PRESENTATION TO ANALYSTS

Unaudited Consolidated Results for the 3rd Quarter FY2016 ended 31st May 2016

28th July 2016

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GROUP FINANCE DIVISION

AGENDA

RESULTS HIGHLIGHTS

RESULTS DETAILS

QUESTION & ANSWER

KEY HIGHLIGHTS

5.6% Improvement in Revenue Resulted in 6.3% Increase in Profit After Tax

- 4.5% unit electricity demand growth in Peninsular Malaysia

	9MFY2016	9MFY2015		YoY
Revenue	RM33.29 bn	RM31.54 bn	▲	5.6%
Profit After Tax	RM5.58 bn	RM5.25 bn	▲	6.3%

ELECTRICITY GROWTH IN PENINSULA

4.5% Growth in Electricity Demand

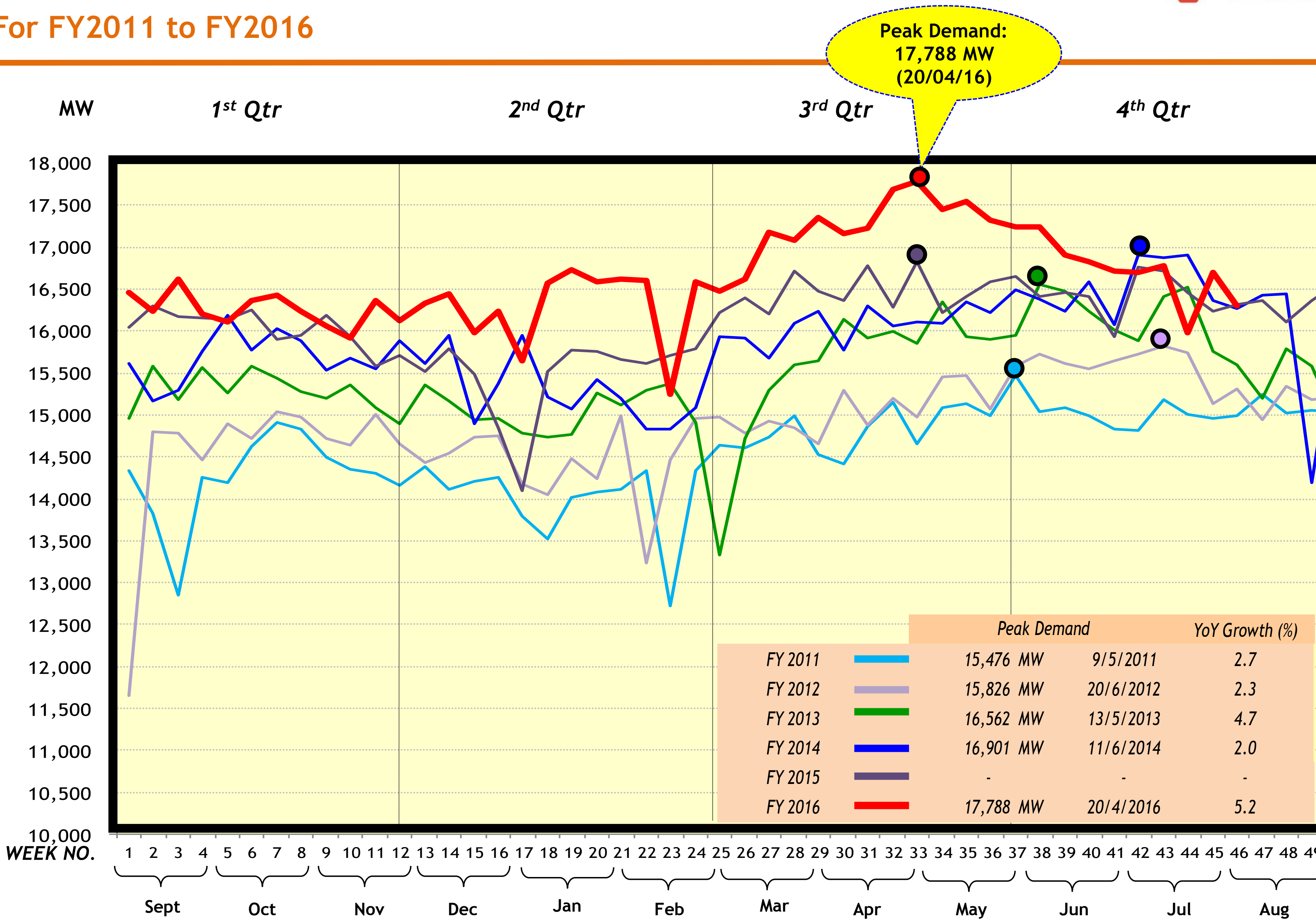
UNITS SALES		FY2015				FY2016		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Industrial	Gwh	10,973	10,976	10,761	11,009	11,101	10,820	10,604
	Growth (%)	3.1	1.6	1.7	0.1	1.2	(1.4)	(1.5)
Commercial	Gwh	9,018	8,860	8,990	9,361	9,369	9,404	9,804
	Growth (%)	3.4	3.1	1.4	2.0	3.9	6.1	9.1
Domestic	Gwh	5,538	5,338	5,775	6,121	5,886	5,981	6,700
	Growth (%)	3.0	2.1	4.1	2.5	6.3	12.0	16.0
Others	Gwh	496	493	462	483	490	497	494
	Growth (%)	6.9	5.6	(0.9)	0.6	(1.2)	0.8	6.9
Total	Gwh	26,025	25,667	25,988	26,974	26,846	26,702	27,602
	Growth (%)	3.3	2.3	2.1	1.3	3.2	4.0	6.2

FY'15
2.2%

	9MFY'16	9MFY'15
Growth (%)	4.5	2.5

SYSTEM WEEKLY MAXIMUM DEMAND (PENINSULA)

