

MALAYSIAN AIRLINE SYSTEM BERHAD
(COMPANY NO.: 10601-W)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON THE FIRST QUARTER ENDED 31 MARCH 2012

ANNOUNCEMENT

The Board of Directors of Malaysian Airline System Berhad ("MAS" or "the Company") would like to announce the following unaudited consolidated results for the first quarter ended 31 March 2012. This announcement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the quarterly condensed financial report.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000 (Restated)	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000 (Restated)
	Note			
Operating revenue	3,058,790	3,128,837	3,058,790	3,128,837
Operating expenses	(3,421,574)	(3,530,942)	(3,421,574)	(3,530,942)
Other operating income	55,899	61,591	55,899	61,591
Loss from operations	(306,885)	(340,514)	(306,885)	(340,514)
Fair value change of derivatives	(23,778)	92,626	(23,778)	92,626
Unrealised foreign exchange gain	199,622	45,053	199,622	45,053
Finance costs	(44,602)	(38,372)	(44,602)	(38,372)
Share of results from associated companies	6,313	5,773	6,313	5,773
Share of results from jointly controlled entity	-	(2,817)	-	(2,817)
Loss before taxation	(169,330)	(238,251)	(169,330)	(238,251)
Taxation	(2,045)	(3,439)	(2,045)	(3,439)
Loss for the period	(171,375)	(241,690)	(171,375)	(241,690)
Loss attributable to:				
Equity holders of the Company	(171,793)	(242,339)	(171,793)	(242,339)
Non-controlling interest	418	649	418	649
Loss for the period	(171,375)	(241,690)	(171,375)	(241,690)
Loss per share attributable to equity holders of the Company				
Basic (sen)	(5.14)	(7.25)	(5.14)	(7.25)
Diluted (sen)	(5.14)	(7.25)	(5.14)	(7.25)

MALAYSIAN AIRLINE SYSTEM BERHAD
(COMPANY NO.: 10601-W)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON THE FIRST QUARTER ENDED 31 MARCH 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000 (Restated)	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000 (Restated)
Loss for the period	(171,375)	(241,690)	(171,375)	(241,690)
Other comprehensive income:				
Gain from cash flow hedges	51,601	26,734	51,601	26,734
Total comprehensive loss for the period	(119,774)	(214,956)	(119,774)	(214,956)
Total comprehensive loss attributable to:				
Equity holders of the Company	(120,192)	(215,605)	(120,192)	(215,605)
Non-controlling interest	418	649	418	649
Total comprehensive loss for the period	(119,774)	(214,956)	(119,774)	(214,956)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<u>Note</u>	As at 31/03/2012 RM '000	As at 31/12/2011 RM '000 (Restated)	As at 31/12/2010 RM '000 (Restated)
Non current assets			
Aircraft, property, plant and equipment	9,938,533	9,073,907	7,663,357
Investment in associates	126,355	120,043	101,804
Investment in a jointly controlled entity	-	-	2,360
Other investments	54,599	54,599	54,604
Intangible assets	171,254	151,757	137,732
Other receivables	316,134	341,597	442,575
Deferred tax assets	765	765	3,495
	10,607,640	9,742,668	8,405,927
Current assets			
Inventories	370,981	362,267	430,849
Trade and other receivables	1,356,034	1,270,139	1,389,815
Tax recoverable	7,620	8,865	19,436
Derivative financial instruments	18,679	-	-
Negotiable instruments of deposit	-	101,073	139,206
Cash and bank balances	1,427,399	1,014,464	2,085,451
	3,180,713	2,756,808	4,064,757
Current liabilities			
Trade and other payables	2,927,479	2,643,899	2,257,673
Provision	1,133,465	1,188,165	934,967
Borrowings	2,634,155	1,379,411	293,867
Taxation	1,917	1,437	3,614
Derivative financial instruments	-	9,820	108,080
Sales in advance of carriage	1,557,473	1,705,943	1,677,346
Deferred revenue	220,500	205,307	232,823
	8,474,989	7,133,982	5,508,370
Net current liabilities	(5,294,276)	(4,377,174)	(1,443,613)
	5,313,364	5,365,494	6,962,314
Financed by:			
Equity attributable to equity holders of the Company:			
Share capital	3,342,156	3,342,156	3,342,156
Reserves	(2,419,840)	(2,299,648)	182,010
	922,316	1,042,508	3,524,166
Non-controlling interest	14,057	13,639	13,078
Total equity	936,373	1,056,147	3,537,244
Non current liabilities			
Borrowings	4,359,543	4,290,583	3,414,913
Derivative financial instruments	17,250	18,566	10,155
Deferred tax liabilities	198	198	2
	4,376,991	4,309,347	3,425,070
	5,313,364	5,365,494	6,962,314
Net assets per share (RM)	0.28	0.32	1.06

