



SIARAN AKHBAR PRESS STATEMENT

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TNB RECORDS STRONGER RESULTS FROM IMPROVING DEMAND AND RINGGIT GAINS

3 months ended 28th February FY2010 (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 FY2010

- 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

Kuala Lumpur, 20th April 2010 –Tenaga Nasional Berhad (TNB) today announced a net profit before forex of RM855.7 million for the 3 month period ended 28th February 2010 (2nd Quarter FY2010). The improvement in the Group's performance for the Quarter was principally attributed to stronger electricity demand and the strengthening of the Ringgit.

For the 6 month period of FY2010, the Group reported a net profit before forex of RM1,607.4 million, principally from the higher revenue resulting from stronger electricity demand. The strengthening of the Ringgit has also further reduced TNB's operating costs.

| RM million | FY2010 | | | FY2009 |
|-----------------------------------|----------------------------|----------------------------|------------|------------|
| | 1 st Quarter | 2 nd Quarter | 6-months | 6-months |
| Unit Sales (Peninsula) (Gwh) | 21,743.2 | 21,873.7 | 43,616.9 | 40,385.4 |
| Revenue | 7,338.3 | 7,389.1 | 14,727.4 | 14,321.2 |
| Operating Expenses | (6,179.9) | (6,166.5) | (12,346.4) | (12,426.4) |
| Forex Translation Gain/(Loss) | (45.4) | 144.4 | 99.0 | (1,536.7) |
| Net Profit/(Loss) before forex | 751.7 | 855.7 | 1,607.4 | (1,267.2) |
| EBITDA margin | 29.5% | 32.1% | 30.8% | 26.3% |

The Group's performance in the 2nd Quarter FY2010 compared to 1st Quarter FY2010 recorded a 0.7% increase in revenue from RM7,338.3 million to RM7,389.1 million as a result of higher electricity demand. However, operating expenses declined by 0.2% from RM6,179.9 million to RM6,166.5 million in the 2nd Quarter resulting in a 8.8% improvement to the Group's EBITDA margin from 29.5% in the 1st Quarter to 32.1% in the 2nd Quarter.

Comparing the Group's performance for the 6-month period FY2010 against the corresponding period in FY2009, operating expenses declined from RM12,426.4 million to RM12,346.4 million for the current period, representing a reduction of 0.6%. With the improvement in electricity demand especially in the 2nd Quarter and higher revenue for the 6-month period FY2010 by 2.8% there was an improvement to the Group's EBITDA margin from 26.3% in the 2nd Quarter FY2009 to 30.8% in the corresponding period in FY2010.

FY2010 saw improvement in the unit electricity demand growth in Peninsula in all sectors. Despite the year end holidays as well as festive holidays in December and February, the unit electricity demand growth recorded a slight improvement in the 2nd Quarter when compared to 1st Quarter FY2010. For the 6-month period FY2010, unit electricity demand reported a strong growth of 8.0% compared to the previous year.

Commenting on electricity demand growth in the Peninsula, TNB's Chairman, YBhg. Tan Sri Leo Moggie commented that "electricity demand growth has shown a significant increase of 9.4% and 6.8% from the industrial and commercial sectors respectively. On further year-on-year analysis of the industrial sector growth, the petrochemical and iron and steel sectors recorded the highest increase in unit sales of 14.3% and 30.9% respectively. This trend is in line with the Industrial Production Index as reported by the Statistics Department of Malaysia in their report dated 8th April 2010. The Industrial Production Index has shown improvement since December 2009 mainly driven by the manufacturing sectors. The higher growth is supported by the recent peak demand of 14,983MW recorded on 15th April 2010."

TNB's President/Chief Executive Officer, Dato' Sri Che Khalib Mohamad Noh, elaborated on the Group's performance. "1st Quarter saw the recovery in electricity demand in Peninsula of 2.7% year-on-year. Stronger demand growth of 13.8% year-on-year was recorded in the 2nd quarter resulting from strong rebound in exports. However, we have to note that during the 2nd quarter FY2009, the economy experienced the worst period of the downturn and therefore the base is very low. Based on last year's trend, demand only started to pick up in June 2009 and therefore we foresee that demand may taper off in the next half year. For FY2010, the demand growth for FY2010 is forecasted to be above our estimate of 3.0%."

Under the key technical indicators, the 6-month's results shows Distribution SAIDI (mins) of 37.8, slightly higher than the target set, principally from several major breakdowns. As for Transmission & Distribution losses, which has been reported at 9.9%, aggressive efforts are being undertaken to lower it within the set targets by year end."

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.

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Financial Highlights

| RM' Million | 6months ended 28 February | |
|--|------------------------------|----------------|
| | <u>FY2010</u> | <u>FY2009</u> |
| Total Revenue | 14,727.4 | 14,321.2 |
| Operating Expenses | (12,346.4) | (12,426.4) |
| Other Operating Income | 180.8 | 156.9 |
| Operating Surplus (EBIT) | <u>2,561.8</u> | <u>2,051.7</u> |
| Finance Cost | (530.9) | (572.0) |
| Net (Loss)/Profit before forex | 1,607.4 | 1,267.2 |
| Forex Translation (loss)/gain | 99.0 | (1,536.7) |
| Net (Loss)/Profit | 1,706.4 | (269.5) |
| Interim Dividend per ordinary share (gross) | 6.0 sen | 4.7 sen |
| Earnings per share | 39.33sen | (6.22)sen |

About Tenaga Nasional Berhad

TNB's core activities are in the generation, transmission, and distribution of electricity. In addition to being the nation's primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. As at 31 August 2009, TNB supplies electricity to approximately 7.6 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables; the provider of professional consultancy services, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services, services related to renewable energy, energy efficiency and power quality, higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation's progress.

For further information, please visit www.tnb.com.my.