PRESS STATEMENT

Tenaga Nasional Berhad ("TNB") today announced the Group's unaudited financial results for the 6 months ended 29 February 2004 ("FY2004").

Highlights of Results

	1st Half FY2004	1st Half FY2003	% +/(-)
	RM (mill.)	RM (mill.)	
Total Revenue	8,528.9	7,993.2	6.7
Operating Expenses before employee benefits (MASB 29)	(6,830.5)	(6,681.3)	2.2
Operating Profit before MASB 29	1,838.7	1,437.0	28.0
Profit before Tax ("PBT") and non-cash items	1,149.7	901.8	27.5
Net Profit before non-cash items	1,110.1	860.9	28.9
Less Non Cash Items:			
Forex Translation	(543.8)	(9.7)	5,506.2
Provisions:			
MASB 29	(269.5)	0	100.0
Deferred Taxation (MASB 25)	(266.1)	(267.8)	(0.6)
Net Profit	30.7	583.4	(94.7)
Total Assets	61,065.5	59,467.5	2.7

TNB recorded an operating profit before employee benefits (MASB 29) of RM1,838.7 million in the first half of FY2004, a 28.0% increase compared with the corresponding period in FY2003. Profit before taxation ("PBT") and non-cash items increased by 27.5% to RM1,149.7 million whilst profit after taxation ("PAT") but before non-cash items increased by 28.9% to RM1,110.1 million.

Non-cash items refer to foreign exchange translation loss as well as accounting for deferred tax (MASB 25) and MASB 29 on a provision basis, all of which do not affect the Group's cashflow position.

The positive overall performance of the Group is attributed to the combination of increase in electricity demand as well as lower increase in operating costs.

Unit electricity sales in Peninsular Malaysia grew by 7.3% in the first half of FY2004 on the back of Malaysia's strong GDP growth, and correspondingly, revenue from sales of electricity recorded an increase of 6.9% for the same period.

Despite the fact that operating expenses before MASB 29 increased by 2.2%, total operating expenses excluding IPP purchase costs decreased by 6.0% due to the various cost control measures that have been initiated by management. This in turn resulted in a 3.5% reduction in operating cost from 20.2 sen per unit sold in FY2003 to 19.4 sen per unit sold in FY2004.

As at 29 February 2004, 17.3% of TNB Group's debt portfolio is in foreign currency (excluding US Dollar which is currently pegged), which accounted for the foreign exchange translation loss of RM543.8 million. Though the Yen, Pound Sterling and Euro have continued to remain strong against the US Dollar, the Group's debt obligations in these currencies have amortised repayment schedules and are payable over a period of between 1 – 40 years. In FY2004, only 2.2% of these loans are due for repayment (equivalent to approximately RM740 million).