



The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE 2nd QUARTER ENDED 28 FEBRUARY 2010

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 28.02.2010	PRECEDING YEAR CORRESPONDING QUARTER 28.02.2009	CURRENT YEAR TO DATE 28.02.2010	PRECEDING YEAR CORRESPONDING PERIOD 28.02.2009
Revenue	7,389.1	6,906.6	14,727.4	14,321.2
Operating expenses	(6,166.5)	(5,846.2)	(12,346.4)	(12,426.4)
Other operating income	98.0	100.5	180.8	156.9
Operating profit	1,320.6	1,160.9	2,561.8	2,051.7
Foreign exchange				
- Translation gain/(loss)	144.4	(97.0)	99.0	(1,536.7)
- Transaction gain/(loss)	8.0	(23.3)	8.9	(21.3)
Share of results of jointly controlled entity	0.1	-	(0.1)	-
Share of results of associates (net of tax)	12.6	10.3	8.3	18.1
Profit before finance cost	1,485.7	1,050.9	2,677.9	511.8
Finance income	47.5	51.3	88.4	102.9
Finance cost	(270.9)	(286.8)	(530.9)	(572.0)
Profit from ordinary activities before taxation	1,262.3	815.4	2,235.4	42.7
Taxation and Zakat				
- Company and subsidiaries	(195.1)	(40.1)	(446.3)	(146.2)
- Deferred taxation	(65.7)	(120.8)	(90.1)	(182.7)
Profit/(loss) for the period	1,001.5	654.5	1,699.0	(286.2)
Attributable to:				
- Equity holders of the Company	1,000.1	674.6	1,706.4	(269.5)
- Minority interests	1.4	(20.1)	(7.4)	(16.7)
	1,001.5	654.5	1,699.0	(286.2)
Earnings/(loss) per share attributable to ordinary equity holders of the company				
	Sen	Sen	Sen	Sen
Basic	23.05	15.56	39.33	(6.22)
Diluted	22.96	15.56	39.17	(6.22)

These unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 August 2009.

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B. UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 28 FEBRUARY 2010
 (Amounts in RM million unless otherwise stated)

	28-Feb-10	31-Aug-09
NON-CURRENT ASSETS		
Property, plant and equipment	57,745.4	58,227.4
Prepaid operating leases	822.5	833.6
Joint Venture	7.7	7.9
Associates	287.7	297.3
Investments	38.0	38.0
	<u>58,901.3</u>	<u>59,404.2</u>
CURRENT ASSETS		
Non-current assets held for sale	18.5	19.6
Inventories	2,219.0	1,955.7
Trade receivables	3,068.8	2,467.8
Other receivables	1,320.2	1,306.3
Current tax assets	11.9	15.4
Amount due from jointly controlled entity	14.7	-
Amount due from associates	6.1	9.2
Short term investments	72.5	12.6
Marketable securities	8.6	8.3
Deposits, bank and cash balances	7,072.5	6,163.9
	<u>13,812.8</u>	<u>11,958.8</u>
CURRENT LIABILITIES		
Trade payables	(3,494.6)	(4,149.7)
Other payables	(1,445.9)	(1,454.3)
Amount due to associates	(424.7)	(294.0)
Current taxation	(533.7)	(206.9)
Short term borrowings	(940.7)	(1,157.9)
	<u>(6,839.6)</u>	<u>(7,262.8)</u>
NET CURRENT ASSETS	6,973.2	4,696.0
NON-CURRENT LIABILITIES		
Borrowings	(21,440.3)	(21,458.1)
Consumer deposits	(2,795.5)	(2,717.3)
Employee benefits	(3,626.9)	(3,470.6)
Other liabilities	(165.8)	(235.5)
Deferred taxation	(6,731.0)	(6,640.4)
Deferred income	(2,981.5)	(2,952.2)
Government development grants	(675.8)	(579.8)
	<u>(38,416.8)</u>	<u>(38,053.9)</u>
TOTAL NET ASSETS	<u>27,457.7</u>	<u>26,046.3</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	4,342.3	4,337.0
Share premium	5,298.9	5,271.5
Revaluation and other reserves	695.1	593.0
Retained profits	17,088.6	15,804.6
	<u>27,424.9</u>	<u>26,006.1</u>
MINORITY INTERESTS	32.8	40.2
TOTAL EQUITY	<u>27,457.7</u>	<u>26,046.3</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	Sen 631.6	Sen 599.6

These unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 August 2009.

