



# UNAUDITED FINANCIAL RESULTS

## 3<sup>rd</sup> QUARTER FY2010

14<sup>th</sup> July 2010



- ☐ Highlights Of The Group's Performance

- ☐ Details Of The Group's Performance

- ☐ Q & A

## Highlights Of The Group's Performance

***“Powering The Nation”***



## 9-month period ended 31 May FY2010

- Net profit before forex translation of RM2,145.4 million
- 5.3% increase in Group Revenue against a 3.5% increase in Operating Expenses
- Electricity demand growth in Peninsula increased by 9.9%
- EBITDA margin at 28.2% compared to 26.1% for the corresponding period in FY2009
- Forex translation gain of RM668.1 million

## 3-month period (3rd Quarter)

- Net profit before forex translation of RM538.0 million
- 4.5% increase in Group Revenue compared to 2nd Quarter FY2010 whilst Operating Expenses increased by 12.3%
- EBITDA margin at 23.3% compared to 32.1% for 2nd Quarter FY2010
- Forex translation gain of RM569.1 million

# FINANCIAL HIGHLIGHTS

- Group Demand Grew by 9.4%, Revenue Increased by 5.3%
- 17.0% Increase in Operating Profit Resulting from Lower Fuel Prices and Higher Demand
- Net Profit Attributable to Equity Holder's of RM2,813.5mn

RM'mn	3Q FY'09	3Q FY'10	Variance %
Revenue	21,323.0	22,450.7	5.3
Operating expenses	(18,624.4)	(19,270.5)	3.5
Operating income	264.3	286.1	8.2
Operating profit	2,962.9	3,466.3	17.0
Forex			
- Transaction Gain/(Loss)	(63.1)	13.0	>100.0
Share of results of jointly controlled entities and associates (net of tax)	27.2	27.0	(0.7)
Profit before finance cost	2,927.0	3,506.3	19.8
Finance income	135.2	142.2	5.2
Finance cost	(845.7)	(794.4)	(6.1)
Profit before taxation	2,216.5	2,854.1	28.8
Taxation and Zakat			
- Company and subsidiaries	(322.8)	(535.7)	66.0
- Deferred taxation	(240.6)	(178.2)	(25.9)
Profit before Forex Translation Gain/(Loss)	1,653.1	2,140.2	29.5
- Translation Gain/(Loss)	(933.5)	668.1	> 100.0
Profit for the period	719.6	2,808.3	> 100.0
Attributable to:			
- Equity holders of the Company	753.6	2,813.5	> 100.0
- Minority interests	(34.0)	(5.2)	(84.7)
	719.6	2,808.3	> 100.0

# FINANCIAL HIGHLIGHTS

## Year-On-Year Analysis

**Lower EBITDA Margin due to Rising Coal Prices,  
However Higher Demand Growth & Appreciation of RM Eased the Impact**

RM mn	YTD 9 Months		FY2010		
	FY 2009	FY 2010	1Q	2Q	3Q
Total Units Sold (GWh)	64,446.5	70,500.8	23,117.5	23,218.4	24,164.9
Revenue	21,323.0	22,450.7	7,338.3	7,389.1	7,723.3
Operating Expenses (without depreciation)	16,015.4	16,404.1	5,259.3	5,113.4	6,031.4
Operating Income	264.3	286.1	82.8	98.0	105.3
EBITDA	5,571.9	6,332.7	2,161.8	2,373.7	1,797.2
EBITDA Margin (%)	26.1%	28.2%	29.5%	32.1%	23.3%
Depreciation and Amortisation	2,609.0	2,866.4	920.6	1,053.1	892.7
EBIT	2,962.9	3,466.3	1,241.2	1,320.6	904.5
EBIT Margin (%)	13.9%	15.4%	16.9%	17.9%	11.7%
Finance Cost	845.7	794.4	260.0	270.9	263.5
Profit Before Tax & Forex Translation	2,216.5	2,854.1	1,018.5	1,117.9	717.7
Net Profit Before Forex Translation	1,687.1	2,145.4	751.7	855.7	538.0
Translation Gain / (Loss)	(933.5)	668.1	(45.4)	144.4	569.1
Net Profit attributable to :					
Equity Holders	753.6	2,813.5	706.3	1,000.1	1,107.1
Minority Interest	(34.0)	(5.2)	(8.8)	1.4	2.2

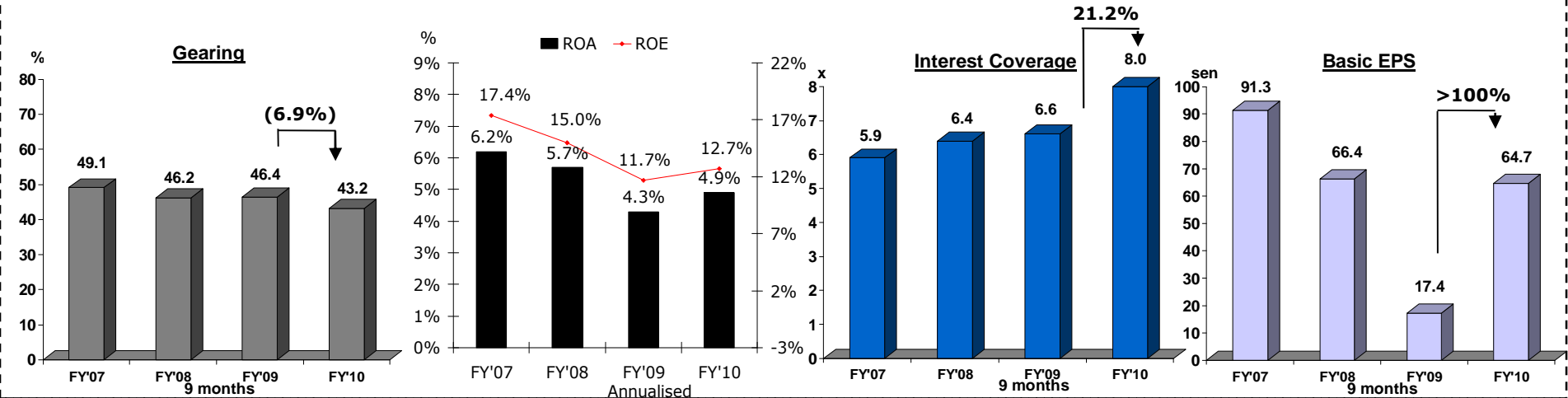
9Months

FY 2010

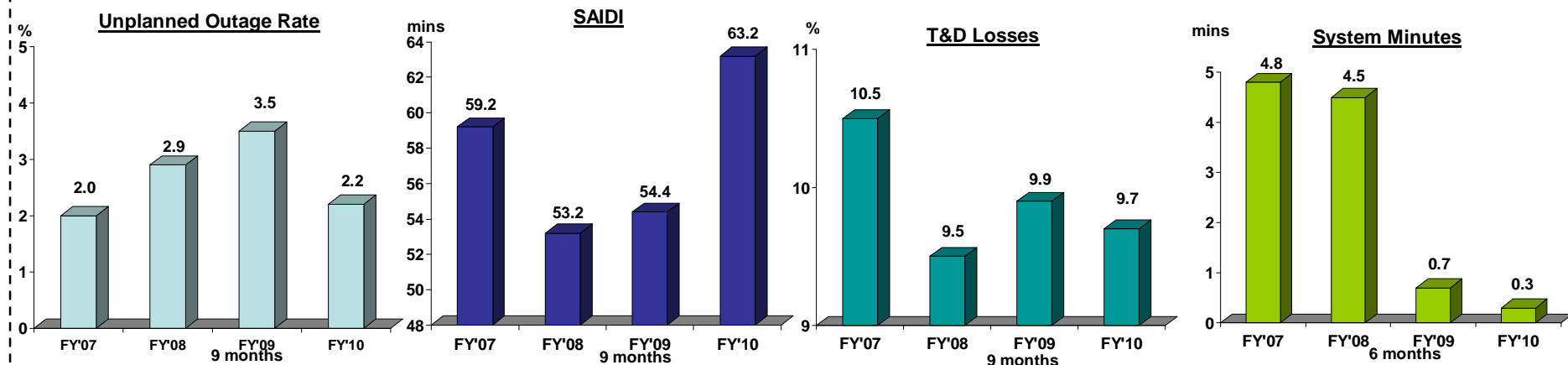
	9Months		FY 2010		
	FY 2009	FY 2010	1Q	2Q	3Q
Average Coal Price Consumed (USD/MT) (CIF)	94.3	84.8	79.4	82.3	91.6
Average Coal Price Consumed (RM/MT) (CIF)	335.8	286.0	273.7	280.6	298.8
Coal Consumption (mn MT)	7.9	13.3	4.3	4.1	4.9

