



UNAUDITED FINANCIAL RESULTS 3rd QUARTER FY2008

24th July 2008



AGENDA

- ❑ **Highlights Of The Group's Performance**
- ❑ **Details Of The Group's Performance**
- ❑ **Q & A**

Highlights Of The Group's Performance

"Powering The Nation."

Y.Bhg. Tan Sri Leo Moggie
CHAIRMAN

KEY HIGHLIGHTS

3rd Qtr Performance

- ❑ Net profit reduced to RM298.8 million compared to RM1,091.7million in the corresponding period of FY'07
- ❑ Operating expenses for the quarter rose by RM1,002.3 million

9 months Period FY'08

- ❑ RM1,464 mn increase in generation cost
- ❑ Unit Electricity Demand Growth
 - 5.5% - Group
 - 6.6% - Peninsular Malaysia
- ❑ Coal price per metric ton
 - USD71.2 - Average price for 9 months FY'08
 - USD160.0 - Current spot prices (cv basis 5,500 kcal/kg)
- ❑ EBITDA margin at 34.0% compared to 38.6% the year before
- ❑ Economic loss of RM944.2 million

FINANCIAL HIGHLIGHTS

RM mn

	9 Months FY'07	9 Months FY'08
Revenue	17,194.4	18,661.6
Operating Expenses	(13,261.7)	(15,519.3)
Other Operating Income	407.2	640.3
Operating Surplus	4,339.9	3,782.6
Finance Cost	(966.8)	(845.3)
Transaction Gain/(Loss)	28.5	(12.3)
Profit Before Tax & Translation Gain/(Loss)	3,435.1	2,958.4
Taxation & Zakat		
Company & Subsidiaries	(836.1)	(463.6)
Deferred Taxation	327.5	44.9
Net Profit Before Translation Gain	2,891.4	2,534.9
Translation Gain	1,001.3	342.0
Profit for the period	3,927.8	2,881.7
Profit Attributable to:		
Equity Holders	3,892.7	2,876.9
Minority Interests	35.1	4.8
	3,927.8	2,881.7

FINANCIAL RESULTS

Quarterly Analysis

3QFY'08 Recorded Average Coal Price of US\$85.0/MT Which Accounted for the Lower EBITDA Margin of 28.1%

	1Q	2Q	3Q
Total Units Sold (GWh)	22,724.8	22,456.4	22,396.3
Revenue	6,208.3	6,099.3	6,354.0
Operating Expenses	4,742.6	5,057.6	5,719.1
EBITDA Margin (%)	40.3%	33.7%	28.1%
Profit Before Taxation	1,644.0	1,216.8	439.6
Net Profit attributable to Equity Holders	1,514.9	1,063.2	298.8

	FY 2008		
	1Q	2Q	3Q
Average Contracted Coal Price (USD/MT)	55.3	53.9	85.0
Coal Consumptions (mn MT)	2.7	2.8	3.0

FINANCIAL RESULTS

Economic Profit/(Loss) Computation

193.2% increase in Economic Losses from:-

- i) Decline in EBIT**
- iii) Increase in Invested Capital**

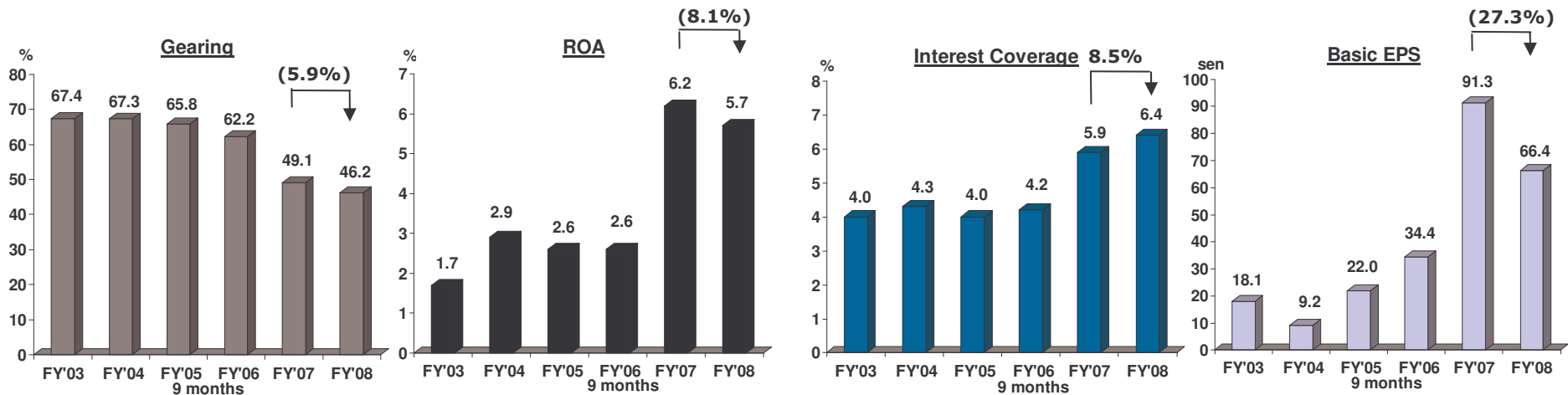
	9-MONTHS YTD FY2007	9-MONTHS YTD FY2008
	RM mn	RM mn
<u>NOPLAT computation:</u>		
EBIT	3,692.4	2,886.9
Adjusted Tax	(996.9)	(750.6)
NOPLAT	2,695.5	2,136.3
<u>Economic Charge computation:</u>		
Average Invested Capital	53,077.9	54,187.4
WACC	7.6%	7.6%
Economic Charge	(4,023.3)	(4,107.4)
Economic Charge for May	(3,017.5)	(3,080.6)
ECONOMIC PROFIT / (LOSS) (NOPLAT + ECONOMIC CHARGE)	(322.0)	(944.2)

RM944.2mn Economic Loss is Equivalent to an ROIC (After Tax) of 5.3%

FINANCIAL RATIOS & TECHNICAL PERFORMANCE

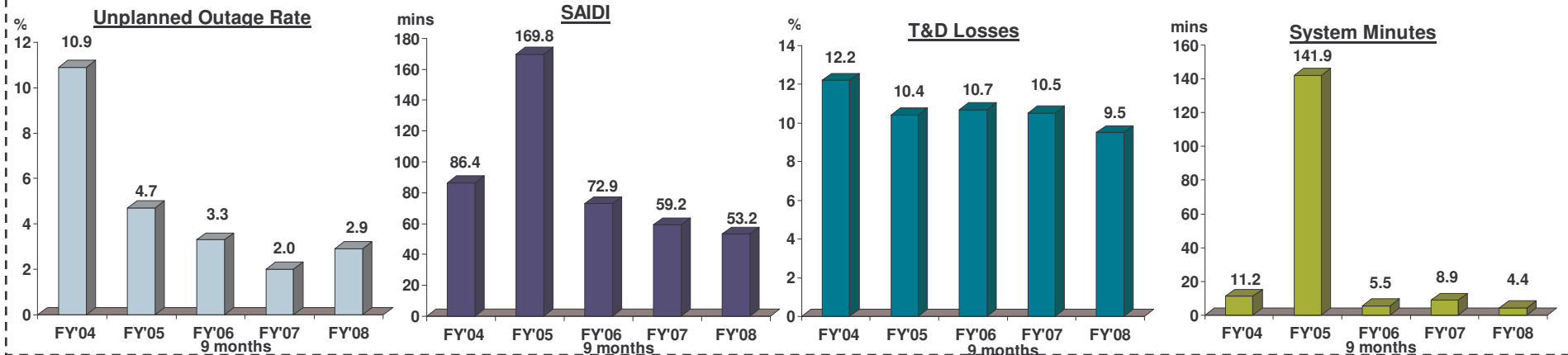
Decline in ROA & EPS But Improvement in Gearing & Interest Coverage

