

PRESENTATION TO ANALYSTS

**Audited Consolidated Results for the
4th Quarter FY2016 ended 31st August 2016**

27th October 2016

RESULTS HIGHLIGHTS



RESULTS DETAILS

QUESTION & ANSWER

KEY HIGHLIGHTS

Improved Profit After Tax From Higher Electricity Demand Growth

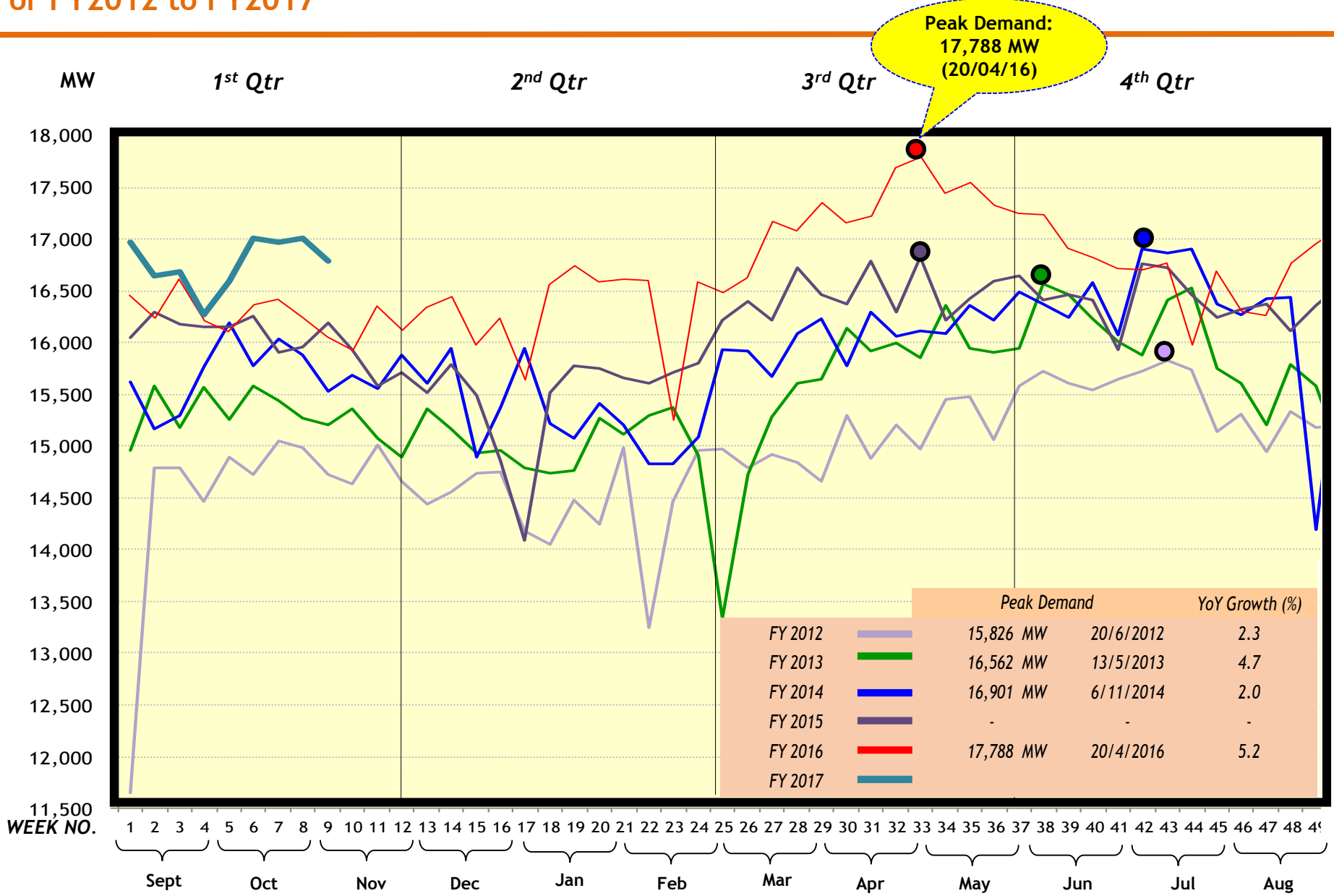
- 4.0% unit electricity demand growth in Peninsular Malaysia (FY2015: 2.2%)

	FY2016	FY2015		YoY
Profit After Tax	RM7.32 bn	RM6.06 bn		20.8%
Capital Expenditure	RM11.39 bn	RM10.77 bn		5.8%

SYSTEM WEEKLY MAXIMUM DEMAND (PENINSULA)