# FINANCIAL & TECHNICAL PERFORMANCE

## Financial Ratios



## Technical Performance



# PERFORMANCE INDICATORS

## Headline Key Performance Indicators

INITIATIVES	ACTUAL FY 2009	TARGET FY 2010	YTD 1 <sup>st</sup> QTR FY 2010	YTD 2 <sup>nd</sup> Qtr FY 2010	YTD 3 <sup>rd</sup> Qtr FY 2010
Return on Assets (ROA) (%)	4.0	4.5 *	5.8 <sup>1</sup>	5.7 <sup>1</sup>	4.9 <sup>1</sup>
Gearing (%)*	46.5	44 - 46	45.9	44.9	43.2
Unplanned Outage Rate (UOR) (%) **	2.9	3.6 - 4.0	1.4	1.6	2.2
T & D Losses (%)	9.7	9.0 - 9.5	*** 9.9 <sup>2</sup> 9.5 <sup>3</sup>	9.9 <sup>2</sup> 9.5 <sup>3</sup>	9.7 <sup>2</sup> 9.8 <sup>3</sup>
Transmission System Minutes (mins)	1.0	5 - 7	0.2	0.3	0.2
Distribution SAIDI (mins)	68.6	68 - 72	14.2	37.8	63.2

\* Key drivers are:

- Demand growth at 5.3% (adopted forecast)
- Coal price at USD85/mt
- Gas price at RM10.70/mmbtu

\*\* Excluding KEV

\*\*\* Revision made by Distribution

Note: 1 based on adjusted annualised net profit  
 2 based on 12-month moving average (as total system)  
 3 based on YTD (as total system)



# ANALYSIS OF ELECTRICITY GROWTH M-O-M IN PENINSULA

As at May'10, Peninsula Reported 9.9% Growth Y-o-Y

UNITS SALES		FY 2009				FY 2010									
		1Q	2Q	3Q	4Q	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Industrial	Gwh	9,825	8,354	8,476	9,605	3,330	3,092	3,429	3,276	3,353	3,402	2,967	3,501	3,413	3,533
	Growth (%)	(1.7)	(17.1)	(14.6)	(8.6)	(4.9)	(4.5)	11.1	9.0	17.8	36.1	13.7	20.3	15.5	14.7
Comm.	Gwh	6,942	6,577	6,916	7,424	2,385	2,323	2,495	2,353	2,465	2,412	2,325	2,649	2,636	2,614
	Growth (%)	3.6	0.1	2.9	6.9	1.5	(3.9)	14.6	7.3	9.0	13.7	7.5	13.6	8.8	6.9
Domestic	Gwh	4,092	3,968	4,262	4,471	1,541	1,373	1,452	1,370	1,488	1,409	1,558	1,660	1,631	1,643
	Growth (%)	3.9	3.4	6.4	11.0	16.9	(6.3)	10.9	4.4	10.1	8.0	13.6	22.3	6.4	10.2
Others	Gwh	308	319	306	431	106	106	111	114	125	108	117	119	116	112.6
	Growth (%)	3.2	5.4	3.6	40.2	6.0	(0.9)	10.0	14.0	17.9	(4.4)	18.9	15.5	10.5	9.3
TOTAL	Gwh	21,167	19,218	19,960	21,931	7,362	6,894	7,487	7,113	7,431	7,331	6,967	7,929	7,796	7,902
	Growth (%)	1.1	(7.6)	(4.7)	0.6	1.3	(4.6)	12.2	7.6	13.2	21.4	11.7	18.3	11.1	11.0

- FY2009 recorded a contraction of 2.6%

3 Qtr	YTD FY 2009	YTD FY 2010
Growth (%)	(3.7)	9.9

1<sup>st</sup> Qtr FY'10  
2.7%

2<sup>nd</sup> Qtr FY'10  
13.8%

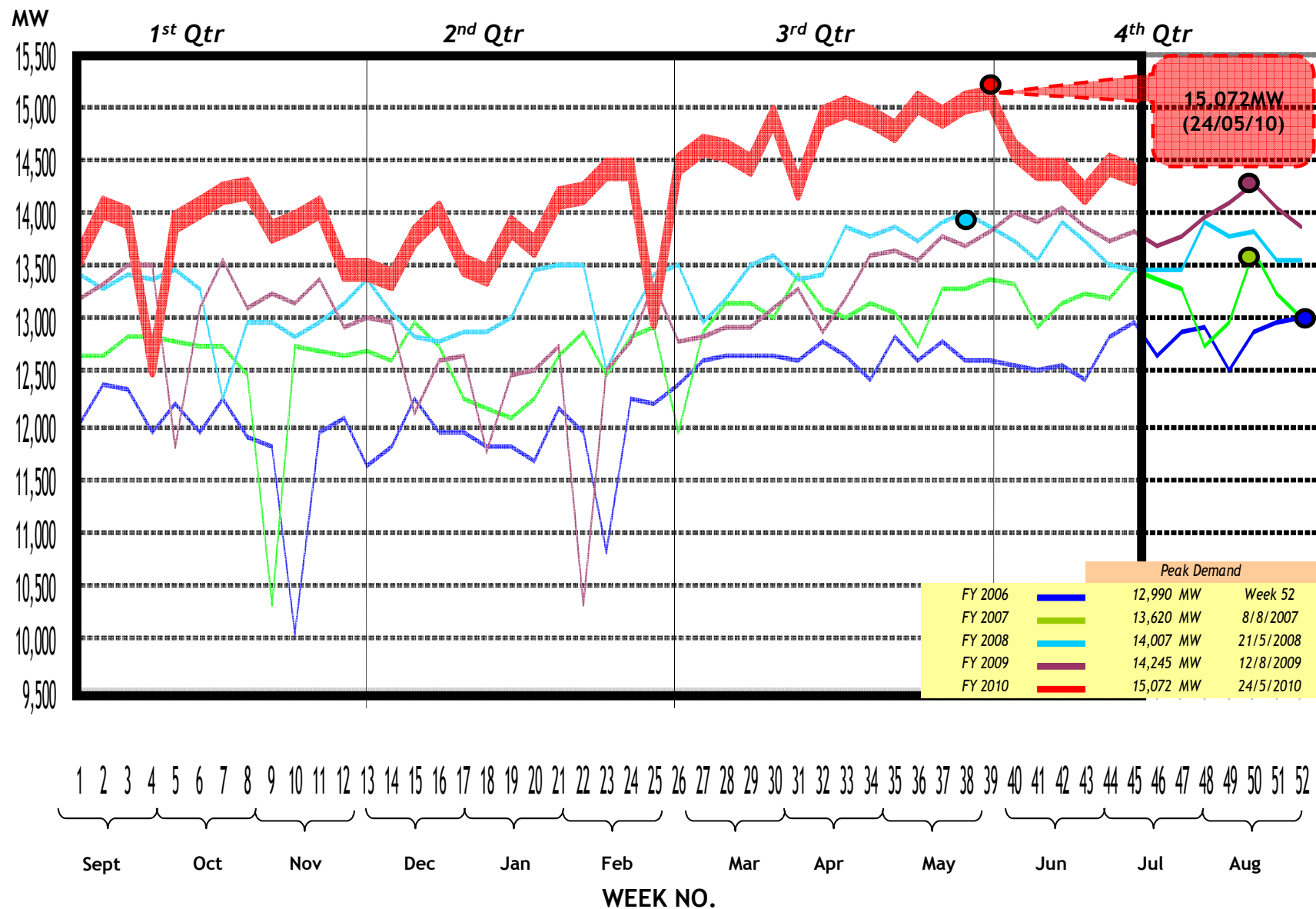
3<sup>rd</sup> Qtr FY'10  
13.7%

10 Months FY'10  
10.0%

# SYSTEM WEEKLY PEAK DEMAND (PENINSULA)

For FY2005/06 to FY2009/10 (Sept - Aug Period)