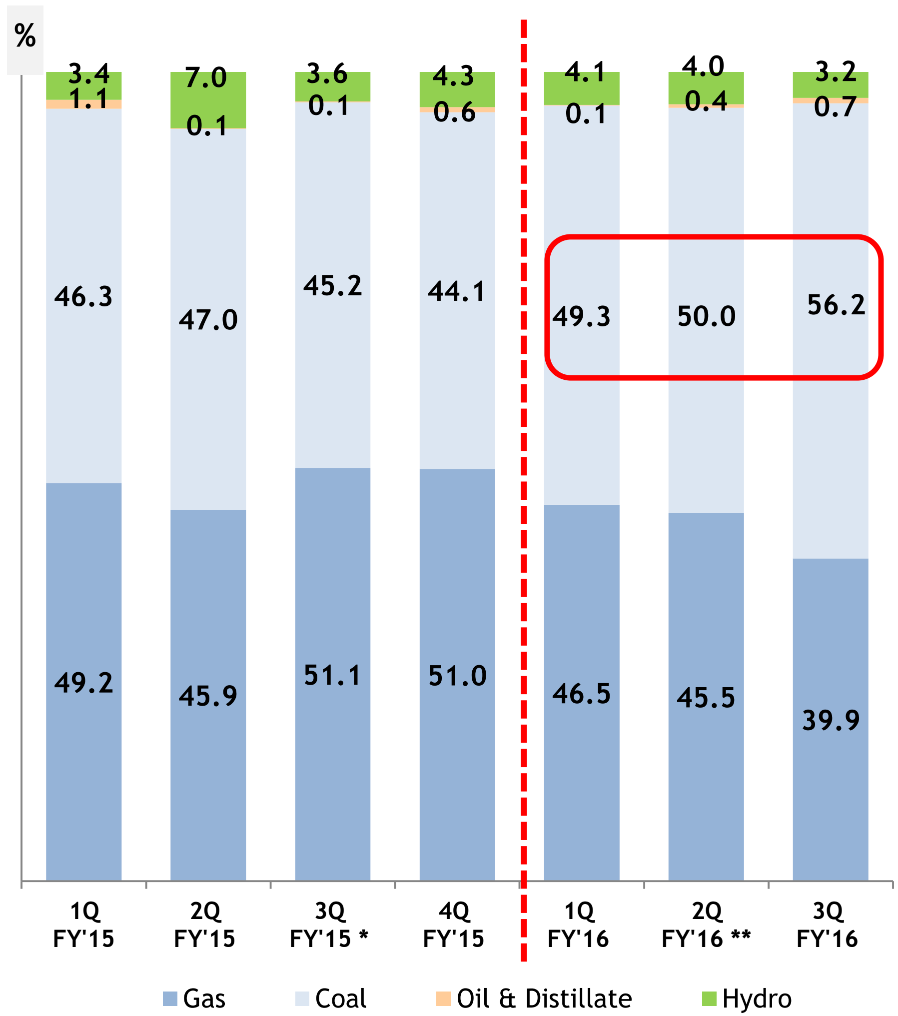
For FY2011 to FY2016



GENERATION MIX (PENINSULA)

Quarterly Analysis

Increase in Coal Generation with Commissioning of Tg Bin 4 in Mar'16

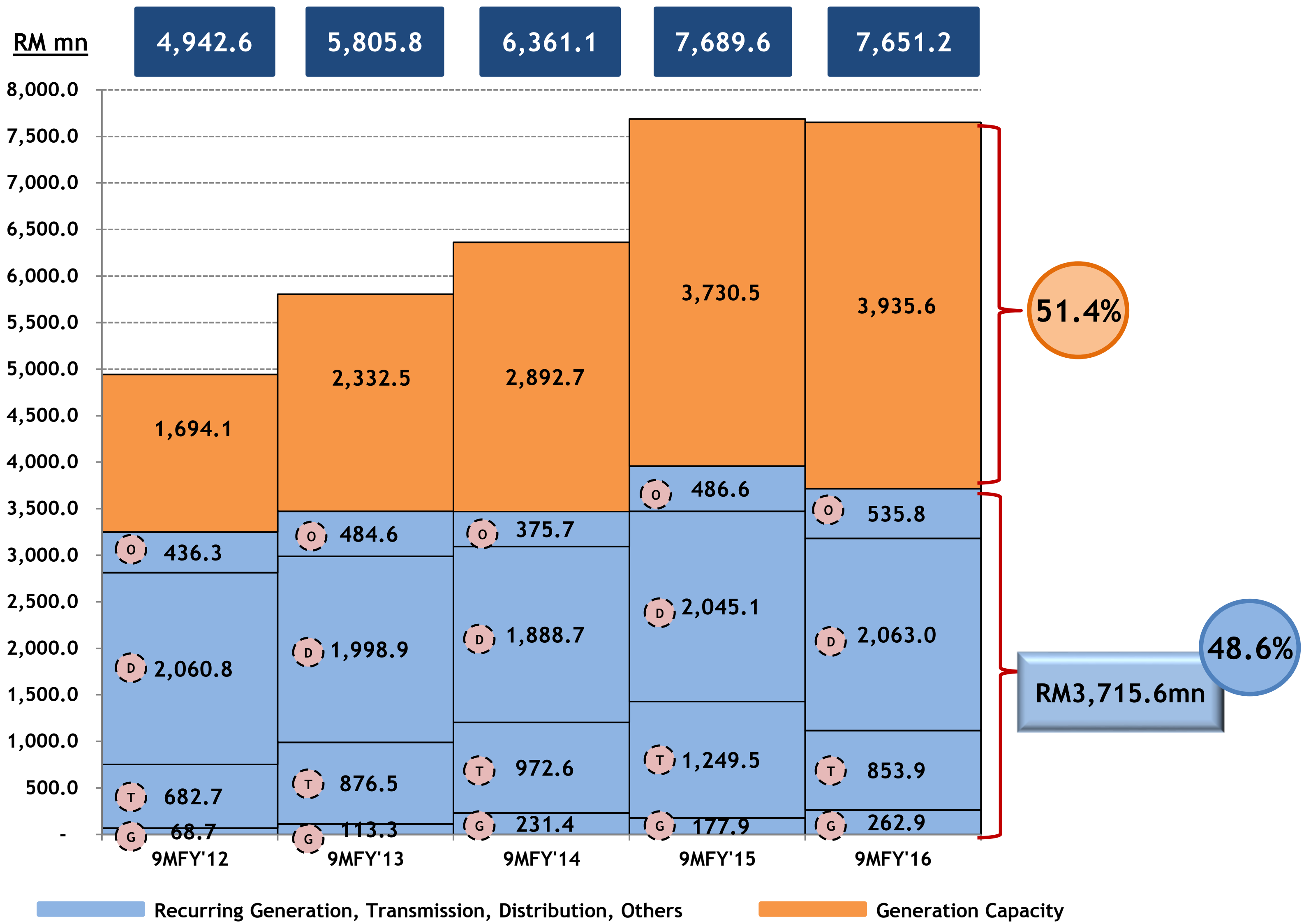


* Manjung 4 COD on 14th Apr 2015

** Prai COD on 20th Feb 2016 & CBPS COD on 27th Feb 2016

CAPITAL EXPENDITURE

Major Projects Represent 51.4% of Total CAPEX



STATUS OF MAJOR PROJECTS

TENAGA NASIONAL

Janamanjung Unit 5

93% **1,000MW**

COD Oct 2017

Hulu Terengganu Hydro (265MW)

