

**Press Statement****Embargo: 5:00 pm, Wednesday 1<sup>st</sup> June 2005****Khazanah Nasional Berhad media briefing on Khazanah's One Year Review**

Khazanah Nasional Berhad (“Khazanah”) briefed a gathering of local and foreign media correspondents in Kuala Lumpur today in conjunction with the first anniversary of the new mandate of Khazanah and the appointment of the new management on 1<sup>st</sup> June 2004.

Khazanah announced for the period 14<sup>th</sup> May 2004 when the revamp of Khazanah was first mandated by the YAB Prime Minister to 31<sup>st</sup> May 2005, the market value of Khazanah’s investment portfolio rose by RM4.5 billion to RM 59.1 billion. This represents a rise of 13.2%, outperforming the benchmark Kuala Lumpur Composite Index by 4.8%. Total shareholder return, taking into account dividend income for the same period amounted to 15.6%.

Audited Total Assets at book value as at 31<sup>st</sup> December 2004 stood at RM30.8 billion against Net Debt of RM16.1 billion. The corresponding market value of assets at that date was RM60.5 billion, translating into a Total Assets at Market Value over Net Liabilities cover of 3.4 times. This is an improvement over the 2.7 times as at 31<sup>st</sup> December 2003.

The Managing Director and CEO of Khazanah, Dato’ Azman Mokhtar also briefed the media gathering of the strategic mandate of Khazanah, and its four main strategic tasks of corporate restructuring of legacy investments, the progress of the Government-Linked Companies (“GLCs”) transformation program, the progress on building an investment pipeline on new investments and the progress in capacity building at Khazanah.

Dato’ Azman Mokhtar said that “we are pleased and honored to brief the media to carry this to our ultimate shareholders, the people of Malaysia of the work that has been done at Khazanah over the last twelve months. We consider today to be the first intermediate milestone in the Khazanah and GLC revamp program that we expect to execute over the medium to longer term. In line with the tenure of performance contracts of managers, the first term of three years will be a time of executing the mandate of improving the competitiveness and efficiency of our firms.”

“We are happy to announce that the first year has thankfully been encouraging in that the financial position of Khazanah has strengthened considerably. Furthermore, we believe a base of capacity building has been built while execution on key tasks of legacy restructuring, GLC transformation and building an investment pipeline is well under way. We expect more results to come through and gather further pace in the second half of 2005. “

The Management of Khazanah would also like to extend its gratitude for the support that has come from its Board of Directors, its staff, government agencies, business partners, the media and other stakeholders.

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