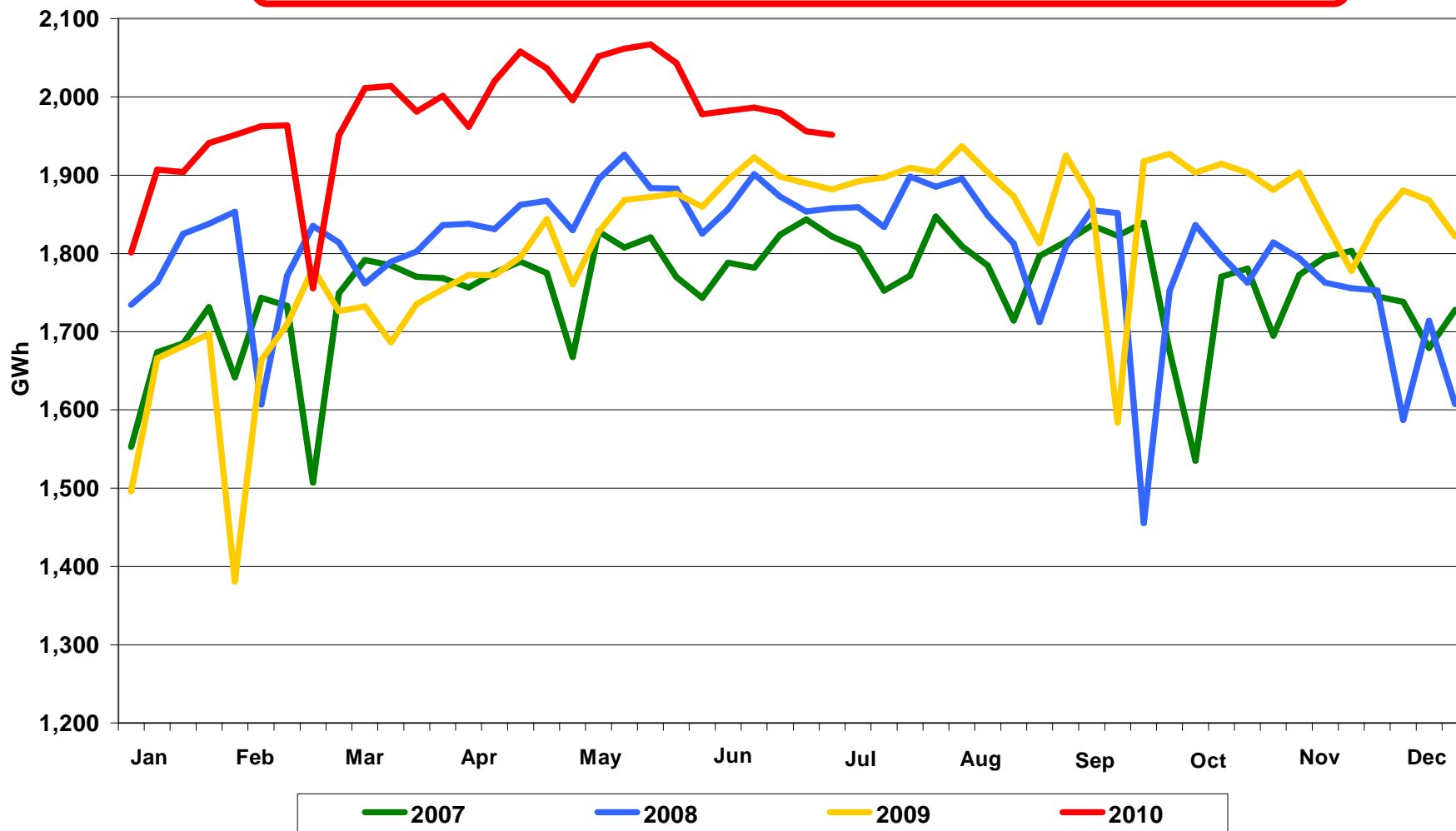
FY2010 Peak Demand has Increased by 5.8% vs FY2009



# WEEKLY ELECTRICITY DEMAND GROWTH (PENINSULA)

For FY2005/06 to FY2009/10 (Sept - Aug Period)

Weekly Generation (Gwh) - Week Ending 11<sup>th</sup> July 2010



- ❑ Highlights Of The Group's Performance

- ❑ Details Of The Group's Performance

- ❑ Q & A

## Details Of The Group's Performance

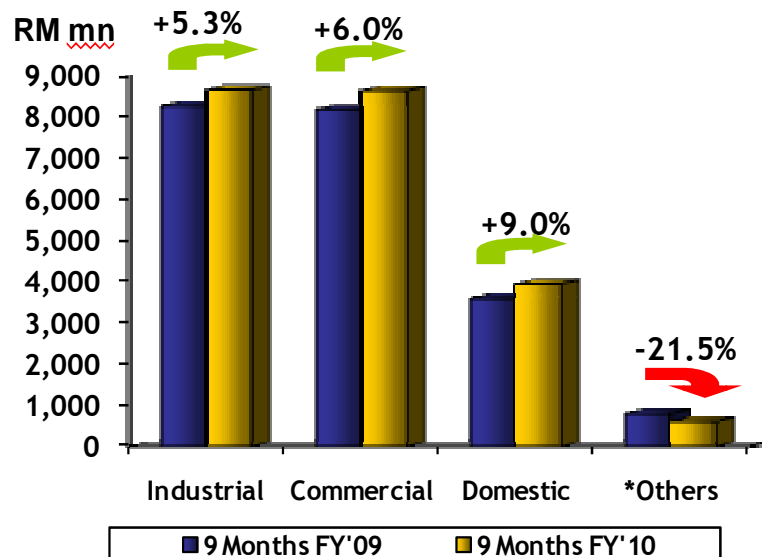
***“Service Excellence 10/10”***



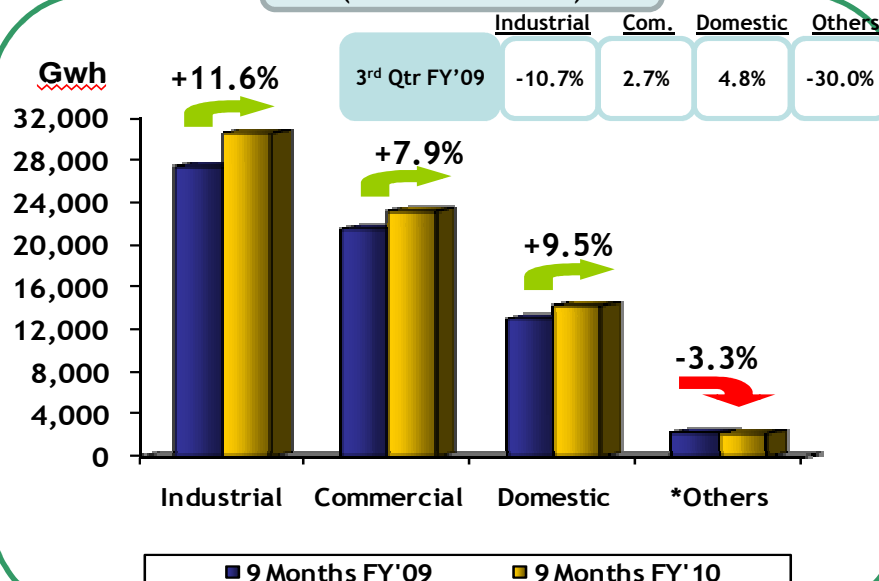
# ANALYSIS OF ELECTRICITY GROWTH BY SECTORS (GROUP)

Both Peninsula and SESB Continue to Report Strong Demand Growth

3<sup>rd</sup> Qtr FY'10 = 5.2%  
(3<sup>rd</sup> Qtr FY'09 = 18.4%)



3<sup>rd</sup> Qtr FY'10 = 9.4%  
(3<sup>rd</sup> FY'09 = -4.6%)

