SIARAN AKHBAR
PRESS RELEASE

TENAGA NASIONAL BERHAD
(200866-W)

S.A. Bil 2005/07/27

3RD QUARTER FY2005 -HIGHLIGHTS OF RESULTS

Group	**3rd Qtr YTD FY2005 RM (mn)**	**3rd Qtr YTD FY2004 RM (mn)**
Total Revenue	14,021.4	13,068.1
Operating Expenses	(11,684.1)	(10,898.9)
Other Operating Income	288.3	210.6
Operating Surplus	2,625.6	2,379.8
Profit Before Taxation	1,422.0	928.8
Net Profit	876.4	367.3

Tenaga Nasional Berhad ("TNB") today announced its third quarter results for the nine months ended 31st May 2005 with a net profit of RM876.4 million. Total revenue for the Group increased by 7.3% to RM14,021.4 million in line with Malaysia's GDP forecast growth for FY2005 of 5-6%, while operating surplus increased to RM2,625.6 million.

However, the Group's rate of return on capital employed of 5.2% is low when benchmarked against other utilities in the region and worldwide.

Diterbitkan Oleh: Tenaga Nasional Berhad, Peti Surat 11003, 129 Jalan Bangsar, 50732 Kuala Lumpur.
Untuk makluman lanjut, sila hubungi Ketua (Perhubungan Korporat) Tel: 03-22965566 & 22962121 samb. 6320 Talian Terus : 03-22966320
atau Penolong Pengurus Perhubungan Korporat (Media) samb. 6884 Talian Terus 03-22966884

Operating expenses for the nine months of FY2005 were significantly affected by a 37% increase in fuel cost as a result of higher coal prices worldwide. With the increase in units of energy purchased from the IPPs, energy payments to IPPs increased by 4.5%. Fuel cost and IPP cost, together, account for 61.8% of total operating expenses. Despite these higher costs, the Group achieved a 10.3% increase in operating surplus through reduction in other operating expenses, cost rationalization and cost management efforts initiated to improve the operating and technical efficiencies.

The Group's results reflect the trend towards continuing improvements in financial performance, contributed from the combined effect of strong demand growth, improved technical and financial performance as well as lower forex losses from the strengthening of the Ringgit against other major foreign currencies.

Moving forward, the key challenges ahead for the Group would primarily be focused on containing the operating cost levels in light of the current sustained trend of higher fuel cost and material prices, while ensuring that the highest level of technical and operational efficiency is achieved. However as TNB plays a pivotal role in ensuring the security and reliability of electricity supply in the country, it is vital that the Group's returns are sufficient to meet future demand.

Issued on 21 July 2005

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Press Statement

As part of Tenaga Nasional Berhad's on-going debt management strategy, the Company is pleased to announce that it has obtained the approval from the relevant authorities for what it considers to be the first issuance of a Multi-Currency Revolving Credit Facility ("MCRCF") programme in the Malaysian capital markets.

United Overseas Bank (Malaysia) Bhd has been appointed as the Global Coordinating Lead Arranger for the programme.

The USD500 million MCRCF, via a combination of bank loan and capital market products rolled into one programme, is structured to provide TNB with the financial flexibility to raise funding by tapping the banking loan market, debt capital market or a combination of both during the tenure of the programme. In addition to the choice of funding modes, the multi tranche MCRCF programme also allows TNB to draw on a choice of currencies comprising USD, Sterling Pound, Euro and Ringgit Malaysia.

The programme will be available for TNB to utilise and drawdown for a period of up to twenty (20) years.

The MCRCF programme comprises a Eurodollar Medium Term Notes issue, a Transferable Revolving Credit Facility as well as a Ringgit Murabahah Medium Term Note issue thereby providing TNB with access to a wider pool of lenders and investors, domestically and regionally. As an added advantage, the programme, which is structured for issuance on a tap basis once in place, will allow TNB a speedier access to funds without having the need to go through the typical route of a refinancing exercise.

Proceeds raised from the programme would be utilised to refinance TNB's existing debt obligations, finance capital and operating expenditure programmes and/or working capital requirements.

The three sub-facilities are intended to be offered on a book-building/syndication basis to take advantage of TNB's strong credit rating which was recently upgraded by one notch to Baa1 by Moody's and the surplus liquidity in the market, which should result in more competitive funding cost to TNB.

-ENDS-

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