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012**

	Attributable to equity holders of the Company								Non-controlling interest RM '000	Total Equity RM '000	
	Non-Distributable				Distributable						
	Share capital RM '000	Equity component of RCPS RM '000	Share premium RM '000	Employee share option reserves RM '000	Cash Flow Hedge reserves RM '000	General reserves RM '000	Accumulated losses RM '000	Total reserves RM '000			Total RM '000
At 1 January 2012	3,342,156	58,076	4,995,970	88,938	(28,222)	501,530	(7,915,940)	(2,299,648)	1,042,508	13,639	1,056,147
Loss for the period	-	-	-	-	-	-	(171,793)	(171,793)	(171,793)	418	(171,375)
Other comprehensive income	-	-	-	-	51,601	-	-	51,601	51,601	-	51,601
At 31 March 2012	3,342,156	58,076	4,995,970	88,938	23,379	501,530	(8,087,733)	(2,419,840)	922,316	14,057	936,373

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011**

	Attributable to equity holders of the Company								Non-controlling interest RM '000	Total Equity RM '000	
	Non-Distributable				Distributable						
	Share capital RM '000	Equity component of RCPS RM '000	Share premium RM '000	Employee share option reserves RM '000	Cash Flow Hedge reserves RM '000	General reserves RM '000	Accumulated losses RM '000	Total reserves RM '000			Total RM '000
At 1 January 2011	3,342,156	58,076	4,995,970	88,388	(70,002)	501,530	(5,391,952)	182,010	3,524,166	13,078	3,537,244
Loss for the period	-	-	-	-	-	-	(242,339)	(242,339)	(242,339)	649	(241,690)
Other comprehensive income	-	-	-	-	26,734	-	-	26,734	26,734	-	26,734
Grant of ESOS	-	-	-	550	-	-	-	550	550	-	550
At 31 March 2011	3,342,156	58,076	4,995,970	88,938	(43,268)	501,530	(5,634,291)	(33,045)	3,309,111	13,727	3,322,838

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000 (Restated)
Cash Flows From Operating Activities		
Loss before taxation	(169,330)	(238,251)
Adjustments for:		
Provision for/(Writeback of):		
- aircraft maintenance and overhaul costs	126,384	144,095
- doubtful debts, net	1,844	21,106
- short term accumulating compensated absences, net	883	3,759
- inventories obsolescence, net	13,271	8,693
- unavailed credits on sales in advance of carriage	(63,578)	(43,265)
Aircraft, property, plant and equipment:		
- depreciation	135,196	94,468
- written off	-	342
- writeback of impairment losses, net	-	(1,283)
- (gain)/loss on disposal, net	(9,773)	41
Amortisation of intangible assets	6,720	6,900
Share of results of:		
- jointly-controlled entity	-	2,817
- associated companies	(6,313)	(5,773)
Interest expenses	44,602	38,372
Fair value change of derivatives	(23,778)	(92,626)
ESOS expense	-	550
Unrealised foreign exchange gain	(199,622)	(45,053)
Interest income	(6,345)	(8,385)
Operating loss before working capital changes	(149,839)	(113,493)
Increase in inventories	(21,985)	(206)
Increase in trade and other receivables	(67,589)	(137,541)
Decrease in amount owing by immediate holding company	-	19,950
Increase in trade and other payables	315,858	46,830
Decrease in provision	(181,083)	(135,981)
(Decrease)/Increase in sales in advance of carriage	(84,892)	210,100
Increase in deferred revenue	15,193	14,253
Cash used in operating activities	(174,337)	(96,088)
Net cash settlement on derivatives	6,242	(53,301)
Premium paid on derivatives	-	(9,436)
Interest paid	(34,030)	(43,723)
Taxes paid	(321)	(3,113)
Net cash used in operating activities	(202,446)	(205,661)
Cash Flows From Investing Activities		
Purchase of:		
- aircraft, property, plant and equipment	(1,096,166)	(590,980)
- intangible assets	(26,217)	(1,481)
- investment in a jointly controlled entity	-	(12,039)
Withdrawal/(Placement) of:		
- negotiable instruments of deposit	101,073	35,000
- deposits pledged with banks	(18,061)	106,168
Proceeds from disposal of aircraft, property, plant and equipment	455,315	4
Interest received	6,345	6,306
Net cash used in investing activities	(577,711)	(457,022)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000 (Restated)
<u>Cash Flows From Financing Activities</u>		
Proceeds from:		
- aircraft refinancing	-	234,916
- borrowings	1,262,035	263,000
Repayment of:		
- borrowings	(2,851)	(2,869)
- finance lease	(84,153)	(48,178)
Net cash generated from financing activities	<u>1,175,031</u>	<u>446,869</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	394,874	(215,814)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	958,814	1,923,777
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	<u>1,353,688</u>	<u>1,707,963</u>
Cash and cash equivalents comprise:		
Cash on hand and at banks	1,364,990	654,340
Short term deposits	62,409	1,109,131
Cash and bank balances	1,427,399	1,763,471
Less: Deposits pledged with banks	(73,711)	(55,508)
Cash and cash equivalents as at 31 March	<u>1,353,688</u>	<u>1,707,963</u>

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16

1. ACCOUNTING POLICIES

The quarterly condensed financial report has been prepared in accordance with:

- (i) The requirement of the Malaysian Financial Reporting Standards ("MFRS") Standard 134: Interim Financial Reporting; and
- (ii) Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad;

and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the quarterly condensed financial report. These explanatory notes attached to the quarterly condensed financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

This quarterly condensed financial report is the Group's first MFRS quarterly condensed financial report for part of the period covered by the Group's first MFRS audited financial statements for the year ending 31 December 2012. MFRS 1 First- Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed quarterly financial reports are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for period ending on or after 1 September 1998. By virtue of this transitional provision, the Group has recorded certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments. Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment, where there is no change to net assets.