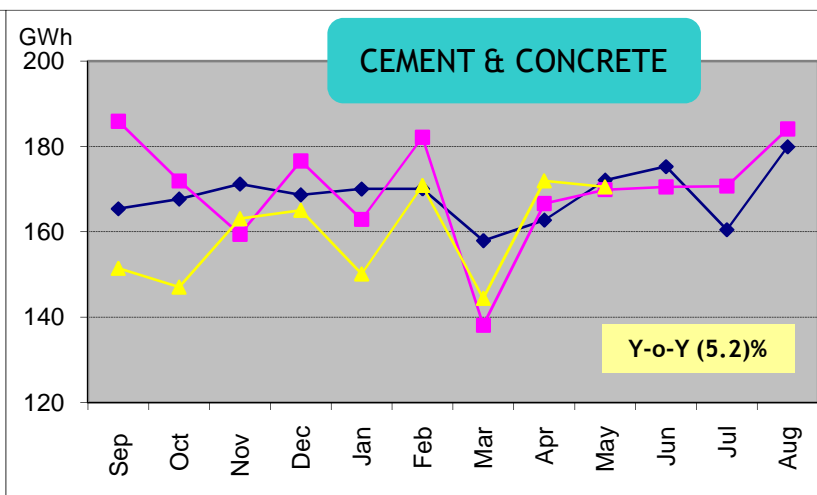
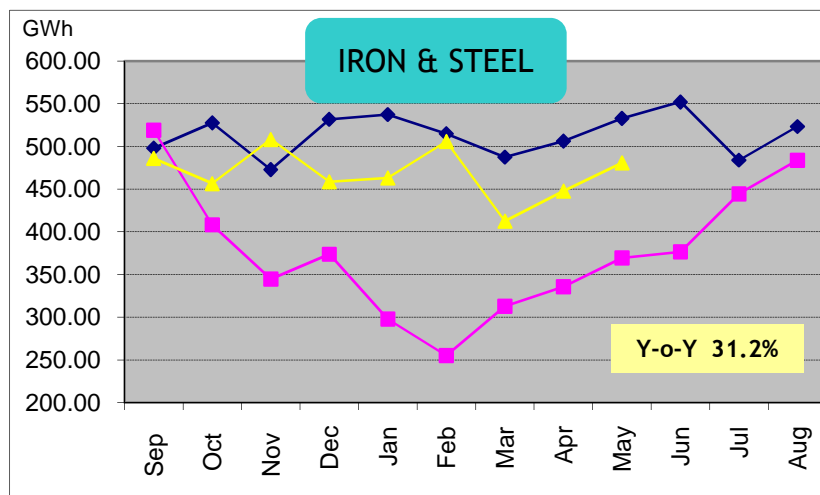
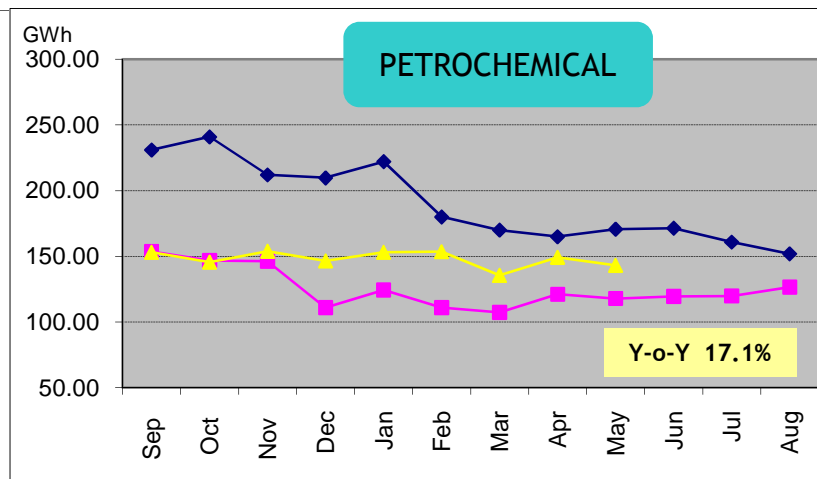
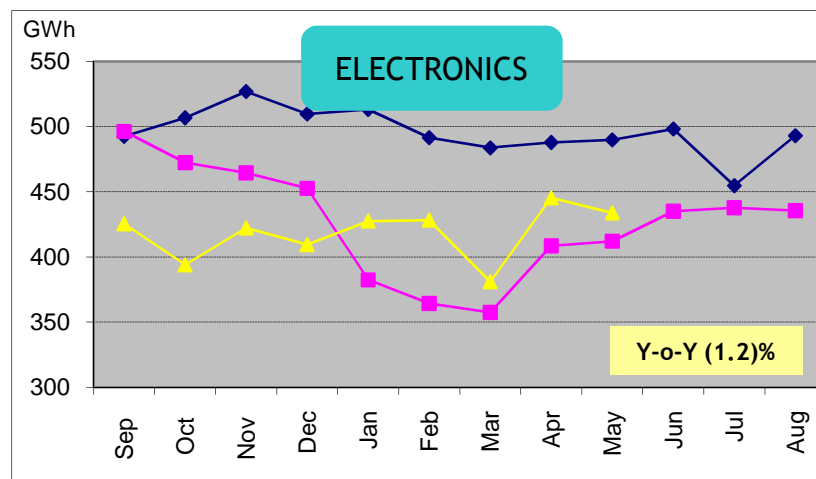


\* Includes Specific Agriculture, Mining, Public Lighting, LPL & EGAT  
(-) Indicates Negative Growth

	3QFY'09	Sen/ KWh	3QFY'10	Sen/ KWh	Growth %
<b>UNITS SOLD</b>					
- TNB	60,345.3		66,308.2		9.9
- EGAT (Export)	146.0		43.7		(70.1)
- SESB	2,760.9		3,018.0		9.3
- LPL	1,194.3		1,130.9		(5.3)
Total units sold (Gwh)	64,446.5		70,500.8		9.4
<b>REVENUE</b>					
<b>Sales of Electricity</b>					
- TNB	19,549.2	32.4	20,757.1	31.3	6.2
- EGAT (Export)	32.2	22.1	12.1	27.7	(62.4)
- SESB	699.7	25.3	764.7	25.3	9.3
- LPL	553.5	46.3	376.1	33.3	(32.1)
Total Sales of Electricity	20,834.6	32.3	21,910.0	31.1	5.2
Goods & Services	224.4		268.1		19.5
Deferred Income	264.0		272.6		3.3
<b>TOTAL REVENUE</b>	<b>21,323.0</b>		<b>22,450.7</b>		<b>5.3</b>

# SECTORAL ANALYSIS - INDUSTRIAL SECTOR (PENINSULA)

Y-o-Y Growth of 11.7% Resulting From  
Improvement in All Industrial Sectors



\* Source : Top 1,000 PRIME customers database (PRIME customer YTD unit sales equivalent to 37.7% of total YTD unit sales)

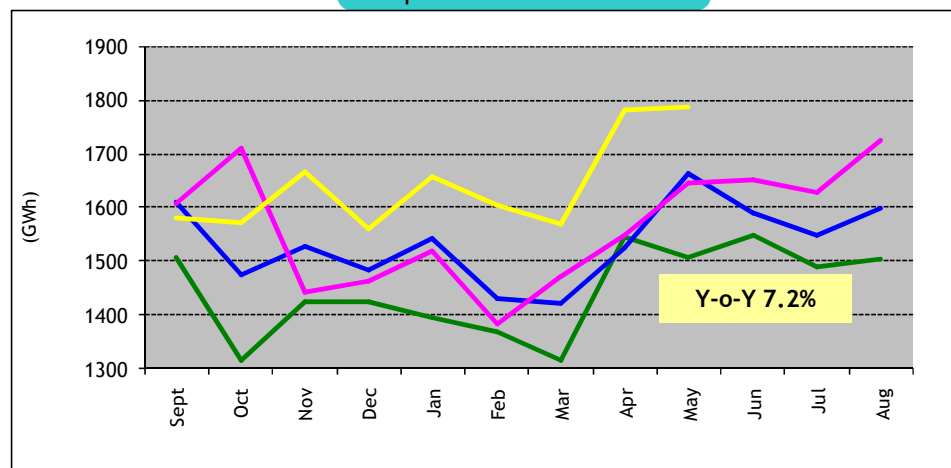
\* PRIME customers for 4 sectors above attributes 44.1% from the whole PRIME customers YTD unit sales

■ FY2008 ■ FY2009 ■ FY2010

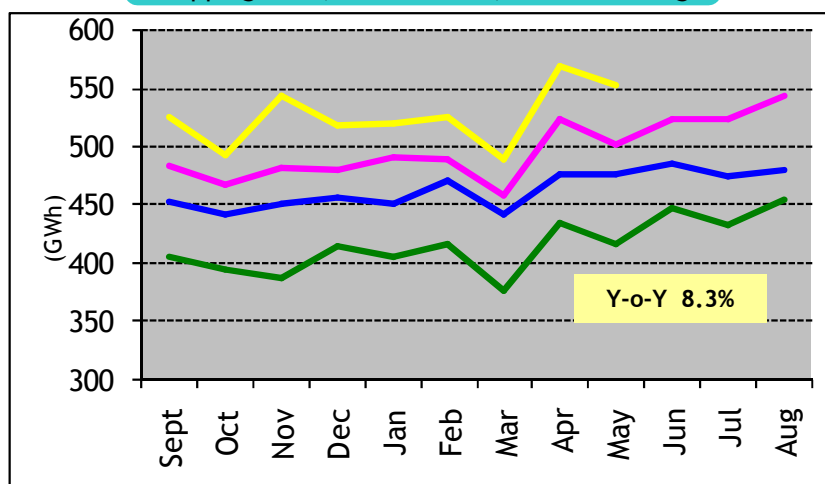
# SECTORAL ANALYSIS - COMMERCIAL SECTOR (PENINSULA)