Financial Ratios



Our Commitment to Achieve Service Excellence 10/10

Technical Performance



PERFORMANCE INDICATORS

Headline Key Performance Indicators On Target

Initiatives	Actual FY2007	Target FY2008	3 months FY2008	6 months FY2008	9 months FY2008
Return on Assets (ROA)	6.3%	5.5%	7.0% ¹	6.5% ¹	5.7% ¹
Gearing	49.9%	50.0%	47.0%	46.2%	46.2%
Unplanned Outage Rate (UOR)	2.2%	<4.0%	1.8%	3.2%	2.9%
T&D Losses	10.0%	<10.0%	9.4% ²	9.9% ²	9.5% ²
			7.8% ³	8.2% ³	9.2% ³
Transmission System Minutes (mins)	9.3	<7.0	2.5	3.8	4.4
Distribution SAIDI (mins)	83.0	78.0	17.7	36.2	53.2

Note: ¹ based on adjusted annualised net profit as calculated above
² based on 12-month rolling averages
³ based on YTD

RESTRUCTURING OF GAS PRICE SUBSIDY TO THE POWER SECTOR AND APPROVAL OF THE NEW TARIFF STRUCTURE

- ❑ New tariff structure will reflect and recover the increase in fuel prices**
- ❑ No increase for domestic / household consumers whose monthly usage is up to 200 kWh (Lifeline Band)**
- ❑ Lower percentage increase for low voltage industrial and low voltage commercial consumers with monthly consumption of up to 200kWh, compared to consumers in their respective categories**
- ❑ Effective 1st July 2008**

CORE REVENUE

Breakdown of Group's Electricity Sales

	9 Months					
	RM mn			Gwh		
	FY'07	FY'08	%	FY'07	FY'08	%
Pen. Malaysia	15,285.0	16,353.3	7.0	58,761.5	62,666.0	6.6
EGAT	311.2	205.5	(34.0)	1,995.8	1,148.1	(42.5)
SESB	595.8	641.1	7.6	2,382.6	2,542.8	6.7
LPL	337.4	399.8	18.5	902.3	1,220.6	35.3
Total	16,529.4	17,599.7	6.5	64,042.2	67,577.5	5.5

ANALYSIS OF ELECTRICITY GROWTH IN PENINSULAR MALAYSIA

		FY2007				FY2008									
		1Q	2Q	3Q	4Q	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Industrial	Gwh	9,211	9,537	9,539	10,034	3,486	3,283	3,226	3,277	3,355	3,447	3,108	3,412	3,403	3,532
	Growth (%)	4.0	5.6	3.9	3.3	7.2	8.5	10.0	(1.7)	6.4	13.0	8.4	2.1	2.2	4.6
Commercial	Gwh	6,103	6,090	6,297	6,633	2,324	2,154	2,223	2,183	2,235	2,152	2,091	2,253	2,377	2,330
	Growth (%)	6.3	7.7	7.9	8.2	8.5	11.6	9.4	5.6	10.3	7.8	8.7	1.4	10.4	3.6
Domestic	Gwh	3,694	3,577	3,897	3,879	1,331	1,293	1,315	1,259	1,269	1,310	1,284	1,289	1,431	1,350
	Growth (%)	4.1	5.0	5.9	6.6	4.5	17.4	(0.3)	4.8	1.3	16.7	4.0	(2.5)	6.8	0.6
TOTAL		1Q	2Q	3Q	4Q	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	FY'07 (Gwh)	19,273	19,476	20,013	20,814	7,242	6,828	6,863	6,817	6,963	7,010	6,579	7,051	7,313	7,314
	FY'06 (Gwh)	18,547	18,136	19,269	19,494										
	Growth (%)	3.9	6.6	8.4	6.8	7.2	11.2	7.7	1.9	6.7	12.0	7.6	1.0	5.7	3.6

