

The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2014
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER	
	CURRENT YEAR QUARTER 30.11.14	PRECEDING YEAR CORRESPONDING QUARTER 30.11.13 Restated
Revenue	11,027.1	9,572.4
Operating expenses	(8,419.2)	(8,124.3)
Other operating income	136.9	69.4
Operating profit	2,744.8	1,517.5
Foreign exchange		
- Translation gain	45.9	252.7
- Transaction gain	10.1	8.1
Share of results of joint ventures	7.4	6.4
Share of results of associates	15.4	21.4
Profit before finance cost	2,823.6	1,806.1
Finance income	51.1	38.0
Finance cost	(253.9)	(227.5)
Profit from ordinary activities before taxation	2,620.8	1,616.6
Taxation and Zakat		
- Company and subsidiaries	(248.2)	(118.9)
- Deferred taxation	(21.6)	234.7
Profit for the period	2,351.0	1,732.4
Attributable to:		
- Owners of the Company	2,351.9	1,750.3
- Non-controlling interest	(0.9)	(17.9)
Profit for the period	2,351.0	1,732.4
	Sen	Sen
Basic/Diluted earnings per share attributable to the owners of the Company	41.67	31.01

These unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.



A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2014 (CONTINUATION)
(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER	
	CURRENT YEAR QUARTER 30.11.14	PRECEDING YEAR CORRESPONDING QUARTER 30.11.13 Restated
Profit for the period	2,351.0	1,732.4
Other comprehensive income/(expense) Items that will not be reclassified subsequently to profit or loss		
Revaluation of property, plant and equipment	-	0.7
Defined benefit plan actuarial loss	-	(21.3)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	28.4	15.7
Total other comprehensive income/(expense) for the period	28.4	(4.9)
Total comprehensive income for the period	2,379.4	1,727.5
Attributable to:		
- Owners of the Company	2,380.3	1,745.4
- Non-controlling interest	(0.9)	(17.9)
Total comprehensive income for the period	2,379.4	1,727.5

These unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.

**B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 NOVEMBER 2014**

(Amounts in RM million unless otherwise stated)

	30.11.2014	31.08.2014
NON-CURRENT ASSETS		
Property, plant and equipment	84,371.8	83,045.1
Joint ventures	111.2	103.3
Associates	522.1	508.8
Investments in unquoted debt securities	141.1	163.1
Tax recoverable	1,693.2	1,693.2
Deferred tax assets	14.0	15.2
Long term receivables	310.7	270.6
Finance lease receivables	13.2	13.4
Prepaid operating leases	4,932.0	4,763.8
Derivative financial instruments	15.1	42.7
Available-for-sale financial assets	38.3	38.3
	<u>92,162.7</u>	<u>90,657.5</u>
CURRENT ASSETS		
Inventories	1,010.1	887.3
Receivables, deposits and prepayments	7,033.0	7,132.3
Tax recoverable	17.9	35.5
Finance lease receivables	0.7	0.7
Prepaid operating leases	92.2	92.2
Amount due from associates	99.5	79.2
Amount due from joint ventures	23.0	22.1
Financial asset at fair value through profit or loss	7,425.8	3,646.1
Deposits, bank and cash balances	4,919.1	8,112.5
	<u>20,621.3</u>	<u>20,007.9</u>
CURRENT LIABILITIES		
Payables	(7,464.0)	(7,973.5)
Finance lease payables	(660.2)	(651.6)
Deferred income	(1,126.3)	(1,158.5)
Amount due to associates	(471.5)	(575.5)
Current taxation liabilities	(152.6)	(56.1)
Employee benefits	(568.3)	(568.3)
Short term borrowings	(2,425.6)	(2,480.4)
	<u>(12,868.5)</u>	<u>(13,463.9)</u>
NET CURRENT ASSETS	7,752.8	6,544.0
NON-CURRENT LIABILITIES		
Borrowings	(22,897.7)	(22,975.6)
Consumer deposits	(3,923.2)	(3,824.3)
Finance lease payables	(6,534.6)	(6,137.4)
Deferred income	(1,598.1)	(1,642.5)
Derivative financial instruments	(1.7)	(4.9)
Other liabilities	(1,138.9)	(1,156.7)
Deferred tax liabilities	(6,725.1)	(6,716.1)
Employee benefits	(10,232.8)	(10,263.2)
Government development grants	(1,024.8)	(1,021.6)
	<u>(54,076.9)</u>	<u>(53,742.3)</u>
TOTAL NET ASSETS	<u>45,838.6</u>	<u>43,459.2</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	5,643.6	5,643.6
Share premium	5,382.2	5,382.2
Other reserves	(5,007.9)	(5,036.3)
Retained profits	39,584.4	37,232.5
	<u>45,602.3</u>	<u>43,222.0</u>
NON-CONTROLLING INTEREST	236.3	237.2
TOTAL EQUITY	<u>45,838.6</u>	<u>43,459.2</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	Sen 808.0	Sen 765.9

These unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.



