



# SIARAN AKHBAR PRESS STATEMENT

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S.A. 2018/08/52 (HQ)

## DISTRIBUTION OF RM1.72 billion INTERIM DIVIDEND

### 6 months ended 30<sup>th</sup> June 2018 (1<sup>st</sup> Half FY2018)

- EBITDA Margin of 31.4%
- Distribution of RM1.72 billion in interim dividend payment (30.3 sen per share)

**Kuala Lumpur, 30<sup>th</sup> August 2018** – Tenaga Nasional Berhad (TNB) today announced its financial results for First Half of Financial Year Ending 31<sup>st</sup> December 2018 (1HFY2018). The Group recorded revenue of RM24.77 billion while the operating expenses (OPEX) stood at RM17.37 billion. The Group EBITDA was recorded at RM7.79 billion, with EBITDA Margin at 31.4%. The Group Profit after Tax or PAT was recorded stable at RM3.39 billion, of which 61.9% is attributed to the regulated business.

TNB President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd said: “The announcement of Imbalanced Cost Past Through (ICPT) review for July – December 2018 made on 29<sup>th</sup> June 2018 resulted in ICPT surcharge of 1.35 sen/kwh. This marked the first time a surcharge being pass-through to customers, demonstrating the successful implementation and continuation of the overall Incentive Based Regulation (IBR) framework. However, the Government has decided that the surcharge for domestic / residential customers for period July – December 2018 will be funded via Kumpulan Wang Industri Elektrik (KWIE) in order not to burden the Rakyat.”

IBR framework has provided greater transparency in tariff setting to customers. ICPT mechanism, which is part of the framework, determines either a surcharge or a rebate to customers every 6 months, particularly depending on the market-driven coal prices, being the main fuel in generating electricity. ICPT mechanism is designed to reflect the true price of electricity in order to promote economic, social and environmental sustainability for the country.

For the 1HFY2018 interim dividend, the Board has approved 50% dividend payout ratio of the Group's PATAMI, which is on the higher tier of the 30% to 60% company's dividend policy. This payout ratio has been consistent for the last two consecutive periods. TNB Chairman, Tan Sri Leo Moggie said: "TNB practices prudent financial management to ensure sustainable growth in order to continuously create value for our shareholders."

On the economic outlook for Malaysia, slower economic growth of 4.5% was recorded in the second quarter of 2018, as compared to 5.4% recorded in first quarter of 2018. This is as announced by Bank Negara Malaysia in its Economic and Financial Developments in Malaysia in the Second Quarter of 2018 Report. Going forward, the Malaysian economy is expected to remain on a steady growth path supported mainly by private sector activities.

Given the aforementioned scenarios, the Board of Directors expect electricity demand growth and the Group result for the Financial Year 2018 to remain stable.

For the 1HFY2018, the approved interim dividend is 30.3 sen per share. The Books Closure and Payment Dates will be announced in due course.

## Financial Highlights

RM' Million	<u>6 Months</u> <u>Ended</u> <u>30<sup>th</sup> Jun'18</u>	<u>4 Months</u> <u>Ended</u> <u>31<sup>st</sup> Dec'17</u>
<b>Total Revenue</b>	24,771.9	15,827.1
<b>Operating Expenses (Without Depreciation)</b>	(17,365.2)	(11,141.2)
<b>Other Operating Income</b>	382.4	512.6
<b>Operating Surplus (EBIT)</b>	<u>4,704.1</u>	<u>3,148.6</u>
<b>Finance Cost</b>	(771.8)	(576.0)
<b>Forex Translation Gain / (Loss)</b>	(80.6)	329.7
<b>Net Profit (before Forex Translation Gain / (Loss))</b>	3,437.6	2,426.0
<b>Net Profit Attributable to Owners of the Company</b>	3,357.0	2,755.7
<b>Earnings per share</b>	59.20 sen	48.68 sen

### **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. As at 30 June 2018, TNB supplies electricity to approximately 9.0 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, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services; services related to renewable energy, energy efficiency and power quality; higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation's progress. For further information, please visit [www.tnb.com.my](http://www.tnb.com.my).

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