## Strong Growth from Commercial Sub-sectors

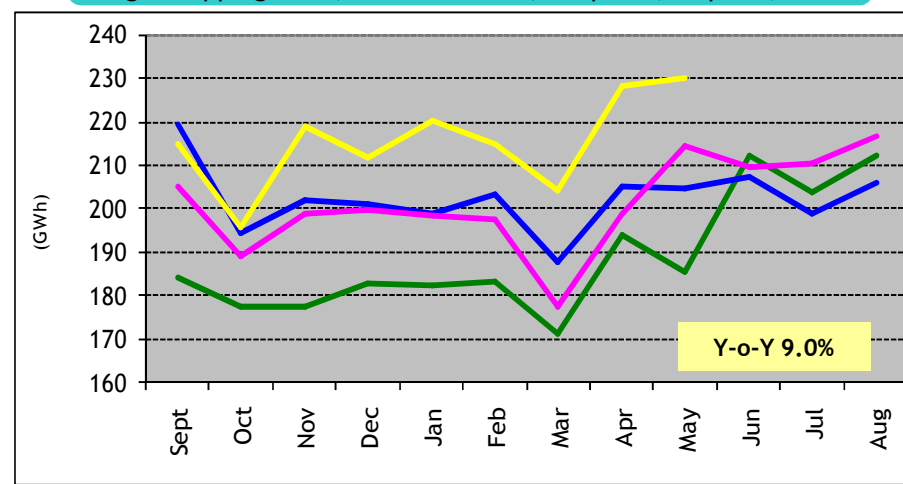
### Low Voltage Shop Lots & Retail Business



### Medium Voltage Shopping Malls, 3 Star Hotels, Office Buildings



### Medium Voltage (Peak/Off-Peak) Mega Shopping Malls, 4-5 Star Hotels, Hospitals, Airports, Ports



— FY2007 — FY2008 — FY2009 — FY2010



# OPERATING EXPENSES

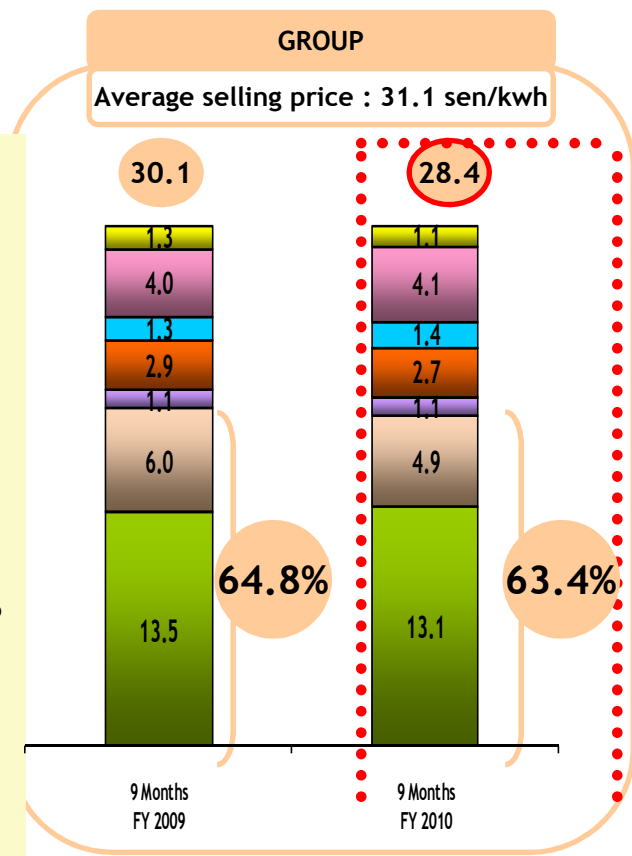
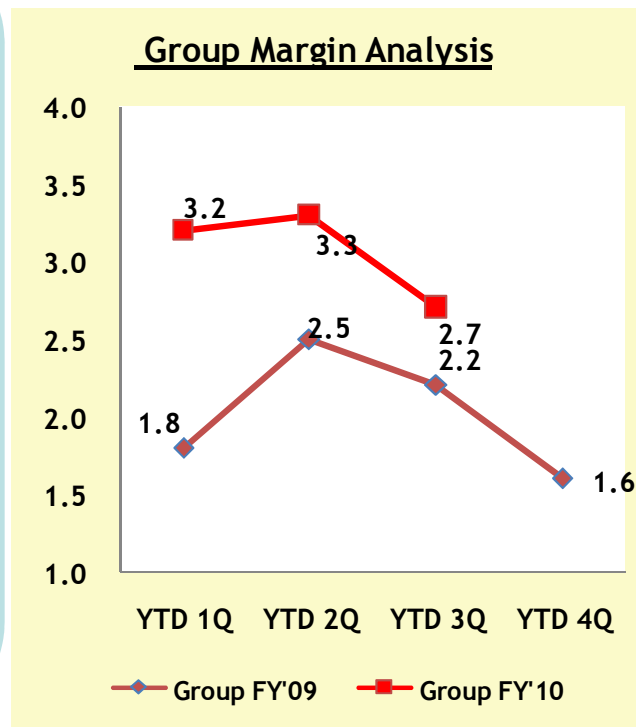
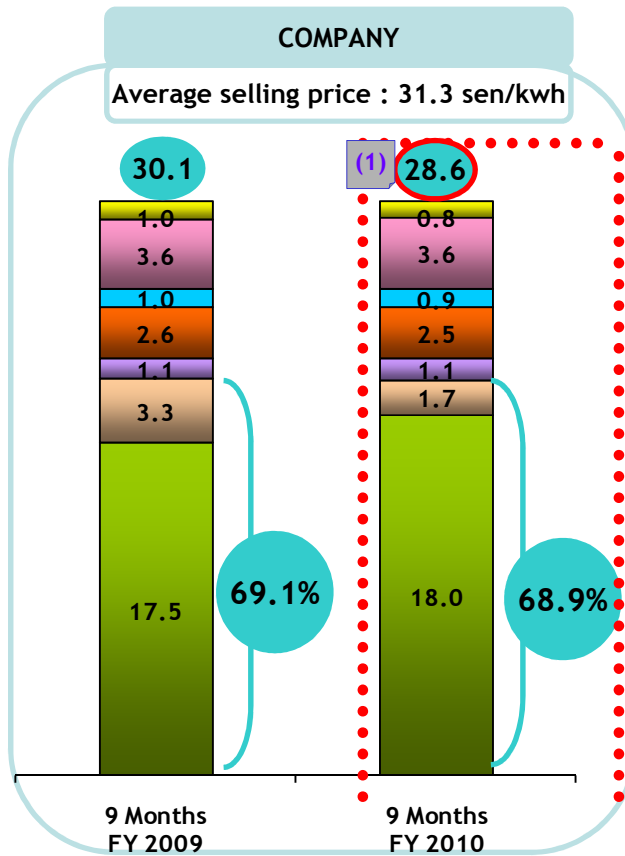
3.5% Increase in Operating Expenses

RM'mn

	3QFY'09	3QFY'10	Variance RM mn
Revenue	21,323.0	22,450.7	1,127.7
Total IPP Purchases	8,728.6	9,248.7	520.1
Fuel Costs	3,849.5	3,463.5	(386.0)
Repair & Maintenance	733.6	800.7	67.1
Staff costs	1,871.0	1,934.1	63.1
TNB General Expenses	517.1	540.8	23.7
Main Subs.Gen Exp & Cost of Sales, Other Subsidiaries & Provisions	315.6	416.3	100.7
Depreciation & Amortisation	2,609.0	2,866.4	257.4
	18,624.4	19,270.5	646.1

# COST PER UNIT

- 5.6% Decline In Cost Per Unit Sold
- Declining Margin As A Result of Increasing Coal Prices



	YTD FY'09	YTD FY'10
ASP	32.3	31.1
CPU	30.1	28.4
MARGIN	2.2	2.7

\* Company's IPP cost includes TNBJ & KEV

■ IPP    ■ R&M    ■ Depreciation    ■ Finance Cost  
■ Fuel    ■ Staff Cost    ■ General Exp & Other Subsidiary Cost

