

The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE 3rd QUARTER ENDED 31 MAY 2012

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.05.12	PRECEDING YEAR CORRESPONDING QUARTER 31.05.11 (Restated)	CURRENT YEAR TO DATE 31.05.12	PRECEDING YEAR CORRESPONDING PERIOD 31.05.11 (Restated)
Revenue	9,191.0	7,984.2	26,513.6	23,086.7
Operating expenses	(7,305.1)	(8,284.8)	(23,399.0)	(21,621.1)
Other operating income	(260.6)	153.7	1,989.7	406.4
Operating profit/(loss)	1,625.3	(146.9)	5,104.3	1,872.0
Foreign exchange				
- Translation (loss)/gain	(533.1)	60.0	(323.8)	107.6
- Transaction (loss)/gain	(7.1)	(40.7)	(10.3)	(5.8)
Share of results of jointly controlled entity	-	-	(0.5)	-
Share of results of associates (net of tax)	23.8	46.2	13.6	71.1
Profit/(loss) before finance cost	1,108.9	(81.4)	4,783.3	2,044.9
Finance income	(0.6)	84.3	101.7	277.1
Finance cost	(199.0)	(251.8)	(633.3)	(668.1)
Profit/(loss) from ordinary activities before taxation	909.3	(248.9)	4,251.7	1,653.9
Taxation and Zakat				
- Company and subsidiaries	(129.8)	155.3	(756.4)	(218.5)
- Deferred taxation	(147.9)	(104.5)	(303.2)	(148.4)
Profit/(loss) for the period	631.6	(198.1)	3,192.1	1,287.0
Attributable to:				
- Owners of the Company	619.1	(179.2)	3,189.7	1,304.0
- Non-controlling interest	12.5	(18.9)	2.4	(17.0)
Profit/(loss) for the period	631.6	(198.1)	3,192.1	1,287.0
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	11.34	(3.29)	58.44	23.94
Diluted	11.33	(3.28)	58.40	23.87

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 3rd QUARTER ENDED 31 MAY 2012

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31.05.12	PRECEDING YEAR CORRESPONDING QUARTER 31.05.11 (Restated)	CURRENT YEAR TO DATE 31.05.12	PRECEDING YEAR CORRESPONDING PERIOD 31.05.11 (Restated)
Profit/(loss) for the period	631.6	(198.1)	3,192.1	1,287.0
Other Comprehensive (Expense)/Income (net of tax) : -				
Foreign currency translation differences	(7.6)	5.8	(40.7)	14.6
Total Comprehensive Income/(Expense) for the Period	624.0	(192.3)	3,151.4	1,301.6
Attributable to: -				
- Owners of the Company	611.5	(173.4)	3,149.0	1,318.6
- Non-controlling interest	12.5	(18.9)	2.4	(17.0)
Total Comprehensive Income/(Expense) for the Period	624.0	(192.3)	3,151.4	1,301.6

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

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2012

(Amounts in RM million unless otherwise stated)