COMPLETED **250MW**

COD Dec 2015 (U1 & U2)

Tembat

15MW

Aug 2016 (U3)
Sep 2016 (U4)

97%

Connaught Bridge

COMPLETED **385MW**

COD 27th Feb 2016

Jimah East Power

17% **2,000MW**

COD
Jun 2019 (U1)
Dec 2019 (U2)

Ulu Jelai Hydro

98% **372MW**

COD
Jul 2016 (U1)
Sep 2016 (U2)

Prai

COMPLETED **1,071MW**

COD 20th Feb 2016

HEADLINE KEY PERFORMANCE INDICATORS

INITIATIVES	9MFY'16	FY'15
Return on Assets (ROA) (%)	6.7	6.6
Company CPU (sen/kwh)	34.2	35.1
Revenue from Non-Regulated Business (RM bn)	1.8	2.6
Equivalent Plant Availability Factor (EAF) (%)	87.9	88.8
Transmission System Minutes (mins)	0.38	0.77
Distribution SAIDI (mins)	38.9	49.7

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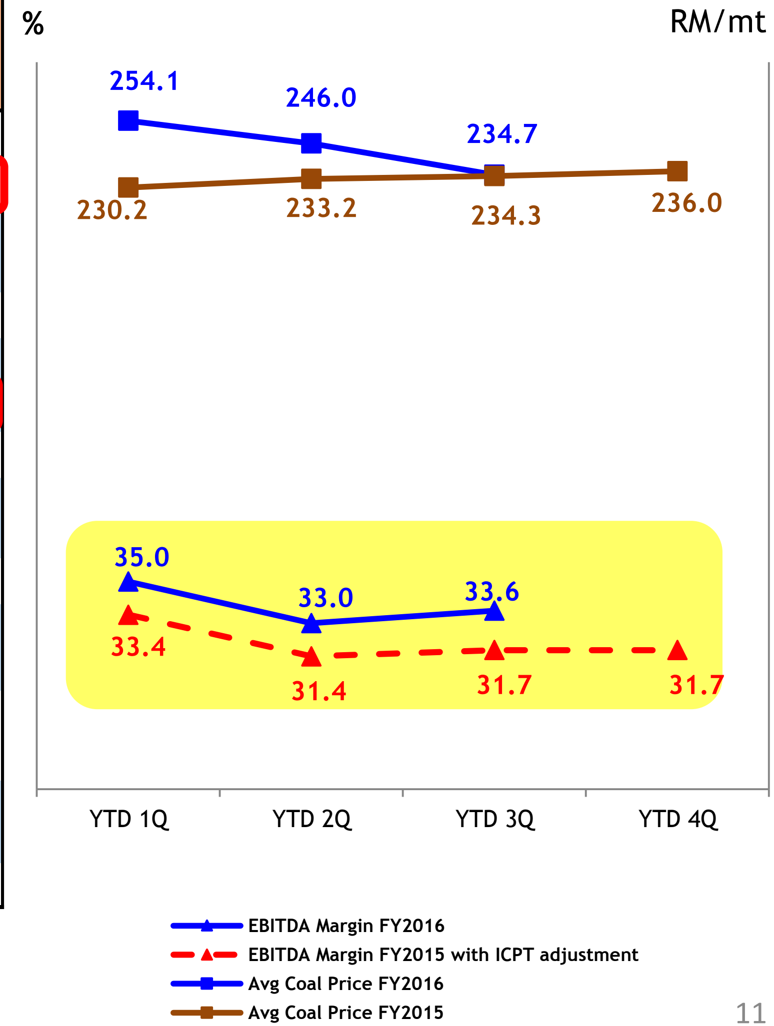
QUESTION & ANSWER

QUARTERLY & YEARLY ANALYSIS

Improved Group EBITDA Margin Attributed by Higher Revenue Mainly From 4.5% Demand Growth in Peninsula

RM mn	1QFY'16	2QFY'16	3QFY'16	9MFY'16	9MFY'15
Total Units Sold (GWh)	28,503.2	28,279.3	29,235.2	86,017.7	82,121.9
Revenue	10,676.8	10,489.3	12,128.7	33,294.8	31,542.8
Operating Expenses (before depreciation)	7,078.0	7,430.6	8,101.9	22,610.5	21,946.2
Operating Income	139.3	180.6	188.3	508.2	593.0
EBITDA	**3,738.1**	**3,239.3**	**4,215.1**	**11,192.5**	**10,189.6**
EBITDA Margin (%)	**35.0%**	**30.9%**	**34.8%**	**33.6%**	**32.3%**
Depreciation and Amortisation	1,340.4	1,397.5	1,468.0	4,205.9	3,780.9
EBIT	**2,397.7**	**1,841.8**	**2,747.1**	**6,986.6**	**6,408.7**
EBIT Margin (%)	**22.5%**	**17.6%**	**22.6%**	**21.0%**	**20.3%**
Finance Cost	259.7	239.5	259.7	758.9	719.3
Profit Before Tax & Forex Translation	**2,221.8**	**1,676.3**	**2,571.6**	**6,469.7**	**5,807.0**
Net Profit Before Forex Translation	2,034.5	1,497.6	2,348.5	5,880.6	5,383.3
Translation (Loss)	(58.5)	(176.9)	(39.8)	(275.2)	(85.8)
Net Profit attributable to : Equity Holders	**1,976.0**	**1,320.7**	**2,308.7**	**5,605.4**	**5,297.5**
Non-controlling Interest	(13.8)	(5.7)	(1.5)	(21.0)	(46.2)

