



The Board of Directors is pleased to announce the following:

**A. AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE 4th QUARTER ENDED 31 AUGUST 2011**  
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.08.11	PRECEDING YEAR CORRESPONDING QUARTER 31.08.10 (Restated)	CURRENT YEAR TO DATE 31.08.11	PRECEDING YEAR CORRESPONDING PERIOD 31.08.10 (Restated)
Revenue	9,120.2	8,070.2	32,206.9	30,317.4
Operating expenses	(9,494.6)	(7,249.2)	(31,582.8)	(26,519.7)
Other operating income	125.6	96.2	532.0	382.3
Operating (loss)/profit	(248.8)	917.2	1,156.1	4,180.0
Foreign exchange				
- Translation (loss)/gain	(334.6)	(35.5)	(227.0)	632.6
- Transaction gain	38.7	10.4	32.9	23.4
Share of results of jointly controlled entity	0.6	0.2	0.6	-
Share of results of associates (net of tax)	21.7	17.4	92.8	44.6
(Loss)/Profit before finance cost	(522.4)	909.7	1,055.4	4,880.6
Finance income	42.0	67.5	319.1	209.7
Finance cost	(180.1)	(276.5)	(827.8)	(1,070.9)
(Loss)/Profit from ordinary activities before taxation	(660.5)	700.7	546.7	4,019.4
Taxation and Zakat				
- Company and subsidiaries	88.3	(148.3)	(130.2)	(684.0)
- Deferred taxation	140.4	3.4	90.0	(139.2)
<b>(Loss)/Profit for the period</b>	<b>(431.8)</b>	<b>555.8</b>	<b>506.5</b>	<b>3,196.2</b>
Attributable to:				
- Owners of the Company	(453.9)	555.2	499.5	3,200.8
- Non-controlling interest	22.1	0.6	7.0	(4.6)
	<b>(431.8)</b>	<b>555.8</b>	<b>506.5</b>	<b>3,196.2</b>
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	(8.33)	10.22	9.16	58.92
Diluted	(8.31)	10.18	9.14	58.71

These audited Condensed Consolidated Income Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2010.



**B. AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 4th QUARTER ENDED 31 AUGUST 2011**

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.08.11	PRECEDING YEAR CORRESPONDING QUARTER 31.08.10 (Restated)	CURRENT YEAR TO DATE 31.08.11	PRECEDING YEAR CORRESPONDING PERIOD 31.08.10 (Restated)
(Loss)/Profit for the period	(431.8)	555.8	506.5	3,196.2
<b>Other Comprehensive (Expense)/Income (net of tax) :-</b>				
Foreign currency translation differences	(22.7)	2.0	(8.1)	59.9
<b>Total Comprehensive (Expense)/Income for the Period</b>	<b>(454.5)</b>	<b>557.8</b>	<b>498.4</b>	<b>3,256.1</b>
Attributable to: -				
- Owners of the Company	(476.6)	557.2	491.4	3,260.7
- Non-controlling interest	22.1	0.6	7.0	(4.6)
	<b>(454.5)</b>	<b>557.8</b>	<b>498.4</b>	<b>3,256.1</b>



**C. AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2011**

(Amounts in RM million unless otherwise stated)

