

The Board of Directors is pleased to announce the following:

A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE 2nd QUARTER ENDED 28 FEBRUARY 2006

(Amounts in RM million unless otherwise stated)

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 28.02.2006	PRECEDING YEAR CORRESPONDING QUARTER 28.02.2005	CURRENT YEAR TO DATE 28.02.2006	PRECEDING YEAR CORRESPONDING PERIOD 28.02.2005
Revenue	4,831.4	4,640.8	9,742.8	9,185.6
Operating expenses	(4,147.4)	(3,951.4)	(8,239.8)	(7,598.8)
Other operating income	118.4	82.9	222.0	170.4
Operating profit	802.4	772.3	1,725.0	1,757.2
Foreign exchange				
- Translation gain/(loss)	116.5	78.2	479.0	(360.6)
- Transaction gain/(loss)	9.6	(31.8)	(131.3)	(35.1)
Share of results of associates	0.1	31.9	7.9	67.4
Profit before finance cost	928.6	850.6	2,080.6	1,428.9
Finance cost	(385.9)	(343.4)	(789.0)	(705.2)
Profit from ordinary activities before taxation	542.7	507.2	1,291.6	723.7
Taxation				
- Company and subsidiaries	(117.0)	(112.0)	(133.0)	(132.1)
- Deferred taxation	(26.7)	(71.7)	(153.8)	(240.0)
- Share of taxes in associates	(0.1)	(14.0)	(1.4)	(22.2)
Profit from ordinary activities after taxation	398.9	309.5	1,003.4	329.4
Minority interests	0.6	(14.4)	(8.3)	(25.8)
Net profit for the period	399.5	295.1	995.1	303.6
	Sen	Sen	Sen	Sen
Earnings per share-Basic	12.36	9.24	30.80	9.56
Earnings per share-Diluted	12.11	9.16	30.07	9.47

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 August 2005.

B. UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 28 FEBRUARY 2006

(Amounts in RM million unless otherwise stated)

	28-Feb-06	31-Aug-05
NON-CURRENT ASSETS		
Property, plant and equipment	54,785.7	54,721.0
Coal mining rights	285.3	290.7
Associates	164.8	158.7
Investments	39.7	39.7
	<u>55,275.5</u>	<u>55,210.1</u>
CURRENT ASSETS		
Inventories	1,867.7	1,741.6
Trade receivables	2,131.5	2,184.2
Other receivables	1,313.6	1,379.0
Current tax assets	113.8	101.7
Amount owing from associates	2.4	6.8
Short term investments	12.6	12.6
Marketable securities	9.3	9.4
Deposits, bank and cash balances	3,571.8	2,849.4
	<u>9,022.7</u>	<u>8,284.7</u>
CURRENT LIABILITIES		
Trade payables	(2,145.1)	(2,405.4)
Other payables	(955.5)	(1,013.3)
Amount owing to associates	(194.5)	(203.0)
Current taxation	(302.5)	(214.3)
Short term borrowings	(2,605.3)	(2,979.6)
	<u>(6,202.9)</u>	<u>(6,815.6)</u>
NET CURRENT ASSETS	2,819.8	1,469.1
LONG TERM LIABILITIES		
Borrowings	(27,220.0)	(27,008.8)
Consumer deposits	(2,047.0)	(1,952.3)
Employee benefits	(2,299.6)	(2,248.2)
Other liabilities	(80.3)	(79.4)
Deferred taxation	(6,151.6)	(5,997.8)
Deferred income	(2,548.7)	(2,505.9)
Government development grants	(685.3)	(686.0)
	<u>(41,032.5)</u>	<u>(40,478.4)</u>
	<u>17,062.8</u>	<u>16,200.8</u>
FINANCED BY:		
Share capital	3,234.8	3,220.7
Share premium	4,094.6	3,989.6
Revaluation and other reserves	866.2	844.7
Retained profits	8,742.0	8,030.5
SHAREHOLDERS' FUNDS	<u>16,937.6</u>	<u>16,085.5</u>
Minority interests	125.2	115.3
	<u>17,062.8</u>	<u>16,200.8</u>
NET ASSETS PER SHARE	Sen 527	Sen 503