The transition from FRS to MFRS has no significant impact on the Group's statement of financial position, financial performance and cash flows.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16 (CONTINUED)

3. QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification of the Group's Audited Financial Statements for the financial year ended 31 December 2011.

4. SEASONALITY OR CYCLICAL NATURE OF OPERATIONS

The Group is principally engaged in the business of air transportation and provision of related services. The demand for the Group's services is generally influenced by the growth performance of the Malaysian economy and the economies of the countries in which the Group operates as well as seasonal, health and security factors.

5. UNUSUAL ITEMS

There were no unusual items for the financial period ended 31 March 2012.

6. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There was no material changes in estimates of amount reported for the financial period ended 31 March 2012.

7. SIGNIFICANT EVENTS

There was no significant event for the financial period ended 31 March 2012.

8. ISSUANCE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENTS OF DEBTS AND EQUITY

There was no issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the financial period ended 31 March 2012.

9. DIVIDEND PAID

There was no dividend paid during the financial period ended 31 March 2012.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16 (CONTINUED)

10. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their services, and has three reportable segments as follows:

- (i) Airlines operations segment engages in the business of air transportation and the provision of related services.
- (ii) Cargo services segment engages in the business of air cargo operations, charter freighter and all warehousing activities relating to air cargo operations.
- (iii) Others segment engages in the provision of computerised reservations services, retailing of goods, catering and cleaning related services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The following tables present revenue and profit information regarding the Group's operating segments for the financial period ended 31 March 2012 and 2011, respectively.

	Airlines Operations RM'000	Cargo Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
For the quarter ended 31 March 2012					
Revenue					
External revenue	2,620,415	431,253	7,122	-	3,058,790
Inter-segment revenue *	332,546	-	8,918	(341,464)	-
Total revenue	2,952,961	431,253	16,040	(341,464)	3,058,790
Results					
Segment (loss)/profit before tax	(172,916)	(4,239)	1,512	6,313	(169,330)
For the quarter ended 31 March 2011					
Revenue					
External revenue	2,607,102	510,214	11,521	-	3,128,837
Inter-segment revenue *	255,722	-	10,561	(266,283)	-
Total revenue	2,862,824	510,214	22,082	(266,283)	3,128,837
Results					
Segment (loss)/profit before tax	(264,580)	20,522	2,851	2,956	(238,251)
Segment assets **					
At 31 March 2012	15,925,438	1,018,723	869,035	(4,151,198)	13,661,998
At 31 December 2011	12,533,610	757,281	950,869	(1,862,327)	12,379,433

* Inter-segment revenues are eliminated on consolidation.

** Segment assets do not include investment in associates (Mar '12: RM126.4 million, Dec'11: RM120.0 million) as these assets are managed on a group basis.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16 (CONTINUED)

11. VALUATION OF ASSETS

There was no valuation of aircraft, property, plant and equipment for the financial period ended 31 March 2012.

12. SUBSEQUENT EVENT

On 2 May 2012, the Company announced that it has entered into a Supplementary Agreement to vary the terms and scope of the Collaboration Agreement.

Pursuant to the Supplementary Agreement, MAS has separately entered into memorandums of understanding in respect of the following:

- a) to jointly explore the setting up of the joint-venture company by MAS, AirAsia and AAX to provide aircraft component maintenance support and repair services; and
- b) to establish a broad set of business principles for the proposed establishment of a special purpose vehicle ("SPV") by MAS, AirAsia and AAX to improve value for money and increase competitiveness and benefits to customers through procurement synergies by outsourcing to the SPV the procurement processes for identified good and services in agreed categories.

There was no other material subsequent event for the financial period ended 31 March 2012.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial period ended 31 March 2012.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Contingent liabilities

(a) Related to Penerbangan Malaysia Berhad ("PMB")

MAS continues to be the named borrower of term loans which have been unbundled to PMB, a company wholly owned by Khazanah Nasional Berhad. As such, the outstanding balance of the borrowings assumed by PMB is included within the Group's contingent liabilities.

	16/05/2012
	RM '000
1. Loans	
- Unsecured	<u>28,036</u>
2. Tenure	
Loans due within one year	6,110
Loans due later than one year and not later than five years	<u>21,926</u>
	<u>28,036</u>
3. Loans by currencies in Ringgit Malaysia	
Euro	<u>28,036</u>
(b) Others	
Bank guarantees given to third parties	352,574
Bank guarantees given to PMB on aircraft lease	6,804
Performance bonds given to third parties	<u>1,811</u>
	<u>361,189</u>

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16 (CONTINUED)

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

(ii) Contingent assets

The Company has the right to receive from PMB 80% of the profit arising from the eventual realisation of aircraft unbundled to PMB under the widespread asset unbundling agreement ("WAU Agreement"). The profit will be computed based on the excess of the value realised over the decayed net book value of the aircraft and maintenance costs required in accordance with the contractual redelivery terms. The decayed net book value for each aircraft at future dates is stipulated in the WAU Agreement.