	31.08.2011	31.08.2010 (Restated)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	60,569.5	58,895.3
Joint venture	0.6	-
Associates	407.8	245.7
Available-for-sale Financial Assets	38.0	38.0
Investments in unquoted debt securities	164.0	50.7
Deferred tax assets	30.2	55.9
Derivatives	89.9	-
Long term receivables	388.6	480.5
	<u>61,688.6</u>	<u>59,766.1</u>
<b>CURRENT ASSETS</b>		
Non-current assets held for sale	11.4	18.0
Inventories	2,645.9	2,450.4
Trade receivables	4,817.5	4,267.1
Other receivables	1,204.6	933.3
Current tax assets	264.5	15.2
Amount due from associates	14.6	5.7
Short term investments	-	72.5
Marketable securities	8.6	8.6
Derivatives	1.5	-
Deposits, bank and cash balances	3,954.2	8,343.7
	<u>12,922.8</u>	<u>16,114.5</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	(4,116.3)	(3,549.8)
Other payables	(1,469.3)	(1,727.1)
Amount due to associates	(707.9)	(623.6)
Current taxation	(5.7)	(317.6)
Deferred Income	(523.9)	(331.3)
Short term borrowings	(1,727.3)	(3,162.7)
	<u>(8,550.4)</u>	<u>(9,712.1)</u>
<b>NET CURRENT ASSETS</b>	4,372.4	6,402.4
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	(17,326.8)	(18,100.9)
Consumer deposits	(3,084.9)	(2,903.9)
Derivatives	(44.1)	-
Employee benefits	(4,220.5)	(3,866.3)
Other liabilities	(481.1)	(536.4)
Deferred tax liabilities	(7,155.1)	(7,270.8)
Deferred income	(2,849.6)	(2,710.9)
Government development grants	(627.2)	(599.0)
	<u>(35,789.3)</u>	<u>(35,988.2)</u>
<b>TOTAL NET ASSETS</b>	<u>30,271.7</u>	<u>30,180.3</u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	5,456.6	4,352.7
Share premium	4,332.6	5,354.2
Revaluation and other reserves	689.4	682.8
Retained profits	19,701.5	19,755.0
	<u>30,180.1</u>	<u>30,144.7</u>
<b>NON-CONTROLLING INTEREST</b>	91.6	35.6
<b>TOTAL EQUITY</b>	<u>30,271.7</u>	<u>30,180.3</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	Sen 553.1	Sen 692.6

These audited Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2010.

**D. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT  
31 AUGUST 2011**

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company						Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Non controlling interest	
<b>At 1 September 2010 (as previously reported)</b>	<b>4,352.7</b>	<b>5,354.2</b>	<b>122.5</b>	<b>560.3</b>	<b>18,389.2</b>	<b>35.6</b>	<b>28,814.5</b>
Effects of adoption of FRS 139	-	-	-	-	265.6	7.3	272.9
Prior Year Adjustment	-	-	-	-	1,365.8	-	1,365.8
<b>As at 1 September 2010 (restated)</b>	<b>4,352.7</b>	<b>5,354.2</b>	<b>122.5</b>	<b>560.3</b>	<b>20,020.6</b>	<b>42.9</b>	<b>30,453.2</b>
Profit for the year	-	-	-	-	499.5	7.0	506.5
Total other comprehensive income	-	-	-	(8.1)	-	-	(8.1)
<b>Total comprehensive income</b>	-	-	-	<b>(8.1)</b>	<b>499.5</b>	<b>7.0</b>	<b>498.4</b>
Realisation of revaluation reserve	-	-	-	(19.4)	19.4	-	-
<b>Transaction with owners</b>							
Dividends paid FY2010	-	-	-	-	(654.0)	-	(654.0)
Dividends paid FY2011	-	-	-	-	(184.0)	-	(184.0)
Redesignation of liability to NCI	-	-	-	-	-	41.7	41.7
Provision for share option	-	-	34.1	-	-	-	34.1
Issuance of share capital							
- share options *	13.8	68.5	-	-	-	-	82.3
- bonus shares	1,090.1	(1,090.1)	-	-	-	-	-
	<b>1,103.9</b>	<b>(1,021.6)</b>	<b>34.1</b>	<b>-</b>	<b>(838.0)</b>	<b>41.7</b>	<b>(679.9)</b>
<b>At 31 August 2011</b>	<b>5,456.6</b>	<b>4,332.6</b>	<b>156.6</b>	<b>532.8</b>	<b>19,701.5</b>	<b>91.6</b>	<b>30,271.7</b>

\* Exercise of options representing 13,804,154 ordinary shares of RM1.00 each under the Employee Share Option Scheme II ("ESOS II");

