

The Board of Directors is pleased to announce the following:

**A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE 1st QUARTER ENDED 30 NOVEMBER 2011**

(Amounts in RM million unless otherwise stated)

	<b>INDIVIDUAL QUARTER</b>	
	<b>CURRENT YEAR QUARTER 30.11.11</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30.11.10 (Restated)</b>
Revenue	8,694.4	7,731.2
Operating expenses	(8,491.8)	(6,557.6)
Other operating income	94.9	84.6
Operating profit	297.5	1,258.2
Foreign exchange		
- Translation (loss)	(419.1)	(104.8)
- Transaction (loss)	(1.1)	(1.5)
Share of results of jointly controlled entity	(0.2)	(0.2)
Share of results of associates (net of tax)	20.0	10.7
(Loss)/Profit before finance cost	(102.9)	1,162.4
Finance income	69.4	89.1
Finance cost	(181.9)	(249.1)
(Loss)/Profit from ordinary activities before taxation	(215.4)	1,002.4
Taxation and Zakat		
- Company and subsidiaries	(18.8)	(268.2)
- Deferred taxation	11.2	(15.7)
<b>(Loss)/Profit for the period</b>	<b>(223.0)</b>	<b>718.5</b>
Attributable to:		
- Owners of the Company	(224.7)	716.5
- Non-controlling interest	1.7	2.0
	<b>(223.0)</b>	<b>718.5</b>
Earnings per share attributable to the owners of the Company		
	<b>Sen</b>	<b>Sen</b>
Basic	(4.12)	13.16
Diluted	(4.12)	13.11

These unaudited Condensed Consolidated Income Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2011.

**B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2011**

(Amounts in RM million unless otherwise stated)

	<b>INDIVIDUAL QUARTER</b>	
	<b>CURRENT YEAR QUARTER 30.11.11</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30.11.10 (Restated)</b>
<b>(Loss)/Profit for the period</b>	<b>(223.0)</b>	<b>718.5</b>
<b>Other Comprehensive (Expense)/Income (net of tax) : -</b>		
Foreign currency translation differences	(4.8)	(3.4)
<b>Total Comprehensive (Expense)/Income for the Period</b>	<b>(227.8)</b>	<b>715.1</b>
Attributable to: -		
- Owners of the Company	(229.5)	713.1
- Non-controlling interest	1.7	2.0
	<b>(227.8)</b>	<b>715.1</b>

### C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2011

(Amounts in RM million unless otherwise stated)

	30.11.2011	31.08.2011 (Restated)	31.08.2010 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	61,824.5	61,817.1	58,895.3
Jointly Controlled Entities	0.5	0.6	-
Associates	424.7	407.8	245.7
Available-for-sale Financial Assets/Investments	38.0	38.0	38.0
Investments in unquoted debt securities	164.0	164.0	50.7
Deferred tax assets	23.9	30.2	55.9
Derivative financial instruments	100.0	89.9	-
Long term receivables	388.6	388.6	480.5
	<u>62,964.2</u>	<u>62,936.2</u>	<u>59,766.1</u>
<b>CURRENT ASSETS</b>			
Non-current assets held for sale	13.8	11.4	18.0
Inventories	2,646.3	2,645.9	2,450.4
Trade receivables	4,917.8	4,819.0	4,267.1
Other receivables	1,164.3	1,203.1	933.3
Current tax assets	287.1	264.5	15.2
Amount due from associates	28.7	14.6	5.7
Short term investments	-	-	72.5
Marketable securities	8.6	8.6	8.6
Derivative financial instruments	-	1.5	-
Deposits, bank and cash balances	7,919.9	3,954.2	8,343.7
	<u>16,986.5</u>	<u>12,922.8</u>	<u>16,114.5</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	(4,115.7)	(4,268.3)	(3,549.8)
Other payables	(1,320.3)	(1,469.3)	(1,727.1)
Amount due to associates	(611.2)	(707.9)	(623.6)
Current taxation	(5.7)	(5.7)	(317.6)
Deferred Income	(489.1)	(523.9)	(331.3)
Short term borrowings	(1,414.0)	(1,727.3)	(3,162.7)
	<u>(7,956.0)</u>	<u>(8,702.4)</u>	<u>(9,712.1)</u>
<b>NET CURRENT ASSETS</b>	9,030.5	4,220.4	6,402.4
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	(22,359.7)	(17,326.8)	(18,100.9)
Consumer deposits	(3,136.9)	(3,084.9)	(2,903.9)
Derivative financial instruments	(38.9)	(44.1)	-
Employee benefits	(4,269.3)	(4,220.5)	(3,866.3)
Other liabilities	(1,615.4)	(1,576.7)	(536.4)
Deferred tax liabilities	(7,130.0)	(7,155.1)	(7,270.8)
Deferred income	(2,783.4)	(2,849.6)	(2,710.9)
Government development grants	(616.9)	(627.2)	(599.0)
	<u>(41,950.5)</u>	<u>(36,884.9)</u>	<u>(35,988.2)</u>
<b>TOTAL NET ASSETS</b>	<u>30,044.2</u>	<u>30,271.7</u>	<u>30,180.3</u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	5,456.7	5,456.6	4,352.7
Share premium	4,332.8	4,332.6	5,354.2
Revaluation and other reserves	683.3	689.4	682.8
Retained profits	19,282.1	19,505.5	19,601.0
	<u>29,754.9</u>	<u>29,984.1</u>	<u>29,990.7</u>
<b>NON-CONTROLLING INTEREST</b>	<u>289.3</u>	<u>287.6</u>	<u>189.6</u>
<b>TOTAL EQUITY</b>	<u>30,044.2</u>	<u>30,271.7</u>	<u>30,180.3</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	Sen 545.3	Sen 549.5	Sen 689.0

These unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2011.

## D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 NOVEMBER 2011

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company					Non controlling interest	Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits		
<b>At 1 September 2011 (as previously reported)</b>	<b>5,456.6</b>	<b>4,332.6</b>	<b>156.6</b>	<b>532.8</b>	<b>19,701.5</b>	<b>91.6</b>	<b>30,271.7</b>
Prior Year Adjustment	-	-	-	-	(196.0)	196.0	-
<b>As at 1 September 2011 (restated)</b>	<b>5,456.6</b>	<b>4,332.6</b>	<b>156.6</b>	<b>532.8</b>	<b>19,505.5</b>	<b>287.6</b>	<b>30,271.7</b>
Profit for the year	-	-	-	-	(224.7)	1.7	(223.0)
Total other comprehensive income	-	-	-	(4.8)	-	-	(4.8)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.8)</b>	<b>(224.7)</b>	<b>1.7</b>	<b>(227.8)</b>
Realisation of revaluation reserve	-	-	-	(1.3)	1.3	-	-
<b>Transaction with owners</b>							
Issuance of share capital - share options *	0.1	0.2	-	-	-	-	0.3
	<b>0.1</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>
<b>At 30 November 2011</b>	<b>5,456.7</b>	<b>4,332.8</b>	<b>156.6</b>	<b>526.7</b>	<b>19,282.1</b>	<b>289.3</b>	<b>30,044.2</b>

\* Exercise of options representing 59,370 ordinary shares of RM1.00 each under the Employee Share Option Scheme II ("ESOS II");

	Attributable to owners of the Company					Non controlling interest	Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits		
<b>At 1 September 2010 (restated)</b>	<b>4,352.7</b>	<b>5,354.2</b>	<b>122.5</b>	<b>560.3</b>	<b>19,755.0</b>	<b>35.6</b>	<b>30,180.3</b>
Effects of adoption of FRS 139	-	-	-	-	265.6	7.3	272.9
Prior Year Adjustment	-	-	-	-	(154.0)	154.0	-
<b>As at 1 September 2010 (restated)</b>	<b>4,352.7</b>	<b>5,354.2</b>	<b>122.5</b>	<b>560.3</b>	<b>19,866.6</b>	<b>196.9</b>	<b>30,453.2</b>
Profit for the period	-	-	-	-	716.5	2.0	718.5
Total other comprehensive income	-	-	-	(3.4)	-	-	(3.4)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.4)</b>	<b>716.5</b>	<b>2.0</b>	<b>715.1</b>
Realisation of revaluation reserve	-	-	-	(0.5)	0.5	-	-
<b>Transaction with owners</b>							
Issuance of share capital - share options	7.4	41.3	-	-	-	-	48.7
	<b>7.4</b>	<b>41.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48.7</b>
<b>At 30 November 2010 (restated)</b>	<b>4,360.1</b>	<b>5,395.5</b>	<b>122.5</b>	<b>556.4</b>	<b>20,583.6</b>	<b>198.9</b>	<b>31,217.0</b>

These unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2011.