ANALYSIS OF EBITDA MARGIN & COAL PRICES



DETAILS OF REVENUE

TENAGA NASIONAL

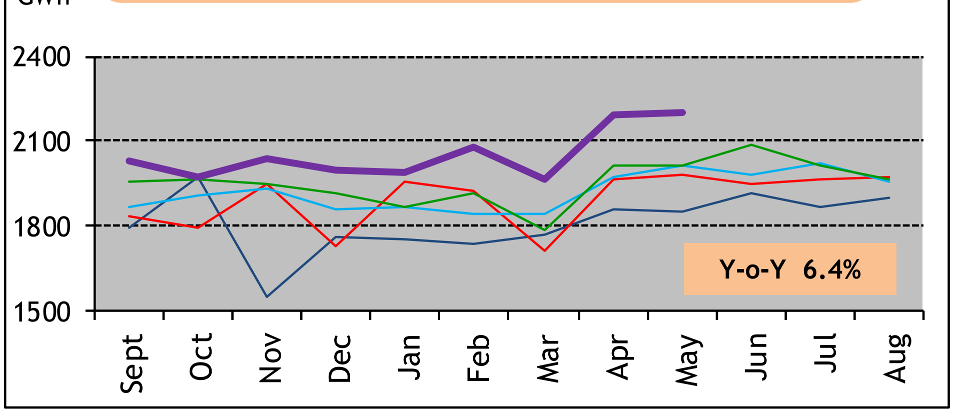
5.6% Increase in Total Revenue Mainly From 4.5% Demand Growth in Peninsula

	9MFY'16		9MFY'15		Growth
UNITS SOLD	**GWh**		**GWh**		**%**
- TNB	81,149.7		77,678.9		4.5
- EGAT (Export)	1.1		4.9		(77.6)
- SESB	3,769.2		3,646.0		3.4
- LPL	1,097.7		792.1		38.6
Total Units Sold (GWh)	**86,017.7**		**82,121.9**		**4.7**
REVENUE	**RM mn**	**Sen/KWh**	**RM mn**	**Sen/KWh**	
Sales of Electricity					
- TNB	32,126.9	39.6	30,504.7	39.3	5.3
- EGAT (Export)	0.9	81.8	4.3	87.8	(79.1)
- SESB	1,327.3	35.2	1,237.4	33.9	7.3
- LPL	395.9	36.1	405.3	51.2	(2.3)
Sales of Electricity	**33,851.0**	**39.4**	**32,151.7**	**39.2**	**5.3**
LPL Operating Lease (MFRS117)	32.2		27.6		16.7
Accrued Revenue	66.5		53.8		23.6
Imbalance Cost Pass-Through	(1,932.5)		(1,820.5)		6.2
Total Sales of Electricity	**32,017.2**		**30,412.6**		**5.3**
Goods & Services	976.7		822.3		18.8
Deferred Income	300.9		307.9		(2.3)
Total Revenue	**33,294.8**		**31,542.8**		**5.6**

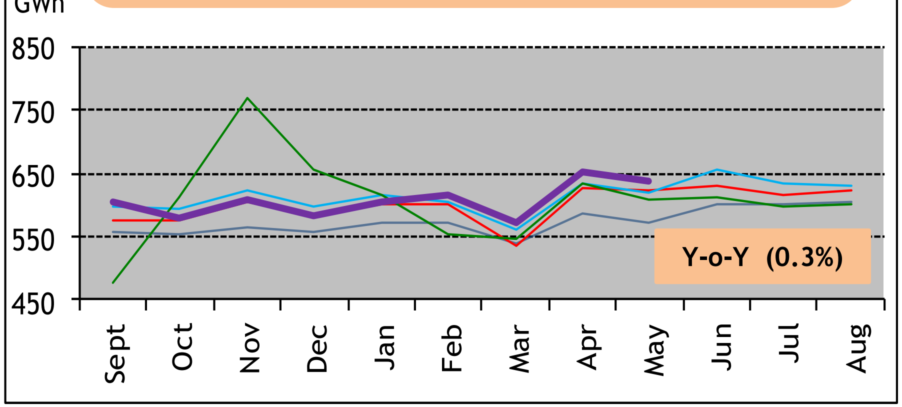
DETAILS OF REVENUE: SECTORAL ANALYSIS

Commercial Sector (Peninsula) Recorded Y-o-Y Growth of 6.4%

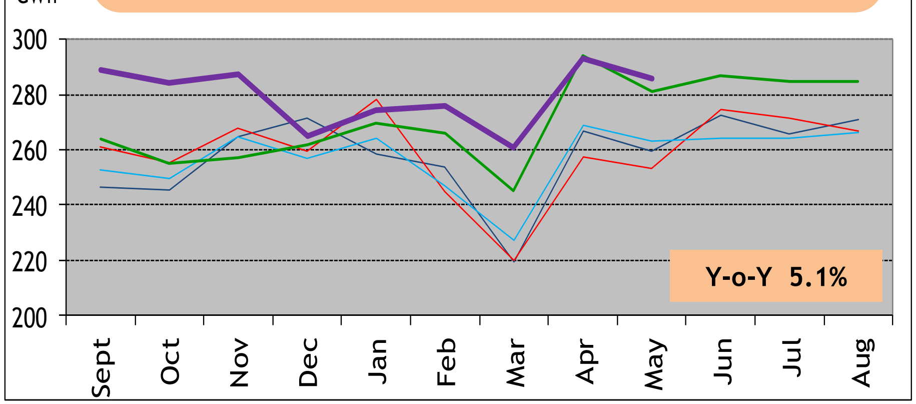
LOW VOLTAGE
Shop Lots & Retail Business



MEDIUM VOLTAGE
Shopping Malls, Office Buildings, Commercial Banks, College, Utility



