3
Total retained profits of the Group	26,742.4	24,885.1

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure above includes Integrax Berhad's (ITB), where TNB holds 22.12% shareholding, realised and unrealised profits for period as at 31 December 2012 and not 28 February 2013. This is due to unavailability of the information from ITB for reason it did not want to contravene with any Bursa Listing Requirements by releasing its financial information prior to its quarterly announcement.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive by Bursa Malaysia and should not be applied for any other purposes.

25) MATERIAL LITIGATION

There is no pending material litigation other than those announced to Bursa Malaysia since the date of the last audited financial statements.



26) EARNINGS PER SHARE

	Individual quarter		Cumulative quarter	
	ended 28.02.13	ended 29.02.12 (Restated)	ended 28.02.13	ended 29.02.12 (Restated)
(a) Basic earnings per share				
Profit attributable to owners of the Company (RM 'million)	1,272.1	2,751.2	2,687.6	2,677.1
Weighted average number of ordinary shares in issue ('000)	5,516,003	5,456,731	5,516,003	5,456,731
Basic earnings per share (sen)	23.06	50.42	48.72	49.06
(b) Diluted earnings per share				
Profit attributable to owners of the Company (RM 'million)	1,272.1	2,751.2	2,687.6	2,677.1
Weighted average number of ordinary shares in issue ('000)	5,516,003	5,456,731	5,516,003	5,456,731
Adjustments for share options ('000)	13,361	1,183	13,361	1,183
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,529,364	5,457,914	5,529,364	5,457,914
Diluted earnings per share (sen)	23.01	50.41	48.61	49.05

27) EXCEPTIONAL ITEMS

Except as disclosed in Note 5, there were no exceptional items incurred during the quarter.

28) COMPARATIVE FIGURES

Comparatives have been restated following the first-time adoption of MFRS and early adoption of MFRS 119 as shown in Note 3.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
18 April 2013