



The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE 3rd QUARTER ENDED 31 MAY 2010

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.05.2010	PRECEDING YEAR CORRESPONDING QUARTER 31.05.2009	CURRENT YEAR TO DATE 31.05.2010	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2009
Revenue	7,723.3	7,001.8	22,450.7	21,323.0
Operating expenses	(6,924.1)	(6,198.0)	(19,270.5)	(18,624.4)
Other operating income	105.3	107.4	286.1	264.3
Operating profit	904.5	911.2	3,466.3	2,962.9
Foreign exchange				
- Translation gain/(loss)	569.1	603.2	668.1	(933.5)
- Transaction gain/(loss)	4.1	(41.8)	13.0	(63.1)
Share of results of jointly controlled entity	(0.1)	-	(0.2)	-
Share of results of associates (net of tax)	18.9	9.1	27.2	27.2
Profit before finance cost	1,496.5	1,481.7	4,174.4	1,993.5
Finance income	53.8	32.3	142.2	135.2
Finance cost	(263.5)	(273.7)	(794.4)	(845.7)
Profit from ordinary activities before taxation	1,286.8	1,240.3	3,522.2	1,283.0
Taxation and Zakat				
- Company and subsidiaries	(89.4)	(176.6)	(535.7)	(322.8)
- Deferred taxation	(88.1)	(57.9)	(178.2)	(240.6)
Profit for the period	<u>1,109.3</u>	<u>1,005.8</u>	<u>2,808.3</u>	<u>719.6</u>
Attributable to:				
- Equity holders of the Company	1,107.1	1,023.1	2,813.5	753.6
- Minority interests	2.2	(17.3)	(5.2)	(34.0)
	<u>1,109.3</u>	<u>1,005.8</u>	<u>2,808.3</u>	<u>719.6</u>
Earnings per share attributable to ordinary equity holders of the company				
	Sen	Sen	Sen	Sen
Basic	25.51	23.60	64.83	17.39
Diluted	25.39	23.60	64.53	17.39

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 31 MAY 2010
(Amounts in RM million unless otherwise stated)

	31-May-10	31-Aug-09
NON-CURRENT ASSETS		
Property, plant and equipment	57,810.2	58,227.4
Prepaid operating leases	861.9	833.6
Joint Venture	15.2	7.9
Associates	290.4	297.3
Investments	38.0	38.0
	<u>59,015.7</u>	<u>59,404.2</u>
CURRENT ASSETS		
Non-current assets held for sale	18.4	19.6
Inventories	2,267.5	1,955.7
Trade receivables	2,669.5	2,467.8
Other receivables	1,228.2	1,306.3
Current tax assets	10.7	15.4
Amount due from jointly controlled entity	14.7	-
Amount due from associates	5.4	9.2
Short term investments	72.5	12.6
Marketable securities	8.7	8.3
Deposits, bank and cash balances	7,965.5	6,163.9
	<u>14,261.1</u>	<u>11,958.8</u>
CURRENT LIABILITIES		
Trade payables	(3,533.0)	(4,149.7)
Other payables	(1,555.7)	(1,454.3)
Amount due to associates	(588.6)	(294.0)
Current taxation	(450.3)	(206.9)
Short term borrowings	(865.6)	(1,157.9)
	<u>(6,993.2)</u>	<u>(7,262.8)</u>
NET CURRENT ASSETS		
	7,267.9	4,696.0
NON-CURRENT LIABILITIES		
Borrowings	(20,706.7)	(21,458.1)
Consumer deposits	(2,848.8)	(2,717.3)
Employee benefits	(3,706.2)	(3,470.6)
Other liabilities	(179.5)	(235.5)
Deferred taxation	(6,819.1)	(6,640.4)
Deferred income	(3,010.1)	(2,952.2)
Government development grants	(629.4)	(579.8)
	<u>(37,899.8)</u>	<u>(38,053.9)</u>
TOTAL NET ASSETS		
	<u>28,383.8</u>	<u>26,046.3</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	4,346.6	4,337.0
Share premium	5,321.0	5,271.5
Revaluation and other reserves	681.0	593.0
Retained profits	18,000.2	15,804.6
	<u>28,348.8</u>	<u>26,006.1</u>
MINORITY INTERESTS		
	35.0	40.2
TOTAL EQUITY		
	<u>28,383.8</u>	<u>26,046.3</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		
	Sen 652.2	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.