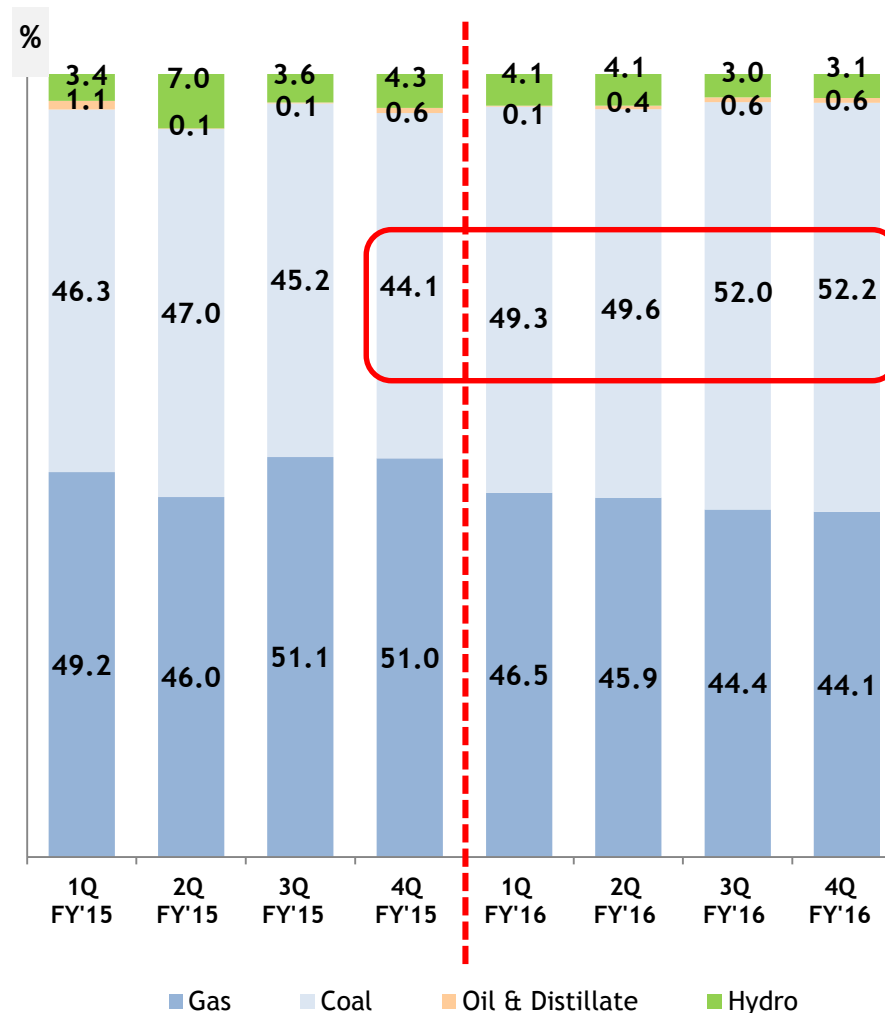
For FY2012 to FY2017



GENERATION MIX (PENINSULA)