15. CAPITAL COMMITMENT

	As at 31/03/2012 RM '000	As at 31/12/2011 RM '000 (Audited)
Approved and contracted for	11,254,343	10,764,213
Approved but not contracted for	75,288	13,994
	<u>11,329,631</u>	<u>10,778,207</u>

The outstanding capital commitments relate to purchase of aircraft and other expenditure projects.

16. SIGNIFICANT RELATED PARTY DISCLOSURES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000
LSG Sky Chefs-Brahim's Sdn. Bhd., an associate:				
- Catering and other services paid/payable	45,156	60,272	45,156	60,272
- Rental income and others	(4,808)	(4,898)	(4,808)	(4,898)
GE Engine Services (M) Sdn. Bhd., an associate:				
- Engine maintenance services rendered	99,229	103,032	99,229	103,032
- Rental income and others	(3,114)	(3,103)	(3,114)	(3,103)
- Shared services billed	(31)	(89)	(31)	(89)
Pan Asia Pacific Aviation Services Ltd., an associate:				
- Line maintenance and aircraft interior cleaning services paid/payable	1,101	1,056	1,101	1,056

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16 (CONTINUED)

16. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2012 RM '000	31/03/2011 RM '000	31/03/2012 RM '000	31/03/2011 RM '000
Hamilton Sundstrand Customer Support Centre (M) Sdn. Bhd., an associate:				
- Aircraft component repair services paid/payable	1,230	2,255	1,230	2,255
Honeywell Aerospace Services (M) Sdn. Bhd., an associate:				
- Aircraft power plant unit overhaul services paid/payable	819	1,090	819	1,090
Taj Madras Flight Kitchen Limited, an associate:				
- Catering services paid/payable	436	408	436	408
Abacus International Holding Ltd., a company in which the Company has equity interest:				
- Computer reservation system access fee paid/payable	7,642	12,596	7,642	12,596
Evergreen Sky Catering Corporation, a company in which the Company has equity interest:				
- Catering services paid/ payable	1,193	1,131	1,193	1,131
Miascor Catering Services Corporation, a company in which the Company has equity interest:				
- Catering services paid/payable	370	324	370	324
Penerbangan Malaysia Bhd., a related party:				
- Hire of aircraft paid/payable	58,187	-	58,187	-
Aircraft Business Malaysia Sdn. Bhd., a related party:				
- Aircraft lease rental paid/payable	60,360	-	60,360	-
Penerbangan Malaysia Bhd., holding company:				
- Hire of aircraft paid/payable	-	58,765	-	58,765
Aircraft Business Malaysia Sdn. Bhd., a fellow subsidiary:				
- Aircraft lease rental paid/payable	-	59,187	-	59,187
QPR Holdings Limited, a Club substantially owned by certain Directors of the Company				
- sponsorship deals	2,156	-	2,156	-
AirAsia X Sdn. Bhd., a related party				
- passenger re-accomodation agreement	2,043	-	2,043	-

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16 (CONTINUED)

16. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

As at 31 March 2012, Khazanah Nasional Berhad ("Khazanah"), directly owns 48.9% of MAS' outstanding shares. MAS' significant transactions with Khazanah and other entities controlled or significantly influenced by Khazanah are 0.2% of its operating expenses and 2% of its operating revenue.

17. SIGNIFICANT RELATED PARTY BALANCES

	As at 31/03/2012 RM '000	As at 31/12/2011 RM '000 (Audited)
Amount owing by related parties		
- due within one year	7,554	30,936
- due after one year	73,688	80,366
Amount owing by associated companies	19,866	-
Amount owing to associated companies	<u>(87,748)</u>	<u>(68,773)</u>

18. CHANGES IN PREVIOUS YEAR'S PRESENTATION

The following disclosure for the period ended 31 March 2011 has been restated to conform with current year's presentation:

Quarter ended 31 March 2011

	Previously stated RM'000	Reclassified RM'000	Restated RM'000
Operating revenue	3,141,899	(13,062)	3,128,837
Operating expenses	(3,461,505)	(69,437)	(3,530,942)
Other operating income	52,201	9,390	61,591
Fair value change of derivatives (previously Derivative gain)	64,570	28,056	92,626
Unrealised foreign exchange gain/(loss)	-	45,053	45,053

Year ended 31 March 2011

	Previously stated RM'000	Reclassified RM'000	Restated RM'000
Operating revenue	3,141,899	(13,062)	3,128,837
Operating expenses	(3,461,505)	(69,437)	(3,530,942)
Other operating income	52,201	9,390	61,591
Fair value change of derivatives (previously Derivative gain)	64,570	28,056	92,626
Unrealised foreign exchange gain/(loss)	-	45,053	45,053

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B

1. REVIEW OF PERFORMANCE

The Group recorded a loss after tax of RM171.8 million for the first quarter ended 31 March 2012, compared to RM242.3 million loss after tax in the same quarter last year. The after tax loss is inclusive of fair value change of derivative of RM23.8 million loss (Quarter ended 31 March 2011: RM92.6 million gain) and unrealised foreign exchange gain of RM199.6 million (Quarter ended 31 March 2011: RM45.1 million gain).