C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2014

(Amounts in RM million unless otherwise stated)

Attributable to owners of the Company

	Ordinary Shares of RM1.00 each	Share Premium	Employee Benefit Reserve	Other Reserves	Retained Profits	Non Controlling Interest	Total Equity
At 1 September 2014	5,643.6	5,382.2	(4,916.3)	(120.0)	37,232.5	237.2	43,459.2
Profit for the financial period	-	-	-	-	2,351.9	(0.9)	2,351.0
Foreign currency translation differences	-	-	-	28.4	-	-	28.4
Total comprehensive income	-	-	-	28.4	2,351.9	(0.9)	2,379.4
At 30 November 2014	5,643.6	5,382.2	(4,916.3)	(91.6)	39,584.4	236.3	45,838.6

Attributable to owners of the Company

	Ordinary Shares of RM1.00 each	Share Premium	Employee Benefit Reserve	Other Reserves	Retained Profits	Non Controlling Interest	Total Equity
At 1 September 2013	5,643.6	5,382.2	(5,358.0)	(151.1)	32,176.4	277.6	37,970.7
Profit for the financial period	-	-	-	-	1,750.3	(17.9)	1,732.4
Foreign currency translation differences	-	-	-	15.7	-	-	15.7
Other reserve	-	-	-	0.7	-	-	0.7
Employee benefit reserve	-	-	(21.3)	-	-	-	(21.3)
Total comprehensive income	-	-	(21.3)	16.4	1,750.3	(17.9)	1,727.5
At 30 November 2013 (restated)	5,643.6	5,382.2	(5,379.3)	(134.7)	33,926.7	259.7	39,698.2

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 2014.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 NOVEMBER 2014

(Amounts in RM million unless otherwise stated)

	FY2015 ended 30.11.14	FY2014 ended 30.11.13 Restated
Operating activities		
Cash generated from operations	2,878.5	2,288.4
Retirement benefits paid	(216.5)	(160.0)
Customer contributions received	283.1	300.4
Consumer deposits received	98.9	58.4
Tax paid	(134.0)	(95.0)
Net cash generated from operating activities	<u>2,910.0</u>	<u>2,392.2</u>
Investing activities		
Investment in associates:		
- proceeds from redemption of unsecured loan notes/RULS	-	1.1
Interest received	44.3	97.5
Short term investment:		
- purchases	(3,742.0)	-
Property, plant and equipment:		
- purchases	(2,193.8)	(1,525.9)
- disposals	1.6	60.7
Net cash used in investing activities	<u>(5,889.9)</u>	<u>(1,366.6)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	279.9	107.0
- repayments	(405.0)	(177.7)
Interest paid	(107.7)	(106.1)
Government development grants received	19.2	0.2
Net increase in debt reserve account	(0.4)	-
Net cash used in financing activities	<u>(214.0)</u>	<u>(176.6)</u>
Net (decrease)/increase in cash and cash equivalents	(3,193.9)	849.0
Currency translation differences	0.1	1.9
Cash and cash equivalents at the beginning of the period	<u>7,871.5</u>	<u>9,328.8</u>
Cash and cash equivalents at the end of the period	<u>4,677.7</u>	<u>10,179.7</u>
Deposit, bank and cash balances at end of the period	4,919.1	10,393.5
Debt reserve account ¹	(241.4)	(213.8)
Cash and cash equivalents at the end of the period	<u>4,677.7</u>	<u>10,179.7</u>

1. Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.

These unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2014.



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 the reporting requirements as set out in Malaysian Financial Reporting Standards (MFRS) 134 'Interim Financial Reporting', International Financial Reporting Standards (IFRS) 34 'Interim Financial Reporting' 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 2014.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and joint arrangements as at 31 August 2014. 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 2014.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2014 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 2014 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for financial year beginning 1 September 2014.