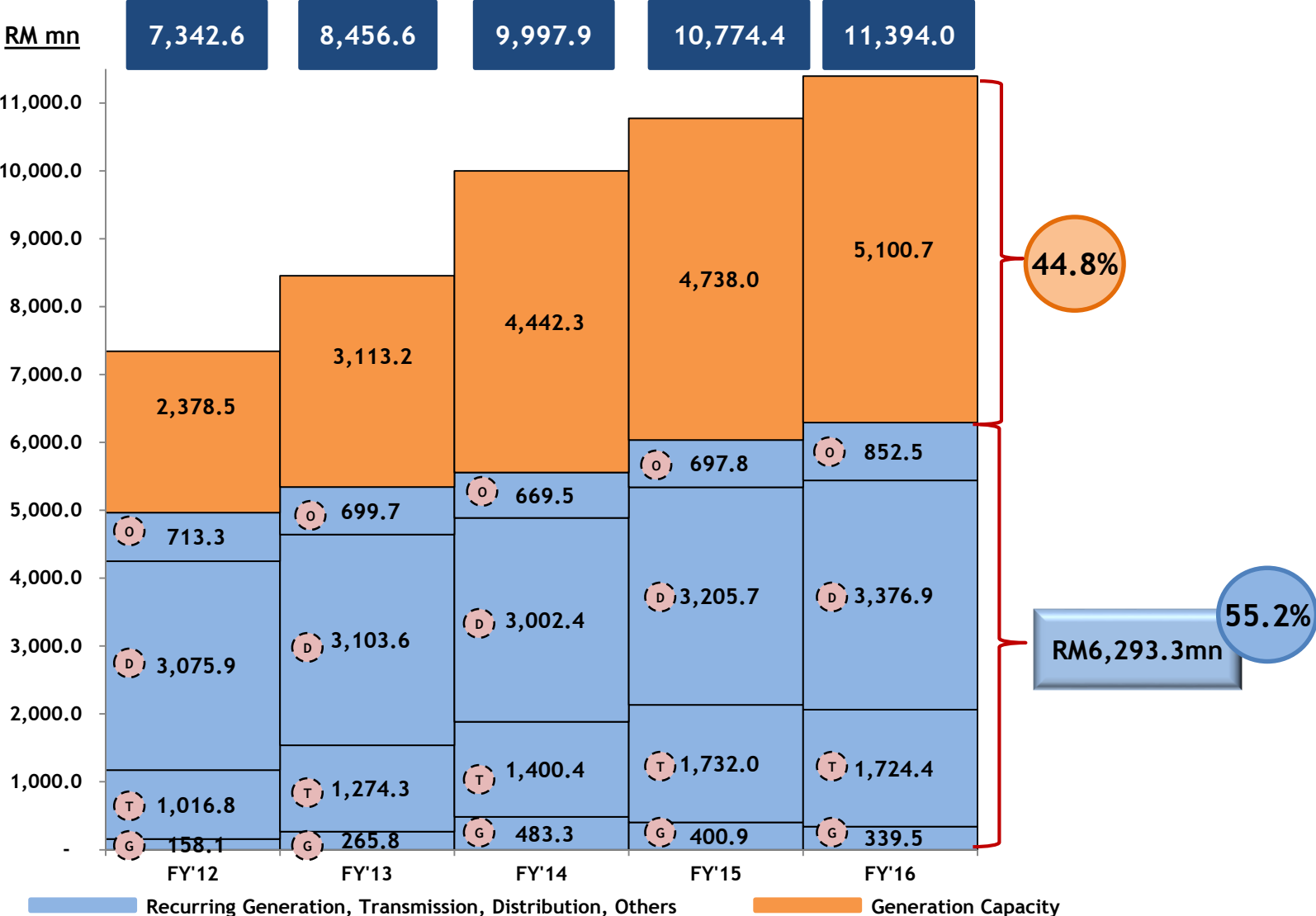
Quarterly Analysis

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



CAPITAL EXPENDITURE

Major Projects Represent 44.8% of Total CAPEX



STATUS OF MAJOR PROJECTS

4 Generation Projects With Capacity of 1,892MW Successfully Commissioned

COAL

Janamanjung Unit 5

96% **1,000MW**

COD 1st Oct 2017

Jimah East Power

22% **2,000MW**

COD
15th Jun 2019 (U1)
15th Dec 2019 (U2)

HYDRO

Hulu Terengganu Hydro

COMPLETED **250MW**

COD Dec 2015 (U1 & U2)

Tembat

99% **15MW**

COD Dec 2016 (U3 & U4)

Ulu Jelai Hydro

COMPLETED **372MW**

COD
27th Sep 2016 (U1)
15th Aug 2016 (U2)

GAS

Connaught Bridge

COMPLETED **385MW**

COD 27th Feb 2016

Prai

COMPLETED **1,071MW**

COD 20th Feb 2016

INITIATIVES

- Return on Assets (ROA) (%)
- Company CPU (sen/kwh)
- Revenue from Non-Regulated Business (RM bn)
- Equivalent Plant Availability Factor (EAF) (%)
- Transmission System Minutes (mins)
- Distribution SAIDI (mins)

	FY'16	FY'15
	6.4	6.6
	34.2	35.1
	2.7	2.6
	89.3	88.8
	1.47	0.77
	49.7	49.7

PROPOSED FINAL DIVIDEND

Total Dividend for FY2016: 32.0 sen per Ordinary Share

INTERIM DIVIDEND

Interim Single-Tier Dividend
of 10.0 sen per ordinary share

**PROPOSED
FINAL**

Single-Tier Dividend
of 22.0 sen per ordinary share

TOTAL DIVIDEND FOR FY2016: 32.0 sen per ordinary share

Tenaga is committed to pay out dividend based on its Dividend Policy whereby:
*Dividend is paid out based on 40%-60% of its Company's Annual Free Cashflow;
Cashflow from Operations less Normalised Capex and Interest Servicing*

The Books Closure and payment dates will be announced in due course.