The Group recorded an operating loss of RM306.9 million for the first quarter ended 31 March 2012 as compared to RM340.5 million loss for the quarter ended 31 March 2011.

Total operating revenue has decreased by 2% to RM3,058.8 million for the current quarter this year compared to the same quarter last year. Despite an increase in operating revenue in Airline Operations by 3.1% to RM2,953.0 million, the operating revenue for Cargo Services has decreased by 15% to RM431.2 million thus resulting in a net decrease in total operating revenue for the quarter. The increase in operating revenue in Airline Operations was mainly attributable to 4% growth in passenger yield (in terms of revenue per passenger kilometers) while the decrease in operating revenue in Cargo Services was due to 21% decline of load tonnage and 19% decline of capacity coupled with reduced load factor by 2 percentage point to 66.9%.

Total operating expenditure has reduced by 3% to RM3,421.6 million for the current quarter this year compared to the same quarter last year. Operating expenditure in Airline Operations decreased by 1% or RM34.4 million and operating expenditure in Cargo Services has decreased by 12% or RM74.9 million for the quarter. The decrease in operating expenditure in Airline Operations was due to lower non-fuel cost by 4% or RM63.1 million despite an increase in fuel cost by RM28.7 million or 2% over the same quarter last year in which average fuel cost has increased from USD120 per barrel to USD 135 per barrel. The decrease in operating expenditure in Cargo Services was mainly due to decrease in fuel cost by 36% or RM49.0 million over the same quarter last year in line with the reduction in capacity. Non-fuel cost in Cargo Services also reduced by 5% or RM25.9 million compared against the same quarter last year.

2. LOSS FROM OPERATIONS

On 22 September 2011, Bursa Malaysia Securities Berhad ("Bursa Malaysia") has amended the Main Market Listing Requirements ("Main LR") in various key areas. In accordance to the amendments of the Main LR, the following amounts have been (credited)/debited in arriving at loss from operations:

	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000
Provision for:				
- doubtful debts, net	1,844	21,106	1,844	21,106
- inventories obsolescence, net	13,271	8,693	13,271	8,693
Aircraft, property, plant and equipment:				
- depreciation	135,196	94,468	135,196	94,468
- gain/(loss) on disposal, net	(9,773)	41	(9,773)	41
Amortisation of intangible assets	6,720	6,900	6,720	6,900
Interest expense	44,602	38,372	44,602	38,372
Interest income	(6,345)	(8,385)	(6,345)	(8,385)

Other than the items highlighted above, there were no disposal of unquoted investment and properties during the quarter and financial period ended 31 March 2012.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B

3. FAIR VALUE CHANGE OF DERIVATIVES

Fair value change of derivatives consists of fair value change due to movement in mark-to-market (MTM) position on non-designated hedging contracts and ineffective portion of cash flow hedges as at 31 March 2012 as compared to 1 January 2012 which comprised the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000
(i) (Loss)/Gain from fuel hedging contracts	(8,728)	92,876	(8,728)	92,876
(ii) Loss from foreign currency hedging contracts	(332)	(27)	(332)	(27)
(iii) Loss from interest rate hedging contracts	(14,718)	(223)	(14,718)	(223)
	(23,778)	92,626	(23,778)	92,626

4. OTHER COMPREHENSIVE INCOME

Gain from cash flow hedges consists of fair value change due to movement in MTM position on effective hedging contracts at 31 March 2012 as compared to 1 January 2012 which comprised the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000
(i) Gain from fuel hedging contracts	31,811	21,125	31,811	21,125
(ii) Gain from foreign currency hedging contracts	3,335	2,678	3,335	2,678
(iii) Gain from interest rate hedging contracts	16,455	2,931	16,455	2,931
	51,601	26,734	51,601	26,734

5. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's loss after tax for the quarter of RM171.8 million is RM1,105.6 million favourable when compared to the preceding quarter. The Group's operating loss of RM306.9 million is RM1,013.7 million favourable when compared to the preceding quarter. The preceding quarter result is inclusive of one off provisions for impairment and obsolescence of engineering spares of RM179 million, provision for aircraft redelivery cost of RM602 million, and impairment of aircraft of RM314 million included previously.

Total operating revenue reduced by 15% or RM552.8 million when compared to the previous quarter mainly from lower yield by 5% even though seat factor increased by 1 percentage point.

Total operating expenditure reduced by 32% or RM1,577.2 million due to both fuel and non-fuel cost reduced. Fuel cost has reduced by 13% or RM198.0 million over the preceding quarter and non-fuel cost reduced by 40% or RM1,379.2 million mainly due to the one off provisions.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B

6. CURRENT YEAR PROSPECTS

The International Air Transport Association (IATA) expects continued cautious business sentiment globally citing high fuel prices and supply fears, the fragile European economic situation and an overall soft market for air travel.

Going forward, apart from aggressive marketing, promotion and branding initiatives, the emphasis will be to increase revenue through increasing frequency to popular regional destinations which yield higher revenue and better cost management. The re-fleeting of our aircraft is also a significant initiative to offer customers an improved product for their air travel needs and the A380 will spearhead this change.