## E. UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2011

(Amounts in RM million unless otherwise stated)

	FY2012 ended 30.11.2011	FY2011 ended 30.11.2010 (Restated)
<b>Operating activities</b>		
Cash generated from operations	828.0	1,681.1
Retirement benefits paid	(166.2)	(113.1)
Consumer contributions received	120.3	168.5
Customer deposits received	52.1	41.5
Tax paid	(43.4)	(106.1)
Net cash inflow from operating activities	<u>790.8</u>	<u>1,671.9</u>
<b>Investing activities</b>		
Investment in associates:		
- proceeds from redemption of unsecured loan notes/RULS	0.2	0.2
Interest income received	40.9	74.2
Property, plant and equipment:		
- purchases	(959.8)	(653.8)
- disposals	-	0.3
Net cash out-flow from investing activities	<u>(918.7)</u>	<u>(579.1)</u>
<b>Financing activities</b>		
Bank borrowings:		
- new drawdowns	4,943.2	130.0
- repayments	(713.8)	(165.0)
Interest paid	(136.9)	(199.1)
Proceeds from issuance of shares	0.3	48.7
Net cash out-flow from financing activities	<u>4,092.8</u>	<u>(185.4)</u>
<b>Changes in deposit, bank and cash balances</b>	3,964.9	907.4
<b>Currency translation differences</b>	0.8	(2.2)
<b>Deposit, bank and cash balances</b>		
- at start of period	<u>3,954.2</u>	<u>8,343.7</u>
- at end of period	<u>7,919.9</u>	<u>9,248.9</u>
Cash at bank, held in trust <sup>1</sup>	(197.4)	(136.8)
Debt Reserve Account <sup>2</sup>	(225.2)	(237.3)
Funds from MOF <sup>3</sup>	(4.9)	(7.4)
Cash and cash equivalents	<u>7,492.4</u>	<u>8,867.4</u>

1. Deposits and cash at bank held in trust are in respect of a grant given to a subsidiary by the Malaysian Government for a designated capital project.

2. Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.

3. Ministry of Finance (MOF) fund given to a subsidiary under stimulus package for training programmes.

These unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2011.

## **F. EXPLANATORY NOTES**

(Amounts in RM million unless otherwise stated)

### **1) BASIS OF PREPARATION**

These unaudited condensed interim financial statements of the Group have been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting", issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 August 2011.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and a jointly controlled entity as at 31 August 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the year ended 31 August 2011.

### **2) AUDIT QUALIFICATION**

The annual audited financial statements for the financial year ended 31 August 2011 were not subject to any qualification.

### **3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies applied are consistent with those adopted for the annual financial statements for the year ended 31 August 2011 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group with financial year beginning 1 September 2011.

#### **New standards, amendments to standards and IC interpretations that are applicable to the Group effective 1 September 2011**

- Amendment to FRS 2 "Group Cash-settled Share-based Payment Transactions"
- Amendment to FRS 7 "Improving Disclosures about Financial Instruments"
- IC Interpretation 4 "Determining whether an arrangement contains a lease" ('IC 4')
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements"
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"
- Improvements to FRSs (2010)

Except for IC 4, the adoption of the following IC Interpretation and amendments to FRSs and IC Interpretations that came into effect on 1 September 2011 did not have significant impact on the unaudited condensed consolidated financial statements upon their initial application.

#### **Adoption of new accounting policies and changes in accounting policies**

The adoption of IC 4 requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. The interpretation provides guidance for determining whether such arrangements are, or contain, leases that should be accounted for in accordance with FRS 117 – Leases.

The Group has identified arrangements that contain leases and reported these arrangements in terms of FRS 117. The retrospective adoption of this interpretation resulted in the recognition of assets, corresponding finance lease liabilities and reallocation of non-controlling interest, as detailed in Note 29.

**4) SEASONAL OR CYCLICAL FACTORS**

The businesses of the Group are not subject to material seasonal or cyclical fluctuations.

