



SIARAN AKHBAR PRESS STATEMENT

S.A. 2015/07/90(HQ)

TNB RECORDS STABLE EARNINGS FOR NINE MONTHS ENDED 31ST MAY 2015

- Profit After Tax increased by 2.9% to RM5.25 billion (9MFY2014 : RM5.10 billion)
- Imbalance Cost Pass Through shown to be effective in providing earnings stability
- Lower average coal price of USD67.3/mt (9MFY2014 : USD76.5/mt)
- Forex Translation Loss of RM85.8 million (9MFY2014 : Gain of RM292.2 million)

Kuala Lumpur, 30th July 2015 – Tenaga Nasional Berhad (TNB) today announced that for the nine months of Financial Year 2015 (9MFY2015), Profit After Tax was reported at RM5.25 billion, an improvement of 2.9% as compared to RM5.10 billion reported in the corresponding period last year.

The improvement in the results for the period under review was mainly contributed by the tariff review effective 1st January 2014, whereby year-on-year analysis of the Group's performance saw an increase in revenue of 1.5% to RM31.54 billion during the 9MFY2015 as compared to RM31.07 billion for same period last year.

The revenue recorded for the period under review had taken into consideration the Imbalance Cost Pass Through (ICPT) over-recovery amount of RM1.82 billion for the period from 1st January 2014 until 31st May 2015. The reporting of the over-recovery amount in TNB's financial statements for the first time was done after a thorough review and deliberation between TNB and the relevant parties.

Operating expenses for 9MFY2015 decreased by 3.0% to RM25.73 billion from RM26.52 billion for 9MFY2014. This is mainly due to lower generation costs from lower consumption of LNG and lower coal price. The average coal price for the period under review was recorded at USD67.3/mt as compared to USD76.5/mt for the same period last year.

TNB Chairman, Tan Sri Leo Moggie, stated: “The effective implementation of the ICPT under Incentive Based Regulation (IBR) framework since 1st January 2014 has enabled the company to record stable earnings by minimising its exposure to fluctuations in generation and fuel costs.

Moving forward, TNB expects continued earnings stability as a result of its neutral exposure to these fluctuations. This earnings visibility is welcomed by the company.”

Tan Sri Leo Moggie emphasised: “At the same time, under the ICPT mechanism, any savings from lower generation costs resulting from the decline in global fuel prices have been passed back to consumers in the form of tariff rebates, as announced in February and June 2015.”

However, TNB continues to be impacted by uncertainties in the global economic environment and the depreciating Ringgit.

TNB’s President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd said: “In the current challenging economic landscape, the management and Board of TNB are committed to maximising shareholder value, and delivering sustainable, long-term earnings growth. We will continue to responsibly plan for the future growth of our business and the country’s power needs.

“TNB has laid the foundations for growth through its strong financial base and by meeting international standards in generation, transmission and distribution. We will venture forward whilst maintaining the highest standards of corporate governance and transparency in all actions we take.”

Released in Kuala Lumpur on July 30th, 2015

*Kindly forward all press enquiries to Md. Derus Bunchit at 019-2662296
/ Teng Yoon Soon at 019-293 1228/ Maizatul Nadiah Saadon at 017-3816602
media@tnb.com.my*

Financial Highlights

| RM' Million | 9-month ended 31 st May | |
|---|---------------------------------------|------------------------------------|
| | <u>FY2015</u> | <u>FY2014</u> <u>(Restated)</u> |
| Total Revenue | 31,542.8 | 31,069.0 |
| Operating Expenses | (25,727.1) | (26,515.5) |
| Other Operating Income | 593.0 | 349.5 |
| Operating Surplus (EBIT) | <u>6,408.7</u> | <u>4,903.0</u> |
| Finance Cost | (719.3) | (639.0) |
| Forex Translation Gain / (Loss) | (85.8) | 292.2 |
| Net Profit (before Forex Translation Gain) | 5,383.3 | 4,818.9 |
| Net Profit Attributable to Owners of the Company | 5,297.5 | 5,111.1 |
| Earnings per share | 93.87 sen | 90.56 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 2014, TNB supplies electricity to approximately 8.6 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, 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.