	31.05.2012	31.08.2011 (Restated)	01.09.2010 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	63,564.7	61,861.4	58,895.3
Jointly controlled entities	0.2	0.6	-
Associates	503.2	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	164.0
Deferred tax assets	15.6	30.2	55.9
Advance to contractors	128.1	-	-
Derivative financial instruments	111.5	89.9	53.4
Long term receivables	388.6	388.6	448.7
	<u>64,913.9</u>	<u>62,980.5</u>	<u>59,901.0</u>
CURRENT ASSETS			
Non-current assets held for sale	13.5	11.4	18.0
Inventories	2,718.4	2,645.9	2,450.4
Trade receivables	9,525.2	7,980.0	6,873.2
Other receivables	847.8	1,203.1	933.3
Current tax assets	12.8	264.5	15.2
Amount due from associates	63.9	14.6	5.7
Short term investments	-	-	113.3
Marketable securities	9.1	8.6	8.6
Derivative financial instruments	0.1	1.5	-
Deposits, bank and cash balances	9,087.3	3,954.2	8,343.7
	<u>22,278.1</u>	<u>16,083.8</u>	<u>18,761.4</u>
CURRENT LIABILITIES			
Trade payables	(4,759.2)	(4,258.0)	(3,749.0)
Other payables	(922.8)	(1,469.3)	(1,727.1)
Amount due to associates	(625.2)	(707.9)	(623.6)
Current taxation	(444.1)	(5.7)	(317.6)
Deferred Income	(489.1)	(523.9)	(331.3)
Short term borrowings	(1,628.0)	(1,727.3)	(3,162.7)
	<u>(8,868.4)</u>	<u>(8,692.1)</u>	<u>(9,911.3)</u>
NET CURRENT ASSETS	13,409.7	7,391.7	8,850.1
NON-CURRENT LIABILITIES			
Borrowings	(21,780.7)	(17,326.8)	(17,932.9)
Consumer deposits	(3,231.6)	(3,084.9)	(2,903.9)
Derivative financial instruments	(30.0)	(44.1)	(70.8)
Employee benefits	(4,406.9)	(4,220.5)	(3,866.3)
Other liabilities	(441.6)	(481.1)	(536.4)
Deferred tax liabilities	(8,133.2)	(7,852.2)	(7,816.0)
Lease creditor	(1,341.8)	(1,328.9)	-
Deferred income	(2,725.0)	(2,849.6)	(2,710.9)
Government development grants	(678.6)	(627.2)	(599.0)
	<u>(42,769.4)</u>	<u>(37,815.3)</u>	<u>(36,436.2)</u>
TOTAL NET ASSETS	<u>35,554.2</u>	<u>32,556.9</u>	<u>32,314.9</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	5,470.7	5,456.6	4,352.7
Share premium	4,392.0	4,332.6	5,354.2
Revaluation and other reserves	671.3	689.4	682.8
Retained profits	24,867.1	21,948.0	21,837.1
	<u>35,401.1</u>	<u>32,426.6</u>	<u>32,226.8</u>
NON-CONTROLLING INTEREST	<u>153.1</u>	<u>130.3</u>	<u>88.1</u>
TOTAL EQUITY	<u>35,554.2</u>	<u>32,556.9</u>	<u>32,314.9</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	Sen	Sen	Sen
	647.1	594.3	740.4

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 31 MAY 2012

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company						Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Non controlling interest	
At 1 September 2011 (as previously reported)	5,456.6	4,332.6	156.6	532.8	19,701.5	91.6	30,271.7
Prior Year Adjustment	-	-	-	-	2,276.1	46.1	2,322.2
Effects of FRS117 Leases	-	-	-	-	(29.6)	(7.4)	(37.0)
As at 1 September 2011 (restated)	5,456.6	4,332.6	156.6	532.8	21,948.0	130.3	32,556.9
Profit for the period	-	-	-	-	3,189.7	2.4	3,192.1
Total other comprehensive expense	-	-	-	(40.7)	-	-	(40.7)
Total comprehensive income	-	-	-	(40.7)	3,189.7	2.4	3,151.4
Realisation of revaluation reserve	-	-	-	(2.4)	2.4	-	-
Transaction with owners							
Changes in ownership interest in subsidiary	-	-	-	-	-	21.9	21.9
Dividends paid FY2012	-	-	-	-	(273.0)	-	(273.0)
Dividend paid to Non-controlling int.	-	-	-	-	-	(1.5)	(1.5)
Provision for share option	-	-	25.0	-	-	-	25.0
Issuance of share capital - share options	14.1	59.4	-	-	-	-	73.5
	14.1	59.4	25.0	-	(273.0)	20.4	(154.1)
At 31 May 2012	5,470.7	4,392.0	181.6	489.7	24,867.1	153.1	35,554.2

