

The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2015

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER	
	CURRENT YEAR QUARTER 30.11.15	PRECEDING YEAR CORRESPONDING QUARTER 30.11.14
Revenue	10,676.8	11,027.1
Operating expenses	(8,418.4)	(8,419.2)
Other operating income	139.3	136.9
Operating profit	2,397.7	2,744.8
Foreign exchange		
- Translation (loss)/gain	(58.5)	45.9
- Transaction gain	6.1	10.1
Share of results of joint ventures	6.5	7.4
Share of results of associates	10.4	15.4
Profit before finance cost	2,362.2	2,823.6
Finance income	60.8	51.1
Finance cost	(259.7)	(253.9)
Profit before taxation and zakat	2,163.3	2,620.8
Taxation and Zakat		
- Company and subsidiaries	(239.1)	(248.2)
- Deferred taxation	38.0	(21.6)
Profit for the period	1,962.2	2,351.0
Attributable to:		
- Owners of the Company	1,976.0	2,351.9
- Non-controlling interests	(13.8)	(0.9)
Profit for the period	1,962.2	2,351.0
Earnings per share attributable to the owners of the Company		
	Sen	Sen
Basic	35.01	41.67
Diluted	34.96	41.67

These unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1st QUARTER ENDED 30 NOVEMBER 2015 (CONTINUATION)

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER	
	CURRENT YEAR QUARTER 30.11.15	PRECEDING YEAR CORRESPONDING QUARTER 30.11.14
Profit for the period	1,962.2	2,351.0
Other comprehensive (expense)/income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	(49.6)	28.4
Total other comprehensive income for the period	(49.6)	28.4
Total comprehensive income for the period	1,912.6	2,379.4
Attributable to:		
- Owners of the Company	1,926.4	2,380.3
- Non-controlling interests ('NCI')	(13.8)	(0.9)
Total comprehensive income for the period	1,912.6	2,379.4

These unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2015

(Amounts in RM million unless otherwise stated)

	30.11.2015	31.08.2015
NON-CURRENT ASSETS		
Property, plant and equipment	91,399.8	90,300.3
Joint ventures	129.4	122.9
Associates	628.5	634.7
Investments in unquoted debt security	20.4	24.3
Tax recoverable	1,693.2	1,693.2
Deferred tax assets	23.8	23.1
Long term receivables	685.6	253.5
Finance lease receivable	13.0	13.2
Prepaid operating leases	5,223.7	5,111.6
Goodwill on consolidation	124.7	124.7
Available-for-sale financial assets	38.5	38.5
	<u>99,980.6</u>	<u>98,340.0</u>
CURRENT ASSETS		
Inventories	873.2	843.8
Receivables, deposits and prepayments	7,908.5	8,639.4
Tax recoverable	49.6	45.5
Finance lease receivable	0.6	0.6
Prepaid operating leases	152.6	152.6
Amounts due from associates	272.2	177.7
Amounts due from joint ventures	29.4	25.9
Financial assets at fair value through profit or loss	5,864.8	6,438.2
Deposits, bank and cash balances	2,328.9	2,471.3
	<u>17,479.8</u>	<u>18,795.0</u>
CURRENT LIABILITIES		
Payables	(9,649.7)	(10,411.5)
Finance lease payables	(680.9)	(678.6)
Deferred income	(1,151.3)	(1,200.6)
Amounts due to associates	(560.6)	(531.4)
Current tax liabilities	(101.7)	(72.5)
Employee benefits	(711.9)	(711.8)
Short term borrowings	(1,145.2)	(1,985.8)
	<u>(14,001.3)</u>	<u>(15,592.2)</u>
NET CURRENT ASSETS	3,478.5	3,202.8
NON-CURRENT LIABILITIES		
Borrowings	(22,752.8)	(22,713.1)
Consumer deposits	(4,278.0)	(4,187.3)
Finance lease payables	(5,861.3)	(6,028.6)
Deferred income	(1,443.9)	(1,425.1)
Other liabilities	(1,433.0)	(1,428.0)
Deferred tax liabilities	(7,017.1)	(7,054.1)
Employee benefits	(10,239.8)	(10,230.0)
Government development grants	(1,009.6)	(1,009.7)
	<u>(54,035.5)</u>	<u>(54,075.9)</u>
TOTAL NET ASSETS	<u>49,423.6</u>	<u>47,466.9</u>
EQUITY		
Share capital	5,643.6	5,643.6
Share premium	5,382.2	5,382.2
Other reserves	(5,422.4)	(5,416.9)
Retained profits	43,575.1	41,599.1
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
	49,178.5	47,208.0
NON-CONTROLLING INTERESTS		
	245.1	258.9
TOTAL EQUITY	<u>49,423.6</u>	<u>47,466.9</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		
	Sen 871.4	Sen 836.5

These unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2015

(Amounts in RM million unless otherwise stated)

Attributable to owners of the Company

	Ordinary Shares of RM1.00 each	Share Premium	Employee Benefit Reserve	Other Reserves	Retained Profits	Non Controlling Interest	Total Equity
At 1 September 2015	5,643.6	5,382.2	(5,028.4)	(388.5)	41,599.1	258.9	47,466.9
Profit for the financial period	-	-	-	-	1,976.0	(13.8)	1,962.2
Foreign currency translation reserve	-	-	-	(49.6)	-	-	(49.6)
Total comprehensive income	-	-	-	(49.6)	1,976.0	(13.8)	1,912.6
Transaction with owners							
Employee Long Term Incentive Plan	-	-	-	44.1	-	-	44.1
	-	-	-	44.1	-	-	44.1
At 30 November 2015	5,643.6	5,382.2	(5,028.4)	(394.0)	43,575.1	245.1	49,423.6

Attributable to owners of the Company

	Ordinary Shares of RM1.00 each	Share Premium	Employee Benefit Reserve	Other Reserves	Retained Profits	Non Controlling Interest	Total Equity
At 1 September 2014	5,643.6	5,382.2	(4,916.3)	(120.0)	37,232.5	237.2	43,459.2
Profit for the financial period	-	-	-	-	2,351.9	(0.9)	2,351.0
Foreign currency translation reserve	-	-	-	28.4	-	-	28.4
Total comprehensive income	-	-	-	28.4	2,351.9	(0.9)	2,379.4
At 30 November 2014	5,643.6	5,382.2	(4,916.3)	(91.6)	39,584.4	236.3	45,838.6

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 NOVEMBER 2015

(Amounts in RM million unless otherwise stated)

	FY2016 ended 30.11.15	FY2015 ended 30.11.14
Operating activities		
Cash generated from operations	2,430.4	2,878.5
Retirement benefits paid	(180.3)	(216.5)
Customer contributions received	255.6	283.1
Consumer deposits received	90.7	98.9
Tax paid	(204.4)	(134.0)
Net cash flows generated from operating activities	<u>2,392.0</u>	<u>2,910.0</u>
Investing activities		
Interest received	22.7	44.3
Investment in FVTPL:		
- additions	(16,889.4)	(7,168.0)
- disposals	17,508.5	3,426.0
Property, plant and equipment:		
- purchases	(2,244.9)	(2,193.8)
- disposals	3.8	1.6
Net cash flows used in investing activities	<u>(1,599.3)</u>	<u>(5,889.9)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	320.3	279.9
- repayments	(1,181.5)	(405.0)
Interest paid	(86.4)	(107.7)
Government development grants received	12.1	19.2
Net increase in debt reserve account	(0.3)	(0.4)
Net cash flows used in financing activities	<u>(935.8)</u>	<u>(214.0)</u>
Net decrease in cash and cash equivalents	(143.1)	(3,193.9)
Currency translation differences	0.4	0.1
Cash and cash equivalents at the beginning of the period	<u>2,233.1</u>	<u>7,871.5</u>
Cash and cash equivalents at the end of the period	<u>2,090.4</u>	<u>4,677.7</u>
Deposit, bank and cash balances at end of the period	2,328.9	4,919.1
Debt reserve account ¹	(238.5)	(241.4)
Cash and cash equivalents at the end of the period	<u>2,090.4</u>	<u>4,677.7</u>

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

These unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 August 2015.

E. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

These audited condensed interim financial statements of the Group have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') 134 'Interim Financial Reporting', International Financial Reporting Standards ('IFRS') 34 'Interim Financial Reporting' 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 2015.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in associates and joint arrangements as at 31 August 2015. 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 2015.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2015 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 2015. There were no new standards, amendments to standards and IC interpretations applicable to the Group for financial year beginning 1 September 2015.