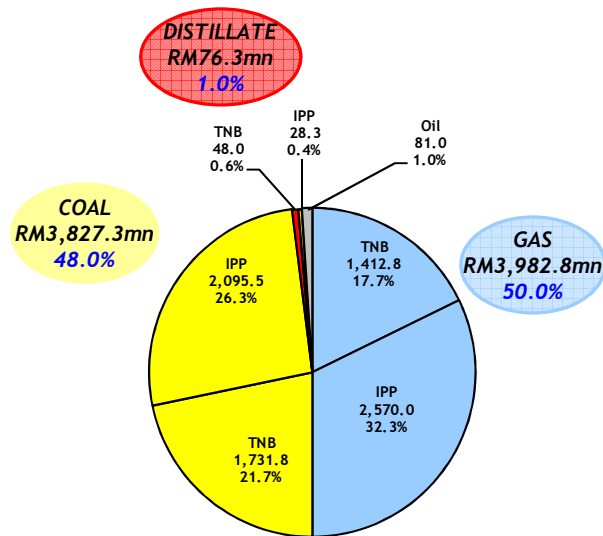
# INDUSTRY GENERATION IN PENINSULA (TNB & IPPs)

## Y-o-Y Analysis

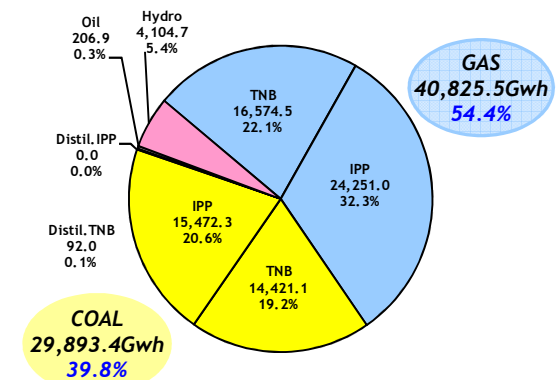
Coal Generation Increased to 39.8% from Reduction in Gas Allocation & Higher Demand

Fuel Cost (RM mn)				
Fuel Type	9 Months		Variance	
	YTD FY'09	YTD FY'10	RM mn	%
Gas	5,194.0	3,982.8	(1,211.2)	(23.3)
Coal*	2,666.2	3,827.3	1,161.1	43.5
Dist.	40.8	76.3	35.5	87.0
Oil	1.9	81.0	79.1	> 200.0
Hydro	0.0	0.0	-	-
Total	7,902.9	7,967.4	64.5	0.8

Units Generated (Gwh)				
Fuel Type	9 Months		Variance	
	YTD FY'09	YTD FY'10	Gwh	%
Gas	45,990.8	40,825.5	(5,165.3)	(11.2)
Coal	17,484.5	29,893.4	12,408.9	71.0
Dist.	32.3	92.0	59.7	184.8
Oil	4.4	206.9	202.5	> 200.0
Hydro	4,585.7	4,104.7	(481.0)	(10.5)
Total	68,097.7	75,122.5	7,024.8	10.3



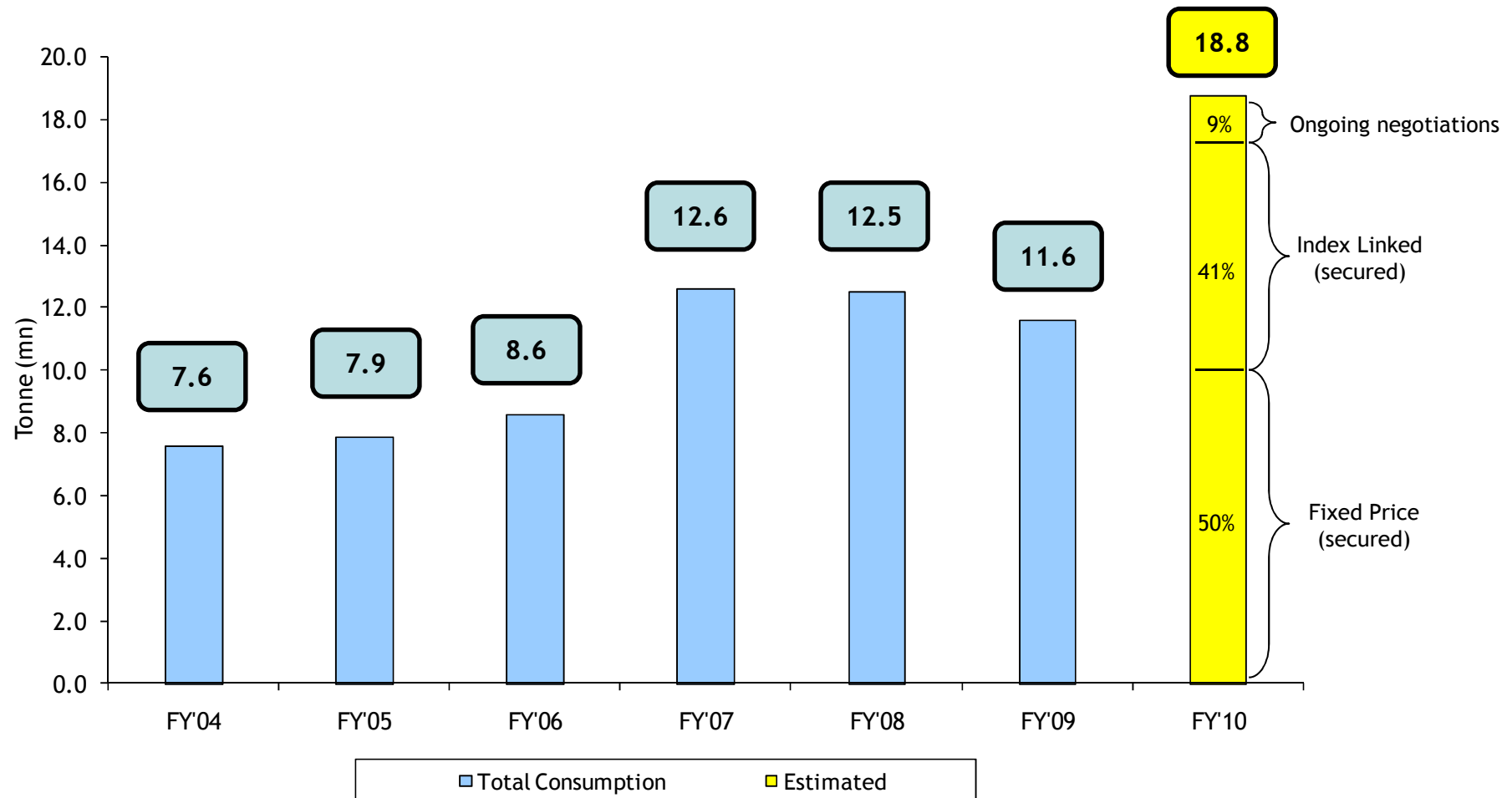
TOTAL : RM 7,967.4mn



TOTAL : 75,122.5Gwh  
Fuel Cost/Gwh : 10.61sen

# COAL REQUIREMENT

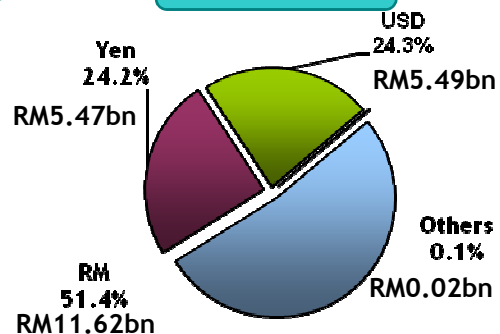
Coal Procurement Estimate for FY2010 at 18.8mn MT



# ANALYSIS OF DEBT EXPOSURE & FOREX

Forex Exposure Reduced by 5.2% Resulting from Strengthening of RM

31<sup>st</sup> Aug'09



\* Total Debt RM22.6 bn

Net Debt RM16.5 bn

Gearing (%) 46.5

Net Gearing (%) 33.8

Fixed:Floating 92.9% : 7.1%  
[Based on final exposure, Fixed:Floating 98.7% : 1.3%]

Weighted Average Cost of Debt 5.16%  
[ Based on final exposure, 5.32% ]

USD/RM : 3.53

100YEN/RM : 3.75

USD/YEN : 94.13

RM bn

Total Debt 31/08/09 22.6

- Debt Repayments (0.9)