The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the annual audited financial statements for the financial year ended 31 August 2005.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT 28 FEBRUARY 2006

(Amounts in RM million unless otherwise stated)

	Ordinary Shares of RM1.00 each	Non-distributable Share premium	Revaluation and other reserves	Distributable Retained profits	Total
As at 1 September 2005	3,220.7	3,989.6	844.7	8,030.5	16,085.5
Reclassification adjustment	-	-	4.2	(4.2)	-
	<u>3,220.7</u>	<u>3,989.6</u>	<u>848.9</u>	<u>8,026.3</u>	<u>16,085.5</u>
Currency translation differences	-	-	17.3	-	17.3
Net profit for the 6-month period	-	-	-	995.1	995.1
Dividend paid for FY2005	-	-	-	(279.4)	(279.4)
Issuance of share capital - share options *	14.1	105.0	-	-	119.1
As at 28 February 2006	<u>3,234.8</u>	<u>4,094.6</u>	<u>866.2</u>	<u>8,742.0</u>	<u>16,937.6</u>

* Exercise of options representing 14,086,900 ordinary shares of RM1 each in TNB under the Employees' Share Option Scheme II ("ESOS II").

	Ordinary Shares of RM1.00 each	Non-distributable Share premium	Revaluation and other reserves	Distributable Retained profits	Total
As at 1 September 2004	3,148.3	3,451.4	1,030.3	7,168.4	14,798.4
Currency translation differences	-	-	(7.1)	-	(7.1)
Net profit for the 6-month period	-	-	-	303.6	303.6
Dividend paid for FY2004	-	-	-	(322.0)	(322.0)
Issuance of share capital - share options	52.2	387.9	-	-	440.1
As at 28 February 2005	<u>3,200.5</u>	<u>3,839.3</u>	<u>1,023.2</u>	<u>7,150.0</u>	<u>15,213.0</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the financial year ended 31 August 2005.

D. UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 28 FEBRUARY 2006

(Amounts in RM million unless otherwise stated)

	2nd Quarter ended 28-Feb-06	2nd Quarter ended 28-Feb-05
Operating activities		
Cash generated from operations	2,696.4	2,637.4
Retirement benefits paid	(96.6)	(72.9)
Consumer contributions received	193.1	184.2
Customer deposits received	94.7	93.2
Tax paid	(54.6)	(13.7)
Tax refund received	-	18.3
Net cash inflow from operating activities	<u>2,833.0</u>	<u>2,846.5</u>
Investing activities		
Investments:		
- purchases	-	(75.7)
- dividend income received	1.1	-
Interest income received	52.3	60.3
Property, plant and equipment:		
- purchases	(1,455.7)	(1,501.4)
- disposals	0.2	0.7
Net cash flow from investing activities	<u>(1,402.1)</u>	<u>(1,516.1)</u>
Financing activities		
Bank borrowings:		
- new drawdowns	1,592.4	2,790.7
- repayments	(1,305.2)	(4,528.7)
Interest paid	(859.2)	(826.9)
Dividends paid	(279.4)	(322.0)
Proceeds from issuance of shares	119.1	440.1
Purchase loan stocks from minority interest	1.6	-
Others	(1.2)	96.2
Net cash flow from financing activities	<u>(731.9)</u>	<u>(2,350.6)</u>
Changes in cash and cash equivalents	699.0	(1,020.2)
Currency translation differences	(2.3)	(0.9)
Cash and cash equivalents		
- at start of period	<u>2,833.4</u>	<u>3,746.4</u>
- at end of period	<u>3,530.1</u>	<u>2,725.3</u>

The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 August 2005.

E. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

This interim report is unaudited and has been prepared in accordance with the Financial Reporting Standards ('FRS') 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board and paragraph 9.22 of the BURSA MALAYSIA Listing Requirements, and should be read in conjunction with the Group's financial statements for the financial year ended 31 August 2005.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 August 2005.

2) AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 August 2005 were not subject to any qualification.

3) SEASONAL OR CYCLICAL FACTORS

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

4) 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 period.

5) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

This note is not applicable.

6) DEBT AND EQUITY SECURITIES

- (a) On 9 February 2006, TNB announced that it has signed a fixed rate Term Loan Facility Agreement for an amount of RM1.0 billion with Malayan Banking Berhad.
- (b) With reference to earlier announcement made on 17 August 2005, on 23 January 2006 TNB announced the completion of all the Conditions Precedent pursuant to the Subscription Agreement and Shareholders Agreement signed between TNB Energy Services Sdn.Bhd. and Worldwide Landfills Sdn.Bhd.
- (c) For the period ended 28 February 2006, 14,086,900 ordinary shares of RM1 each were issued under the Employees' 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.

7) DIVIDEND PAID

In respect of the financial year ended 31 August 2005, a final gross dividend of 12.0 sen per share, less income tax of 28% amounting to RM279.4 million was paid on 9 January 2006.

8) SEGMENTAL REPORTING

As the principal activities of the Group are the generation, transmission, distribution and sale of electricity in Malaysia, segmental reporting is deemed not necessary.

9) 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 Malaysian Accounting Standards Board which allow 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.

10) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events during the quarter.

11) CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the quarter.

12) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:-

	As at 28 February 2006	As at 31 August 2005
Claims by third parties	949.6	776.1
Trade guarantees and performance bonds	5.5	5.5
Stamp duties on transfer of assets	108.0	108.0
Other contingencies	<u>67.8</u>	<u>68.4</u>
	<u>1,130.9</u>	<u>958.0</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.

13) CAPITAL COMMITMENTS

	As at 28 February 2006
Property, plant and equipment committed over a 5 year period	
Authorised but not contracted for	17,218.6
Contracted but not provided for in the financial statements	<u>2,282.0</u>
	<u>19,500.6</u>

14) RELATED PARTY TRANSACTIONS

On 17 March 2006, TNB announced it has endorsed the Company to enter into a related party transaction with Messrs Zaid Ibrahim & Co., a legal firm in which Datuk Mohd Zaid bin Ibrahim, a Non Independent Non Executive Director of TNB is a Chairman/Partner, for the provision of legal service to undertake a legal due diligence exercise.

The transaction would not have any effect on the issued and paid up share capital and shareholding structure of TNB as well as not have any material effect on the earnings per share or NTA per share of TNB Group for the financial year ending 31 August 2006.

Save for Datuk Mohd Zaid bin Ibrahim (who has abstained from all Board deliberations and voting on the transaction), none of the Directors or Major Shareholders of TNB or persons connected to the Directors or Major Shareholders of TNB have an interest, direct or indirect, in the said transaction. The Board, having considered all aspects of the transaction is of the opinion that it is undertaken on an arms-length basis and is in the best interest of the Company.

F. 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 six months ended 28 February 2006 (2nd Quarter FY2006) against the corresponding six months ended 28 February 2005 (2nd Quarter FY2005):

The net profit for the Group improved from RM303.6 million to RM995.1 million an increase of RM691.5 million. This resulted mainly from higher electricity sales and the strengthening of Ringgit Malaysia against the major currencies which has resulted in foreign exchange gain for the Group.

For the six months ended 28 February 2006, the Group recorded a total revenue of RM9,742.8 million which was RM557.2 million or 6.1% higher than the corresponding period in the last financial year. The increase was mainly attributed to higher electricity sales which increased by RM529.6 million or 6.0%. The commercial and domestic sectors were the main contributors to the increase of RM244.1 million (8.1%) and RM144.8 million (9.1%) respectively.

The Ringgit Malaysia at the closing of financial period ended 28 February 2006 strengthened against the major currencies which TNB Group was exposed to. This has resulted in foreign exchange gain of RM347.7 million compared to the loss of RM395.7 million recorded in the corresponding period last financial year.

The operating expenses increased by RM641.0 million or 8.4% compared to the corresponding period last financial year. The operating profit of the Group decreased from RM1,757.2 million to RM1,725.0 million, a reduction of RM32.2 million or 1.8%. The increase in coal price was the main contributor to the higher operating expenses where the average price increased from US\$49.86 to US\$53.46 per tonne. The initiatives carried out by the management such as increasing efficiency and productivity and cost management have also helped in containing the burden resulted mainly from increased fuel price and higher operating costs.