	Attributable to owners of the Company						Total equity
	Ordinary shares of RM1.00 each	Share premium	Employees' Share Option Scheme reserve	Revaluation and other reserves	Retained profits	Non controlling interest	
At 1 September 2010 (as previously reported)	4,352.7	5,354.2	122.5	560.3	20,020.6	42.9	30,453.2
Effects of FRS117 Leases	-	-	-	-	1,816.5	45.2	1,861.7
As at 1 September 2010 (restated)	4,352.7	5,354.2	122.5	560.3	21,837.1	88.1	32,314.9
Profit for the period	-	-	-	-	1,304.0	(17.0)	1,287.0
Total other comprehensive income	-	-	-	14.6	-	-	14.6
Total comprehensive income	-	-	-	14.6	1,304.0	(17.0)	1,301.6
Realisation of revaluation reserve	-	-	-	(19.2)	19.2	-	-
Transaction with owners							
Dividend paid FY2010	-	-	-	-	(654.0)	-	(654.0)
Dividend paid FY2011	-	-	-	-	(184.0)	-	(184.0)
Changes in ownership interest in subsidiary	-	-	-	-	-	41.7	41.7
Provision for share option	-	-	34.1	-	-	-	34.1
Issuance of share capital - share options	8.9	47.6	-	-	-	-	56.5
- bonus shares	1,090.1	(1,090.1)	-	-	-	-	-
	1,099.0	(1,042.5)	34.1	-	(838.0)	41.7	(705.7)
At 31 May 2011 (restated)	5,451.7	4,311.7	156.6	555.7	22,322.3	112.8	32,910.8

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 31 MAY 2012

(Amounts in RM million unless otherwise stated)

	FY2012 ended 31.05.2012	FY2011 ended 31.05.2011
Operating activities		
Cash generated from operations	6,430.6	3,957.9
Retirement benefits paid	(458.3)	(358.8)
Consumer contributions received	471.8	437.0
Customer deposits received	146.7	136.1
Tax paid	(87.3)	(545.4)
Tax refund received	-	-
Net cash inflow from operating activities	<u>6,503.5</u>	<u>3,626.8</u>
Investing activities		
Investment in associates:		
- addition	(91.9)	(113.3)
- proceeds from redemption of unsecured loan notes	2.8	2.8
Dividend Income	5.1	33.9
Interest income received	121.1	251.5
Long term investment	-	(0.1)
Short term investment	-	118.3
Property, plant and equipment:		
- purchases	(4,705.4)	(2,943.2)
- disposals	4.2	0.5
Assets held for sale		
- disposals	13.2	59.1
Net cash out-flow from investing activities	<u>(4,650.9)</u>	<u>(2,590.5)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	5,148.8	364.0
- repayments	(1,314.8)	(2,065.0)
Interest paid	(458.4)	(718.9)
Proceeds from issuance of shares	73.5	56.5
Dividends paid	(273.0)	(838.0)
Dividends paid to non-controlling interests	(1.5)	-
Government development grants received	106.0	90.9
Net cash inflow/(out-flow) from financing activities	<u>3,280.6</u>	<u>(3,110.5)</u>
Changes in deposit, bank and cash balances	5,133.2	(2,074.2)
Currency translation differences	(0.1)	(2.9)
Deposit, bank and cash balances		
- at start of period	<u>3,954.2</u>	<u>8,343.7</u>
- at end of period	<u>9,087.3</u>	<u>6,266.6</u>
Cash at bank, held in trust ¹	(91.0)	(198.2)
Debt Reserve Account	(223.0)	(231.3)
Funds from MOF	(4.9)	(5.2)
Cash and cash equivalents	<u>8,768.4</u>	<u>5,831.9</u>

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

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 jointly controlled entities 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, reallocation of non-controlling interest and restatement of lease changes, as detailed in Note 28.

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

During the quarter under review, an alternate fuel cost differential compensation amounting to RM777.8 million was accrued in respect of the gas curtailment for the period of November 2011 to May 2012.

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 14,075,067 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

a) An interim dividend payment for Financial Year 2012 was paid on 25 May 2012 totalling RM273.0 million.

b) The Board of Directors has not recommended any dividend for the quarter ended 31 May 2012.

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:-

	As at 31 May 2012	As at 31 Aug 2011
Claims by third parties	559.1	594.9
Trade guarantees and performance bonds	32.7	152.5
Bank guarantee	3.6	3.6
Other contingent liabilities	<u>9.6</u>	<u>2.4</u>
	<u><u>605.0</u></u>	<u><u>753.4</u></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.