	Attributable to owners of the Company						Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Non controlling interest	
<b>At 1 September 2009</b>	<b>4,337.0</b>	<b>5,271.5</b>	<b>89.1</b>	<b>503.9</b>	<b>15,804.6</b>	<b>40.2</b>	<b>26,046.3</b>
Prior Year Adjustment	-	-	-	-	1,366.9	-	1,366.9
<b>As at 1 September 2009 (restated)</b>	<b>4,337.0</b>	<b>5,271.5</b>	<b>89.1</b>	<b>503.9</b>	<b>17,171.5</b>	<b>40.2</b>	<b>27,413.2</b>
Profit for the year	-	-	-	-	3,200.8	(4.6)	3,196.2
Total other comprehensive income	-	-	-	59.9	-	-	59.9
<b>Total comprehensive income</b>	-	-	-	<b>59.9</b>	<b>3,200.8</b>	<b>(4.6)</b>	<b>3,256.1</b>
Realisation of revaluation reserve	-	-	-	(3.5)	3.5	-	-
<b>Transaction with owners</b>							
Dividend paid FY2009	-	-	-	-	(425.3)	-	(425.3)
Dividend paid FY2010	-	-	-	-	(195.5)	-	(195.5)
Provision for share option	-	-	33.4	-	-	-	33.4
Issuance of share capital							
- share options	15.7	82.7	-	-	-	-	98.4
	<b>15.7</b>	<b>82.7</b>	<b>33.4</b>	<b>-</b>	<b>(620.8)</b>	<b>-</b>	<b>(489.0)</b>
<b>At 31 August 2010 (restated)</b>	<b>4,352.7</b>	<b>5,354.2</b>	<b>122.5</b>	<b>560.3</b>	<b>19,755.0</b>	<b>35.6</b>	<b>30,160.3</b>

These audited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2010.



**E. AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2011**

(Amounts in RM million unless otherwise stated)

	FY2011 ended 31.08.2011	FY2010 ended 31.08.2010 (Restated)
<b>Operating activities</b>		
Cash generated from operations	5,169.9	8,274.0
Retirement benefits paid	(505.4)	(369.7)
Consumer contributions received	949.3	458.5
Customer deposits received	181.0	186.6
Tax paid	(696.8)	(578.7)
Tax refund received	-	-
Net cash inflow from operating activities	<u>5,098.0</u>	<u>7,970.7</u>
<b>Investing activities</b>		
Investment in associates:		
- addition	(113.3)	(0.3)
- proceeds from redemption of unsecured loan notes	5.2	5.3
Dividend Income	56.4	46.7
Interest Income received	308.0	189.4
Short term investment		
- purchases	-	(59.9)
- disposals	118.3	-
Property, plant and equipment:		
- purchases	(5,655.9)	(3,730.8)
- disposals	2.0	5.2
Assets held for sale		
- disposals	67.0	4.8
Net cash out-flow from Investing activities	<u>(5,212.3)</u>	<u>(3,539.6)</u>
<b>Financing activities</b>		
Bank borrowings:		
- new drawdowns	771.3	526.9
- repayments	(3,384.6)	(1,230.3)
Interest paid	(995.8)	(1,089.8)
Proceeds from issuance of shares	82.3	98.4
Dividends paid	(838.0)	(620.8)
Government development grants received	92.8	66.5
Net cash out-flow from financing activities	<u>(4,272.0)</u>	<u>(2,249.1)</u>
<b>Changes in deposit, bank and cash balances</b>	(4,386.3)	2,182.0
<b>Currency translation differences</b>	(3.2)	(2.2)
<b>Deposit, bank and cash balances</b>		
- at start of period	8,343.7	6,163.9
- at end of period	<u>3,954.2</u>	<u>8,343.7</u>
Cash at bank, held in trust <sup>1</sup>	(465.7)	(83.4)
Debt Reserve Account <sup>2</sup>	(225.2)	(237.3)
Funds from MOF <sup>3</sup>	(5.2)	(7.4)
Cash and cash equivalents	<u>3,258.1</u>	<u>8,015.6</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 programmes.

These audited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2010.



## F. 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 2010.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and a jointly controlled entity as at 31 August 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the year ended 31 August 2010.

### 2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2010 were not subject to any qualification.

### 3) CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those adopted for the annual financial statements for the year ended 31 August 2010 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group with financial year beginning 1 September 2010. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:

#### **(I) Adoption of new accounting policies and changes in accounting policies**

##### **(a) Presentation of Financial Statements (FRS 101)**

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and notes to the financial statement.