- (b) Performance of the current second quarter FY2006 against the corresponding second quarter FY2005:

For the quarter, the Group recorded a total revenue of RM4,831.4 million, compared to RM4,640.8 million for the same period last financial year, an improvement of 4.1% or RM190.6 million. The improvement was derived mainly from increase in electricity sales notably in the commercial and domestic sectors where the increases were RM97.5 million (6.2%) and RM48.7 million (6.2%) respectively.

The Group registered a net profit of RM399.5 million for the current quarter compared to RM295.1 million recorded for the corresponding quarter last year an increase of RM104.4 million or 35.4% resulted mainly from the improvement in operating profit and higher foreign exchange gain compared to the corresponding quarter last year.

15) REVIEW OF PERFORMANCE (continued)

ECONOMIC PROFIT STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 28.02.2006	Preceding Year Corresponding Quarter 28.02.2005	Current Year To Date 28.02.2006	Preceding Year Corresponding Period 28.02.2005
<u>NOPLAT computation:</u>				
Earning Before Interest and Tax (EBIT)*	608.5	613.8	1,352.7	1,442.0
Adjusted Tax	(170.4)	(171.9)	(378.8)	(403.8)
NOPLAT	438.1	441.9	973.9	1,038.2
<u>Economic Charge computation:</u>				
Average Invested Capital	52,807.1	52,614.0	52,807.1	52,614.0
WACC	7.5%	7.5%	7.5%	7.5%
Economic Charge	(988.8)	(985.2)	(1,977.6)	(1,970.4)
Economic Profit/(loss)	(550.7)	(543.3)	(1,003.7)	(932.2)

EXPLANATORY NOTES

Economic Profit (EP) is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital. In other words, it is the difference between TNB's rate of return and cost of capital.

- (a) Performance of the current six months ended 28 February 2006 (2nd Quarter FY2006) against the corresponding six months ended 28 February 2005 (2nd Quarter FY2005):

The EP declined by RM71.5 million to record at negative RM1,003.7 million from negative RM932.2 million. This was due to a lower EBIT margin recorded during the period attributable to higher operating expenses.

- (b) Performance of the current second quarter FY2006 against the corresponding second quarter FY2005:

The EP declined by RM7.4 million to record at negative RM550.7 million from negative RM543.3 million. This was due to a lower EBIT margin recorded during the quarter attributable to slightly higher operating expenses.

* EBIT = Operating profit adjusted for released of deferred income and other operating income.

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

Performance of the current quarter (2nd Quarter FY2006) against the preceding quarter (1st Quarter FY2006)

Compared to the immediate preceding quarter, the Group revenue of RM4,831.4 million for the second quarter was lower than the preceding quarter by RM80.0 million or 1.6% where the sales of electricity was lower by RM94.2 million or 2.0%.

The operating expenses increased by RM55.0 from RM4,092.4million to RM4,147.4 million or 1.3% mainly due to higher staff cost and general expenses.

The net profit for the second quarter was lower by 32.9% compared to the preceding quarter's profit of RM595.6 million.

17) CURRENT YEAR PROSPECTS

Following the continuing growth in the Malaysian economy, Management expects growth in electricity demand to be stable. In addition, the Management has embarked on several initiatives to improve the operating efficiencies and productivity. However, as prices are expected to rise which will have a significant impact on the operating costs, the Board of Directors is of the view that such circumstances may pose a challenge to the performance of the Group for FY2006.

The Company has submitted a tariff review proposal to the Government in order to address its current financial position. The Government has requested TNB to make certain adjustments to the revised tariff structure and the Company remains hopeful for the proposal to be considered. Failing to secure the tariff review will have a negative impact on the Company's financial position in the medium and long-term.

18) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable.