The liquidator appointed by Bandar Sg. Buaya withdrawn the claim amounting to RM98,861,561.97 and the matter proceeded with TNB's counter claim for RM8,990,062.44. On 29 December 2011, the High Court allowed TNB's counter claim with cost of RM20,000. Since Bandar Sg. Buaya has been wound up, TNB's solicitors will be filing Proof of Debt in the Insolvency Department. However, the High Court has yet to approve a draft copy of judgement which was filed by TNB's solicitors on 18 April 2012.

14) CAPITAL COMMITMENTS

	As at 31 May 2012	As at 31 Aug 2011
Property, plant and equipment committed over a 5 year period		
Authorised but not contracted for	13,749.6	9,101.9
Contracted but not provided for in the financial statements	<u>5,522.9</u>	<u>10,831.7</u>
	<u><u>19,272.5</u></u>	<u><u>19,933.6</u></u>

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

15) REVIEW OF PERFORMANCE

- (a) Performance of the current year ended 31 May 2012 (3rd Quarter FY2012) against the corresponding year ended 31 May 2011 (3rd Quarter FY2011):

The Group recorded a 13.1% or RM2,944.9 million improvement in sales of electricity from RM22,460.2 million to RM25,405.1 million. This was mainly due to an increase in sales of electricity in Peninsular Malaysia and the tariff increase of 7.1% on 1 June 2011. The electricity demand grew by 4.2% in Peninsula and 4.5% in SESB as compared to the corresponding period last financial year.

Profit attributable to the owners of the Company for the period under review was RM3,189.7 million as compared to RM1,304.0 million in the corresponding period last year, an increase of RM1,885.7 million. The increase is mainly due to the alternate fuel cost differential compensation of RM2,823.8 million, which was recognised during the period.

15) REVIEW OF PERFORMANCE (CONT'D)

- (b) Performance of the current third quarter (three months) FY2012 against the corresponding third quarter (three months) FY2011:

The quarter recorded a total sales of electricity of RM8,597.7 million against RM7,565.5 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 12.5% and 22.0% respectively. This was mainly contributed by the increase in tariff in Peninsula of 7.1% and SESB of 14.7%. The units sold also registered a growth of 4.4% in the Peninsula and 3.7% in SESB as compared to the corresponding period.

The strengthening of Japanese Yen and the US Dollar against Ringgit Malaysia during the quarter under review resulted in a translation loss of RM533.1 million as compared to a gain of RM60.0 million in the corresponding quarter.

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

Performance of the current quarter (3rd Quarter FY2012) against the preceding quarter (2nd Quarter FY2012):

The Group reported a total sales of electricity of RM8,597.7 million for the current quarter, an increase of 3.2% as compared to the preceding quarter which reported sales of RM8,329.2 million. For the quarter under review the operating expenses were lower as compared to the preceding quarter mainly due to the alternate fuel cost differential compensation amounting to RM1,145.2 million consisting of RM367.4 million received during the second quarter and RM777.8 million accrued during the quarter under review.

The foreign translation loss of RM533.1 million as compared to RM628.4 million of gain in the preceding quarter is mainly due to the weakening Ringgit in Q3 FY2012, compared to the US Dollar and Japanese Yen.

The compensation received from the Government and PETRONAS for the alternate fuel cost differential compensation for FY2011 was recognised as other income. During the quarter under review, the compensation amount relating to the current financial year was recognised as part of the fuel cost.

17) PROSPECTS

The latest report by the Statistics Department reported that the Industrial Production Index (IPI) increased by 7.6% in May 2012 as compared with May 2011.

Given the projected steady GDP growth of 4.0% - 5.0% in 2012 and strong IPI recorded in May 2012, the projected electricity demand growth of 4.0% - 5.0% for financial year 2012 is achievable.

For financial year 2012, the Group is expected to record a better performance than last financial year mainly due to expected higher demand, implementation of fuel cost sharing mechanism and higher coal plant availability.

Given the foregoing scenario, the Board of Directors expects the Group's prospects for the year ending 31 August 2012 to improve compared to the last financial year.

18) PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at the profit from operations:

	Quarter ended 31 May 12	Year ended 31 May 12
Property, plant and equipment:		
-Depreciation	1,072.8	3,136.6
-Impairment losses, net	0	0
-Profit/(loss) on sale of properties	0	(10.8)
Provision/(Write back) for receivables	15.6	(42.7)
Provision for inventories	2.6	19.7
Inventories written off	3.6	7.8

Other than the items highlighted above, there were no disposal of quoted or unquoted investment during the quarter and financial year ended 31 May 2012.

19) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable as the Group did not publish any profit forecast.

20) TAXATION and ZAKAT

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

	Individual quarter		Cumulative	
	ended 31-May-12	ended 31-May-11 (Restated)	ended 31-May-12	ended 31-May-11 (Restated)
Income Tax:				
Current tax and zakat	(129.8)	155.3	(756.4)	(218.5)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	<u>(147.9)</u>	<u>(104.5)</u>	<u>(303.2)</u>	<u>(148.4)</u>
Total taxation and zakat	<u>(277.7)</u>	<u>50.8</u>	<u>(1,059.6)</u>	<u>(366.9)</u>

For the reporting period ended 31 May 2012 the Group recorded a 24.9% 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 the account the foreign exchange loss the effective tax rate is 23.1%.

21) STATUS OF CORPORATE PROPOSALS

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

22) GROUP BORROWINGS

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

	As at 31 May 12	As at 31 Aug 11
Short term - secured	596.1	520.3
- unsecured	1,031.9	1,207.0
Sub-total	<u>1,628.0</u>	<u>1,727.3</u>
Long term - secured	3,007.2	2,958.3
- unsecured	18,773.5	14,368.5
Sub-total	<u>21,780.7</u>	<u>17,326.8</u>
Total	<u><u>23,408.7</u></u>	<u><u>19,054.1</u></u>

- b) Currency denominations:-

	As at 31 May 12	As at 31 Aug 11
Japanese Yen	5,278.4	5,457.9
US Dollar	2,983.6	2,909.9
Others	1.7	25.8
Total Ringgit equivalent of foreign currency borrowings	<u>8,263.7</u>	<u>8,393.6</u>
Ringgit borrowings	<u>15,145.0</u>	<u>10,660.5</u>
Total	<u><u>23,408.7</u></u>	<u><u>19,054.1</u></u>

- c) Effective average cost of borrowing based on exposure as at 31 May 2012 was 4.89% (FY2011: 5.19%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM329.9 million, and
 - (ii) Ringgit denominated term loans of RM723.0 million.

23) DERIVATIVES FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31-May-2012	
	Notional Amount	Fair Value
	RM Million	RM Million
Forward Currency Contracts		
- Less than 1 year	9.5	0.1
- 1 year to 3 years	-	-
- More than 3 years	-	-
Interest Rate Swaps		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	563.6	(30.0)
Currency Options		
- Less than 1 year	-	-
- 1 year to 3 years	-	-
- More than 3 years	1,046.5	111.5
Total	1,619.6	81.6

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.

Fair value changes of financial liabilities

The Group recognised a total net gain of RM23.38 million during the current quarter and RM35.65 million for 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 the statement of financial position.

24) REALISED AND UNREALISED PROFITS

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on 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*, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

	Group 31 May 2012	Group 31 August 2011 (Restated)
	RM Million	RM Million
Total retained profits of the Company and its subsidiaries		
-Realised	28,395.0	25,919.0
-Unrealised	(7,132.5)	(6,139.8)
Total share of retained profits from jointly controlled entities		
-Realised	(10.2)	(10.1)
-Unrealised	-	-
Total share of retained profits from associates		
-Realised	285.9	270.8
-Unrealised	(112.5)	(103.6)
Consolidation adjustments	3,441.4	2,011.7
Total retained profits of the Group	24,867.1	21,948.0

The disclosure above includes Integrax Berhad's (ITB), where TNB holds 22.12% shareholding, realised and unrealised profits for period as at 31 March 2012 and not 31 May 2012. This is due to unavailability of the information from ITB as it does not wish to contravene 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.

25) MATERIAL LITIGATION

There is no pending material litigation other than those announced to Bursa Malaysia since the date of the last audited financial statements.