**5) UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME or CASH FLOWS**

There were no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the reporting period.

**6) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED**

There were no changes in the estimates of the amounts reported in the previous financial year that have a material effect on the results of the current reporting period.

**7) DEBT AND EQUITY SECURITIES**

During the period, a total of 59,370 ordinary shares of RM1.00 each were issued under the Employee Share Option Scheme II ("ESOS II").

Except for the above, there were no other issuance, cancellation, repurchases, resales and repayments of debt and equity securities during the period under review.

**8) DIVIDENDS PAID**

There was no dividend paid during the quarter.

**9) SEGMENTAL REPORTING**

Segmental reporting is not presented as the Group is principally engaged in the generation, transmission, distribution and sales of electricity and the provision of other related services, which are substantially within a single business segment. The Group operates primarily in Malaysia.

**10) VALUATION OF PROPERTY, PLANT & EQUIPMENT**

The Directors have applied the transitional provisions of International Accounting Standard No. 16 (Revised) "Property, Plant and Equipment" as adopted by MASB which allows the freehold land, leasehold land, buildings and civil works to be stated at their previous years' valuations less depreciation. Accordingly, these valuations have not been updated.

**11) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

There were no material events subsequent to the end of the reporting period.

**12) CHANGES IN THE COMPOSITION OF THE GROUP**

There was no material change to the composition of the Group during the reporting period.

### 13) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	<b>As at 30 Nov 2011</b>	<b>As at 31 Aug 2011</b>
Claims by third parties	567.9	594.9
Trade guarantees and performance bonds	3.3	152.5
Bank guarantee	3.6	3.6
Other contingent liabilities	12.5	2.4
	<u>587.3</u>	<u>753.4</u>

Claims by third parties include claims by contractors, consumers and former employees. These claims are being addressed and the Directors are of the opinion that their ultimate resolution will not have a material effect on the financial position of the Group.

### 14) CAPITAL COMMITMENTS

	<b>As at 30 Nov 2011</b>	<b>As at 31 Aug 2011</b>
<b>Property, plant and equipment committed over a 5 year period</b>		
Authorised but not contracted for	9,122.6	9,101.9
Contracted but not provided for in the financial statements	10,323.2	10,831.7
	<u>19,445.8</u>	<u>19,933.6</u>

## **G. ADDITIONAL INFORMATION AS REQUIRED BY PART A OF APPENDIX 9B OF THE BURSA MALAYSIA LISTING REQUIREMENTS**

### 15) REVIEW OF PERFORMANCE

Performance of the current first quarter (three months) FY2012 against the corresponding first quarter (three months) FY2011:

The quarter recorded a total sales of electricity of RM8,478.2 million against RM7,546.4 million for the same period last financial year. The improvement was mainly from sales of electricity in Peninsular Malaysia and SESB which recorded an increase of 11.7% and 20.0% respectively. The units sold also registered a growth of 3.9% in the Peninsula and 5.4% in SESB as compared to the corresponding period.

The quarter under review reported a higher generation cost as a result of the utilisation of alternative fuels, namely oil and distillate and the increase in the average coal price consumed from USD95.4 per metric tonne in 1<sup>st</sup> Quarter FY2011 to USD110.0 per metric tonne during the current quarter. This has led to a reduction of 76.4% in operating profit of RM297.5 million as compared to the corresponding 1<sup>st</sup> Quarter FY2011 operating profit of RM1,258.2 million.



## 16) MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE PRECEDING QUARTER

Performance of the current quarter (1<sup>st</sup> Quarter FY2012) against the preceding quarter (4<sup>th</sup> Quarter FY2011):

The Group reported a total sales of electricity of RM8,478.2 million for the current quarter, an increase of 0.8% as compared to the preceding quarter which reported an amount of RM8,413.7 million.

During the quarter under review, an operating profit of RM297.5 million was recorded as compared to an operating loss of RM248.8 million in the preceding quarter due to comparatively lower operating expenses incurred during the current quarter. This resulted in a Net Loss After Tax (attributable to the Owners of the Company) of RM224.7 million, an improvement of 50.5% as compared to a loss of RM453.9 million reported in the previous quarter. The decrease in operating expenses was mainly attributed by lower utilisation of alternative fuels.