9 months FY2007
5.0%

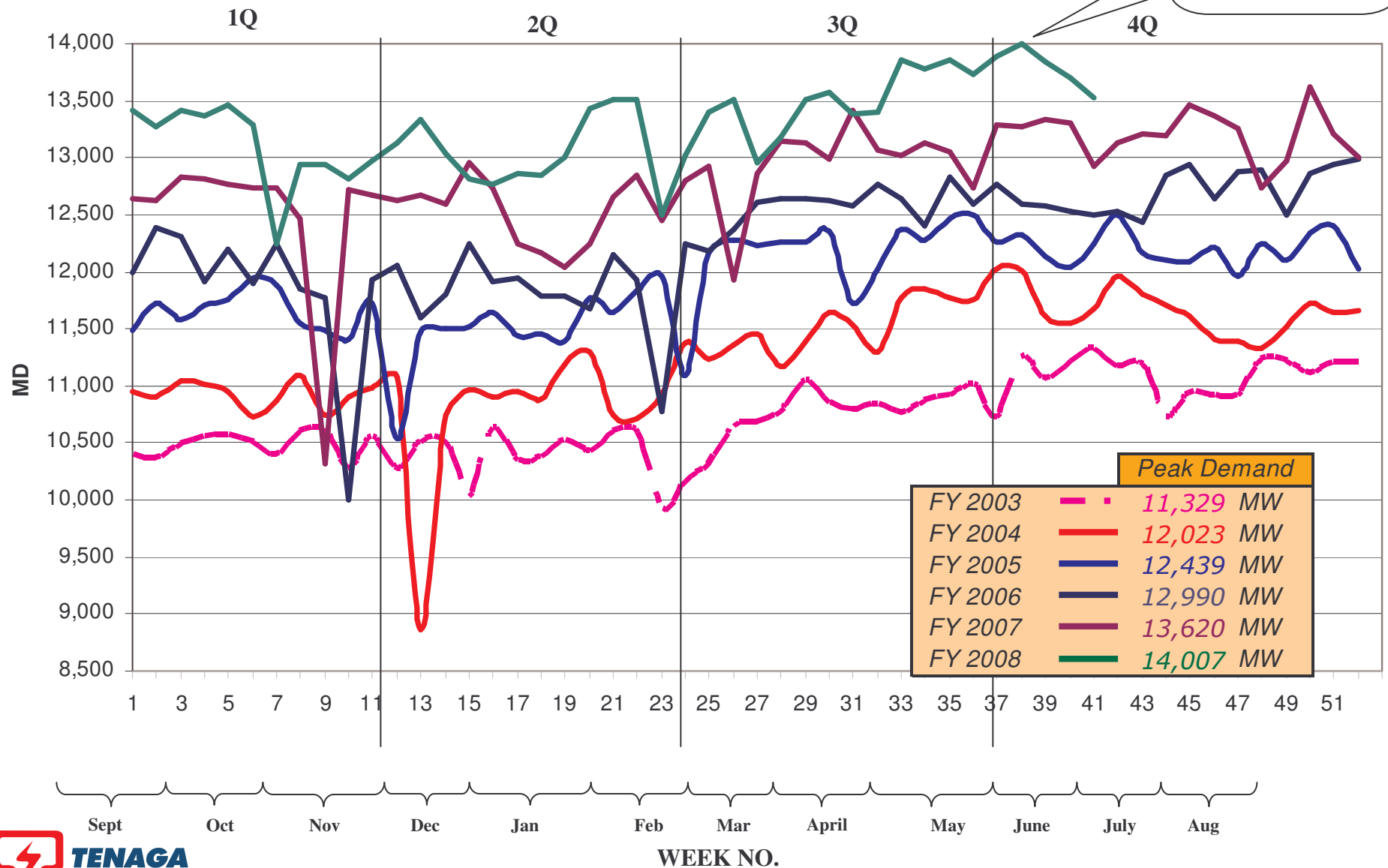
9 months FY2008
6.6%

10 months FY2008
6.3%

SYSTEM WEEKLY MAXIMUM DEMAND

For FY2002/03 to FY2007/08 (Sept - August Period)

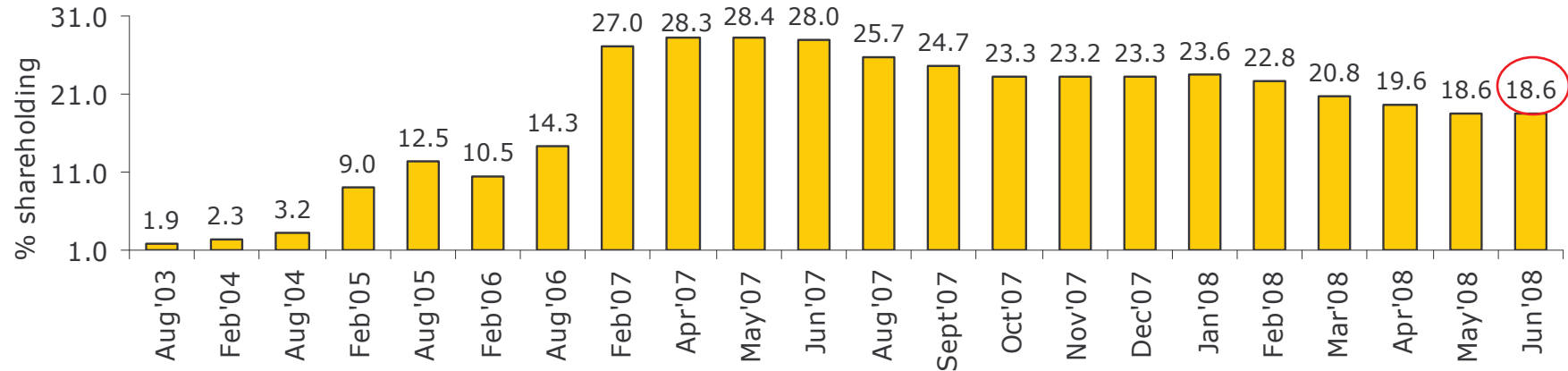
Highest MD
14,007MW
21/05/08



SHAREHOLDING STATUS

18.6% Foreign Shareholding as at 30th June 2008

Foreign Shareholding



Market Capitalization

	% Weight in the Index	Shares in the Index (mn)	Market Capitalization RM mn	Share Price RM
Sime Darby	7.83	6,086	48,076	8.00
Public Bank	5.93	3,352	36,379	10.30
Maybank	5.85	4,862	35,876	7.35
TNB	5.72	4,332	35,103	8.10
IOI Corp	5.40	6,259	33,155	5.40
MISC	5.39	3,719	33,106	8.90
CIMB	4.64	3,368	28,485	8.45
Telekom International	3.79	-	23,271	6.20
Genting	3.47	3,703	21,296	5.75
Petronas Gas	3.29	1,979	20,183	10.20

Source: Bloomberg as at 24th July 2008

Main Shareholding

	Aug'07	Nov'07	Feb'08	May'08	Variance (Aug'07 & May'08)
Name	%	%	%	%	%
1 Khazanah Nasional Berhad	37.67	37.66	37.81	37.81	0.37
2 Employees Provident Fund (EPF) Board	10.06	9.77	9.03	9.59	(4.67)
3 Skim Amanah Saham Bumiputera	7.23	7.92	8.59	9.62	33.06
4 Kumpulan Wang Persaraan (Diperbadankan)	3.23	3.25	3.25	3.64	12.69
5 Other Corporations & Govt. Agencies	9.90	11.78	12.86	14.44	45.86
Subtotal	68.09	70.38	71.54	75.10	10.30
6 Foreign	25.67	23.22	22.83	18.63	(27.43)
7 Malaysian Public	6.24	6.40	5.63	6.27	0.48
Total	100.00	100.00	100.00	100.00	
Paid Up Capital (mn shares)	4,331.71	4,332.10	4,333.47	4,333.50	0.04

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- ❑ **Details Of The Group's Performance**
- ❑ **Q & A**

Details Of The Group's Performance

"Service Excellence 10/10"

**Y.Bhg. Dato' Sri Che Khalib Bin Mohamad Noh
President/Chief Executive Officer**

PERFORMANCE INDICATORS

Company-Wide Initiatives

Higher stock level at Distribution due to :-

(i) Increase in prices of stocks

(ii) Delays in project due to wayleave issues and obtaining permits

<i>Metrics</i>	Actual FY2007	Target FY2008	3 months FY2008	6 months FY2008	9 months FY2008
RM'mn					

Increase in Non-Tariff Revenue

Land Sales *	359.2	100.0	35.3	85.5	103.8
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Savings from Work Process Improvements