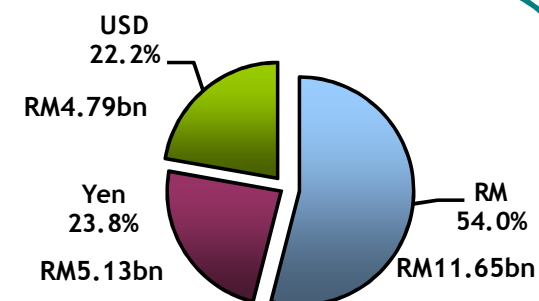
+ Drawdowns 0.6

Forex Translation Gain (0.7)

Total Debt 31/05/10 21.6

	Exchange Rate	
	USD:RM	100 YEN:RM
31/08/09	3.526	3.754
30/09/09	3.471	3.865
31/10/09	3.413	3.746
30/11/09	3.386	3.931
31/12/09	3.424	3.711
31/01/10	3.414	3.785
28/02/10	3.410	3.820
31/03/10	3.266	3.502
30/04/10	3.187	3.385
31/05/10	3.259	3.562
30/06/10	3.243	3.659
12/07/10	3.202	3.601

31<sup>st</sup> May'10



\* Total Debt RM21.6 bn

Net Debt RM13.6 bn

Gearing (%) 43.2

Net Gearing (%) 27.2

Fixed:Floating 94.3% : 5.7%  
[Based on final exposure, Fixed:Floating 98.8% : 1.2%]

Weighted Average Cost of Debt 5.13%  
[ Based on final exposure, 5.32% ]

USD/RM : 3.26

100YEN/RM : 3.56

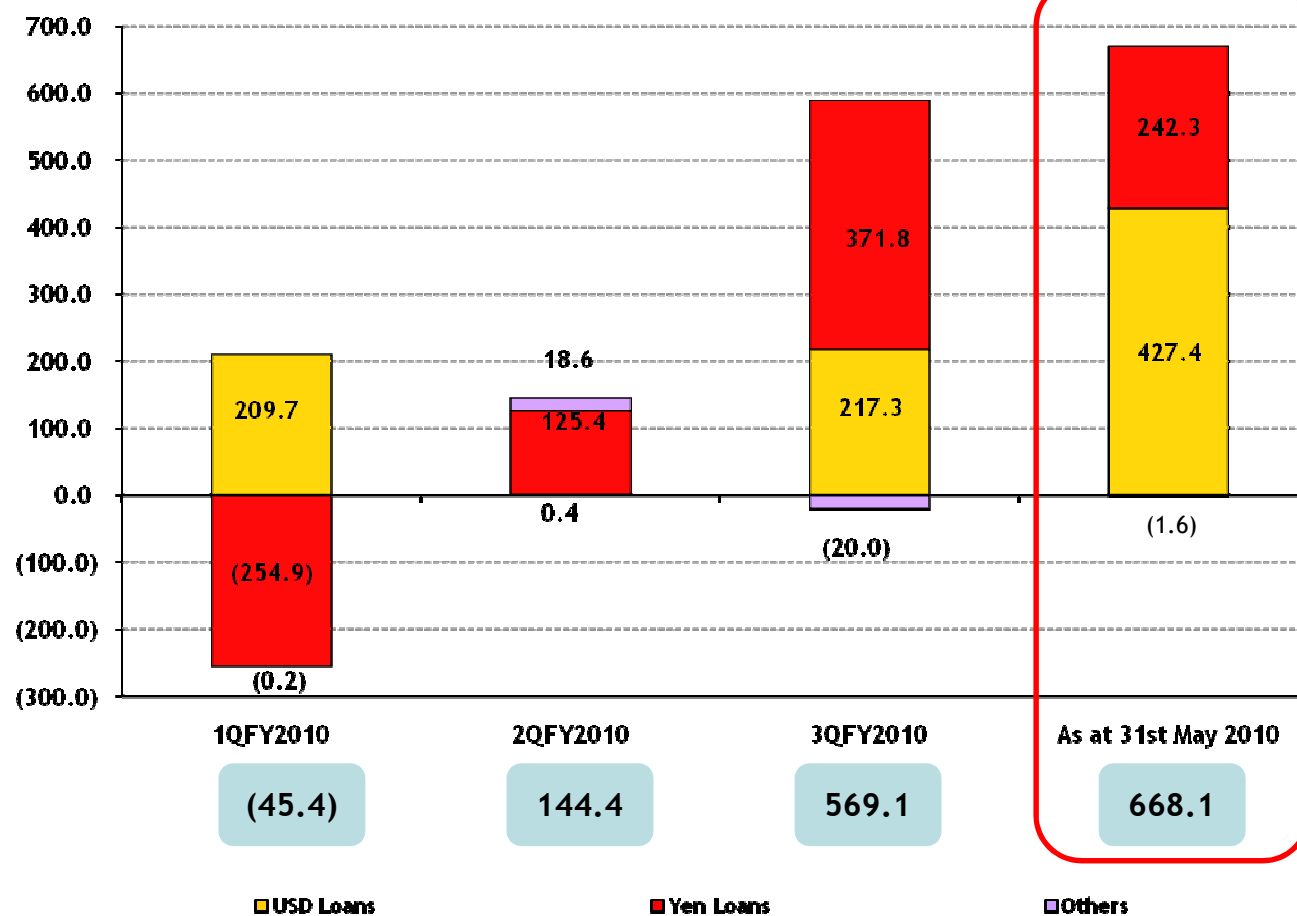
USD/YEN : 91.57

# DEBT EXPOSURE & FOREX

RM668.1mn Translation Gain from USD & Japanese Yen Exposure

Ex. Rate	31/08/09	1QFY'10	2QFY'10	3QFY'10	31/05/10	12/7/10
1USD:RM	3.53	3.39	3.41	3.26	3.26	3.20
100JPY:RM	3.75	3.93	3.82	3.56	3.56	3.60

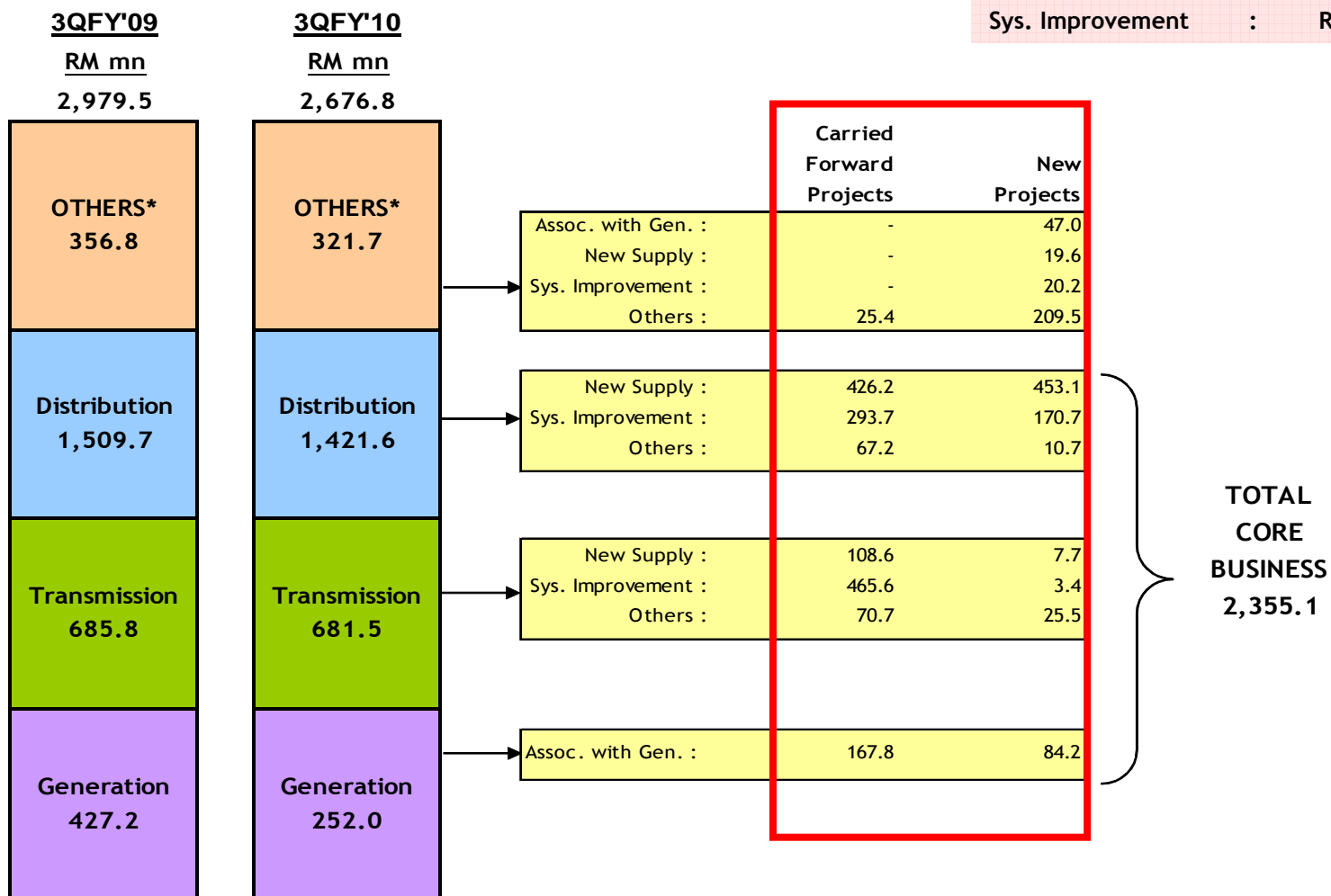
RM mn



# CAPITAL EXPENDITURE

- 60.7% of Total Capex Incurred are Carried Forward Projects
- 73.6% of Total Capex Incurred Relates to New Supply and System Improvement

