

ANNOUNCEMENT

Tenaga Nasional Berhad (TNB) today announced a pre-tax profit of RM2,193.0 million for the FY2001 ended 31st August 2001, compared to RM1,523.8 for FY2000.

Turnover increased marginally from RM13,719.1 million in FY2000 to RM14,362.6 million in line with economic slow down.

The operating profit declines slightly from RM4,433.0 million in FY2000 to RM4,387.6 million and is attributable to the large provisions made this financial year. Had it not been for the large provisioning, the operating margin would have been 35% of turnover compared to 32% for FY 2000.

Total interest expense is maintained at about the same level despite an increase in borrowings. Average cost of funding has further come down by 0.60% from 5.90% in FY 2000 to 5.29% per annum. Since the implementation of the revised debt liability management policies and strategies beginning FY1999, the average cost of funding has come down by 1.6% per annum from 6.9% in FY1998 to 5.29% in FY2001. A 1% saving on RM28 billion of borrowings amounts to a saving of RM280 million per annum.

Profit before tax has increased by about 43% from RM1.523 billion to RM2.193 billion. Contributing to the major increase in PBT is the net gains in foreign exchange. The depreciation of the Yen against the Ringgit far outweighed the appreciation of the Pound Sterling and French Franc against the Ringgit.

The Board of Directors has recommended a final tax-exempt dividend of 4.3 sen per share equivalent to 6 sen gross per share in respect of the Financial Year 2001. Together with the gross interim dividend of 4 sen per share, the total equivalent gross dividend for the year amounts to 10 sen per share (FY2000: 10 sen).

In view of the uncertainty in the near term of the world economy and Malaysian economy in particular and the volatility of the foreign exchange rates, the Board of Directors is cautious of the economic performance of the Group for FY 2002. In light of this and barring any unforeseen circumstances, the Board of Directors does not expect significant changes in the operating performance of the Group in FY 2002.

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