## 17) PROSPECTS

For the current financial year, electricity demand growth is expected to remain healthy between 4%-5% mainly driven by domestic spending with the implementation of infrastructure and construction projects under the Economic Transformation Programme.

The Group remains cautious on its outlook for the current financial year as the prevailing operating environment has yet to indicate any sustained improvement. Higher generation costs from continued usage of oil and distillate due to lower gas availability as well as higher coal prices will have an adverse effect on TNB's operating margins. Additionally, continuous usage of distillate will have an adverse impact on the performance and life span of the gas power plants.

Given the foregoing scenario, the Board of Directors expects the Group's prospects for the year ending 31 August 2012 will remain challenging.

## 18) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable.

## 19) TAXATION and ZAKAT

Taxation and Zakat for the reporting period comprised the following:-

	<b>Individual quarter</b>	
	<b>ended 30-Nov-11</b>	<b>ended 30-Nov-10 (Restated)</b>
<b>Income Tax:</b>		
Current tax and zakat	<b>(18.8)</b>	(268.2)
<b>Deferred tax (net):</b>		
Relating to origination and reversal of temporary differences	<b>11.2</b>	(15.7)
Total taxation and zakat	<b><u>(7.6)</u></b>	<b><u>(283.9)</u></b>

For the reporting period ended 30 November 2011 the Group recorded a negative 3.4% effective tax rate. The effective tax rate is calculated based on 'Total Tax Expenses' (including Deferred Tax) as a percentage of 'Profit Before Tax', which includes foreign exchange loss. Not taking into account the foreign exchange loss the effective tax rate is 3.9%.

## 20) PROFIT/(LOSS) ON SALE OF INVESTMENTS

There were no disposals of any investments during the quarter.

## 21) PURCHASES AND DISPOSALS OF QUOTED SECURITIES

- a) There were no purchases of quoted securities during the quarter.
- b) Investments in marketable securities as at 30 November 2011 are as follows:-

	<b>Quarter ended 30-Nov-11 Marketable Securities</b>
At cost	24.1
At carrying value	8.6
At market value	8.6

## 22) STATUS OF CORPORATE PROPOSALS

There were no material corporate proposals entered into during the reporting period.

## 23) GROUP BORROWINGS

- a) The analysis of Group borrowings classified under short and long term categories are as follows:-

	<b>As at 30 Nov 11</b>	<b>As at 31 Aug 11</b>
Short term - secured	553.3	520.3
- unsecured	860.7	1,207.0
Sub-total	1,414.0	1,727.3
Long term - secured	3,093.3	2,958.3
- unsecured	19,266.4	14,368.5
Sub-total	22,359.7	17,326.8
Total	23,773.7	19,054.1

- b) Currency denominations:-

	<b>As at 30 Nov 11</b>	<b>As at 31 Aug 11</b>
Japanese Yen	5,468.6	5,457.9
US Dollar	3,073.0	2,909.9
Others	25.5	25.8
Total Ringgit equivalent of foreign currency borrowings	8,567.1	8,393.6
Ringgit borrowings	15,206.6	10,660.5
Total	23,773.7	19,054.1

- c) Effective average cost of borrowing based on exposure as at 30 November 2011 was 4.89% (FY2011: 5.32%).
- d) Repayments of long term debts during the reporting period were as follows:
  - (i) Foreign currency denominated term loans of RM120.9 million, and
  - (ii) Ringgit denominated term loans of RM503.3 million.

## 24) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 30-November-2011	
	Notional Amount	Fair Value
	RM Million	RM Million
<b>Forward Currency Contracts</b>		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	-	-
<b>Interest Rate Swaps</b>		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	658.0	(38.9)
<b>Currency Options</b>		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	1,059.0	100.0
<b>Total</b>	<b>1,717.0</b>	<b>61.1</b>

There is no change to the cash requirements of the derivatives, risk associated with the derivatives and policies to mitigate those risks since the last financial year.

The related accounting policies of the Group in respect of derivative financial instruments are disclosed in Part F Note 3 of this announcement.

### Fair value changes of financial liabilities

The Group recognised a total net gain of RM15.19 million during the financial period to-date arising from the fair value changes on the derivatives financial instruments which are marked to market as at the date of statement of financial position.