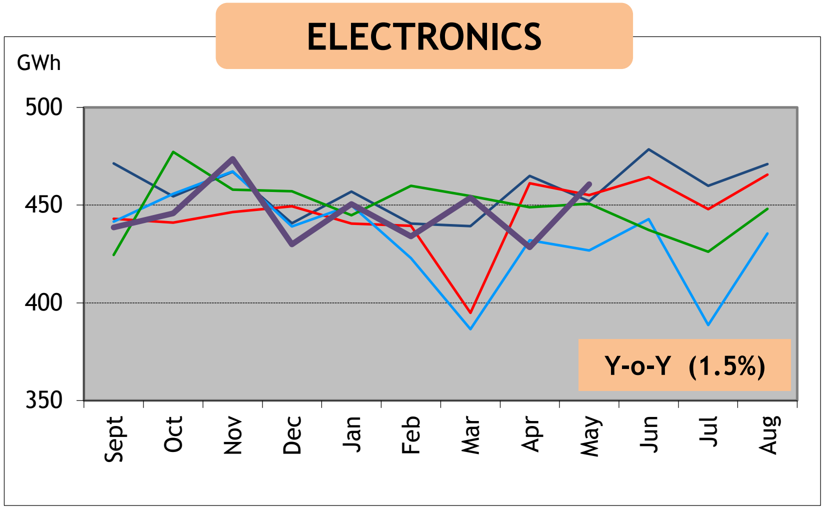
MEDIUM VOLTAGE (PEAK/OFF-PEAK)
Mega Shopping Malls, Telecommunication Tower, Hotels, Hospitals, Airports, Ports

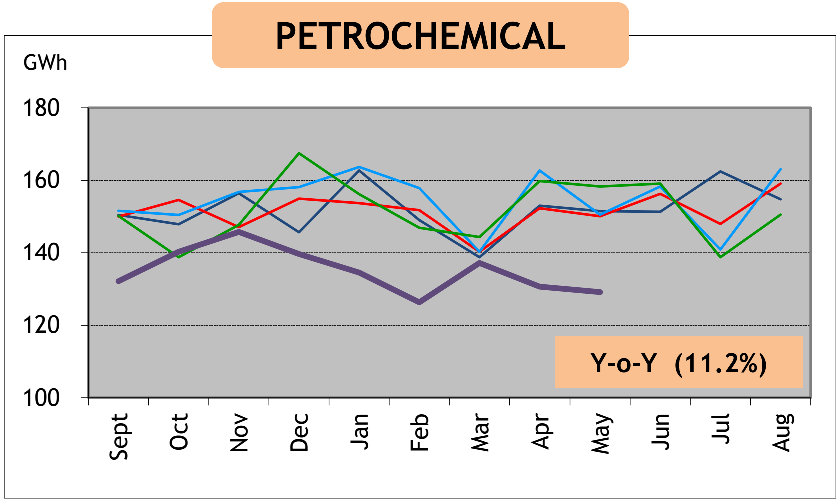


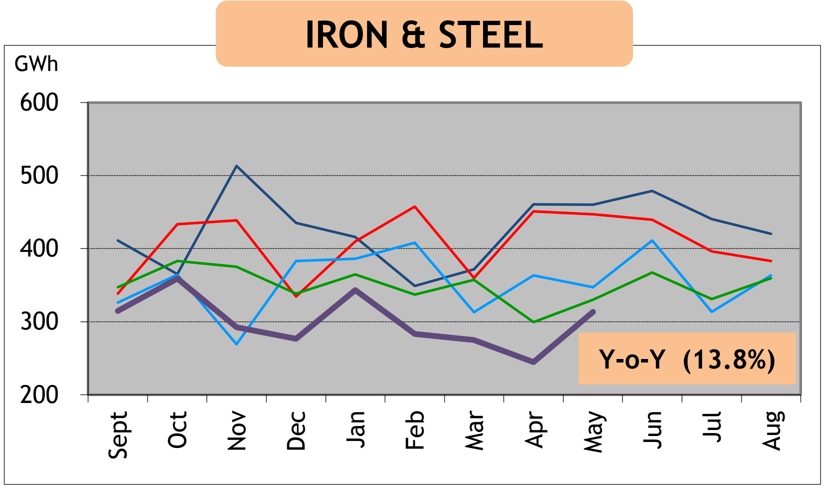
FY2012 FY2013 FY2014 FY2015 FY2016

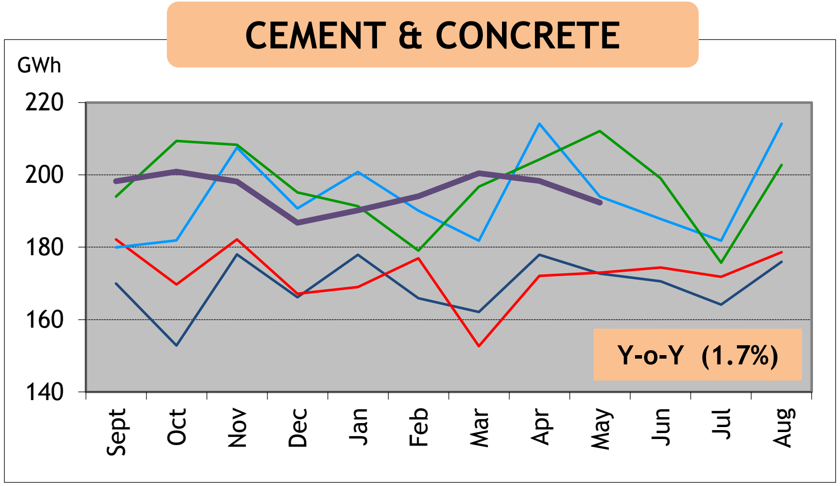
DETAILS OF REVENUE: SECTORAL ANALYSIS con't

Industrial Sector (Peninsula) Recorded Y-o-Y Growth of (0.6%)









FY2012 FY2013 FY2014 FY2015 FY2016

OPERATING EXPENSES

4.2% Increase in Group Operating Expenses

RM mn	9MFY'16	9MFY'15	Variance RM mn	Variance %
Capacity Payment	3,017.5	3,091.8	74.3	2.4
Energy Payment	6,115.9	6,564.7	448.8	6.8
Total IPPs Purchases/Costs	9,133.4	9,656.5	523.1	5.4
Fuel Costs	6,606.5	6,353.1	(253.4)	(4.0)
	15,739.9	16,009.6	(269.7)	
Repair & Maintenance	1,406.6	1,343.4	(63.2)	(4.7)
Staff Costs	2,894.6	2,704.7	(189.9)	(7.0)
TNB General Expenses	1,765.1	1,335.1	(430.0)	(32.2)
Subs. Cost of Sales & Opex □	804.3	553.4	(250.9)	(45.3)
Depreciation & Amortisation	4,205.9	3,780.9	(425.0)	(11.2)
Total Operating Expenses	26,816.4	25,727.1	(1,089.3)	(4.2)