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**C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT
31 MAY 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	-	-	-	57.9	-	-	57.9
Profit for the 9-month period	-	-	-	-	2,813.5	(5.2)	2,808.3
Dividend paid FY2009	-	-	-	-	(425.3)	-	(425.3)
Dividend paid FY2010	-	-	-	-	(195.5)	-	(195.5)
Provision for share option	-	-	33.0	-	-	-	33.0
Issuance of share capital - share options *	9.6	49.5	-	-	-	-	59.1
Realisation of revaluation reserve	-	-	-	(2.9)	2.9	-	-
At 31 May 2010	4,346.6	5,321.0	122.1	558.9	18,000.2	35.0	28,383.8

* Exercise of options representing 9,546,600 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	-	-	-	(96.8)	-	-	(96.8)
Divestment of a subsidiary	-	-	-	-	-	0.4	0.4
Profit for the 9-month period	-	-	-	-	753.6	(34.0)	719.6
Dividends paid FY2008	-	-	-	-	(325.1)	-	(325.1)
Dividends paid FY2009	-	-	-	-	(151.7)	-	(151.7)
Provision for share option	-	-	24.4	-	-	-	24.4
Issuance of share capital - share options	0.3	1.3	-	-	-	-	1.6
Realisation of revaluation reserve	-	-	-	(7.6)	7.6	-	-
At 31 May 2009	4,334.8	5,260.1	87.2	551.0	15,630.1	71.1	25,934.3

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 31 MAY 2010

(Amounts in RM million unless otherwise stated)

	FY2010 ended 31-May-10	FY2009 ended 31-May-09
Operating activities		
Cash generated from operations	5,808.2	4,736.3
Retirement benefits paid	(277.1)	(263.1)
Consumer contributions received	325.9	297.3
Customer deposits received	131.6	121.2
Tax paid	(294.1)	(180.7)
Tax refund received	(2.0)	0.5
Net cash inflow from operating activities	<u>5,692.5</u>	<u>4,711.5</u>
Investing activities		
Investment in associates:		
- addition	(0.3)	-
- proceeds from redemption of unsecured loan notes	2.9	2.5
Purchase of short term investments	(59.9)	-
Dividend Income	31.5	54.0
Interest income received	124.7	138.5
Property, plant and equipment:		
- purchases	(2,352.9)	(2,795.8)
- disposals	3.3	3.8
Assets held for sale		
- disposals	4.8	23.4
Prepaid operating leases		
- purchases	(20.8)	-
- proceeds from disposals	1.5	5.8
Net cash out-flow from investing activities	<u>(2,265.2)</u>	<u>(2,567.8)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	550.9	731.4
- repayments	(924.4)	(1,831.1)
Interest paid	(775.1)	(857.5)
Proceeds from issuance of shares	59.1	1.6
Dividend paid	(620.8)	(476.8)
Government development grants received	86.2	-
Net cash out-flow from financing activities	<u>(1,624.1)</u>	<u>(2,432.4)</u>
Changes in cash and cash equivalents	1,803.2	(288.7)
Currency translation differences	(1.6)	(1.9)
Cash and cash equivalents		
- at start of period	6,163.9	5,383.9
- at end of period	<u>7,965.5</u>	<u>5,093.3</u>
Cash at bank, held in trust ¹	(27.1)	(46.9)
Debt Reserve Account ²	(237.0)	-
Fund from MOF ³	(9.2)	-
Cash Available	<u>7,692.2</u>	<u>5,046.4</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 FRS 8 – 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 9,546,600 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

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

(b) In respect of the financial year ending 31 August 2010, an interim dividend of 6.0 sen gross per ordinary share less income tax at 25% was paid on 27 May 2010 totalling RM195.5 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 31 May 2010	As at 31 Aug 2009
Claims by third parties	826.0	860.3
Trade guarantees and performance bonds	6.9	1.0
Guarantees given to financial institutions in respect of facilities granted	295.3	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	<u>2.8</u>	<u>8.8</u>
	<u>1,290.9</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 31 May 2010	As at 31 Aug 2009
Property, plant and equipment committed over a 5 year period		
Authorised but not contracted for	10,331.3	10,752.4
Contracted but not provided for in the financial statements	<u>975.9</u>	<u>531.2</u>
	<u>11,307.2</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 nine months ended 31 May 2010 (3rd Quarter FY2010) against the corresponding nine months ended 31 May 2009 (3rd Quarter FY2009):

A 5.3% or RM1,127.7 million increase in revenue from RM21,323.0 million in the prevailing period was mainly due to an increase in sales of electricity in Peninsular Malaysia. The electricity demand has shown a growth of 9.9% in comparison to the corresponding period last financial year.

Profit attributable to equity holders of the Company reported more than 100% increase from the previous corresponding period at RM2,813.5 million. This was mainly as a result of continuing increase in demand growth, better control of costs and the stronger Ringgit. The appreciation of the Ringgit has resulted in a foreign exchange translation gain of RM668.1 million as compared to a loss of RM933.5 million in Q3 FY2009.

