

# SIARAN AKHBAR

## PRESS RELEASE



**TENAGA  
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BERHAD**  
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### **TNB REAPS EFFICIENCY REWARDS Records Net Profit of RM1,280.0 million**

**Kuala Lumpur, 25 October 2005** - Tenaga Nasional Berhad (TNB) today reported a net profit of RM1,280.0 million, on the back of a 7.1% increase in revenue to RM18,977.5 million for the financial year ended 31 August 2005.

Efficiency improvements especially in the areas of collection of delinquent accounts, lowering of general expenses, and reduction of transmission and distribution losses, all contributed to the improved bottom-line.

A further positive contribution came from foreign exchange gains due to a strengthening of the Ringgit against other currencies.

Speaking at the press conference today, TNB's President/Chief Executive Officer, Dato' Che Khalib Mohamad Noh elaborated, "Whilst the benefit of strong electricity demand growth in Peninsular Malaysia was the main contributor to the increase in the Group's revenue growth, I am pleased to report also that revenue from electricity sales in Sabah and our Liberty Power plant in Pakistan both recorded significant increases in their revenue."

"Like many other industries globally, TNB has felt the impact of inflationary pressures from rising fuel costs and corresponding increases in materials and logistics. In fact, there was a 29.1% increase in fuel cost largely due to higher coal prices worldwide. However, with the benefit of efficiency improvements, our operating surplus was only marginally reduced by 5.7% from RM3,325.2 million to RM3,135.7 million.

"Furthermore, TNB's earnings performance for the year reflects savings derived from its programme of proactive initiatives to improve the Group's level of technical and financial efficiency. In the last 12 months, TNB has collected more than RM200 million from delinquent accounts and we are aggressively pursuing the other outstanding accounts," he added.

Dato' Che Khalib also commented that TNB has embarked on a long-term comprehensive plan toward realising a sustainable future as a leading energy corporation. The focus will be on further improving core operations with a proactive maintenance programme, improving revenue structure, service excellence, value creation, and building human capital. "We want to be recognised as a regional leader against which other regional utility players will wish to benchmark themselves."

The Board of Directors has recommended a final gross dividend of 12.0 sen per share in respect of the financial year ended 31 August 2005. Together with the interim tax-exempt dividend of 3.0 sen per share (equivalent to a gross dividend of 4.2 sen per share) paid on 12 July 2005, the total equivalent gross dividend for the year amounts to 16.2 sen per share.



In addition, TNB has also announced a Proposed Bonus Issue of 1 new ordinary share for every 4 existing ordinary shares held. The Books Closure Date will be announced at a later date. The new bonus shares will not be entitled to the final dividend in respect of the financial year ended 31 August 2005.

"This is the first time TNB has embarked on a bonus issue exercise. This is a reflection of the Company's commitment to providing value to its shareholders and a way of thanking them for their loyalty and continuing support. In addition, it will increase liquidity of TNB shares in the equity markets," continued Dato' Che Khalib.

#### Financial Highlights

Group	FYE 31 August 2005 RM (mn)	FYE 31 August 2004 RM (mn)
Total Revenue	18,977.5	17,712.1
Operating Expenses	(16,215.9)	(14,723.4)
Other Operating Income	374.1	336.5
Operating Surplus	3,135.7	3,325.2
Profit Before Taxation	1,818.9	1,482.7
Net Profit	1,280.0	813.7
Dividend (gross): Interim Final Special	per share *4.2 sen 12.0 sen -	per share *4.2 sen 10.0 sen 4.0 sen
Total	16.2 sen	18.2 sen
Earnings per share	40.12 sen	26.08 sen

\* Tax exempt dividend of 3.0 sen per share equivalent to gross dividend of 4.2 sen per share.

#### About Tenaga Nasional Berhad

TNB's core activities are in the generation, transmission, and distribution of electricity. In addition to being the nation's primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. TNB's distribution system supplies electricity to approximately 6.6 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables; the provider of professional consultancy services, civil and electrical engineering works and services, repair and maintenance services and fuel; undertakes research and development and project management services.

For further information, please visit [www.tnb.com.my](http://www.tnb.com.my).

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