The adoption of FRS 101 (revised) has resulted in a change in the presentation of financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity. All 'non-owner changes in equity' are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements.

##### **(b) Leases (FRS 117)**

The Group has adopted the amendments to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.



### 3) CHANGES IN ACCOUNTING POLICIES (CONT'D)

#### (I) Adoption of new accounting policies and changes in accounting policies (cont'd)

##### **(c) Financial Instruments: Recognition and Measurement (FRS 139)**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's Financial Instruments. Initially, financial instruments are recorded at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments.

##### Financial Assets:

Financial Assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets (AFS), or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial assets include cash and short term deposits, trade and other receivables and AFS investments.

##### **(i) Loans and receivables**

Prior to 1 September 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

##### **(ii) AFS**

Prior to 1 September 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in income statement and with unrealised gains or losses recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or losses is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the AFS reserve.

##### **(iii) Fair Value Through Profit or Loss**

Derivative financial instruments were not previously recognised in the financial statements on inception. These are now recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss at each reporting date.

##### Financial Liabilities:

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group financial liabilities include trade and other payables, short term and long term borrowings and are carried out at amortised cost.

The Group has applied the new policies in relation to the financial instruments above in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financial assets and financial liabilities as at 1 September 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained profits and available-for-sale reserves as appropriate. Comparatives are not restated. The effects of the changes are disclosed below.



### 3) CHANGES IN ACCOUNTING POLICIES (CONT'D)

#### (I) Adoption of new accounting policies and changes in accounting policies (cont'd)

##### **(d) Transfers of Assets from Customers (IC Interpretation 18)**

IC Interpretation 18 "Transfers of Assets from Customers" is effective for transfers of assets from customers on or after 1 January 2011. The IC interpretation requires that entities which receives contribution (assets in the form of PPE or cash to acquire such assets) from customers, when that amount of contribution must be used only to construct or acquire an item of property, plant and equipment, and the entity must then use the item of property, plant and equipment either to connect a customer to a network or to provide the customer with ongoing access to a supply of goods or services, or to do both, the entity shall recognise the contribution received as revenue.

#### (II) Adjustments due to Changes in Accounting Policies

The effects arising from the adoption of the new standards as described above, other than those disclosed in the statement of changes in equity, is set out below:

##### **(a) Restatement arising from amendment to FRS 117**

	As previously reported	Reclassification	As restated
	RM Million	RM Million	RM Million
<b>As at 31 August 2010</b>			
Property, plant and equipment	58,031.8	863.5	58,895.3
Prepaid operating leases	863.5	(863.5)	-

##### **(b) Changes affecting retained profits arising from adoption of FRS 139**

	As Previously Reported as at 31-Aug-2010 RM Million	Effect from Adoption of FRS 139 RM Million	Restated Figures as at 1-Sep-2010 RM Million
<b>Retained Profits</b>	18,389.2	265.6	18,654.8
<b>Non-Current Assets</b>			
Derivatives	-	53.4	53.4
Investments	50.7	113.3	164.0
Long term receivables	-	(31.8)	(31.8)
<b>Current Assets</b>			
Short term investment	72.5	40.8	113.3
<b>Non-Current Liabilities</b>			
Borrowings	18,100.9	(160.7)	17,940.2
Derivatives	-	70.8	70.8





**4) RECLASSIFICATION OF FINANCIAL POSITION ITEMS**

During the financial year, the Group made certain reclassification to the comparatives to conform to current year presentation. The change in presentation results in the financial statements providing more relevant information about the effects of the transactions on the Group's financial position.