**C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT
28 FEBRUARY 2010**

(Amounts in RM million unless otherwise stated)

	Attributable to equity holders of the Company						Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Minority interests	
At 1 September 2009	4,337.0	5,271.5	89.1	503.9	15,804.6	40.2	26,046.3
Currency translation differences	-	-	-	104.3	-	-	104.3
Profit for the 6-month period	-	-	-	-	1,706.4	(7.4)	1,699.0
Dividend paid	-	-	-	-	(425.3)	-	(425.3)
Provision for share option	-	-	0.7	-	-	-	0.7
Issuance of share capital - share options *	5.3	27.4	-	-	-	-	32.7
Realisation of revaluation reserve	-	-	-	(2.9)	2.9	-	-
At 28 February 2010	4,342.3	5,298.9	89.8	605.3	17,088.6	32.8	27,457.7

* Exercise of options representing 5,299,650 ordinary shares of RM1.00 each under the Employee Share Option Scheme II ("ESOS II");

	Attributable to equity holders of the Company						Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Minority interests	
At 1 September 2008	4,334.5	5,258.8	62.8	655.4	15,345.7	104.7	25,761.9
Currency translation differences	-	-	-	(118.7)	-	-	(118.7)
Loss for the 6-month period	-	-	-	-	(269.5)	(16.7)	(286.2)
Dividend paid	-	-	-	-	(325.1)	-	(325.1)
Provision for share option	-	-	2.1	-	-	-	2.1
Issuance of share capital - share options	0.1	0.7	-	-	-	-	0.8
Realisation of revaluation reserve	-	-	-	(3.3)	3.3	-	-
At 28 February 2009	4,334.6	5,259.5	64.9	533.4	14,754.4	88.0	25,034.8

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2009.

**D. UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD
ENDED 28 February 2010**

(Amounts in RM million unless otherwise stated)

	FY2010 ended 28-Feb-10	FY2009 ended 28-Feb-09
Operating activities		
Cash generated from operations	3,265.9	2,532.9
Retirement benefits paid	(181.9)	(169.2)
Consumer contributions received	205.8	202.7
Customer deposits received	78.3	82.5
Tax paid	(119.9)	(162.0)
Tax refund received	(2.0)	-
Net cash inflow from operating activities	<u>3,246.2</u>	<u>2,486.9</u>
Investing activities		
Investment in associates:		
- addition	(0.3)	-
- proceeds from redemption of unsecured loan notes	2.6	2.4
Purchase of short term investments	(59.9)	-
Dividend Income	17.4	54.0
Interest income received	83.9	99.5
Property, plant and equipment:		
- purchases	(1,408.9)	(1,800.5)
- disposals	3.3	2.2
Assets held for sale:		
- disposals	4.0	7.0
Prepaid operating leases		
- purchases	(1.3)	-
- proceeds from disposals	1.5	5.7
Net cash out-flow from investing activities	<u>(1,357.7)</u>	<u>(1,629.7)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	424.2	628.0
- repayments	(578.9)	(1,404.8)
Interest paid	(553.5)	(617.3)
Proceeds from issuance of shares	32.7	0.8
Dividend paid	(425.3)	(325.1)
Government development grants received	121.8	-
Net cash out-flow from financing activities	<u>(979.0)</u>	<u>(1,718.4)</u>
Changes in cash and cash equivalents	909.5	(861.2)
Currency translation differences	(0.9)	2.6
Cash and cash equivalents		
- at start of period	<u>6,163.9</u>	<u>5,383.9</u>
- at end of period	<u>7,072.5</u>	<u>4,525.3</u>
Cash at bank, held in trust ¹	(47.7)	(46.9)
Debt Reserve Account ²	(237.0)	-
Fund from MOF ³	(10.9)	-
Cash Available	<u>6,776.9</u>	<u>4,478.4</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 programs.

These unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 August 2009.

E. 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 Financial Reporting Standards ("FRS") 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 2009.

The accounting policies, method of computation and basis of consolidation applied in these unaudited condensed interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 August 2009 except for the adoption of FRS8 - Operating Segments effective 1 September 2009.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2009 were not subject to any qualification.

3) SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the reporting period.

5) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no changes in the estimates of the amounts reported in the previous financial year that have a material effect on the results of the current reporting period.

6) DEBT AND EQUITY SECURITIES

- (a) TNB has repurchased USD71.6 million of TNB's USD150.0 million 7.50% Debentures due 2096. The total amount outstanding after the repurchase is USD78.4 million.
- (b) During the period, a total of 5,299,650 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.

7) DIVIDENDS PAID

In respect of the financial year ended 31 August 2009, TNB, on 24 December 2009, paid a final dividend of 10.0 sen gross per ordinary share (2008: 10.0 sen gross per ordinary share) less income tax of 25%, and a tax exempt dividend of 2.3 sen per ordinary share totalling RM425.3 million.

8) SEGMENTAL REPORTING

As the principal activities of the Group are the generation, transmission, distribution and sale of electricity in Malaysia, additional segmental reporting is deemed not necessary.

9) VALUATION OF PROPERTY, PLANT & EQUIPMENT

The Directors have applied the transitional provisions of International Accounting Standard No. 16 (Revised) "Property, Plant and Equipment" as adopted by MASB which allows the freehold land, leasehold land, buildings and civil works to be stated at their previous years' valuations less depreciation. Accordingly, these valuations have not been updated.



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

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

11) CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the reporting period.

12) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 28 Feb 2010	As at 31 Aug 2009
Claims by third parties	742.6	860.3
Trade guarantees and performance bonds	1.0	1.0
Guarantees given to financial institutions in respect of facilities granted	309.0	319.5
Stamp duties on transfer of assets to a subsidiary	108.0	108.0
Bank guarantee	19.9	19.9
Letter of guarantee	32.0	32.0
Other contingent liabilities	8.6	8.8
	<u>1,221.1</u>	<u>1,349.5</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.

13) CAPITAL COMMITMENTS

	As at 28 Feb 2010	As at 31 Aug 2009
Property, plant and equipment committed over a 5 year period		
Authorised but not contracted for	10,722.2	10,752.4
Contracted but not provided for in the financial statements	367.8	531.2
	<u>11,090.0</u>	<u>11,283.6</u>



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

14) REVIEW OF PERFORMANCE

- (a) Performance of the current six months ended 28 February 2010 (2nd Quarter FY2010) against the corresponding six months ended 28 February 2009 (2nd Quarter FY2009):

Revenue for the six months ended 28 February 2010 increased by 2.8% or RM406.2 million from RM14,321.2 million. Sales of electricity in Peninsular Malaysia recorded an increase of 3.3% or RM436.3 million. The Company recorded an increase in demand of 8.0% growth as compared to the corresponding period last year.

Profit attributable to equity holders of the Company for the period under review was RM1,706.4 million as compared to a loss of RM269.5 million in the corresponding period last year, an increase of RM1,975.9 million or more than 100%. The improved earnings were mainly due to a sharp rebound in electricity demand growth while costs remained under control. The stronger Ringgit has also contributed to the better results as the Group recorded a foreign exchange translation gain of RM99.0 million as compared to a loss of RM1,536.7 million in FY2009.