Another key cost management initiative is the emphasis on operational efficiency by increasing the fleet utilisation and reducing turnaround times. This will be a foundation for Malaysia Airlines to implement a new productivity model for improved efficiencies across all operating areas to become the preferred premium carrier.

The challenge for Malaysia Airlines in 2012 is to improve revenue and cost management as part of its business recovery. Given the unpredictable external environment and continued high fuel prices, the Group expects the remaining outlook for 2012 to be challenging but will strive to maintain an accelerated recovery as stated in the Business Plan.

7. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee in respect of the financial year ended 31 March 2012.

8. TAXATION

Taxation charge for the Group comprised the following: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000
Current period				
- Malaysian taxation	1,061	1,369	1,061	1,369
- Foreign taxation	984	1,050	984	1,050
	<u>2,045</u>	<u>2,419</u>	<u>2,045</u>	<u>2,419</u>
Deferred taxation	-	1,020	-	1,020
Total	<u>2,045</u>	<u>3,439</u>	<u>2,045</u>	<u>3,439</u>

The Group provided foreign taxation for the Company's overseas operations and Malaysian taxation for its subsidiaries. The Company was granted an extension of the tax exemption status by the Ministry of Finance on its chargeable income in respect of all sources of income up to year of assessment 2015.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

9. CORPORATE PROPOSALS

On 9 August 2011, on behalf of the Board of Directors of the Company ("Board"), CIMB Investment Bank Berhad announced that the Company is proposing to enter into a warrants exchange exercise with AirAsia ("Proposed Warrants Exchange").

The Proposed Warrants Exchange involves MAS issuing free warrants ("MAS Warrants") to AirAsia's ordinary shareholders and in exchange, AirAsia will be issuing free warrants ("AirAsia Warrants") to MAS's ordinary shareholders.

The Proposed Warrants Exchange will not raise any funds for MAS as MAS Warrants will be issued for free to the shareholders of AirAsia.

The Proposed Warrants Exchange is subject to and conditional upon approvals being obtained from the following:

- (a) Bursa Securities, for the following:
 - 1. the admission of the MAS Warrants and AirAsia Warrants to the Official List of Bursa Securities; and
 - 2. the listing of and quotation for the MAS Warrants and AirAsia Warrants as well as the new MAS and AirAsia Shares to be issued arising from the exercise of the MAS Warrants and AirAsia Warrants, on the Main Market of Bursa Securities;
- (b) Bank Negara Malaysia ("BNM"), for the issuance of the MAS Warrants and AirAsia Warrants to non-resident shareholders;
- (c) the approval of the Securities Commission ("SC");
- (d) MAS's shareholders for the Proposed Warrants Exchange at an extraordinary general meeting ("EGM") to be convened;
- (e) AirAsia's shareholders for the Proposed Warrants Exchange at an EGM to be convened;
- (f) all relevant parties for AirAsia to undertake the Proposed Warrants Exchange; and
- (g) any other relevant authorities and/or parties, if required.

BNM and SC has approved the Proposed Warrants Exchange on 4 November 2011 and 4 January 2012 respectively.

On 2 May 2012, the Board has agreed to mutually terminate the Proposed Warrants Exchange and the warrant exchange agreement entered into between MAS and AirAsia.

There were no other corporate proposals for the financial period ended 31 March 2012.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

10. GROUP BORROWINGS, DEBT AND EQUITY SECURITIES

	As at 31/03/2012 RM '000	As at 31/12/2011 RM '000 (Audited)
(i) Short term borrowings		
Unsecured		
- Revolving Credit	634,568	581,360
- Term Loan	1,118,489	121,490
- Redeemable Cumulative Preference Shares ("RCPS")	426,032	419,628
Secured		
- Term Loan	82,197	73,633
- Finance Lease	372,869	183,300
	<u>2,634,155</u>	<u>1,379,411</u>
(ii) Long term borrowings		
Unsecured		
- Term Loan	673,085	701,663
Secured		
- Term Loan	793,127	625,796
- Finance Lease	2,893,331	2,963,124
	<u>4,359,543</u>	<u>4,290,583</u>
Total	<u>6,993,698</u>	<u>5,669,994</u>
(iii) Currency denominations		
Ringgit Malaysia	2,985,615	2,182,589
US Dollars	3,261,583	2,624,380
Japanese Yen	746,500	863,025
	<u>6,993,698</u>	<u>5,669,994</u>

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

11. DERIVATIVE FINANCIAL INSTRUMENTS

Type of derivatives	Notional Value as at 31/3/2012	Fair Value as at 31/3/2012 Assets/ (Liabilities) RM 'Mil
(i) Fuel Hedging Contracts	Barrels 'Mil	
Less than 1 year	0.9	28.4
(ii) Interest Rate Hedging Contracts	RM 'Mil	
Less than 1 year	310.8	(15.5)
1 year to 3 years	809.7	(10.7)
More than 3 years	526.3	(5.3)
	<u>1,646.8</u>	<u>(31.5)</u>
(iii) Foreign Currency Hedging Contracts	RM 'Mil	
Less than 1 year	131.2	4.5
Total		<u>1.4</u>