	As Previously Reported as at 31-Aug-2009 RM Million	Reclassification RM Million	As restated RM Million
<b>Non Current Assets</b>			
Associates	297.3	(50.7)	246.6
Investments in unquoted debt securities	-	50.7	50.7
Long Term Receivables	-	533.0	533.0
<b>Current Assets</b>			
Receivables, deposits and prepayments	3,774.1	(533.0)	3,241.1
<b>Current Liabilities</b>			
Payables	(5,604.0)	430.2	(5,173.8)
Deferred Income	-	(326.9)	(326.9)
<b>Non Current Liabilities</b>			
Other liabilities	(235.5)	(430.2)	(665.7)
Deferred Income	(2,952.2)	326.9	(2,625.3)

	As Previously Reported as at 31-Aug-2010 RM Million	Reclassification RM Million	As restated RM Million
<b>Non Current Assets</b>			
Associates	296.4	(50.7)	245.7
Investments in unquoted debt securities	-	50.7	50.7
Long Term Receivables	-	480.5	480.5
<b>Current Assets</b>			
Receivables, deposits and prepayments	3,881.4	(480.5)	3400.9
<b>Current Liabilities</b>			
Payables	(5,596.9)	320.0	(5,276.9)
Deferred Income	-	(331.3)	(331.3)
<b>Non Current Liabilities</b>			
Other liabilities	(216.4)	(320.0)	(536.4)

**5) SEASONAL OR CYCLICAL FACTORS**

The businesses of the Group are not subject to material seasonal or cyclical fluctuations.

**6) 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.



**7) 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.

**8) DEBT AND EQUITY SECURITIES**

During the period, a total of 13,804,154 ordinary shares of RM1.00 each were issued under the Employee Share Option Scheme II ("ESOS II").

In addition, a total of 1,090,133,190 bonus shares of RM1.00 each were issued.

Except for the above, there were no other issuance, cancellation, repurchases, resales and repayments of debt and equity securities during the period under review.

**9) DIVIDENDS PAID**

a) A final dividend payment for Financial Year 2010 was paid on 30<sup>th</sup> December 2010 totalling RM654 million.

b) An interim dividend payment for Financial Year 2011 was paid on 27<sup>th</sup> May 2011 totalling RM184 million.

**10) SEGMENTAL REPORTING**

Segmental reporting is not presented as the Group is principally engaged in the generation, transmission, distribution and sales of electricity and the provision of other related services, which are substantially within a single business segment. The Group operates primarily in Malaysia.

**11) 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.

**12) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

There were no material events subsequent to the end of the reporting period.

**13) CHANGES IN THE COMPOSITION OF THE GROUP**

As announced to Bursa Malaysia Securities Berhad on 23 March 2011, the Company acquired 66,538,269 ordinary shares of RM1.00 each in Integrax Berhad (ITB) representing 22.12% equity interest in ITB for a total consideration of RM106,461,230.40, fully satisfied in cash. ITB is treated as an associate of the Group and consolidated under the equity method.

#### 14) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 31 Aug 2011	As at 31 Aug 2010
Claims by third parties	594.9	617.4
Trade guarantees and performance bonds	152.5	24.5
Guarantees given to financial institutions in respect of facilities granted	-	284.4
Stamp duties on transfer of assets to a subsidiary	-	108.0
Bank guarantee	3.6	3.6
Other contingent liabilities	2.4	4.9
	<u>753.4</u>	<u>1,042.8</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.

The Company received notification on the 16<sup>th</sup> November 2010 of the Award issued by the Arbitral Tribunal in favour of TNB in respect of proceedings between Segari Energy Ventures Sdn. Bhd. (SEV) and Tenaga Nasional Berhad. Please refer to the announcement made to Bursa Malaysia dated 22 November 2010 for further details.

#### 15) CAPITAL COMMITMENTS

	As at 31 Aug 2011	As at 31 Aug 2010
<b>Property, plant and equipment committed over a 5 year period</b>		
Authorised but not contracted for	9,101.9	12,429.3
Contracted but not provided for in the financial statements	10,831.7	976.4
	<u>19,933.6</u>	<u>13,405.7</u>

#### **G. ADDITIONAL INFORMATION AS REQUIRED BY PART A OF APPENDIX 9B OF THE BURSA MALAYSIA LISTING REQUIREMENTS**

##### 16) REVIEW OF PERFORMANCE

- (a) Performance of the current year ended 31 August 2011 (4<sup>th</sup> Quarter FY2011) against the corresponding year ended 31 August 2010 (4<sup>th</sup> Quarter FY2010):

A 4.3% or RM1,279.7 million improvement in sales of electricity from RM29,594.2 million in the prevailing period was mainly due to an increase in tariff effective 1 June 2011 for Peninsula and 15 July 2011 for SESB. The electricity demand grew by 3.1% in Peninsula and 3.7% in SESB as compared to the corresponding period last financial year.