RESULTS HIGHLIGHTS

RESULTS DETAILS

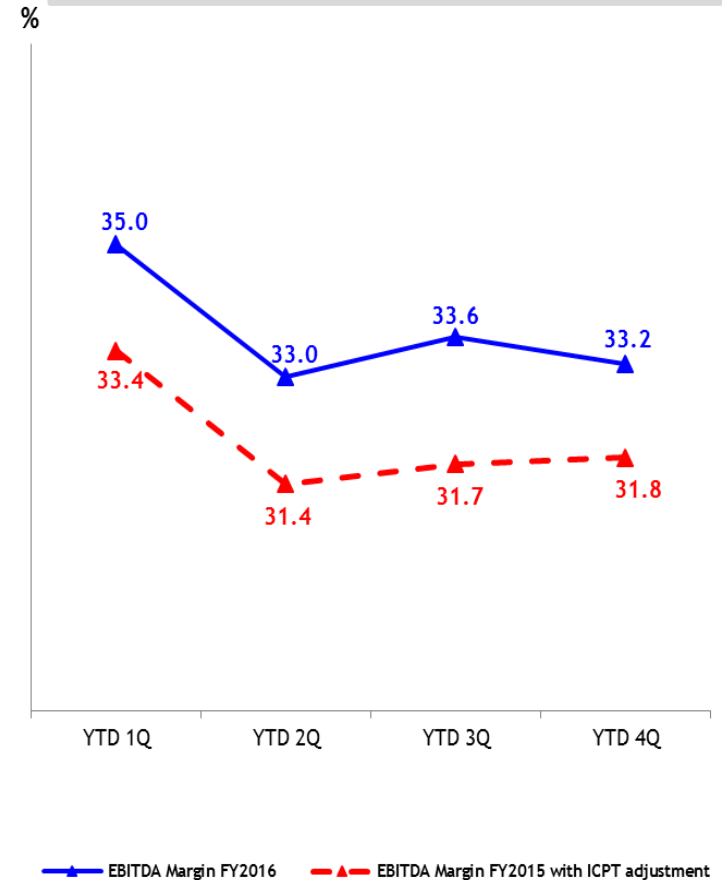
QUESTION & ANSWER

QUARTERLY & YEARLY ANALYSIS

Improved Group EBITDA Margin Attributed by Higher Revenue Mainly From 4.0% Demand Growth in Peninsula

RM mn	1QFY'16	2QFY'16	3QFY'16	4QFY'16	FY'16	FY'15
Total Units Sold (GWh)	28,518.4	28,319.9	29,246.2	29,420.4	115,504.9	110,837.3
Revenue	10,676.8	10,489.3	12,128.7	11,236.7	44,531.5	43,286.8
Operating Expenses (before depreciation)	7,078.0	7,430.6	8,101.9	7,838.3	30,448.8	30,189.2
Operating Income	139.3	180.6	188.3	203.3	711.5	824.2
EBITDA	3,738.1	3,239.3	4,215.1	3,601.7	14,794.2	13,921.8
EBITDA Margin (%)	35.0%	30.9%	34.8%	32.1%	33.2%	32.2%
Depreciation and Amortisation	1,340.4	1,397.5	1,468.0	1,516.3	5,722.2	5,294.2
EBIT	2,397.7	1,841.8	2,747.1	2,085.4	9,072.0	8,627.6
EBIT Margin (%)	22.5%	17.6%	22.6%	18.6%	20.4%	19.9%
Finance Cost	259.7	239.5	259.7	280.4	1,039.3	944.9
Profit Before Tax & Forex Translation	2,221.8	1,676.3	2,571.6	1,987.1	8,456.8	7,953.0
Net Profit Before Forex Translation	2,034.5	1,497.6	2,348.5	1,877.0	7,757.6	6,937.7
Translation (Loss)	(58.5)	(176.9)	(39.8)	(114.8)	(390.0)	(819.3)
Net Profit attributable to :						
Equity Holders	1,976.0	1,320.7	2,308.7	1,762.2	7,367.6	6,118.4
Non-controlling Interest	(13.8)	(5.7)	(1.5)	(25.8)	(46.8)	(57.5)

ANALYSIS OF EBITDA MARGIN



DETAILS OF REVENUE

2.9% Increase in Total Revenue Mainly From 4.0% Demand Growth in Peninsula

	FY'16		FY'15		Growth
	GWh		GWh		%
UNITS SOLD					
- TNB	108,858.3		104,652.9		4.0
- EGAT (Export)	3.5		4.9		(28.6)
- SESB	5,137.7		4,983.7		3.1
- LPL	1,505.4		1,195.8		25.9
Total Units Sold (GWh)	115,504.9		110,837.3		4.2
REVENUE	RM mn	Sen/KWh	RM mn	Sen/KWh	
Sales of Electricity					
- TNB	43,099.5	39.6	41,219.5	39.4	4.6
- EGAT (Export)	2.4	68.6	4.3	87.8	(44.2)
- SESB	1,776.6	34.6	1,683.0	33.8	5.6
- LPL	514.7	34.2	550.8	46.1	(6.6)
Sales of Electricity	45,393.2	39.3	43,457.6	39.2	4.5
LPL Operating Lease (MFRS117)	42.6		37.8		12.7
Accrued Revenue	(2.5)		80.2		>(100.0)
Imbalance Cost Pass-Through	(2,788.5)		(1,854.5)		50.4
Total Sales of Electricity	42,644.8		41,721.1		2.2
Goods & Services	1,505.6		1,149.9		30.9
Deferred Income	381.1		415.8		(8.3)
Total Revenue	44,531.5		43,286.8		2.9