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

The quarter recorded a total revenue of RM7,723.3 million against RM7,001.8 million for the same period last financial year, increased by 10.3% or RM721.5 million. The improvement was mainly from sales of electricity in Peninsular Malaysia which recorded an increase of 12.1% or RM771.6 million and the unit sold which registered a growth of 13.7% as compared to the corresponding period.

The improvement in earnings was mainly contributed by higher revenue from the increase in electricity demand.

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

Performance of the current quarter (3rd Quarter FY2010) against the preceding quarter (2nd Quarter FY2010):

The Group's revenue grew by 4.5% to RM7,723.3 million in the current quarter as compared to the preceding quarter revenue of RM7,389.1 million. For the quarter under review the operating expenses were higher compared to the preceding quarter mainly due to higher coal prices.

The strengthening of the Ringgit against the Japanese Yen and the US Dollar during the quarter under review resulted in a higher foreign exchange translation gain of RM569.1 million compared to RM144.4 million recorded in the previous quarter.



16) PROSPECTS

The proactive efforts by the Government through various stimulus packages to improve the Malaysian economy have shown positive results evident by a resounding 10% growth in Gross Domestic Product in the first quarter of the year 2010 and the increase of 12.5% in Industrial Production Index (IPI) in May from a year ago.

With the improving economic environment, TNB's prospects for FY2010 seem encouraging. The Group continues to record strong recovery in demand for the industrial and commercial sectors. Other sectors are also showing continued trends of improvement in demand. However, the Group remains cautious of the challenges posed by the uncertainties in foreign exchange rate for US Dollar and Japanese Yen, and increases in fuel price due to expected increase in coal prices.

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 within expectation.

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 31-May-10	ended 31-May-09	ended 31-May-10	ended 31-May-09
Income Tax:				
Current tax and zakat	(89.4)	(176.6)	(535.7)	(322.8)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	(88.1)	(57.9)	(178.2)	(240.6)
Total taxation and zakat	<u>(177.5)</u>	<u>(234.5)</u>	<u>(713.9)</u>	<u>(563.4)</u>

For the reporting period ended 31 May 2010 the Group recorded a 20.3% 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 account the foreign exchange gain the effective tax rate is 25.1%.

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

- There were no purchases and disposals of quoted securities during the quarter.
- Investments in quoted securities as at 31 May 2010 are as follows:-

	Quarter ended 31-May-10
At cost	1.0
At carrying value	Nil
At market value	Nil



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 31 May 10	As at 31 Aug 09
Short term - secured	376.3	484.4
- unsecured	489.3	673.5
Sub-total	865.6	1,157.9
Long term - secured	3,248.8	2,965.4
- unsecured	17,457.9	18,492.7
Sub-total	20,706.7	21,458.1
Total	21,572.3	22,616.0

- b) Currency denominations:-

	As at 31 May 10	As at 31 Aug 09
Japanese Yen	5,120.1	5,480.3
US Dollar	4,785.0	5,502.5
Others	-	19.5
Total Ringgit equivalent of foreign currency borrowings	9,905.1	11,002.3
Ringgit borrowings	11,667.2	11,613.7
Total	21,572.3	22,616.0

- c) Effective average cost of borrowing based on exposure as at 31 May 2010 was 5.32% (FY2009: 5.34%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM574.9 million, and
 - (ii) Ringgit denominated term loans of RM258.2 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 7 July 2010, the outstanding notional principal amount of derivative financial instruments entered into by the Group was RM1.98 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 not recommended any dividend for the quarter ended 31 May 2010.

26) EARNINGS PER SHARE

	Individual quarter		Cumulative quarter	
	ended 31-May-10	ended 31-May-09	ended 31-May-10	ended 31-May-09
(a) Basic earnings/(loss) per share				
Profit attributable to equity holders of the Company (RM 'million)	1,107.1	1,023.1	2,813.5	753.6
Weighted average number of ordinary shares in issue ('000)	4,339,647	4,334,604	4,339,647	4,334,604
Basic earnings per share (sen)	25.51	23.60	64.83	17.39
(b) Diluted earnings/(loss) per share				
Profit attributable to equity holders of the Company (RM 'million)	1,107.1	1,023.1	2,813.5	753.6
Weighted average number of ordinary shares in Issue ('000)	4,339,647	4,334,604	4,339,647	4,334,604
Adjustments for share options ('000)	20,160	-	20,160	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	4,359,807	4,334,604	4,359,807	4,334,604
Diluted earnings per share (sen)	25.39	23.60	64.53	17.39

By Order of the Board

NOR ZAKIAH BINTI ABDUL GHANI (LS 0008795)
Company Secretary

Kuala Lumpur
14 July 2010