However, operating expenses increased by 19.1% and has eroded the operating profit by RM3,023.9 million, from RM4,180.0 million to RM1,156.1 million, a reduction of 72.3%. Significant increase in operating expenses was mainly due to higher generation costs from utilisation of coal, oil and distillate, resulting from severe gas curtailment during the third and fourth quarter of FY2011. The average coal price consumed was USD106.9 per metric tonne as compared to USD88.2 per metric tonne in the corresponding period last financial year. Effectively, lower EBITDA margin was recorded, from 26.8% to 16.1%.



**16) REVIEW OF PERFORMANCE (CONT'D)**

- (b) Performance of the current fourth quarter (three months) FY2011 against the corresponding fourth quarter (three months) FY2010:

The quarter recorded a total sales of electricity of RM8,413.7 million against RM7,684.2 million for the same period last financial year. The improvement was mainly from sales of electricity in Peninsular Malaysia and SESB which recorded an increase of 9.7% and 8.7% respectively. The units sold also registered a growth of 3.9% in the Peninsula and 6.8% in SESB as compared to the corresponding period.

Severe gas curtailment during the quarter under review has led to higher utilisation of alternative fuels, namely oil and distillate. This was further worsened by the increase in the average coal price consumed from USD97.2 per metric tonne in quarter four FY2010 to USD117.3 per metric tonne in the current quarter. Hence, the quarter reported an operating loss of RM248.8 million as compared to the corresponding 4<sup>th</sup> Quarter FY2010 operating profit of RM917.2 million.

**17) MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE PRECEDING QUARTER**

- Performance of the current quarter (4<sup>th</sup> Quarter FY2011) against the preceding quarter (3<sup>rd</sup> Quarter FY2011):

The Group reported a total sales of electricity of RM8,413.7 million for the current quarter, an increase of 11.2% as compared to the preceding quarter which reported an amount of RM7,565.5 million.

An operating loss of RM248.8 million recorded during the quarter under review was a result of the higher fuel cost for coal, and utilisation of oil and distillate. The decision to utilise alternative fuel was crucial in meeting the demand during the gas curtailment. This has led to a Net Loss After Tax (attributable to owners of the Company) of RM453.9 million, a slight increase from the Net Loss After Tax (attributable to owners of the Company) of RM440.2 million reported in the previous quarter.

**18) PROSPECTS**

As the global economic prospects are expected to be more challenging in 2012, the Malaysian 2012 Budget saw the Government putting in measures to stimulate domestic economic activities through the implementation of the Economic Transformation Plan (ETP) and Second Rolling Plan projects under the Tenth Malaysia Plan (10MP). To further support economic growth, the Government will also implement a Special Stimulus Package through Private Financing Facility amounting RM6.0 billion. Through these initiatives, the Government expects the Malaysian economy to achieve growth of 5.0% - 6.0% in 2012.

However, with the uncertainty in gas supply and rising fuel prices, generation cost is expected to increase from the use of oil and distillate as well as higher generation from coal fired power plants. TNB has continuously been engaging with the Government in an effort to resolve the gas volume issue as well as the burden of sharing the higher fuel costs. The outcome of the discussions and its impact to TNB will be significant.

Given the foregoing scenario the Board of Directors expects the Group's performance for the financial year ending 31 August 2012 to be very challenging.



**19) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

This note is not applicable.