19) TAXATION

Taxation for the quarter comprised the following:-

	Individual quarter		Cumulative	
	ended 28-Feb-06	ended 28-Feb-05	ended 28-Feb-06	ended 28-Feb-05
Taxation for the Group	(117.0)	(112.0)	(133.0)	(132.1)
Deferred taxation for the Group	(26.7)	(71.7)	(153.8)	(240.0)
Share of taxes in associates	(0.1)	(14.0)	(1.4)	(22.2)
	<u>(143.8)</u>	<u>(197.7)</u>	<u>(288.2)</u>	<u>(394.3)</u>

The Group's effective tax rate for the period ended 28 February 2006 is lower than the statutory tax rate due to the non-taxable nature of certain income for example consumers' contribution and forex translation gain.

20) PROFIT/(LOSS) ON SALE OF INVESTMENTS

There were no disposals of any investments during the period.

21) PURCHASES AND DISPOSALS OF QUOTED SECURITIES

- There were no purchases and disposals of quoted securities during the quarter.
- Investments in quoted securities as at 28 February 2006 are as follows:-

	Quarter ended 28 Feb 06
At cost	1.0
At carrying value	Nil
At market value	Nil

The above quoted securities are managed by external fund managers.

22) STATUS OF CORPORATE PROPOSALS

- a) With reference to earlier announcements made on 22 March 2005 and 28 September 2005 in relation to the Shoaiba Phase3 Independent Water and Power Project in the Kingdom of Saudi Arabia, on 15 November 2005 TNB announced that the consortium consisting of TNB, Khazanah Nasional Berhad, Malakoff and Arabian Company For Water And Power Projects Limited has been selected as the successful bidder for the Project.
On 22 December 2005, TNB announced that the Shuaibah Water and Electricity Company has, on 21 December 2005 executed the relevant financing agreements to secure the financing required for the project. The financial close of the financing arrangement was achieved on 24 January 2006.
- b) With reference to earlier announcements made on 29 April 2005 and 27 October 2005, on 5 December 2005 TNB announced that its subsidiary, Fibrecomm, has entered into a Deed of Variation with Celcom Transmission (M) Sdn.Bhd, for the purposes of varying the terms of the Deed of Assignment.
- c) With reference to earlier announcements made on 5 July 2005 and 5 October 2005 in relation to the conditional Sale of Business Agreement ("the Agreement") entered into by TNB with Northern Utility Resources Sdn. Bhd. (Receivers and Managers appointed) ("NUR"), NUR Generation Sdn. Bhd. (Receivers and Managers appointed) ("NUR Generation") and NUR Distribution Sdn. Bhd. (Receivers and Managers appointed) ("NUR Distribution") for the acquisition of the business and business assets of NUR, NUR Generation and NUR Distribution by TNB, on 30 December 2005 TNB announced that all the parties mutually agreed to extend the Cut-Off Date up to and inclusive of 31 March 2006 or such other further period as the Parties may further mutually agree upon in writing. TNB had on even date announced that all the parties have agreed to mutually extend the Cut-Off Date to 30 June 2006 with a view to concluding all the conditions precedent to the Agreement failing which the Agreement would lapse and be null and void.
- d) In relation to the proposed bonus issue, we refer to the earlier announcements made on 25 October 2005, 22 November 2005, 12 January 2006, 6 February 2006 and 9 February 2006. On 28 February 2006 TNB announced that it has send notices to the holders of 3.05% 5-year unsecured convertible redeemable income securities due 2009 ('CRIS') and 2.625% guaranteed exchangeable bonds due 2007 ('GEB') via their respective trustees with regard to the adjustments to the conversion price of the CRIS and the exchange price of the GEB as a result of the Bonus Issue.