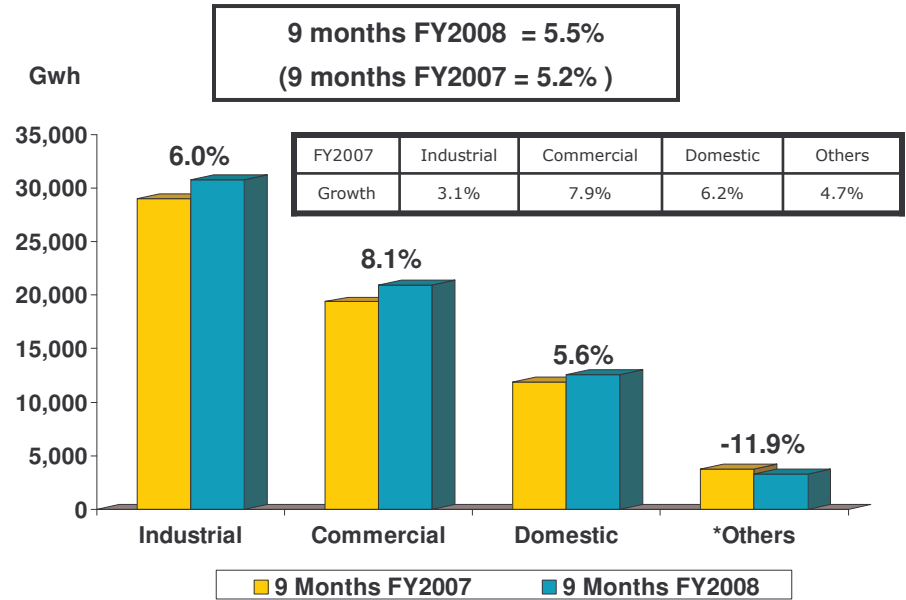
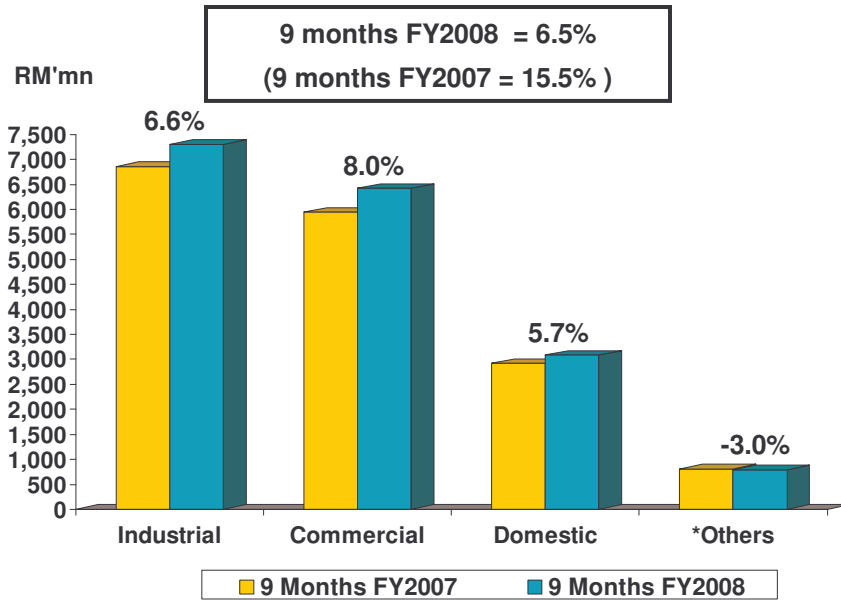
Improved Procurement Strategy / Planning **	0.0	50.0	1.9	14.4	24.5
Reduction in Stock Level from Effective Inventory Stock Management (excluding Fuel)	(12.9)	50.0	(255.7)	(304.1)	(270.1)

Recoveries

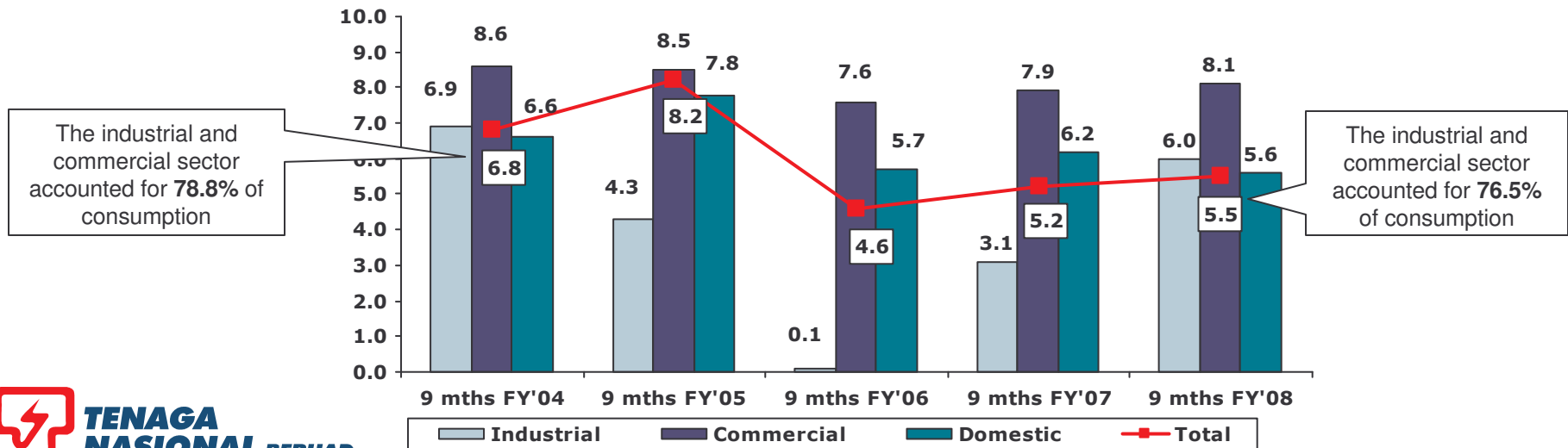
Recovery from Delinquent Accounts	180.0	16.0	18.1	18.1	18.1
Recovery from Theft Backbilling	53.2	50.0	10.2	21.2	32.2
TOTAL	579.5	266.0	(190.2)	(164.9)	(91.5)

DETAILS OF REVENUE BY SECTORS

Industrial & Commercial Sectors Recorded Strong Growth While Domestic Sector Recorded Lower Growth