**20) TAXATION and ZAKAT**

Taxation and Zakat for the reporting period comprised the following:-

	Individual quarter		Cumulative	
	ended 31-Aug-11	ended 31-Aug-10 (Restated)	ended 31-Aug-11	ended 31-Aug-10 (Restated)
<b>Income Tax:</b>				
Current tax and zakat	88.3	(148.3)	(130.2)	(684.0)
<b>Deferred tax (net):</b>				
Relating to origination and reversal of temporary differences	140.4	3.4	90.0	(139.2)
Total taxation and zakat	<u>228.7</u>	<u>(144.9)</u>	<u>(40.2)</u>	<u>(823.2)</u>

For the reporting period ended 31 August 2011 the Group recorded a 7.4% 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 gains. Not taking into account the foreign exchange gains the effective tax rate is 5.4%. The effective tax rate is lower than the corporate income tax rate of 25% due to the write back of previously recognized deferred tax liability.

**21) PROFIT/(LOSS) ON SALE OF INVESTMENTS**

There were no disposals of any investments during the quarter.

**22) PURCHASES AND DISPOSALS OF QUOTED SECURITIES**

- a) There were no purchases of quoted securities during the quarter.
- b) Investments in marketable securities as at 31 August 2011 are as follows:-

	Quarter ended 31-Aug-11 Marketable Securities
At cost	24.1
At carrying value	8.6
At market value	8.6

**23) STATUS OF CORPORATE PROPOSALS**

There were no material corporate proposals entered into during the reporting period.

**24) GROUP BORROWINGS**

- a) The analysis of Group borrowings classified under short and long term categories are as follows:-

	<b>As at 31 Aug 11</b>	<b>As at 31 Aug 10</b>
Short term - secured	520.3	474.0
- unsecured	1,207.0	2,688.7
Sub-total	1,727.3	3,162.7
Long term - secured	2,958.3	2,931.9
- unsecured	14,368.5	15,169.0
Sub-total	17,326.8	18,100.9
<b>Total</b>	<b>19,054.1</b>	<b>21,263.6</b>

- b) Currency denominations:-

	<b>As at 31 Aug 11</b>	<b>As at 31 Aug 10</b>
Japanese Yen	5,457.9	5,306.7
US Dollar	2,909.9	4,516.5
Others	25.8	-
Total Ringgit equivalent of foreign currency borrowings	8,393.6	9,823.2
Ringgit borrowings	10,660.5	11,440.4
<b>Total</b>	<b>19,054.1</b>	<b>21,263.6</b>

- c) Effective average cost of borrowing based on exposure as at 31 August 2011 was 5.09% (FY2010: 5.25%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM1,703.4 million, and
  - (ii) Ringgit denominated term loans of RM1,396.7 million.



## 25) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31-August-2011	
	Notional Amount	Fair Value
	RM Million	RM Million
<b>Forward Currency Contracts</b>		
- Less than 1 year	86.3	1.5
- 1 year to 3 years	-	-
- More than 3 years	-	-
<b>Interest Rate Swaps</b>		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	616.6	(44.1)
<b>Currency Options</b>		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	1,008.8	89.9
<b>Total</b>	<b>1,711.7</b>	<b>47.3</b>

There is no change to the cash requirements of the derivatives, risk associated with the derivatives and policies to mitigate those risks since the last financial year.

The related accounting policies of the Group in respect of derivative financial instruments are disclosed in Part F Note 3 of this announcement.

### Fair value changes of financial liabilities

The Group recognised a total net gain of RM18.35 million during the current quarter and RM64.78 million for the financial period to-date arising from the fair value changes on the derivatives financial instruments which are marked to market as at the date of statement of financial position.



## 26) REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>Group</b>
	<b>31 August 2011</b>
	<b>RM Million</b>
Total retained profits of the Company and its subsidiaries	
-Realised	23,672.5
-Unrealised	(6,139.8)
Total share of retained profits from jointly controlled entities	
-Realised	(10.1)
-Unrealised	-
Total share of retained profits from associates	
-Realised	270.8
-Unrealised	(103.6)
Less : Consolidation adjustments	2,011.7
<b>Total retained profits of the Group</b>	<b>19,701.5</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses In the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure above includes Integrax Berhad's (ITB), where TNB holds 22.12% shareholding, realised and unrealised profits for period as at 30 June 2011 and not 31 August 2011. This is due to unavailability of the information from ITB for reason it did not want to contravene with any Bursa Listing Requirements by releasing its financial information prior to its quarterly announcement.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive by Bursa Malaysia and should not be applied for any other purposes.