- (b) Performance of the current second quarter (three months) FY2010 against the corresponding second quarter (three months) FY2009:

For the quarter, the Group recorded a total revenue of RM7,389.1 million against RM6,906.6 million for the same period last financial year, an increase of 7.0% or RM482.5 million. The improvement was derived mainly from sales of electricity in Peninsular Malaysia which recorded an increase of 7.5% or RM476.2 million and the unit sold registered a growth of 13.8% compared with corresponding period.

The improvement in earnings was mainly contributed by higher revenue from the increase in electricity demand growth and a more stable generation cost as coal prices remained under control during the quarter. Stronger Ringgit against Dollar and Yen has contributed to the foreign exchange translation gain of RM144.4 million in the current quarter compared to a loss of RM97.0 million recorded in the corresponding period last financial year.

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

- Performance of the current quarter (2nd Quarter FY2010) against the preceding quarter (1st Quarter FY2010):

Compared to the immediate preceding quarter, the Group's revenue of RM7,389.1 million was RM50.8 million higher than the preceding quarter revenue of RM7,338.3 million, a marginal increase of 0.7%.

During the quarter under review, operating expenses recorded a reduction of RM13.4 million from RM6,179.9 million to RM6,166.5 million or 0.2%. This was mainly due to a more stable generation costs as coal prices remained under control.

The Group recorded foreign exchange translation gain of RM144.4 million compared to a loss of RM45.4 million recorded in the preceding quarter mainly due to the weakening of Japanese Yen against Ringgit during the quarter under review.



16) PROSPECTS

The proactive efforts by the Government through various stimulus packages to improve the Malaysian economy have shown positive results. The economy is expected to improve further in 2010 continuing from the positive growth of 4.5% in the fourth quarter of 2009. The Malaysian economy is projected to expand by 4.5% to 5.5% in 2010, underpinned by strengthening domestic demand and supported by the improving external environment.

In line with the improving economic outlook, TNB's prospects for FY2010 seem encouraging. The industrial and commercial sectors have been recording strong recovery in demand and the trend is expected to continue in tandem with the improvement in the economy as a whole. Other sectors which have also shown signs of improvement are also expected to maintain the trend. Nonetheless, the Group is mindful of the challenges posed by the uncertainties in foreign exchange rate for Dollar and Yen, and increases in fuel price due to expected increase in demand for coal worldwide.

In view of the above, the directors are of the opinion that the Group's performance for the year ending 31 August 2010 to be satisfactory.

17) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable.

18) TAXATION and ZAKAT

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

	Individual quarter		Cumulative	
	ended 28-Feb-10	ended 28-Feb-09	ended 28-Feb-10	ended 28-Feb-09
Income Tax:				
Current tax and zakat	(195.1)	(40.1)	(446.3)	(146.2)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	(65.7)	(120.8)	(90.1)	(182.7)
Total taxation and zakat	(260.8)	(160.9)	(536.4)	(328.9)

For the reporting period ended 28 February 2010 the Group recorded a 24.0% effective tax rate. The effective tax rate is calculated based on 'Total Tax Expenses' (including Deferred Tax) as a percentage of 'Profit before Tax', which includes foreign exchange gain. Not taking into the account the foreign exchange gain the effective tax rate is 25.2%.

19) PROFIT/(LOSS) ON SALE OF INVESTMENTS

There were no disposals of any investments during the reporting period.