OPERATING EXPENSES

Marginal Increase in Group Operating Expenses

RM mn	FY'16	FY'15	Variance RM mn	Variance %
Capacity Payment	4,434.1	4,012.3	(421.8)	(10.5)
Energy Payment	8,076.1	8,893.1	817.0	9.2
Total IPPs Purchases/Costs	12,510.2	12,905.4	395.2	3.1
Fuel Costs	21,245.6 { 8,735.4	21,836.4 { 8,931.0	590.8 { 195.6	2.2
Repair & Maintenance	2,058.3	2,048.8	(9.5)	(0.5)
Staff Costs	4,144.3	3,602.3	(542.0)	(15.0)
TNB General Expenses	2,250.3	1,782.9	(467.4)	(26.2)
Subs. Cost of Sales & Opex □	750.3	918.8	168.5	18.3
Depreciation & Amortisation	5,722.2	5,294.2	(428.0)	(8.1)
Total Operating Expenses	36,171.0	35,483.4	(687.6)	(1.9)

GENERATION MIX (PENINSULA)

Year-on-Year Analysis

7.0% Decrease in Fuel Costs Mainly due to Lower LNG Price

Table 1:

Fuel Costs (RM mn)				
Fuel Type	FY'16	FY'15	Variance	
			RM mn	%
Gas	7,801.2	7,808.2	(7.0)	(0.1)
LNG	986.6	2,593.6	(1,607.0)	(62.0)
Coal	6,128.6	5,508.4	620.2	11.3
Dist.	62.9	189.4	(126.5)	(66.8)
Oil	155.7	172.5	(16.8)	(9.7)
Total	15,135.0	16,272.1	(1,137.1)	(7.0)

Units Generated (Gwh)				
Fuel Type	FY'16	FY'15	Variance	
			Gwh	%
Gas & LNG	54,235.3	56,424.3	(2,189.0)	(3.9)
Coal	61,028.1	52,070.6	8,957.5	17.2
Dist.	93.5	228.0	(134.5)	(59.0)
Oil	446.2	352.6	93.6	26.5
Hydro	4,255.7	5,115.9	(860.2)	(16.8)
Total	120,058.8	114,191.4	5,867.4	5.1

Table 2:

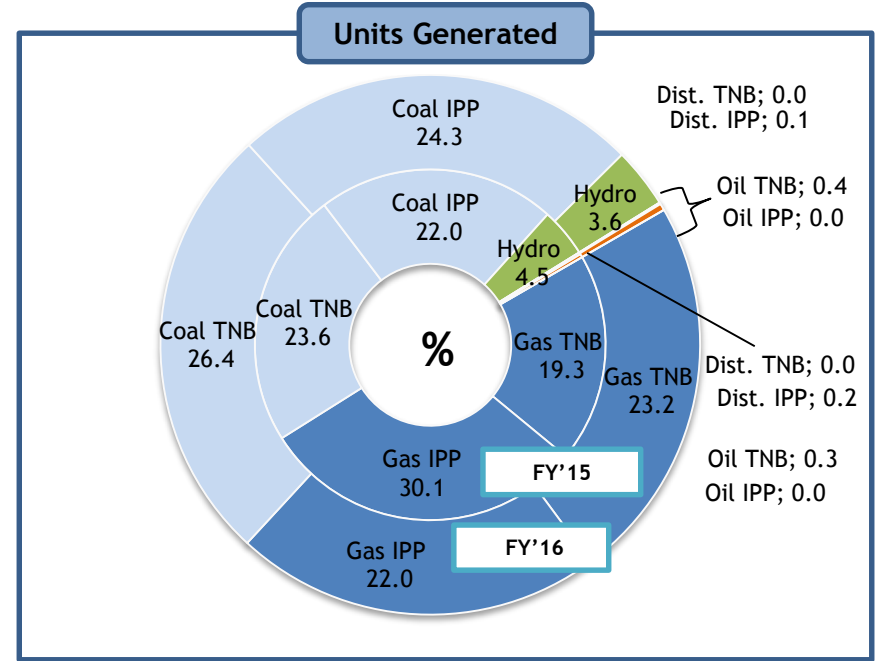
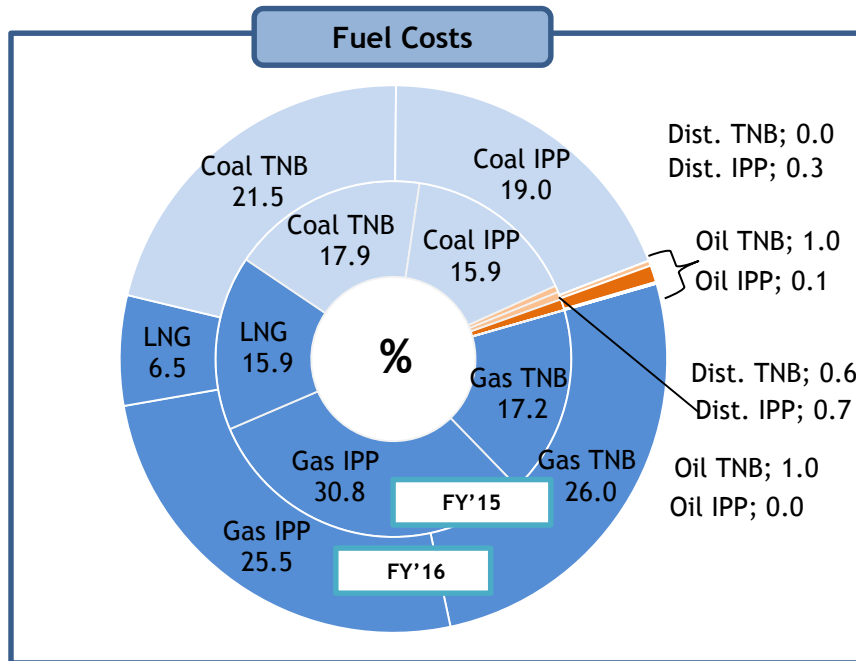
	FY'16	FY'15
Daily Average Gas Volume (mmscfd)	1,128	1,213
Average LNG Price (RM/mmbtu)	32.76	45.21
Average Piped Gas Price (RM/mmbtu)	17.95	15.45