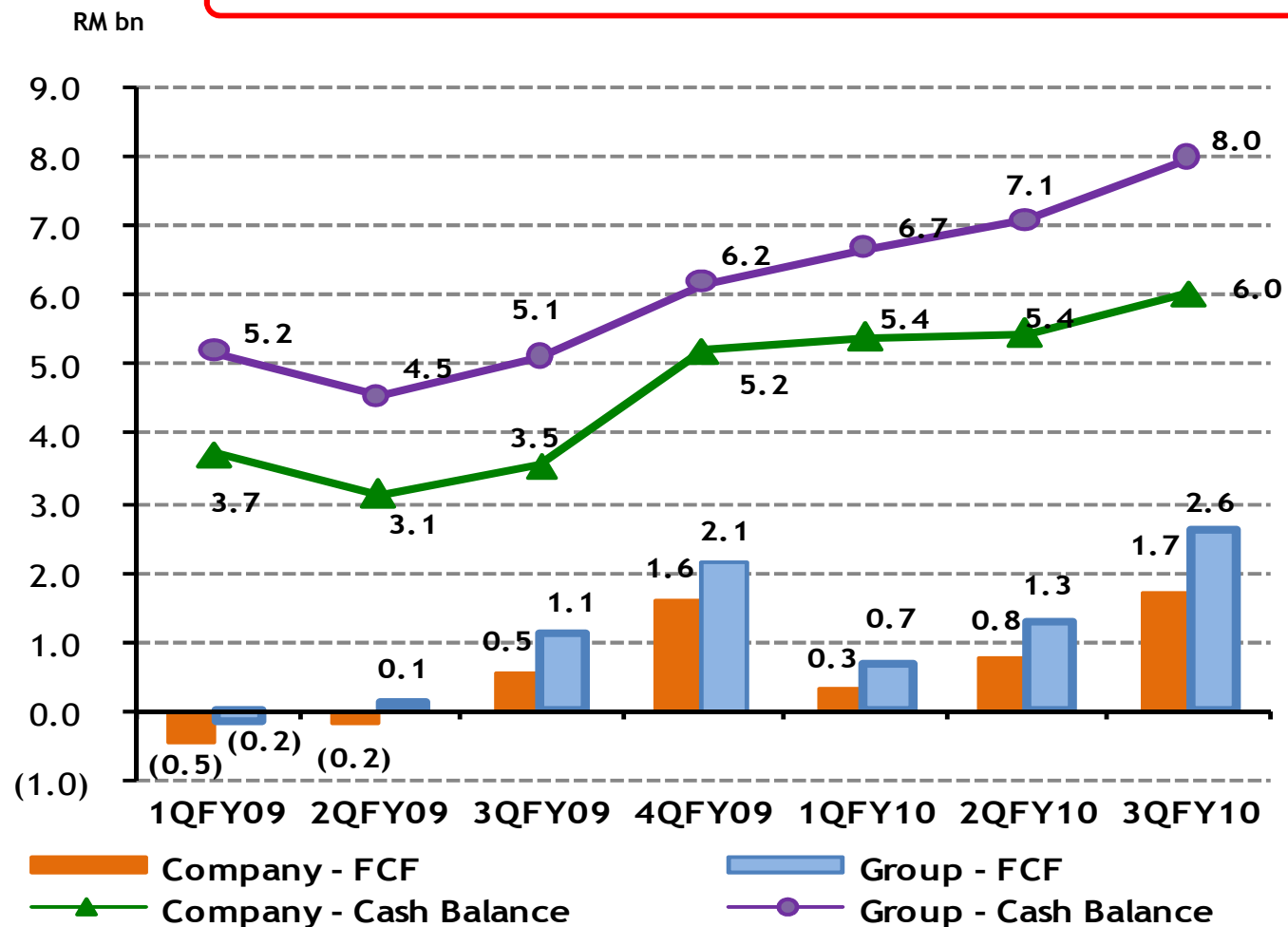
New Supply : RM1,015.2 mn  
Sys. Improvement : RM953.6 mn



\* Includes SESB

# CASHFLOW

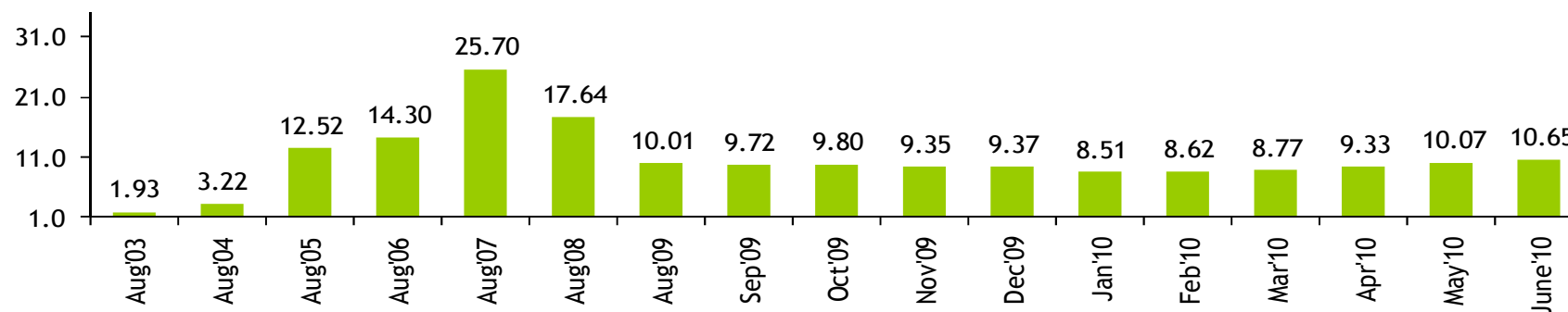
## Cash Balance Continues to Improve





# SHAREHOLDING

## Foreign Shareholding



## Main Shareholding

	Aug'07	Aug'08	Aug'09	May'10	Variance (May'10 & Aug'09)
Name	%	%	%	%	%
Khazanah Nasional Berhad	37.67	37.80	37.78	35.70	(5.51)
Employees Provident Fund Board	10.06	11.32	13.99	15.25	9.01
Skim Amanah Saham Bumiputera	7.23	8.94	9.60	9.78	1.88
Kumpulan Wang Persaraan	3.23	3.53	3.15	1.43	(54.60)
Other Corporations & Govt. Agencies	9.90	17.14	19.51	21.84	11.94
<b>Subtotal</b>	<b>68.09</b>	<b>78.73</b>	<b>84.03</b>	<b>84.00</b>	<b>(0.04)</b>
Foreign	25.67	17.64	10.01	10.01	0.00
Malaysian Public	6.24	3.63	5.96	5.99	0.50
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
Paid Up Capital (mn shares)	4,331.71	4,334.50	4,337.00	4,346.39	

- ❑ Highlights Of The Group's Performance

- ❑ Details Of The Group's Performance

- ❑ Q & A

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



*All information contained herein is meant strictly for the use of this presentation only and should not be used or relied on by any party for any other purpose and without the prior written approval of TNB. The information contained herein is the property of TNB and it is privileged and confidential in nature. TNB has the sole copyright to such information and you are prohibited from disseminating, distributing, copying, re-producing, using and/or disclosing this information.*



**THANK YOU**

***“Powering The Nation’s Progress”***