23) GROUP BORROWINGS

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

	As at 28 Feb 06	As at 31 Aug 05
Short term - secured	368.5	256.0

- unsecured	2,236.8	2,723.6
Sub-total	2,605.3	2,979.6
Long term - secured	3,443.9	3,443.2
- unsecured	23,776.1	23,565.6
Sub-total	27,220.0	27,008.8
Total	29,825.3	29,988.4

23) GROUP BORROWINGS (continued)

	As at 28 Feb 06	As at 31 Aug 05
Japanese Yen	4,038.5	4,396.3
Sterling Pound	1,133.2	1,259.9
US Dollar	8,056.1	8,669.6
Euro	501.4	557.9
Others	10.6	12.5
Total Ringgit equivalent of foreign currency borrowings	13,739.8	14,896.2
Ringgit borrowings	16,085.5	15,092.2
Total	29,825.3	29,988.4

- c) Effective average cost of funding based on exposure as at 28 February 2006 was 5.75% (FY2005: 5.46%).
- d) Repayments of long term debts during the period were as follows:
- (i) Foreign currency denominated term loans of RM509.3 million, and
 - (ii) Ringgit denominated term loans of RM507.9 million.

24) OFF BALANCE SHEET FINANCIAL INSTRUMENTS

TNB has certain financial instruments including assets and liabilities incurred in the normal course of business. As part of its risk management's strategy, the Company manages its exposure to market rate movements of its financial liabilities through the use of derivative financial instruments. Virtually all foreign currency contracts are denominated in US Dollar, Japanese Yen and Pound Sterling.

TNB has entered into currency and interest rate swap agreements and currency and interest rate option agreements, which mature from year 2006 to 2034. TNB has entered into these derivatives to reduce its exposure to losses resulting from adverse fluctuations in interest rates or foreign currency exchange rates on underlying debt instruments.

The details and the financial effects of the derivative financial instruments that TNB has entered into are substantially described in note 27 to the financial statements of TNB for the financial year ended 31 August 2005 (pages 203-207 of TNB's Annual Report).

There has been no material changes to the derivative financial instruments described therein between the date of financial statements (dated 25 October 2005) and the date of this announcement.

As at 6 April 2006, the outstanding notional principal amount of derivative financial instruments entered into by the Group was RM2,421.9 million. While this amount is the total of the notional principal amount of outstanding financial instruments, it is not a measure of the extent of risks that TNB is exposed to.

All the above instruments were executed with creditworthy financial institutions and the Directors of TNB are of the view that the possibility of non-performance by these financial institutions is unlikely on the basis of their respective financial strength.

25) MATERIAL LITIGATION

There is no pending material litigation at the date of this announcement other than those disclosed in the circular to shareholders dated 23 November 2005.

26) DIVIDEND

Given the uncertainty of the outcome of the tariff proposal referred to in paragraph 17 above coupled with the continuous increase in operating expenses, the Board of Directors has decided not to declare and pay an interim dividend at this juncture.

The Company had in the last financial year paid a tax-exempt interim dividend of 3.0 sen per share.

27) EARNINGS PER SHARE

	Individual quarter		Cumulative quarter	
	ended 28-Feb-06	ended 28-Feb-05	ended 28-Feb-06	ended 28-Feb-05
(a) Basic earnings per share				
Net profit for the quarter (RM 'million)	399.5	295.1	995.1	303.6
Weighted average number of ordinary shares in issue ('000)	3,233,469	3,192,465	3,230,447	3,176,346
Basic earnings per share (sen)	12.36	9.24	30.80	9.56
(b) Diluted earnings per share				
Net profit for the quarter (RM 'million)	399.5	295.1	995.1	303.6
Elimination of interest expense on Guaranteed Exchangeable Bonds, net of tax effect (RM 'million)	9.6	-	19.6	-
	<u>409.1</u>	<u>295.1</u>	<u>1,014.7</u>	<u>303.6</u>
Weighted average number of ordinary shares in issue ('000)	3,233,469	3,192,465	3,230,447	3,176,346
Adjustments for:-				
- conversion of share options exercised ('000)	(3,964)	27,938	(4,706)	29,650
- conversion of Guaranteed Exchangeable Bonds ('000)	148,530	-	148,530	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>3,378,035</u>	<u>3,220,403</u>	<u>3,374,271</u>	<u>3,205,996</u>
Diluted earnings per share (sen)	12.11	9.16	30.07	9.47

By Order of the Board

NOR ZAKIAH BINTI ABDUL GHANI (LS 0008795)

Company Secretary

Kuala Lumpur

13 April 2006