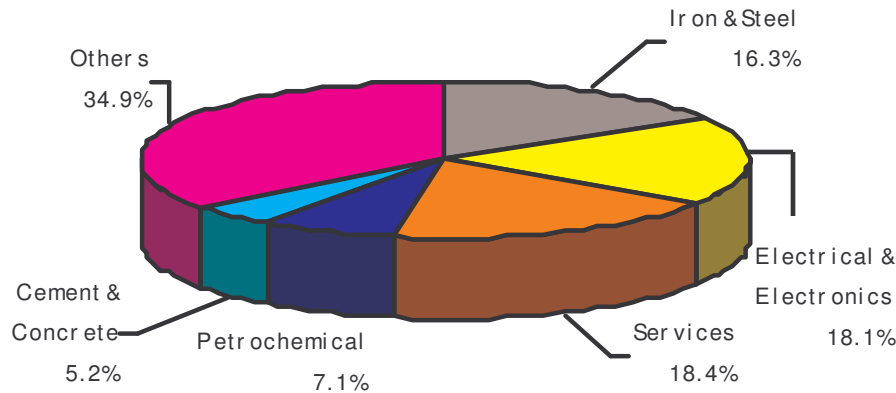
Demand Growth (Gwh): FY2004 - FY2008



* Includes Mining, Public Lighting and LPL

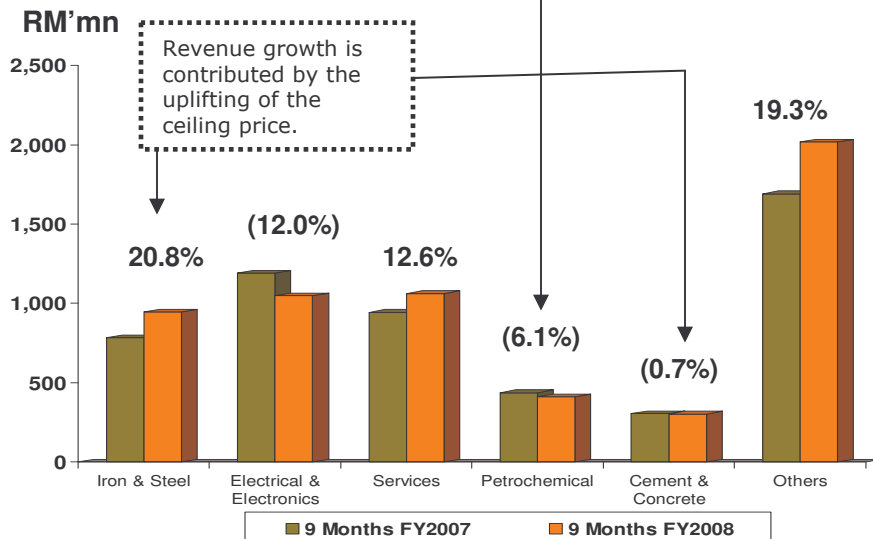
DETAILS OF REVENUE

Category Breakdown of Top 1,000 customers (RM)

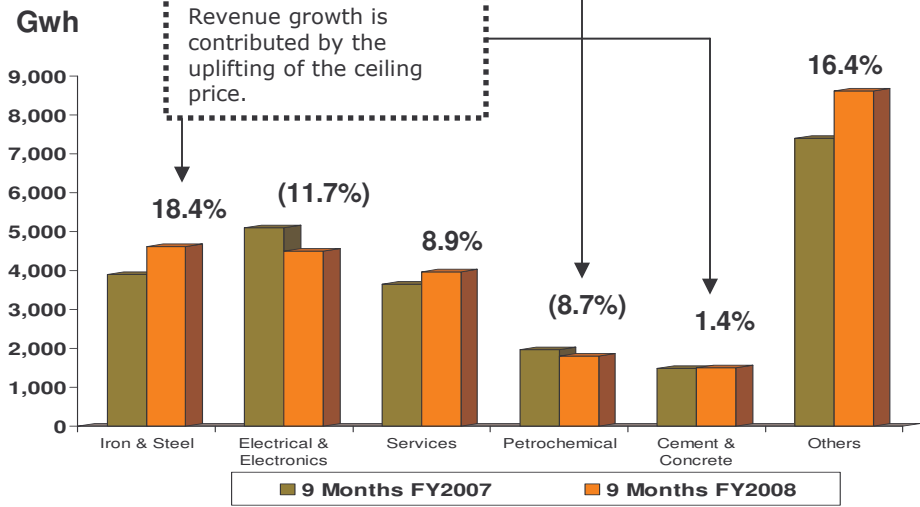


- Industrial & Commercial electricity sales account for 81.2% of Total Peninsular Malaysia sales.
- Top 1,000 PRIME customers account for 43.6% of Industrial & Commercial electricity sales

Drop in revenue is contributed mainly by Petronas Oil Refinery in Melaka migrating to Co Gen in Jan '08 which accounted for losses in sales equivalent to 90MW.



Revenue growth is contributed by the uplifting of the ceiling price.



Revenue growth is contributed by the uplifting of the ceiling price.

9 Months FY'08 = 8.16%

9 Months FY'08 = 6.43%

OPERATING EXPENSES

18.8% Increase in Generation Cost Against a 6.5% Increase in Revenue from Electricity Sales

RM mn	9 Months FY'07	9 Months FY'08	Changes (%)	Variance
Sales of Electricity	16,529.4	17,599.7	6.5%	1,070.3
IPP	(5,565.7)	(6,615.0)	18.9%	(1,049.3)
Fuel	(2,553.9)	(3,048.2)	19.4%	(494.3)
Fuel Subsidy - SESB	316.1	396.1	25.3%	80.0
R&M	(648.9)	(644.8)	(0.6%)	4.1
Salary & Related Costs	(1,159.8)	(1,290.9)	11.3%	(131.1)
FRS 119 (Staff Benefits)	(497.1)	(500.6)	0.7%	(3.5)
Depreciation	(2,303.4)	(2,560.2)	11.1%	(256.8)
General Expenses	(403.7)	(439.8)	8.9%	(36.1)
Provisions	53.7	6.6	(87.7%)	(47.1)
Subs. Cost of Sales	(428.9)	(802.7)	87.2%	(373.8)
Subs. General Expenses	(70.1)	(19.8)	71.9%	50.3
TOTAL OPERATING EXPENSES	(13,261.7)	(15,519.3)	17.0%	(2,257.6)

} **RM1,463.6mn**

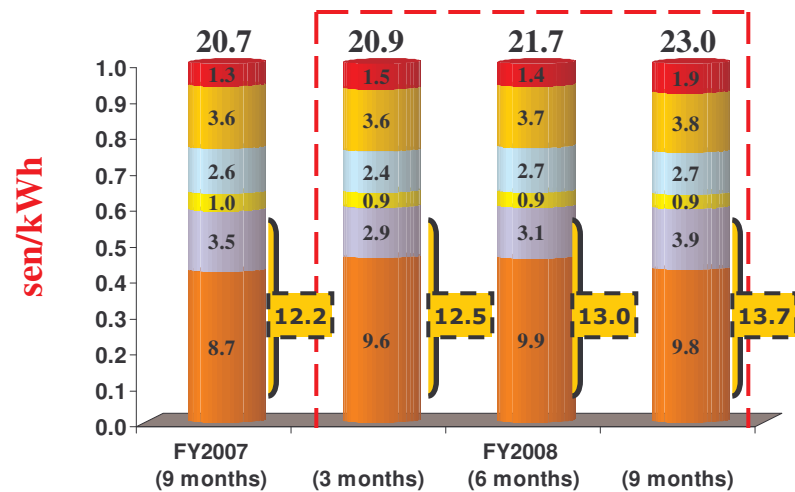
Cost Per Unit

Higher Cost Per Unit Sold from a 12.3% Increase in Generation Cost

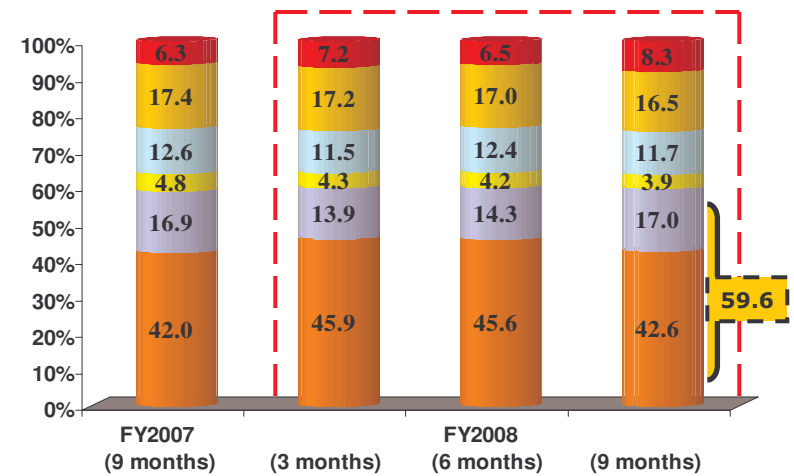
9 months

COST PER UNIT SOLD (sen/kWh)	YTD FY'03	YTD FY'04	YTD FY'05	YTD FY'06	YTD FY'07	YTD FY'08
	20.2	20.2	20.1	20.2	20.7	23.0

Cost Per Unit Sold (sen/kWh)