Table 3:

	FY'16	FY'15	Var (%)
Average Coal Price Consumed (USD/MT) FOB	50.0	57.8	-13.5%
Freight	5.3	7.7	-31.2%
Others	0.4	0.5	-20.0%
CIF	55.7	66.0	-15.6%
Average Coal Price Consumed (RM/MT) (CIF)	231.1	236.0	-2.1%
Coal Consumption (mn MT)	25.4	22.2	14.4%

FUEL COSTS (TNB & IPPs - PENINSULA)

7.0% Decrease in Fuel Costs Mainly due to Lower LNG Price

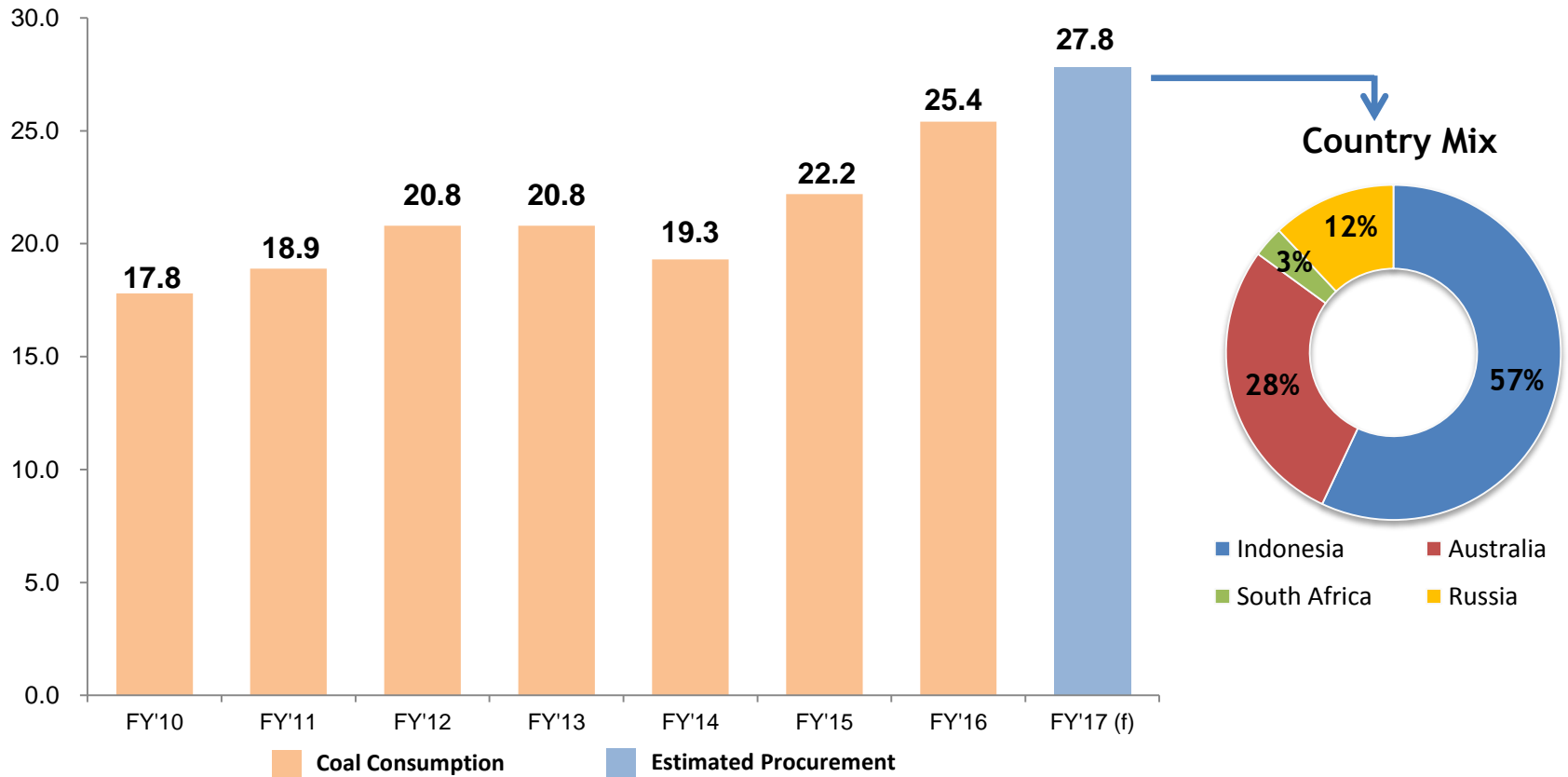


COAL REQUIREMENT