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

Except for those disclosed in Note 22, there were no other material transactions relating to debts and equity securities during the period under review.

8) DIVIDENDS

There was no dividend recommended or 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 Group does not adopt a revaluation policy on its property, plant and equipment.

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

As announced at Bursa Malaysia on 14 December 2015, Tenaga Nasional Berhad ('TNB') has entered into a conditional Share Sale Agreement to purchase 289,485,000 ordinary shares in GAMA Enerji A.S. ('GAMA Enerji') representing approximately 30.0% equity interest from GAMA Holdings A.S., International Finance Corporation and IFC Global Infrastructure Fund Holding I COoPERATIEF UA ('GIF') for a total cash consideration of USD243.0 million. On 23 December 2015, TNB acquired 100% issued and paid-up capital in Aruna Servicios Integrales, S.L. ('ASI') with a total consideration of EUR 4,000.

In addition, as announced at Bursa Malaysia on 15 January 2016, TNB has incorporated a private limited company named Global Power Enerji Sanayi Ve Ticaret Anonim Sirketi ('GPES') in Turkey. The entire issued share capital of TRY50,000 comprising 50,000 ordinary shares of TRY1.00 each of GPES is held by ASI. GPES is intended to serve as a company that holds TNB's investment in GAMA Enerji.

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 30 Nov 2015	As at 31 Aug 2015
Claims by third parties	425.7	413.8
Trade guarantees and performance bonds	9.6	29.0
Other contingent liabilities	8.5	8.5
	<u>443.8</u>	<u>451.3</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.

On 23 November 2015, TNB received notices of additional assessment for the years of assessment ('YA') 2013 and 2014 respectively for RM985.6 million and RM1,082.6 million. On 27 November 2015, TNB applied for judicial review and on 14 December 2015, the Kuala Lumpur High Court granted TNB leave to commence judicial review proceedings. The High Court also granted an interim stay of proceedings. TNB has obtained legal advice from a firm of prominent tax solicitors and on this basis, no provision has been made in the financial statements for the contingent liabilities up to the reporting date.

14) CAPITAL COMMITMENTS

	As at 30 Nov 2015	As at 31 Aug 2015
Property, plant and equipment committed over a 5-year period		
Authorised but not contracted for	25,646.1	27,533.7
Contracted but not provided for in the financial statements	<u>1,362.4</u>	<u>7,147.9</u>
	<u>27,008.5</u>	<u>34,681.6</u>

F. ADDITIONAL INFORMATION AS REQUIRED BY PART A OF APPENDIX 9B OF THE BURSA MALAYSIA LISTING REQUIREMENTS
15) REVIEW OF PERFORMANCE

Performance of the current period ended 30 November 2015 against the corresponding period ended 30 November 2014:

The Group recorded 3.9% or RM418.1 million increase in sales of electricity from RM10,761.2 million to RM11,179.3 million. The improvement was mainly from sales of electricity in Peninsular Malaysia, which recorded an increase of 3.6%. Additionally, Peninsular Malaysia registered a growth of 3.2%, as compared to the last corresponding period.

Profit attributable to the Owners of the Company for the period under review was RM1,976.0 million as compared to RM2,351.9 million recorded in the corresponding period last financial year, a decrease of RM375.9 million or 16.0%. The reduction is mainly due to the recognition of Imbalance Cost Pass Through ('ICPT') in the current reporting period and the strengthening of the US Dollar and Japanese Yen against the Ringgit.

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

Performance of the current quarter (1st Quarter FY2016) against the preceding quarter (4th Quarter FY2015):

The Group reported a lower sales of electricity of RM11,179.3 million for the current quarter as compared to RM11,305.9 million in the preceding quarter, a decrease of RM126.6 million or 1.1%. This is reflective of the decrease in the demand growth of 0.5% in Peninsular Malaysia.

The quarter experienced a higher profit attributable to the Owners of the Company of RM1,976.0 million as compared to RM820.9 million recorded in the preceding quarter as the current quarter reported a translation loss of RM58.5 million as compared to the RM733.5 million translation loss incurred during the preceding quarter. Furthermore, the preceding quarter reported a 13.7% higher operating expenses as compared to the current quarter which contributed to the lower profit attributable to the Owners of the Company during the preceding quarter.