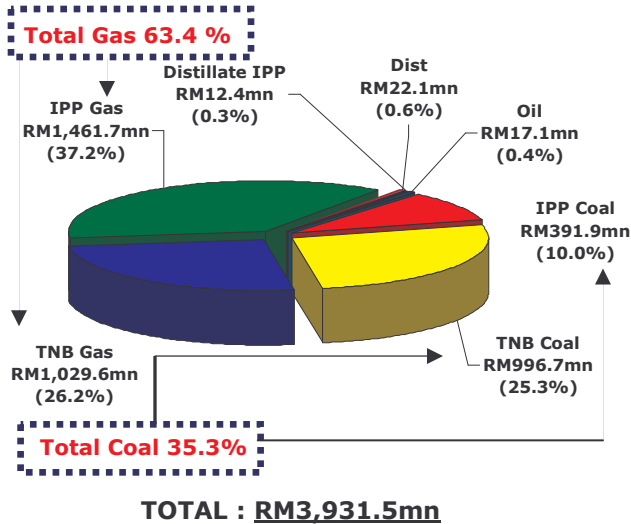
% of Total Operating Cost



FUEL COST (PEN. MALAYSIA ONLY) TNB & IPPs

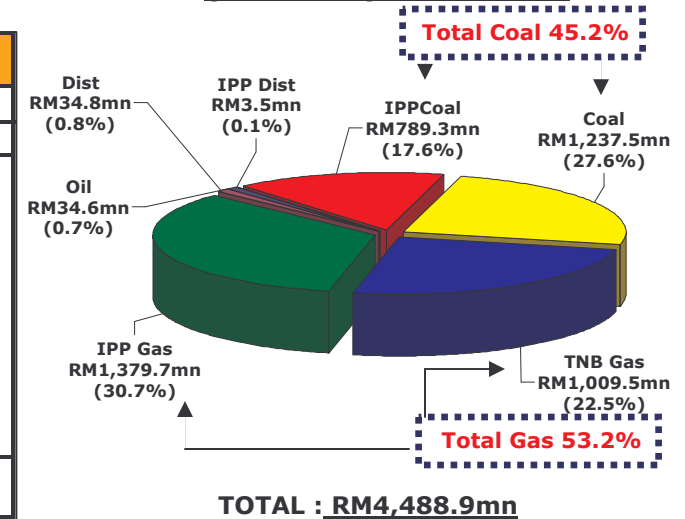
Increase in Coal Generation by 9.0% While Coal Cost Increased by 46.0%

(9 Months) YTD FY2007



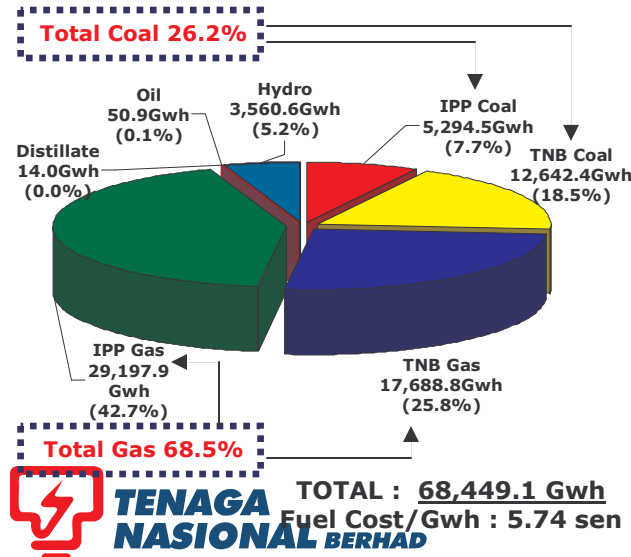
Fuel Cost (RM mn)				
Fuel Type	9 months		Variance	
	FY 2007	FY 2008	RM'mn	%
Gas	2,491.3	2,389.2	(102.1)	(4.1)
Coal	1,388.6	2,026.8	638.2	46.0
Dist.	34.5	38.3	3.8	11.0
Oil	17.1	34.6	17.5	102.3
Hydro	0.0	0.0	0.0	-
Total	3,931.5	4,488.9	557.4	14.2

(9 Months) YTD FY2008

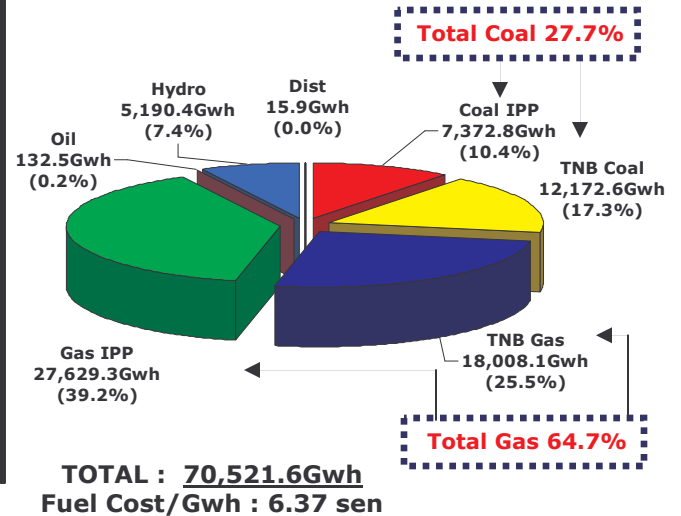


Total Coal Consumption = 7.7mn MT
Average Contracted Price of coal consumed = USD45.0/MT

Total Coal Consumption = 8.5mn MT
Average Contracted Price of coal consumed = USD71.2/MT



Units Generated (Gwh)				
Fuel Type	9 months		Variance	
	FY 2007	FY 2008	RM'mn	%
Gas	46,886.7	45,637.4	(1,249.3)	(2.7)
Coal	17,936.9	19,545.4	1,608.5	9.0
Dist.	14.0	15.9	1.9	13.6
Oil	50.9	132.5	81.6	160.3
Hydro	3,560.6	5,190.4	1,629.8	45.8
Total	68,449.1	70,521.6	2,072.5	3.0