26) EARNINGS PER SHARE

	Individual quarter		Cumulative quarter	
	ended 31.05.12	ended 31.05.11 (Restated)	ended 31.05.12	ended 31.05.11 (Restated)
(a) Basic earnings/(loss) per share				
Profit/(loss) attributable to owners of the Company (RM 'million)	619.1	(179.2)	3,189.7	1,304.0
Weighted average number of ordinary shares in issue ('000)	5,458,097	5,447,518	5,458,097	5,447,518
Basic earnings per share (sen)	11.34	(3.29)	58.44	23.94
(b) Diluted earnings/(loss) per share				
Profit/(loss) attributable to owners of the Company (RM 'million)	619.1	(179.2)	3,189.7	1,304.0
Weighted average number of ordinary shares in issue ('000)	5,458,097	5,447,518	5,458,097	5,447,518
Adjustments for share options ('000)	4,036	16,137	4,036	16,137
Weighted average number of ordinary shares for diluted earnings per share ('000)	5,462,133	5,463,655	5,462,133	5,463,655
Diluted earnings per share (sen)	11.33	(3.28)	58.40	23.87

27) EXCEPTIONAL ITEMS

Except as disclosed in Note 5, there were no exceptional items incurred during the quarter.

28) PRIOR YEAR ADJUSTMENT

The implementation of IC Interpretation 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:

	As previously reported for period ended 31 August 2011 RM Million	Adjustment RM Million	Restated for period ended 31 August 2011 RM Million
Unaudited Condensed Consolidated Statement Of Financial Position			
Non-Current Assets			
Property, plant and equipment	60,569.5	1,291.9	61,861.4
Current Assets			
Trade receivables	4,819.0	3,161.0	7,980.0
Current Liabilities			
Trade payables	(4,116.3)	(141.7)	(4,258.0)
Non-Current Liabilities			
Deferred tax liabilities	(7,155.1)	(697.1)	(7,852.2)
Lease creditors	-	(1,328.9)	(1,328.9)
Capital and Reserves attributable to Owners of the Company			
Retained profits	19,701.5	2,246.5	21,948.0
Non-controlling interests	91.6	38.7	130.3

	As previously reported for period ended 31 August 2010 RM Million	Adjustment RM Million	Restated for period ended 31 August 2010 RM Million
Unaudited Condensed Consolidated Statement Of Financial Position			
Current Assets			
Trade receivables	4,267.1	2,606.2	6,873.3
Current Liabilities			
Trade payables	(3,549.8)	(199.2)	(3,749.0)
Non-Current Liabilities			
Deferred tax liabilities	(7,270.8)	(545.2)	(7,816.0)
Capital and Reserve Attributable to Owner of the Company			
Retained profits	19,755.0	1,816.5	21,571.5
Non-controlling Interest	35.6	45.2	80.8

28) PRIOR YEAR ADJUSTMENT (CONT'D)

	INDIVIDUAL QUARTER		
	As previously reported for period ended 31 May 2011 RM Million	Adjustment RM Million	Restated for period ended 31 May 2011 RM Million
Unaudited Condensed Consolidated Income Statement			
Revenue	7,768.1	216.1	7,984.2
Operating expenses	(8,441.6)	156.8	(8,284.8)
Finance cost	(231.4)	(20.4)	(251.8)
Deferred taxation	(12.4)	(92.1)	(104.5)
Non-controlling interest	(18.3)	(0.6)	(18.9)

	CUMULATIVE		
	As previously reported for period ended 31 May 2011 RM Million	Adjustment RM Million	Restated for period ended 31 May 2011 RM Million
Unaudited Condensed Consolidated Income Statement			
Revenue	22,998.0	88.7	23,086.7
Operating expenses	(22,088.2)	467.1	(21,621.1)
Finance cost	(647.7)	(20.4)	(668.1)
Deferred taxation	(12.1)	(136.3)	(148.4)
Non-controlling interest	(15.1)	(1.9)	(17.0)

29) COMPARATIVE FIGURES

Comparatives have been restated following the effects of Prior Year Adjustment (PYA) as shown in Note 28. As a result, the comparatives may not be comparable with the current period's results and financial position.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)
Company Secretary

Kuala Lumpur
19 July 2012