GENERATION MIX (PENINSULA)

Year-on-Year Analysis

2.3% Decrease in Fuel Costs Mainly due to Lower LNG Price

Table 1:

Fuel Type	Fuel Costs (RM mn) 9MFY'16	Fuel Costs (RM mn) 9MFY'15	Variance RM mn	Variance %
Gas	5,806.4	5,574.9	231.5	4.2
LNG	875.4	1,862.9	(987.5)	(53.0)
Coal	4,616.7	4,039.4	577.3	14.3
Dist.	39.2	128.6	(89.4)	(69.5)
Oil	113.4	114.9	(1.5)	(1.3)
Total	**11,451.1**	**11,720.7**	**(269.6)**	**(2.3)**

Fuel Type	Units Generated (Gwh) 9MFY'16	Units Generated (Gwh) 9MFY'15	Variance Gwh	Variance %
Gas & LNG	38,245.4	41,198.2	(2,952.8)	(7.2)
Coal	45,215.2	38,921.2	6,294.0	16.2
Dist.	59.0	161.2	(102.2)	(63.4)
Oil	298.0	231.9	66.1	28.5
Hydro	3,294.7	3,850.4	(555.7)	(14.4)
Total	**87,112.3**	**84,362.9**	**2,749.4**	**3.3**

Table 2:

	9MFY'16	9MFY'15
Daily Average Gas Volume (mmscfd)	1,136	1,186
Average LNG Price (RM/mmbtu)	34.36	46.83
Average Piped Gas Price (RM/mmbtu)	17.53	15.20

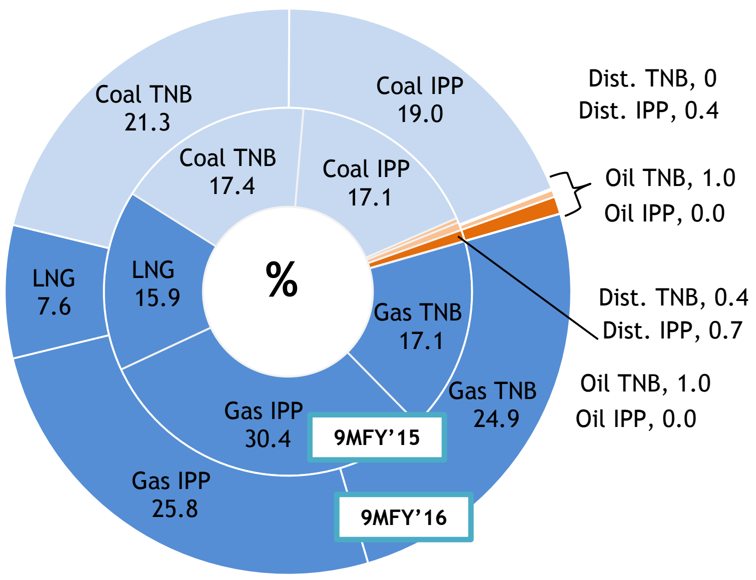
Table 3:

	9MFY'16	9MFY'15	Var (%)
Average Coal Price Consumed (USD/MT)			
FOB	50.4	58.5	-13.8%
Freight	5.3	8.2	-35.4%
Others	0.5	0.6	-16.7%
CIF	56.2	67.3	-16.5%
Average Coal Price Consumed (RM/MT) (CIF)	234.7	234.3	0.2%
Coal Consumption (mn MT)	18.6	16.6	12.0%

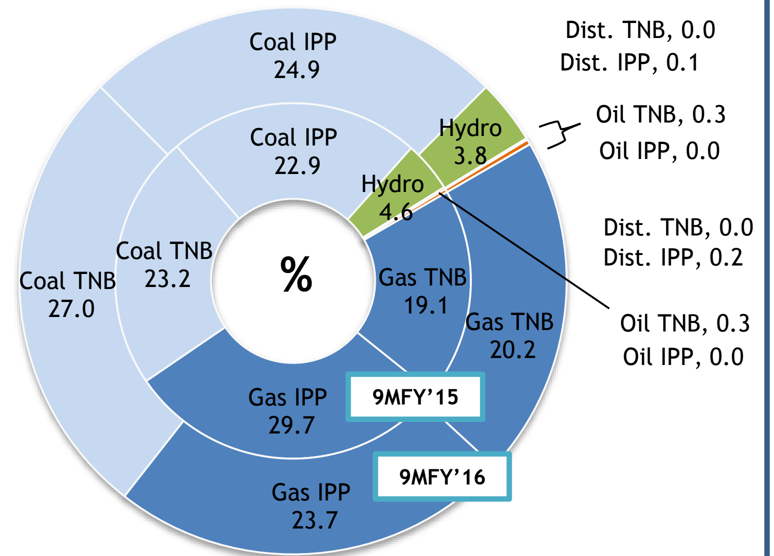
FUEL COSTS (TNB & IPPs - PENINSULA)