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

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

12. DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of unappropriated profits/(accumulated losses) of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	Company and Subsidiaries RM'000	Associated Companies RM'000	Jointly Controlled Entity RM'000	Consolidation Adjustments RM'000	Group Accumulated Losses RM'000
As at 31 March 2012					
Realised (losses)/profit	(8,324,347)	2,956	(26,371)	30,987	(8,316,775)
Unrealised profits/(losses)	230,438	(1,275)	(121)	-	229,042
	<u>(8,093,909)</u>	<u>1,681</u>	<u>(26,492)</u>	<u>30,987</u>	<u>(8,087,733)</u>
As at 31 December 2011					
Realised losses	(7,935,462)	(3,955)	(26,317)	67,537	(7,898,197)
Unrealised losses	(16,646)	(922)	(175)	-	(17,743)
	<u>(7,952,108)</u>	<u>(4,877)</u>	<u>(26,492)</u>	<u>67,537</u>	<u>(7,915,940)</u>

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 Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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

13. MATERIAL LITIGATION

(a) MAS and MASkargo vs Tan Sri Tajudin bin Ramli, Ralph Manfred Gotz, Uwe Juergen Beck and Wan Aishah binti Wan Hamid (collectively, the "Defendants")

On 5 April 2006, the Company and MASkargo filed a civil suit in Malaysia against its former Executive Chairman, Tan Sri Tajudin bin Ramli and three (3) other Defendants. The claim against the Defendants is for losses amounting to RM174.6 million for, amongst others, breach of fiduciary duties committed by the Defendants and conspiracy to defraud the Company. The First, Second and Fourth Defendants have filed applications to strike out the suit, whilst the Third Defendant has applied to set aside the Service of the Amended Writ of Notice to be Served Out of Jurisdiction on him.

On 23 August 2010, the Court dismissed the First and Fourth Defendant's interlocutory applications to strike out the Plaintiff's claim. On 3 September 2010, the First Defendant served a Counterclaim seeking among others, damages of RM500 million for alleged defamation. On 24 November 2010, the Court dismissed the Second Defendant's interlocutory application to strike out the Plaintiff's claim.

To date, MAS has yet to receive any proposal for settlement and has not engaged in any negotiation with Tan Sri Tajudin bin Ramli with regard to an out of court settlement.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

13. MATERIAL LITIGATION (CONTINUED)

- (b) **MAS, MAS Golden Holidays Sdn Bhd and MAS Hotels and Boutiques Sdn Bhd (collectively, the "Plaintiffs"), vs Tan Sri Tajudin bin Ramli, Naluri Corporation Berhad, Promet (Langkawi) Resorts Sdn Bhd ("Promet"), Kauthar Venture Capital Sdn Bhd ("Kauthar") and Pakatan Permai Sdn Bhd (collectively the "Defendants")**

On 26 May 2006, the Plaintiffs filed a civil suit ("Original Suit") in the High Court at Kuala Lumpur against its former Executive Chairman, Tan Sri Tajudin bin Ramli and four (4) other Defendants for damages of approximately RM90 million together with further damages to be assessed, resulting from inter alia breach of fiduciary duties and/or knowingly assisting or benefiting from such breach of fiduciary duties.

In response to the Original Suit, Tan Sri Tajudin bin Ramli, Promet and Kauthar had on 9 October 2006 jointly filed and served a defence and counterclaim ("Counter Claim") on the Plaintiffs, the Company's directors and the Government alleging that the Defendants in the Counter Claim (except for the Government) had conspired to injure them or had caused injury to them through malicious prosecution of the Original Suit.

The First, Second, Third and Fourth Defendant's application to strike out the Original Suit has been dismissed by the High Court and they have filed an appeal to the Court of Appeal.

To date, MAS has yet to receive any proposal for settlement and has not engaged in any negotiation with Tan Sri Tajudin bin Ramli with regard to an out of court settlement.

- (c) (i) **Meor Adlin vs MAS**
(ii) **Stephen Gaffigan vs MAS**
(iii) **Micah Abrams vs MAS**
(iv) **Donald Wortman vs MAS**
(v) **Bruce Hut vs MAS**
(vi) **Dickson Leung vs MAS**

Between 18 January and 26 March 2008, the Company had been served with various complaints filed in the United States District Court for the Northern District of California (San Francisco) and the United States District Court for the Central District of California (Los Angeles) filed on behalf of various Plaintiffs against the Company and a number of other airlines. The cases involved allegations of price fixing for transpacific fares and related surcharges.

At this juncture, no infringement has been established. The complaint does not make any mention of the quantum of damages sought against the Company. The Company has obtained legal advice in relation to the complaint and has entered into a joint defence agreement with the other defendants. The court allowed the Company's motion to strike out the part of the claims relating to the alleged price-fixing conspiracy prior to 6 November 2003 on the basis that those claims were time-barred. The court also dismissed portions of the claims relating to flights originating in Asia on the basis of lack of jurisdiction. These two rulings have, according to the Company's US lawyers, significantly reduced the potential amount of claims. The case is proceeding.