New standards, amendments to standards and IC interpretations that are applicable to the Group effective 1 September 2014

- Amendments to MFRS 2 'Share-based Payment'
- Amendments to MFRS 3 'Business Combinations'
- Amendments to MFRS 8 'Operating Segments'
- Amendments to MFRS 10 'Consolidated Financial Statements', MFRS 12 'Disclosures of Interests in Other Entities' and MFRS 127 'Separate Financial Statements'
- Amendments to MFRS 13 'Fair Value Measurement'
- IC Interpretation 21 'Levies'
- Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 138 'Intangible Assets'
- Amendments to MFRS 119 'Employee Benefits'
- Amendments to MFRS 124 'Related Party Disclosures'
- Amendments to MFRS 139 'Financial Instruments: Recognition and Measurement'
- Amendments to MFRS 132 'Financial Instruments: Presentation'

The impact of the new accounting standards, amendments to published standards and improvements to the standards on the financial statements of the Group is not material.

4) SEASONAL OR CYCLICAL FACTORS

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

5) 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.



6) 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.

7) DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchases, resales and repayments of debts and equity securities during the period under review.

8) DIVIDENDS

The Board of Directors has not recommended any dividend for the quarter ended 30 November 2014.

There was no dividend paid during the quarter.

9) 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.

10) VALUATION OF PROPERTY, PLANT & EQUIPMENT

The Group does not adopt a revaluation policy on its property, plant and equipment.

11) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

12) CHANGES IN THE COMPOSITION OF THE GROUP

As announced to Bursa Malaysia on 25 June 2013 on the execution of the Shareholders' Agreement between TNB Energy Services Sdn. Bhd. ('TNBES'), a wholly-owned subsidiary of Tenaga Nasional Berhad ('TNB') and Sime Darby Plantation Sdn. Bhd. ('SDP'), a wholly-owned subsidiary of Sime Darby Berhad ('Sime Darby') in establishing a joint venture to undertake biogas project development from agricultural waste product is hereby referred. As at 30 November 2014, TNBES has subscribed to 49%, comprising 24,499 ordinary shares of RM1.00 each of the issued and paid-up share capital of Sime Darby TNBES Renewable Energy Sdn. Bhd. ('SD TNBES'), the joint venture company set up for the above purpose.

The Group has assessed and recognised the company as an associate of the Group. The subscription of shares has no material effect on the Group.

13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 30 Nov 2014	As at 31 Aug 2014
Claims by third parties	319.9	321.7
Trade guarantees and performance bonds	15.3	24.5
Other contingent liabilities	5.0	5.0
	<u>340.2</u>	<u>351.2</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.



14) CAPITAL COMMITMENTS

	As at 30 Nov 2014	As at 31 Aug 2014
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	16,371.9	17,350.5
Contracted but not provided for in the financial statements	<u>7,671.5</u>	<u>7,789.1</u>
	<u>24,043.4</u>	<u>25,139.6</u>

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

15) **REVIEW OF PERFORMANCE**

Performance of the current period ended 30 November 2014 against the corresponding period ended 30 November 2013:

The Group recorded a 18.5% or RM1,683.7 million improvement in sales of electricity from RM9,077.5 million to RM10,761.2 million. The improvement was mainly from sales of electricity in Peninsular Malaysia and Sabah, which each recorded an increase of 19.2% and 20.7%. This was the result of the increase in the average electricity tariff in Peninsula of 14.9% and Sabah of 16.9% effective 1 January 2014. Additionally, Peninsular Malaysia and Sabah both registered a growth of 3.3% and 2.4% respectively, as compared to the last corresponding period.

Profit attributable to the Owners of the Company for the period under review was RM2,351.9 million as compared to RM1,750.3 million recorded in the corresponding period last financial year, an increase of RM601.6 million or 34.4%. This was mainly due to the increase in overall revenue of 15.2% as compared to an increase in operating expenses of only 3.6%.

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

Performance of the current quarter (1st Quarter FY2015) against the preceding quarter (4th Quarter FY2014):

The Group reported a lower total sales of electricity of RM10,761.2 million for the current quarter as compared to RM11,201.5 million in the preceding quarter, a decrease of RM440.3 million or 3.9%. This was a direct result of a lower demand growth recorded in the current quarter of 2.3% in the Peninsula and 0.7% in Sabah.

