

**NOTE TO EDITOR**

Tenaga Nasional Berhad (TNB) today announced the Group's unaudited first quarter financial results for the 3 months ended 30 November 2002 (FY2003).

Total revenue for the Group increased from RM3,809.8 million in the first quarter of FY2002 to RM4,055.9 million in the first quarter of FY2003, an increase of 6.5%. With relatively stable growth in electricity demand, revenue from sales of electricity increased from RM3,703.9 million in the first quarter of FY2002 to RM3,951.9 million in the first quarter of FY2003, an increase of 6.7%. Included in the sales of electricity are the sales attributable to TNB's Liberty Power Plant in Pakistan and Sabah Electricity Sdn. Bhd. which recorded an increase in sales of 6.4% and 9.2% respectively. Revenue from sales of electricity contributes to approximately 97% of the group's revenue.

Operating expenses for the first quarter of FY2003 increased by 8.1% to RM3,334.1 million as compared to RM3,084.4 million incurred in the corresponding first quarter of FY2002. The increase in operating expenses for the first quarter of FY2003 was mainly attributable to the increase in IPP purchase cost resulting from the commercial operation of the Panglima and GB3 open cycle power plants in February and November 2002 respectively. Currently IPP purchase cost accounts for approximately 47% of total operating expenses (excluding depreciation).

Consequently, The Group's pre-tax profit (PBT) amounted to RM798.2 million for the first quarter of FY2003. This reflects an increase of 1.3% compared to RM788.1 million achieved in the corresponding first quarter of FY2002. The foreign exchange gain in the

first quarter of FY2003 amounted to RM299.2 million, an increase of 14.4% from RM261.5 million in the first quarter of FY2002.

The Group's net profit for the first quarter of FY2003 amounted to RM663.2 million after making a deferred tax provision of RM114.7 million in accordance with the Malaysian Accounting Standards Board (MASB) Standard No. 25. This is the first time TNB is making a provision under MASB 25. The net profit of RM663.2 million for the first quarter of FY2003 represents an increase of 9.8% compared to the net profit for the first quarter of FY2002 (after post-balance sheet adjustment for equivalent deferred tax provision).

With the anticipation that the electricity demand growth is sustainable and based on measures taken to improve the operating efficiencies of the Group's business, the Board of Directors expects, barring any unforeseen circumstances, the Group's performance for the year to remain satisfactory.

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