2.3% Decrease in Fuel Costs Mainly due to Lower LNG Price

Fuel Costs



Units Generated

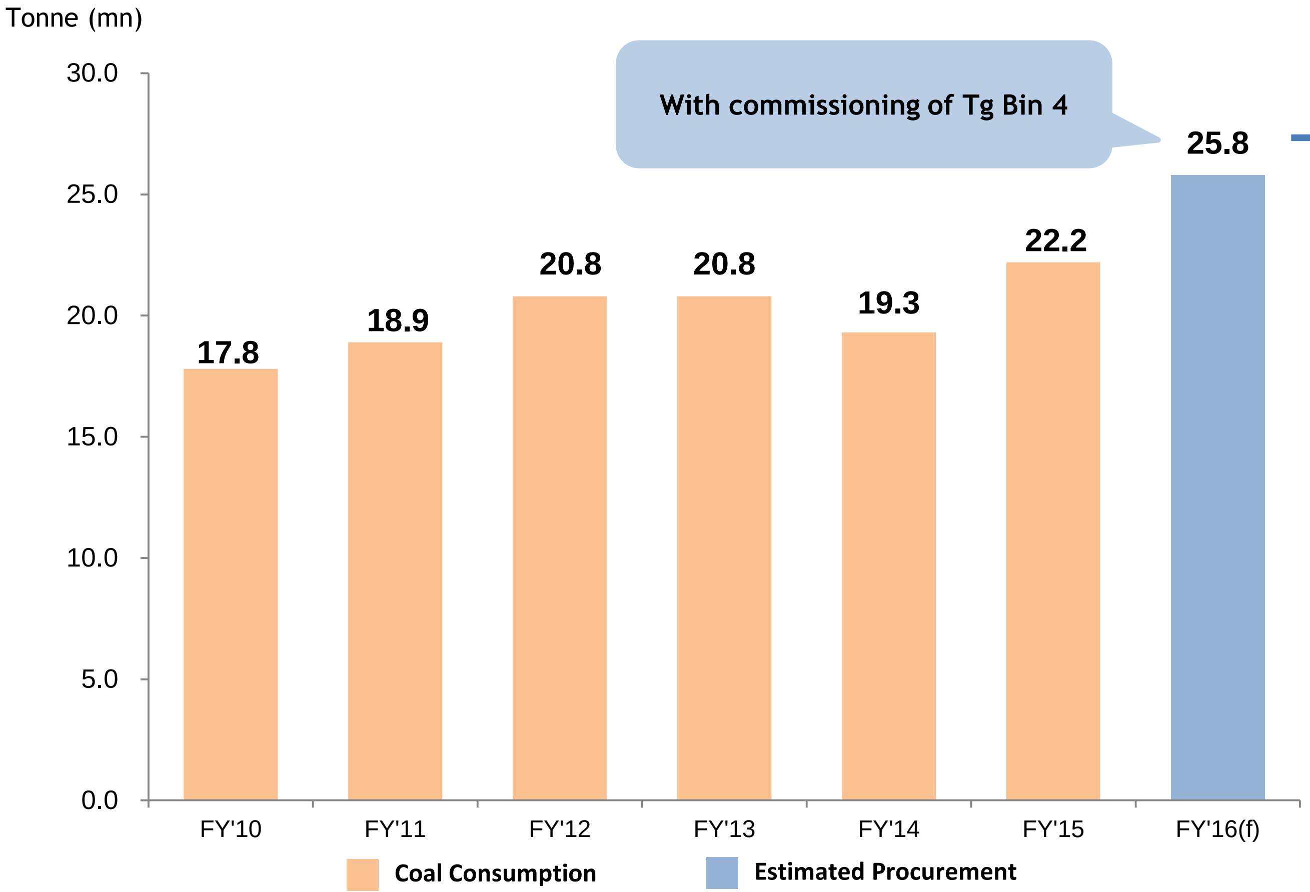


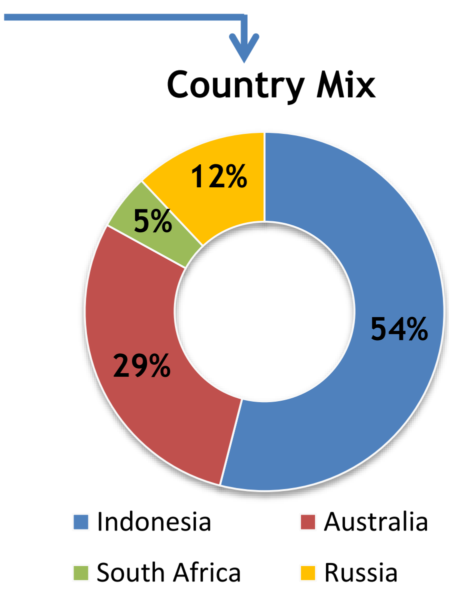
* % indicates generation market share

COAL REQUIREMENTS

Average Coal Price for 9MFY'16 was at USD56.2/MT @ RM234.7/MT

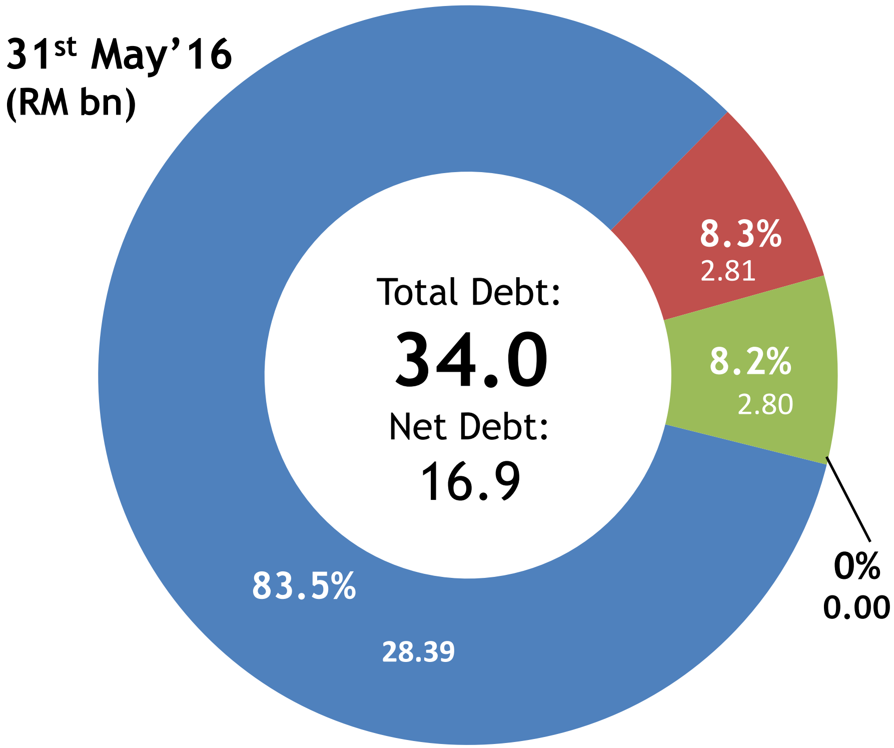
Average Coal Price (CIF)	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	9MFY'16
(USD/metric tonne)	88.2	106.9	103.6	83.6	75.4	66.0	56.2
(RM/metric tonne)	293.8	325.9	321.9	259.5	244.6	236.0	234.7