- (d) **Statement of Claim from Commerce Commission of New Zealand**

On 15 December 2008, the Company was served with a "Statement of Claim" from the Commerce Commission of New Zealand in relation to its air freight investigation under Section 27 of the Commerce Act. The Statement of Claim does not indicate any quantum of fines that might be ultimately imposed.

The Company filed its defence on 11 December 2009. The trial of the case has started on 11 May 2011 and is ongoing.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

13. MATERIAL LITIGATION (CONTINUED)

(e) Benchmark Export Services and Six Other Plaintiffs vs MAS

On 16 February 2010, the Company at its offices in the United States, was served with a complaint filed in the United States District Court for the Eastern District of New York on behalf of Benchmark Export Services and six other plaintiffs against the Company and eleven other defendants. The case involves allegations of price fixing on airfreight shipping services and related surcharges.

The Company on 11 July 2011 entered into a Settlement Agreement with the plaintiffs by which the Company is to pay a total sum of USD3.35 million as settlement to the plaintiffs. The settlement sum is apparently the lowest to date among the related actions. No admission of any infringement is made under the settlement and the settlement was entered into for the purpose of avoiding more legal costs that would otherwise have been incurred and treble damages that might be awarded by the court under the US antitrust laws had the plaintiffs won.

(f) Application and Statement of Claim from Australian Competition and Consumer Commission

On 9 April 2010, the Company was served with an "Application and Statement of Claim" from the Australian Competition and Consumer Commission ("ACCC") in relation to its air freight investigation on fuel and security surcharges under the Trade Practices Act 1974. The Statement of Claim does not indicate any quantum of fines that might be ultimately imposed.

The Company is taking legal advice in relation to the Statement of Claim and has replied accordingly to ACCC. The Company has filed its defence. The full hearing is expected to begin sometime in late 2012.

(g) Giro-Warranty House International, Inc vs MAS

On 22 August 2011, the Company was served with a Complaint filed by the Plaintiff in Oklahoma, United States of America alleging that the Company breached the terms of a contract the Company entered into with the Plaintiff in 2008 by not paying to Plaintiff a percentage of the warranty claims received as agreed. The Plaintiff claimed total damages in the amount of USD97.3 million plus unspecified interest.

On 7 October 2011, the Company filed a motion to dismiss the Complaint. On 27 October 2011, the Plaintiff filed a motion for discovery relating to the issues raised in the Company's motion to dismiss. Both motions are currently pending.

14. DIVIDENDS

The directors do not recommend any dividend for the financial period ended 31 March 2012.

PART B - EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B (CONTINUED)

15. LOSS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012	Quarter ended 31/03/2011	Period ended 31/03/2012	Period ended 31/03/2011
(a) Basic loss per share				
Loss attributable to equity holders of the Company (RM'000)	(171,793)	(242,339)	(171,793)	(242,339)
Number of ordinary shares in issue ('000)	3,342,156	3,342,156	3,342,156	3,342,156
Loss per share (sen)	<u>(5.14)</u>	<u>(7.25)</u>	<u>(5.14)</u>	<u>(7.25)</u>

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue during the financial period ended 31 March 2012.

(b) **Diluted loss per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012	Quarter ended 31/03/2011	Period ended 31/03/2012	Period ended 31/03/2011
(b) Diluted loss per share				
Diluted loss attributable to equity holders of the Company (RM'000)	(171,793)	(242,339)	(171,793)	(242,339)
Number of ordinary shares in issue and issuable ('000)	3,342,156	3,342,156	3,342,156	3,342,156
Diluted loss per share (sen)	<u>(5.14)</u>	<u>(7.25)</u>	<u>(5.14)</u>	<u>(7.25)</u>

Diluted loss per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue during the financial period ended 31 March 2012.

RCPS and ESOS have not been included in the calculation of diluted loss per shares because they were anti-dilutive.

16. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 22 May 2012.

By Order of the Board

Shahjanaz binti Kamaruddin (LS 0009441)
 Company Secretary
 Selangor Darul Ehsan
 22 May 2012

PART C - ADDITIONAL INFORMATION

1. SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000 (Restated)	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000 (Restated)
(a) Revenue	3,114,689	3,190,428	3,114,689	3,190,428
(b) Loss from operations	(306,885)	(340,514)	(306,885)	(340,514)
(c) Loss before tax	(169,330)	(238,251)	(169,330)	(238,251)
(d) Loss for the period	(171,375)	(241,690)	(171,375)	(241,690)
(e) Loss for the period attributable to ordinary equity holders of the Company	(171,793)	(242,339)	(171,793)	(242,339)
(f) Basic loss per share (sen)	(5.14)	(7.25)	(5.14)	(7.25)
Diluted loss per share (sen)	(5.14)	(7.25)	(5.14)	(7.25)

	AS AT 31/03/2012	AS AT 31/12/2011 (Audited)
(a) Net assets per share attributable to ordinary equity holders of the Company (RM)	0.28	0.32

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2012 RM '000	Quarter ended 31/03/2011 RM '000	Period ended 31/03/2012 RM '000	Period ended 31/03/2011 RM '000
(a) Gross interest income	6,345	8,385	6,345	8,385
(b) Gross interest expense	(44,602)	(38,372)	(44,602)	(38,372)