## 25) REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	<b>Group</b>	<b>Group</b>
	<b>30 November</b>	<b>31 August</b>
	<b>2011</b>	<b>2011</b>
	<b>RM Million</b>	<b>RM Million</b>
Total retained profits of the Company and its subsidiaries		
-Realised	<b>23,373.0</b>	<b>23,672.5</b>
-Unrealised	<b>(6,121.0)</b>	<b>(6,139.8)</b>
Total share of retained profits from jointly controlled entities		
-Realised	<b>(10.2)</b>	<b>(10.1)</b>
-Unrealised	-	-
Total share of retained profits from associates		
-Realised	<b>287.5</b>	<b>270.8</b>
-Unrealised	<b>(105.7)</b>	<b>(103.6)</b>
Less : Consolidation adjustments	<b>1,858.5</b>	<b>2,011.7</b>
<b>Total retained profits of the Group</b>	<b>19,282.1</b>	<b>19,701.5</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure above includes Integrax Berhad's (ITB), where TNB holds 22.12% shareholding, realised and unrealised profits for period as at 30 September 2011 and not 30 November 2011. This is due to unavailability of the information from ITB for reason it did not want to contravene with any Bursa Listing Requirements by releasing its financial information prior to its quarterly announcement.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive by Bursa Malaysia and should not be applied for any other purposes.

**26) MATERIAL LITIGATION**

There is no pending material litigation at the date of this announcement other than as announced on 1 December 2011.

**27) DIVIDEND**

The Board of Directors has not recommended any dividend for the quarter ended 30 November 2011.

**28) EARNINGS PER SHARE**

	<b>Individual quarter</b>	
	<b>ended</b>	<b>ended</b>
	<b>30-Nov-11</b>	<b>30-Nov-10</b>
		<b>(Restated)</b>
<b>(a) Basic earnings/(loss) per share</b>		
Profit/(loss) attributable to owners of the Company (RM 'million)	(224.7)	716.5
Weighted average number of ordinary shares in issue ('000)	5,456,660	5,443,499
Basic earnings per share (sen)	(4.12)	13.16
<b>(b) Diluted earnings/(loss) per share</b>		
Profit/(loss) attributable to owners of the Company (RM 'million)	(224.7)	716.5
Weighted average number of ordinary shares in issue ('000)	5,456,660	5,443,499
Adjustments for share options ('000)	9	21,321
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>5,456,669</u>	<u>5,464,820</u>
Diluted earnings per share (sen)	(4.12)	13.11

## 29) PRIOR YEAR ADJUSTMENT

The implementation of IC 4 resulted in a change in accounting policy. This has been accounted for as a prior year adjustment (PYA) in accordance with FRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors.

Arising from the above change, the condensed financial statements for the previous financial periods have been restated as follows:

	<b>As previously reported for period ended 31 August 2011</b>	<b>Adjustment</b>	<b>Restated for period ended 31 August 2011</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
<b>Unaudited Condensed Consolidated Statement Of Financial Position</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	60,569.5	1,247.6	61,817.1
<b>Current Liabilities</b>			
Finance Lease Liabilities	-	152.0	152.0
<b>Non Current Liabilities</b>			
Finance Lease Liabilities	-	1,095.6	1,095.6
<b>Capital and Reserves Attributable to Owners of the Company</b>			
Retained profits	19,701.5	(196.0)	19,505.5
Non-controlling interests	91.6	196.0	287.6

	<b>As previously reported for period ended 31 August 2010 (Restated)</b>	<b>Adjustment</b>	<b>Restated for period ended 31 August 2010</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
<b>Unaudited Condensed Consolidated Statement Of Financial Position</b>			
<b>Capital and Reserves Attributable to Owners of the Company</b>			
Retained profits	19,755.0	(154.0)	19,601.0
Non-controlling interests	35.6	154.0	189.6

**30) COMPARATIVE FIGURES**

Comparatives have been restated following the effects of Prior Year Adjustment (PYA) as shown in Note 29. As a result, the comparatives may not be comparable with the current period's results and financial position.

By Order of the Board

**NOR ZAKIAH BINTI ABDUL GHANI (LS 0008795)  
NORAZNI BINTI MOHD ISA (LS 0009635)**

**Company Secretaries**

Kuala Lumpur  
17 January 2012