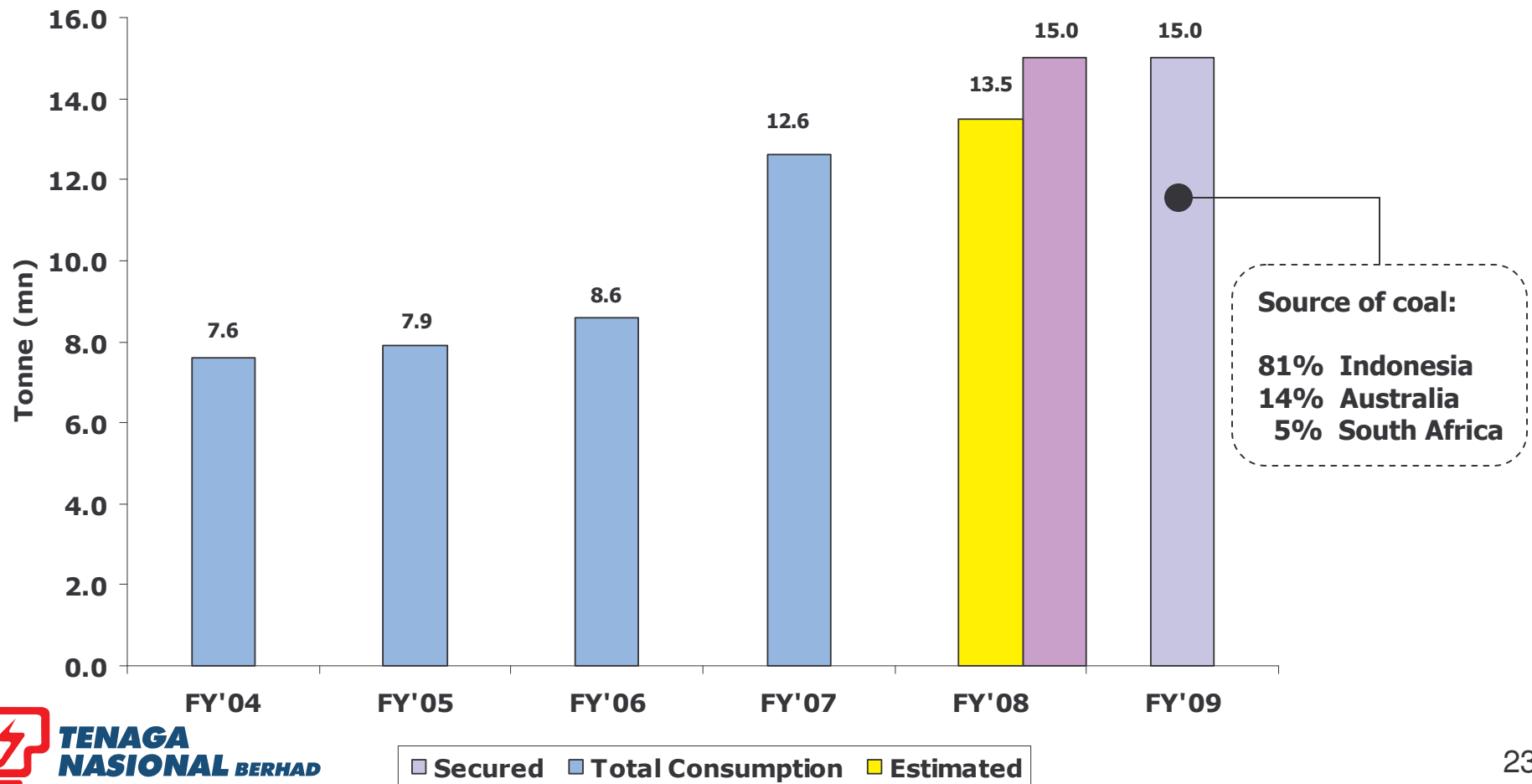
TENAGA NASIONAL BERHAD

COAL REQUIREMENT FOR FY'09 OF 15MN MT HAS BEEN SECURED

Price Negotiations Are On-Going

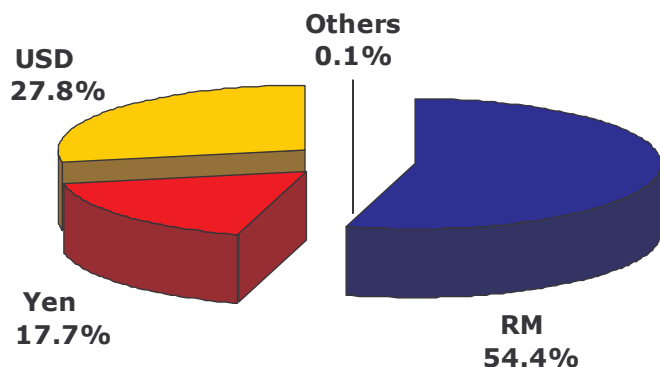
	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09
Average Coal Price (CIF) (USD/metric tonne)	34.0	49.8	52.8	45.3	75.4*	-

* Projected for full year

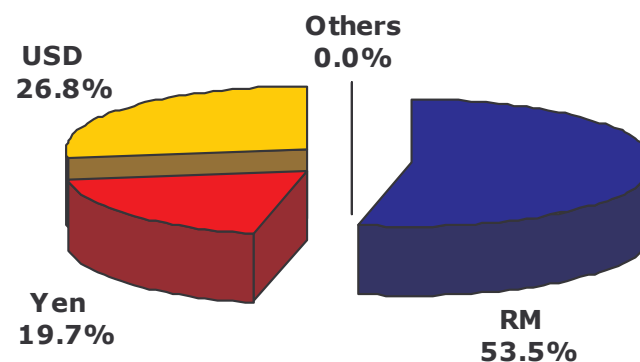


ANALYSIS OF DEBT EXPOSURE

31st August 2007



31st May 2008



	As at 31-Aug-07	As at 31-May-08
RM mn		
Total Debt	23,979.4	22,514.8
Cash Balance	5,299.3	4,706.2
Net debt	18,680.1	17,808.6
Gross Gearing (%)	49.9	46.2
Net Gearing (%)	38.9	36.6
Weighted Average Cost of Debt (%)	5.85	5.50
Fixed/Floating (%)	91.9 : 8.1	92.2 : 7.8