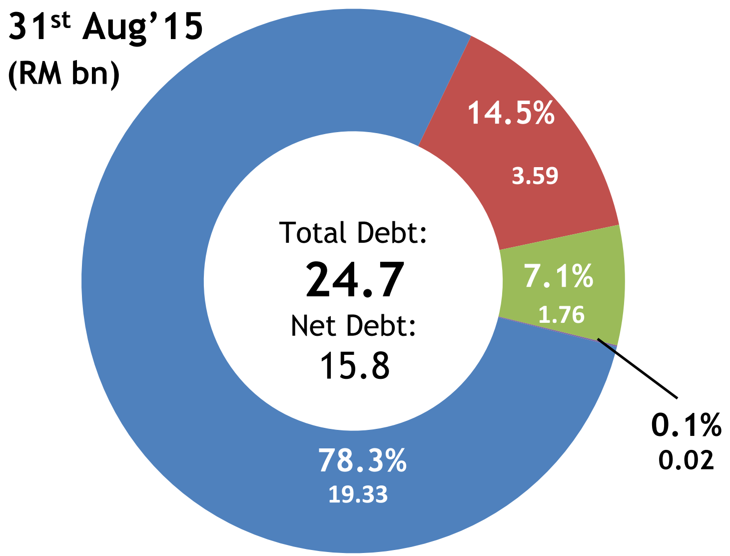




DEBT EXPOSURE & GEARING

Higher Debt due to Sukuk Issuance for Jimah East Power





Statistics	31st May'16	31st Aug'15
Gearing (%)	39.9	34.2
Net Gearing (%)	19.9	21.9
Fixed : Floating (%)	96.8 : 3.2	100.0 : 0.0
Final Exposure (%)	96.8 : 3.2	100.0 : 0.0
Weighted Average Cost of Debt (%)	5.09	4.80
Final Exposure (%)	5.09	4.80

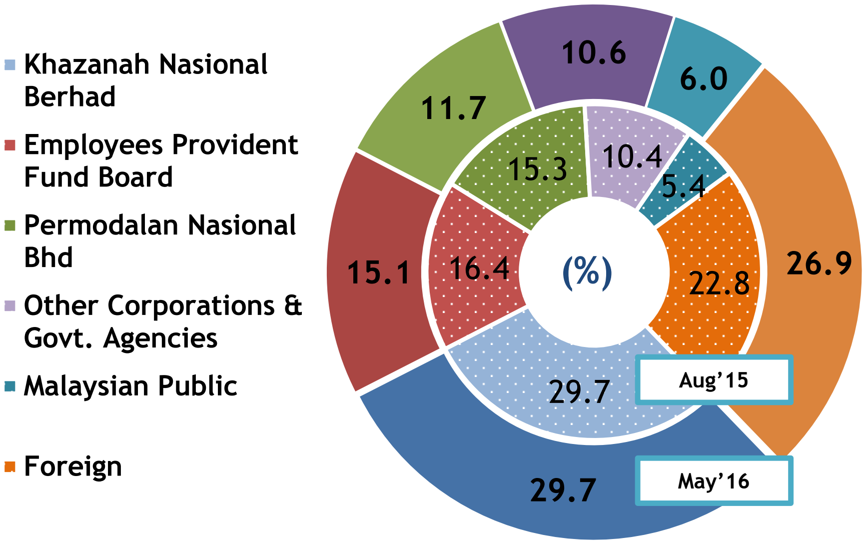
Closing	31st May'16	31st Aug'15
USD/RM	4.13	4.19
100YEN/RM	3.73	3.47
USD/YEN	110.72	120.75

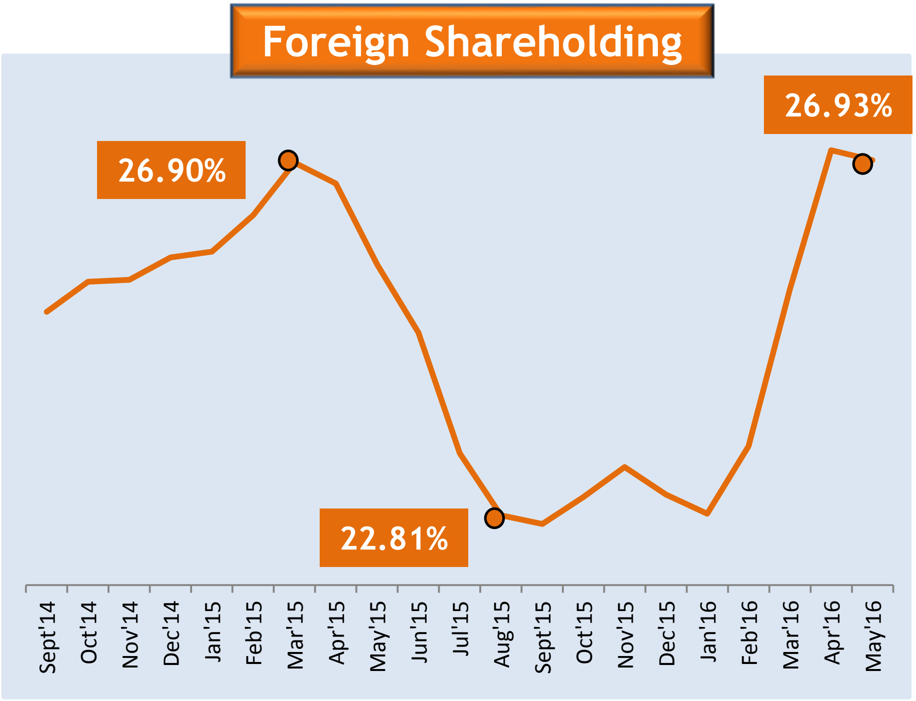
* Net Debt excludes deposits, bank and cash balances & investment in UTF

SHAREHOLDING

Foreign Shareholding Recorded At Around 27%

Main Shareholding as at May'16





Trending FY2016 (%)

Sept'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16	May'16
22.71	23.02	23.37	23.05	22.83	23.61	25.43	27.05	26.93

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THANK YOU

Unaudited Consolidated Results for the
3rd Quarter FY2016 ended 31st May 2016