The quarter experienced a higher profit attributable to the Owners of the Company of RM2,351.9 million as compared to RM1,355.9 million recorded in the preceding quarter mainly due to a lower operating cost in the current quarter. The lower operating cost was mainly due to the lower fuel cost.

17) PROSPECTS

In the light of prevailing global economic conditions and volatility of foreign exchange that will impact the Malaysian economy, the Board of Directors is cautious on the Group's prospect for the Financial Year 2015.

18) PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at the profit from operations:

	Quarter ended 30 Nov 2014
Property, plant and equipment:	
- Depreciation	1,257.4
Write back for receivables	(38.7)
Write back for inventories	(2.9)
Inventories written off	11.5

Other than the items highlighted above, there were no disposal of quoted investment, profit on sale of properties and impairment of property, plant and equipment during the financial period ended 30 November 2014.

19) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable, as the Group did not publish any profit forecast.

20) TAXATION

Taxation for the reporting period comprised the following:-

	Individual quarter	
	ended 30 Nov 14	ended 30 Nov 13 Restated
Income Tax:		
Current tax	(248.2)	(118.9)
Deferred tax (net):		
Relating to origination and reversal of temporary differences	(21.6)	46.0
Effect on reduction in income tax rate	-	188.7
Total taxation	<u>(269.8)</u>	<u>115.8</u>

For the reporting period ended 30 November 2014, the Group recorded a 10.3% effective tax rate; which is much lower than the statutory tax rate of 25.0%. The lower effective tax rate is mainly due to the utilisation of reinvestment allowance incentive during the current quarter.

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 30 Nov 2014	As at 31 Aug 2014
Short term - secured	570.3	553.0
- unsecured	1,855.3	1,927.4
Sub-total	2,425.6	2,480.4
Long term - secured	11,918.7	11,877.0
- unsecured	10,979.0	11,098.6
Sub-total	22,897.7	22,975.6
Total	25,323.3	25,456.0

- b) Currency denominations:-

	As at 30 Nov 2014	As at 31 Aug 2014
Japanese Yen	3,039.8	3,279.3
US Dollar	2,682.6	2,637.2
Others	27.7	49.4
Total Ringgit equivalent of foreign currency borrowings	5,750.1	5,965.9
Ringgit borrowings	19,573.2	19,490.1
Total	25,323.3	25,456.0

- c) Effective average cost of borrowing based on exposure as at 30 November 2014 was 4.96% (FY2014: 4.80%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM143.6 million, and
 - (ii) Ringgit denominated term loans of RM1.1 million.



23) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 30 Nov 2014	
	Notional Amount	Fair Value
Interest Rate Swaps		
- More than 1 year	100.1	(1.7)
Currency Options		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	744.0	15.1
Total	844.1	13.4

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

Fair value changes of financial assets and liabilities

The Group recognised a total net loss of RM24.4 million during the current quarter and a total net loss of RM24.4 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 the statements of financial position.

24) REALISED AND UNREALISED PROFITS

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:

	30 Nov 2014	31 Aug 2014
Total retained profits of the Company and its subsidiaries		
-Realised	41,291.9	38,861.3
-Unrealised	(4,848.2)	(4,838.0)
Total share of retained profits from joint ventures		
-Realised	15.8	15.0
-Unrealised	9.8	6.1
Total share of retained profits from associates		
-Realised	217.7	202.2
-Unrealised	(25.4)	(25.3)
Consolidation adjustments	2,922.8	3,011.2
Total retained profits of the Group	39,584.4	37,232.5

The disclosure above includes Integrax Berhad's ('ITB'), where TNB holds 22.12% shareholding, realised and unrealised profits for period as at 30 September 2014 and not 30 November 2014. 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.



25) MATERIAL LITIGATION

There is no pending material litigation other than those announced to Bursa Malaysia since the date of the last audited financial statements.

26) EARNINGS PER SHARE

	<u>Individual quarter</u>	
	<u>ended</u> 30.11.14	<u>ended</u> 30.11.13 Restated
Profit attributable to owners of the Company (RM 'million)	2,351.9	1,750.3
Weighted average number of ordinary shares in issue ('000)	5,643,611	5,643,611
Basic/Diluted earnings per share (sen)	41.67	31.01

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

28) COMPARATIVE FIGURES

Comparatives have been restated following the adoption of Amendments to MFRS 10.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
22 January 2015