**27) 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 19 November 2010.

**28) DIVIDEND**

The Board of Directors has not recommended any final dividend for the year ended 31 August 2011.

**29) EARNINGS PER SHARE**

	Individual quarter		Cumulative quarter	
	ended 31-Aug-11	ended 31-Aug-10 (Restated)	ended 31-Aug-11	ended 31-Aug-10 (Restated)
<b>(a) Basic earnings/(loss) per share</b>				
Profit/(loss) attributable to owners of the Company (RM 'million)	(453.9)	555.2	499.5	3,200.8
Weighted average number of ordinary shares in issue ('000)	5,450,741	5,432,543	5,450,741	5,432,543
Basic earnings per share (sen)	(8.33)	10.22	9.16	58.92
<b>(b) Diluted earnings/(loss) per share</b>				
Profit/(loss) attributable to owners of the Company (RM 'million)	(453.9)	555.2	499.5	3,200.8
Weighted average number of ordinary shares in issue ('000)	5,450,741	5,432,543	5,450,741	5,432,543
Adjustments for share options ('000)	11,706	19,650	11,706	19,650
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,462,447	5,452,193	5,462,447	5,452,193
Diluted earnings per share (sen)	(8.31)	10.18	9.14	58.71



### 30) PRIOR YEAR ADJUSTMENT

Electricity revenue for energy supply activities includes an assessment of energy supplied to customers from the date of the last meter reading to the financial year end of the Group and Company (accrued unbilled). The accrued unbilled revenue represents the material portion of the monthly billing. The accrued unbilled amount is taken net after billing adjustments.

Based on the assessment, accrued revenue arising from energy consumption between the date of the last meter reading and the year end (accrued) as at 31 August 2010 amounted to RM1.8 billion. This has been accounted for as a prior year adjustment (PYA) in accordance with FRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors.

Arising from the above change, the condensed financial statements for the previous financial periods have been restated as follows:

	As previously reported for period ended 31 August 2009	Adjustment	Restated for period ended 31 August 2009
	RM Million	RM Million	RM Million
<b>Unaudited Condensed Consolidated Statement Of Financial Position</b>			
<b>Current Assets</b>			
Trade Receivables	2,467.8	1,802.2	4,270.0
<b>Non Current Liabilities</b>			
Deferred Tax Liabilities	(6,640.4)	(435.3)	(7,075.7)
<b>Capital and Reserves Attributable to Owners of the Company</b>			
Retained profits	15,804.6	1,366.9	17,171.5

	As previously reported for period ended 31 August 2010	Adjustment	Restated for period ended 31 August 2010
	RM Million	RM Million	RM Million
<b>Unaudited Condensed Consolidated Statement of Comprehensive Income</b>			
Revenue	30,320.1	(2.7)	30,317.4
Deferred Taxation	(140.8)	1.6	(139.2)
<b>Unaudited Condensed Consolidated Statement Of Financial Position</b>			
<b>Current Assets</b>			
Trade Receivables	2,467.6	1,799.5	4,267.1
<b>Non Current Liabilities</b>			
Deferred Tax Liabilities	(6,837.1)	(433.7)	(7,270.8)
<b>Capital and Reserves Attributable to Owners of the Company</b>			
Retained profits	18,389.2	1,365.8	19,755.0



**31) COMPARATIVE FIGURES**

In accordance with the transitional provisions, the effects of adoption of FRS 139 are adjusted against the opening balances as at 1 September 2010, as detailed in Note 3(II)b. Comparatives have been restated following the change in accounting policy on leases, as explained in Note 3(I)b, reclassifications described in Note 4 and Prior Year Adjustment (PYA) as shown in Note 30. As a result, the comparatives may not be comparable with the current period's results and financial position.

By Order of the Board

**NOR ZAKIAH BINTI ABDUL GHANI (LS 0008795)**  
**NORAZNI BINTI MOHD ISA (LS 0009635)**

**Company Secretaries**

Kuala Lumpur  
28 October 2011