Average Coal Price for FY'16 was at USD55.7/MT @ RM231.1/MT

Average Coal Price (CIF)	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16
(USD/metric tonne)	88.2	106.9	103.6	83.6	75.4	66.0	55.7
(RM/metric tonne)	293.8	325.9	321.9	259.5	244.6	236.0	231.1

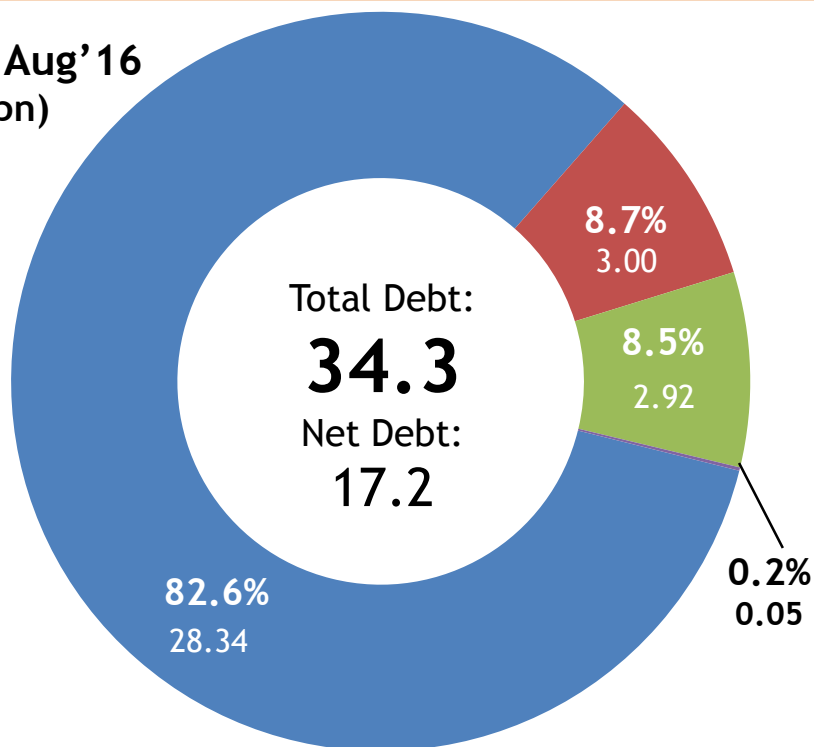
Tonne (mn)



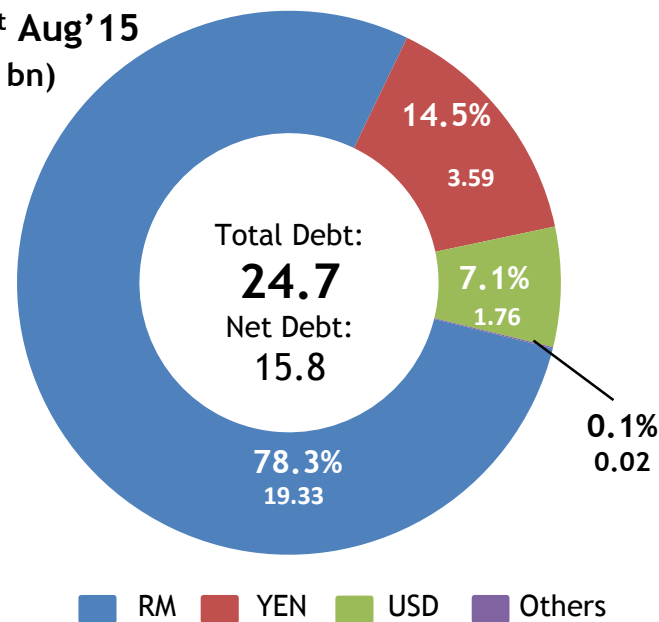
DEBT EXPOSURE & GEARING

Higher Debt due to Loan Issuance for Jimah East Power of RM8.98bn & Gama Enerji of RM1.20bn