20) PURCHASES AND DISPOSALS OF QUOTED SECURITIES

- a) There were no purchases and disposals of quoted securities during the quarter.
- b) Investments in quoted securities as at 28 February 2010 are as follows:-

	Quarter ended 28-Feb-10
At cost	1.0
At carrying value	Nil
At market value	Nil

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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 10	As at 31 Aug 09
Short term - secured	336.7	484.4
- unsecured	604.0	673.5
Sub-total	940.7	1,157.9
Long term - secured	3,211.4	2,965.4
- unsecured	18,228.9	18,492.7
Sub-total	21,440.3	21,458.1
Total	22,381.0	22,616.0

- b) Currency denominations:-

	As at 28 Feb 10	As at 31 Aug 09
Japanese Yen	5,574.7	5,480.3
US Dollar	5,125.8	5,502.5
Others	2.0	19.5
Total Ringgit equivalent of foreign currency borrowings	10,702.5	11,002.3
Ringgit borrowings	11,678.5	11,613.7
Total	22,381.0	22,616.0

- c) Effective average cost of funding based on exposure as at 28 February 2010 was 5.26% (FY2009: 5.36%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM331.2 million, and
 - (ii) Ringgit denominated term loans of RM189.5 million.

23) OFF BALANCE SHEET FINANCIAL INSTRUMENTS

TNB has certain financial instruments including assets and liabilities incurred in the normal course of business. As part of its risk management's strategy, the Company manages its exposure to market rate movements of its financial liabilities through the use of derivative financial instruments. Virtually all foreign currency contracts are denominated in US Dollar and Japanese Yen.

TNB has entered into interest rate swap (IRS) agreements as well as currency option agreements, which mature from year 2015 to 2034. TNB has entered into these derivatives to reduce its exposure to losses resulting from adverse fluctuations in interest rates or foreign currency exchange rates on underlying debt instruments.

The details and the financial effects of the derivative financial instruments that TNB has entered into are substantially described in note 29 to the financial statements of TNB for the financial year ended 31 August 2009 (pages 260-262 of TNB's Annual Report).

There have been no material changes to the derivative financial instruments described therein between 2 November 2009 (being the date of financial statements) and the date of this announcement.



23) OFF BALANCE SHEET FINANCIAL INSTRUMENTS (continued)

As at 14 April 2010, the outstanding notional principal amount of derivative financial instruments entered into by the Group was RM1.878 billion. While this amount represents the total notional principal amount of outstanding off balance sheet financial instruments, it is not a measure of the extent of risks exposure to TNB.

All the above instruments were executed with creditworthy financial institutions and the Directors of TNB are of the view that the possibility of non-performance by these financial institutions is unlikely on the basis of their respective current financial strength.

24) MATERIAL LITIGATION

There is no pending material litigation at the date of this announcement other than those disclosed in the circular to shareholders of TNB dated 18 November 2009.

25) DIVIDEND

The Board of Directors has approved an interim dividend of 6.0 sen gross per ordinary share less income tax of 25% (2009: 2.0 sen gross less income tax of 25%, and a tax-exempt of 2.0 sen) in respect of the financial year ending 31 August 2010. The Books Closure and Payment dates will be announced in due course.

26) EARNINGS PER SHARE

	Individual quarter		Cumulative quarter	
	ended 28-Feb-10	ended 28-Feb-09	ended 28-Feb-10	ended 28-Feb-09
(a) Basic earnings/(loss) per share				
Profit attributable to equity holders of the Company (RM 'million)	1,000.1	674.6	1,706.4	(269.5)
Weighted average number of ordinary shares in issue ('000)	4,338,177	4,334,572	4,338,177	4,334,572
Basic earnings/(loss) per share (sen)	23.05	15.56	39.33	(6.22)
(b) Diluted earnings/(loss) per share				
Profit attributable to equity holders of the Company (RM 'million)	1,000.1	674.6	1,706.4	(269.5)
Weighted average number of ordinary shares in issue ('000)	4,338,177	4,334,572	4,338,177	4,334,572
Adjustments for share options ('000)	18,423	-	18,423	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	4,356,600	4,334,572	4,356,600	4,334,572
Diluted earnings/(loss) per share (sen)	22.96	15.56	39.17	(6.22)

By Order of the Board


NOR ZAKIAH BINTI ABDUL GHANI (LS 0008795)
Company Secretary

Kuala Lumpur
20 April 2010

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