17) PROSPECTS

The International Monetary Fund (IMF) on 19 January 2016 has revised downwards forecasts for global growth by 0.2 percentage point for both 2016 and 2017, taking into consideration slowdown and rebalancing of the Chinese economy, lower oil and other commodity prices and strains in some large emerging market economies. The pickup in global activity is projected to be more gradual, especially in emerging market and developing economies.

Additionally, the Malaysian Government today announced the recalibration of the 2016 Budget to ensure the Malaysian economic growth remains on track with a reduced 2016 GDP growth outlook of 4.0 - 4.5%.

Given the foregoing scenario and the volatility of the Ringgit, the Board of Directors recognises the challenging prospects of the Group for the year ending 31 August 2016.

18) PROFIT FROM OPERATIONS

The following items have been charged in arriving at the profit from operations:

	Quarter ended 30 Nov 2015
Property, plant and equipment:	
- Depreciation	1,340.4
Allowance for receivables	28.7
Allowance for inventories	0.4
Inventories written off	9.2

Other than the items highlighted above, there were no profit on sale of properties, disposal of quoted investment and impairment of property, plant and equipment during the financial period ended 30 November 2015.

19) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

20) TAXATION

Taxation for the reporting period comprised the following:-

	Individual quarter	
	ended 30 Nov 15	ended 30 Nov 14
Income Tax:		
Current tax	(239.1)	(248.2)
Deferred tax (net):		
Relating to origination and reversal of temporary differences	38.0	(21.6)
Total taxation	<u>(201.1)</u>	<u>(269.8)</u>

For the reporting period ended 30 November 2015, the Group recorded a 9.3% effective tax rate, which is much lower than the statutory tax rate of 24.0%. The lower effective tax rate is mainly due to the utilisation of reinvestment allowance incentive during the current quarter.

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 30 Nov 2015	As at 31 Aug 2015
Short term - secured	509.9	514.5
- unsecured	635.3	1,471.3
Sub-total	1,145.2	1,985.8
Long term - secured	11,849.9	11,897.1
- unsecured	10,902.9	10,816.0
Sub-total	22,752.8	22,713.1
Total	23,898.0	24,698.9

- b) Currency denominations:

	As at 30 Nov 2015	As at 31 Aug 2015
Japanese Yen	2,672.6	3,589.9
US Dollar	1,751.6	1,761.5
Others	57.4	17.0
Total Ringgit equivalent of foreign currency borrowings	4,481.6	5,368.4
Ringgit borrowings	19,416.4	19,330.5
Total	23,898.0	24,698.9

- c) Effective average cost of borrowing based on exposure as at 30 November 2015 was 4.90% (2015: 4.96%).
- d) Repayments of long term debts during the reporting period were as follows:
- (i) Foreign currency denominated term loans of RM915.1 million, and
 - (ii) Ringgit denominated term loans of RM1.0 million.

23) DERIVATIVE FINANCIAL INSTRUMENTS

There is no currency option available for the current reporting period.

24) REALISED AND UNREALISED PROFITS

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:

	30 Nov 2015	31 Aug 2015
Total retained profits of the Company and its subsidiaries		
-Realised	45,462.2	43,482.0
-Unrealised	(5,130.4)	(5,168.1)
Total share of retained profits from joint ventures		
-Realised	15.2	26.2
-Unrealised	28.0	12.6
Total share of retained profits from associates		
-Realised	365.9	361.7
-Unrealised	(57.8)	(61.7)
Consolidation adjustments	2,892.0	2,946.4
Total retained profits of the Group	43,575.1	41,599.1

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	
	ended	ended
	30.11.15	30.11.14
Profit attributable to owners of the Company (RM 'million)	1,976.0	2,351.9
Weighted average number of ordinary shares in issue ('000)	<u>5,643,611</u>	<u>5,643,611</u>
Basic earnings per share (sen)	35.01	41.67
Profit attributable to owners of the Company (RM 'million)	1,976.0	2,351.9
Weighted average number of ordinary shares in issue ('000)	5,643,611	5,643,611
Adjustments for Employee Long Term Incentive Plan ('000)	<u>9,308</u>	<u>-</u>
Weighted average number of diluted ordinary shares ('000)	<u>5,652,919</u>	<u>5,643,611</u>
Diluted earnings per share (sen)	34.96	41.67

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the quarter.

By Order of the Board

NORAZNI BINTI MOHD ISA (LS 0009635)

Company Secretary

Kuala Lumpur
28 January 2016