31st Aug'16
(RM bn)



31st Aug'15
(RM bn)



■ RM ■ YEN ■ USD ■ Others

Statistics	31st Aug'16	31st Aug'15
Gearing (%)	39.5	34.2
Net Gearing (%)	19.7	21.9
Fixed : Floating (%)	96.4 : 3.6	100.0 : 0.0
Final Exposure (%)	96.4 : 3.6	100.0 : 0.0
Weighted Average Cost of Debt (%)	5.06	4.80
Final Exposure (%)	5.06	4.80

Closing	31 st Aug'16	31 st Aug'15
USD/RM	4.06	4.19
100YEN/RM	3.96	3.47
USD/YEN	102.53	120.75

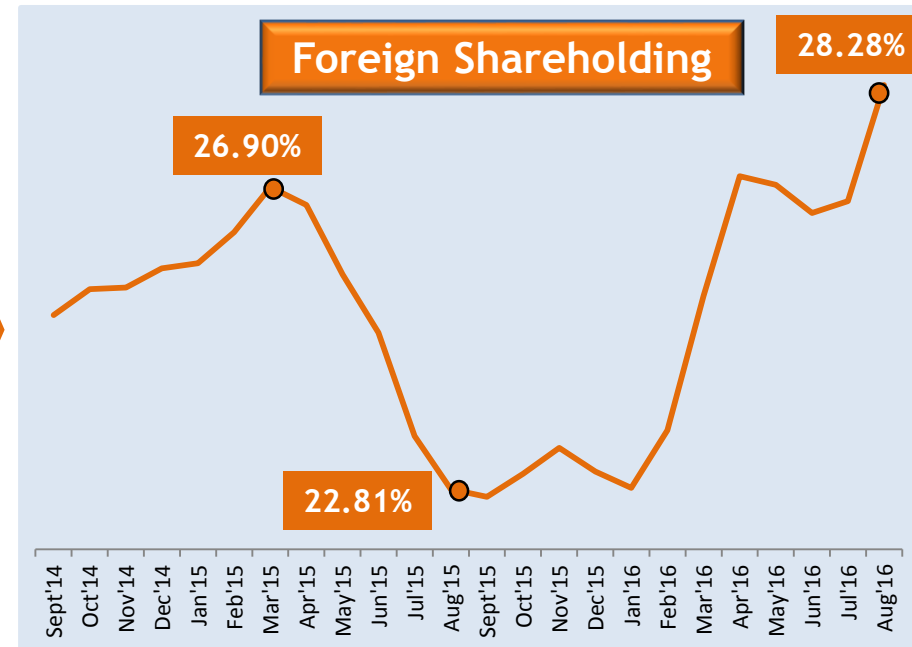
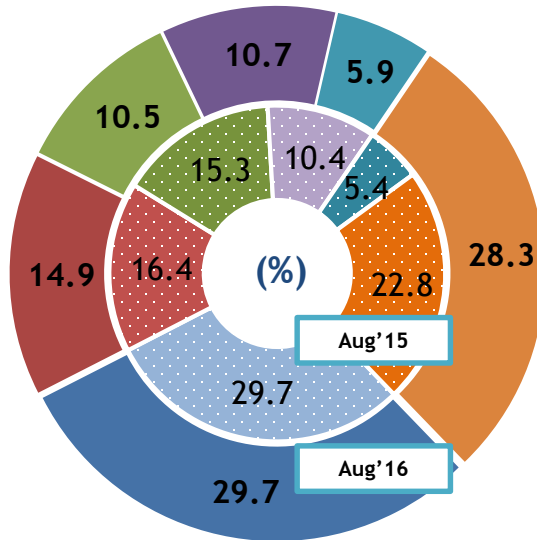
* Net Debt excludes deposits, bank and cash balances & investment in UTF

SHAREHOLDING

5.5 Percentage Point Increase in Foreign Shareholding Year-on-Year

Main Shareholding as at Aug'16

- Khazanah Nasional Berhad
- Employees Provident Fund Board
- Permodalan Nasional Bhd
- Other Corporations & Govt. Agencies
- Malaysian Public
- Foreign



Trending FY2016 (%)

Sept'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16	May'16	Jun'16	Jul'16	Aug'16
22.71	23.02	23.37	23.05	22.83	23.61	25.43	27.05	26.93	26.55	26.71	28.28

RESULTS HIGHLIGHTS

RESULTS DETAILS

QUESTION & ANSWER

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THANK YOU

**Audited Consolidated Results for the
4th Quarter FY2016 ended 31st August 2016**