



SIARAN AKHBAR PRESS STATEMENT

S.A. 2016/10/90(HQ)

TNB RECORDED IMPROVED PERFORMANCE FROM HIGHER ELECTRICITY DEMAND GROWTH

- Profit After Tax at RM7.32 billion (FY2015 : RM6.06 billion)
- 4.0% electricity demand growth in Peninsular Malaysia (FY2015 : 2.2%)
- RM11.39 billion capital expenditure “capex” investment (FY2015 : RM10.77 billion)

Kuala Lumpur, 27th October 2016 – Tenaga Nasional Berhad (TNB) today announced Profit After Tax of RM7.32 billion for Financial Year 2016 (FY2016) as compared to RM6.06 billion reported in FY2015. The improvement was primarily due to 4.0% electricity demand growth in Peninsular Malaysia, contributed mainly by warm weather condition which occurred during the 3rd Quarter of FY2016.

During the year, there were six Generation projects carried out that contributed to the higher investment in capex of RM11.39 billion as compared to RM10.77 billion invested last year. Out of the six, the Group had successfully commissioned four projects with total capacity of 1,892MW. The capex investment will ensure that the nation’s energy capacity requirement is met and the overall system efficiency, security and reliability are maintained.

During the year, the Group recorded 2.9% improvement in revenue at RM44.53 billion for FY2016, as compared to RM43.29 billion reported in FY2015. However, the operating expenses remained stable and registered marginal increase of 1.9% at RM36.17 billion as compared to RM35.48 billion reported in FY2015, despite the 4.0% electricity demand growth in Peninsular Malaysia.

TNB’s President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd stated; “This year’s performance was mainly contributed by positive momentum in Peninsular Malaysia electricity demand. However, towards the end of the year we have seen that the electricity consumption

pattern have reverted back to its normal trend with the changing weather pattern. Moving forward, we expect that electricity demand will continue to increase in tandem with the country's economic growth."

Commenting on TNB's business aspiration, Datuk Seri Ir. Azman Mohd said; "Meeting the country's power needs and expansion of our business are our forefront considerations. Given limited growth opportunities in the domestic market, the Group recognises the need to venture further to find viable business prospects towards delivering sustainable, long-term earnings enhancement for the Group. This, in total will be value accretive to our shareholders."

The Malaysian Government in its 2017 Budget projected the country's economic growth to be between 4.0% and 5.0%, which is attributable to the slower global economic growth. As such, it is expected that the electricity demand growth will be in line with the above. Given this scenario, the Board continues to remain cautious on the Group's prospect for Financial Year 2017.

For the financial year ended 31st August 2016, the Board of Directors has recommended a final single-tier dividend of 22.0 sen per ordinary share (FY2015 : 19.0 sen). The total final dividend is subject to the approval of the shareholders of TNB at the forthcoming Annual General Meeting. The Books Closure and payment dates will be announced in due course.

Released in Kuala Lumpur on October 27th, 2016

*Kindly forward all press enquiries to Nor Hanim Idris at 019-2617617
/ Teng Yoon Soon at 019-293 1228/ Puti Mazlina Mashudi di 013-3642727*

media@tnb.com.my

Financial Highlights

RM' Million	12-month ended 31 st August	
	<u>FY2016</u>	<u>FY2015</u>
Total Revenue	44,531.5	43,286.8
Operating Expenses	(36,171.0)	(35,483.4)
Other Operating Income	711.5	824.2
Operating Surplus (EBIT)	<u>9,072.0</u>	<u>8,627.6</u>
Finance Cost	(1,039.3)	(944.9)
Forex Translation Loss	(390.0)	(819.3)
Net Profit (before Forex Translation Loss)	7,757.6	6,937.7
Net Profit Attributable to Owners of the Company	7,367.6	6,118.4
Earnings per share	130.55 sen	108.41 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 31 August 2016, TNB supplies electricity to approximately 9.2 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.