DEBT EXPOSURE & FOREX

Breakdown of FOREX – Slight Weakening of RM Against USD in May'08

	1Q			2Q		3Q		As at 31-May-08	As at 31-May-07
	Rate 1-Sep-07	Rate 30-Nov-07	RM mn	Rate 29-Feb-08	RM mn	Rate 31-May-08	RM mn	RM mn	RM mn
100 JPY	3.04	3.05	(16.5)	3.06	(15.4)	3.08	(20.3)	(52.2)	447.8
GBP	7.06	6.94	-	6.35	-	6.40	-	-	-
EURO	4.78	4.96	(0.1)	4.86	0.1	5.02	-	-	0.2
USD	3.51	3.36	278.3	3.19	306.8	3.24	(97.3)	487.8	526.5
Mix	-	-	(0.3)	-	(0.1)	-	(0.1)	(0.5)	0.6
<u>TRANSLATION</u>									
LOANS			261.4		291.4		(117.7)	435.1	975.1
TREASURY			-		-		-	-	-
OTHERS			(19.0)		(11.0)		(63.1)	(93.1)	26.2
TOTAL TRANSLATION			242.4		280.4		(180.8)	342.0	1,001.3
<u>TRANSACTION</u>									
LOAN			(0.4)		8.1		(2.2)	5.5	27.5
TREASURY			-		-		-	-	0.5
OTHERS			0.2		1.5		(19.5)	(17.8)	0.5
TOTAL TRANSACTION			(0.2)		9.6		(21.7)	(12.3)	28.5
GRAND TOTAL			242.2		290.0		(202.5)	329.7	1,029.8

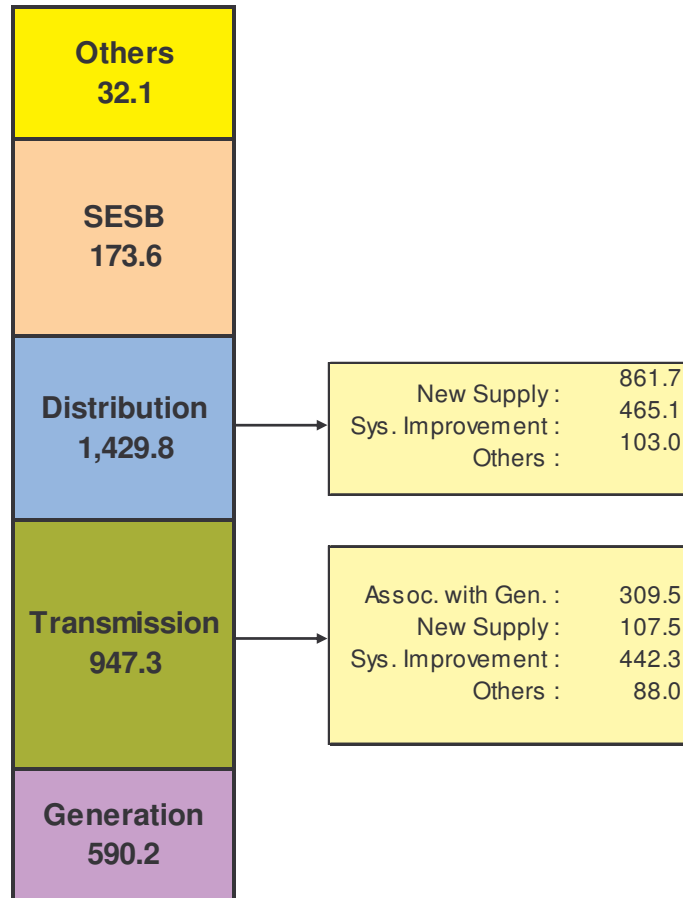
CAPITAL EXPENDITURE

66.0% Utilised for New Supply and System Improvement

9 Months FY'07

RM mn

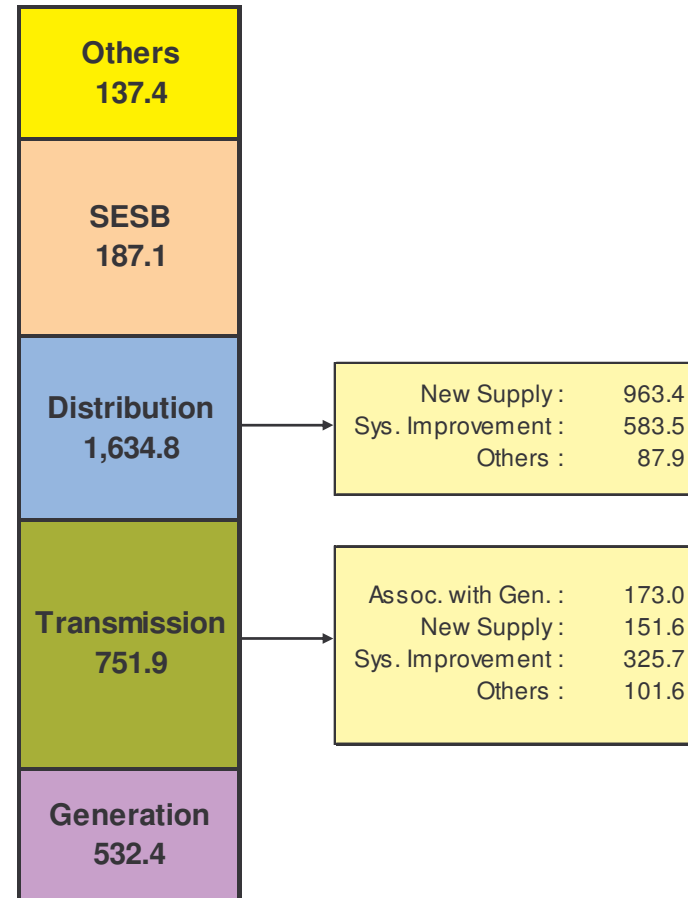
3,173.0



9 Months FY'08

RM mn

3,243.5



New Supply : RM1,184.2mn (36.5%)

Sys. ImprovementT : RM956.0mn (29.5%)

66.0%

CASHFLOW

RM'mn	Group		Company	
	31-May-07	31-May-08	31-May-07	31-May-08
Cashflow From Operations	7,268.1	4,855.8	5,493.9	3,240.6
(-) Capex	(3,025.9)	(3,050.8)	(2,718.9)	(2,766.3)
(-) Interest Servicing	(1,049.9)	(924.8)	(761.7)	(639.0)
(+) Dividend from Subsidiaries	1.4	2.4	1.4	541.7
FREE CASH FLOW	3,193.7	882.6	2,014.7	377.0
(+) New Debt	524.1	942.8	307.4	348.0
(-) Repayment	(3,169.4)	(1,970.8)	(1,973.5)	(1,416.7)
(+) Proceeds from issuance of shares	1,489.4	13.2	1,489.4	13.2
Cash Flow After Debt Service	2,037.8	(132.2)	1,838.0	(678.5)
Others	(250.6)	(446.9)	(297.5)	(353.2)
Net Cash	1,787.2	(579.1)	1,540.5	(1,031.7)
Currency translation differences	(10.9)	(14.0)	-	-
Cash Balance	5,710.2	4,706.2	4,665.2	3,492.6

Cash Balance as at 31 May 2008

	TNB	KEV	SESB	LPL	MTM	TNBJ	TNBF	Others	GROUP
RM'mn	3,492.6	512.6	324.9	63.9	16.0	231.6	8.3	56.3	4,706.2

Factors which contributed to the lower cashflow from operations:-

- Increase in fuel costs
- Increase in IPP capacity payments

AGENDA

- ❑ **Highlights Of The Group's Performance**
- ❑ **Details Of The Group's Performance**
- ❑ **Q & A**

**We now open the session for
Q&A**

Thank You



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