

MALAYSIAN AIRLINE SYSTEM BERHAD
(COMPANY NO.: 10601-W)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

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 third quarter ended 30 September 2013. This announcement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the quarterly condensed financial report.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2013 RM '000	Quarter ended 30/09/2012 RM '000	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
Operating revenue	3,782,730	3,341,956	10,766,018	9,624,381
Operating expenses	(3,853,874)	(3,320,717)	(10,904,238)	(9,870,927)
Other operating income	123,579	132,362	458,505	265,699
Earnings Before Interest, Taxation, Depreciation & Amortisation (EBITDA)	52,435	153,601	320,285	19,153
Depreciation and amortisation	(228,626)	(149,639)	(653,875)	(423,994)
Fair value change of derivatives	4,706	7,269	14,616	(31,785)
Unrealised foreign exchange (loss)/gain	(86,085)	93,848	(175,738)	120,496
Finance costs	(121,160)	(49,880)	(331,475)	(157,254)
Share of post-tax results from investments accounted for using the equity method	8,222	(16,096)	11,335	(4,578)
(Loss)/Profit before taxation	(370,508)	39,103	(814,852)	(477,962)
Taxation	(2,730)	(1,597)	(12,163)	(4,585)
(Loss)/Profit for the period	(373,238)	37,506	(827,015)	(482,547)
(Loss)/Profit attributable to:				
Equity holders of the Company	(375,439)	37,084	(830,247)	(483,957)
Non-controlling interest	2,201	422	3,232	1,410
(Loss)/Profit for the period	(373,238)	37,506	(827,015)	(482,547)
(Loss)/Earnings per share attributable to equity holders of the Company				
Basic (sen)	(2.25)	0.52	(6.67)	(6.81)
Diluted (sen)	(2.25)	0.52	(6.67)	(6.81)

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(COMPANY NO.: 10601-W)
(INCORPORATED IN MALAYSIA)
QUARTERLY REPORT ON THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2013 RM '000	Quarter ended 30/09/2012 RM '000	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
(Loss)/Profit for the period	(373,238)	37,506	(827,015)	(482,547)
Other comprehensive income:				
Gain from cash flow hedges	32,534	89,030	27,992	62,993
Total comprehensive (loss)/income for the period	(340,704)	126,536	(799,023)	(419,554)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(342,905)	126,114	(802,255)	(420,964)
Non-controlling interest	2,201	422	3,232	1,410
Total comprehensive (loss)/income for the period	(340,704)	126,536	(799,023)	(419,554)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/09/2013 RM '000	As at 31/12/2012 RM '000 (Audited)
<u>Non current assets</u>		
Aircraft, property, plant and equipment	14,659,583	12,853,554
Investment in associates	151,218	125,044
Other investments	63,437	57,038
Intangible assets	157,671	153,912
Other receivables	339,771	313,473
Derivative financial instruments	5,814	-
Deferred tax assets	1,077	1,021
	15,378,571	13,504,042
<u>Current assets</u>		
Inventories	331,004	331,164
Trade and other receivables	1,628,737	1,258,872
Tax recoverable	3,847	6,057
Derivative financial instruments	39,581	42,505
Cash and bank balances	5,443,394	2,148,478
	7,446,563	3,787,076
<u>Current liabilities</u>		
Sales in advance of carriage	2,405,125	1,663,026
Deferred revenue	297,205	224,036
Trade and other payables	2,679,904	2,343,126
Provision	1,230,350	1,330,001
Borrowings	1,591,855	1,458,237
Derivative financial instruments	4,481	13,940
Taxation	2,709	533
	8,211,629	7,032,899
Net current liabilities	(765,066)	(3,245,823)
	14,613,505	10,258,219
Financed by:		
Equity attributable to equity holders of the Company:		
Share capital	1,671,078	3,342,156
Perpetual Sukuk	1,498,190	1,498,190
Reserves	1,172,255	(2,717,202)
	4,341,523	2,123,144
Non-controlling interest	18,079	14,847
Total equity	4,359,602	2,137,991
<u>Non current liabilities</u>		
Borrowings	10,253,848	8,090,293
Derivative financial instruments	-	29,716
Deferred tax liabilities	55	219
	10,253,903	8,120,228
	14,613,505	10,258,219
Net assets per share (RM)	0.26	0.64

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Attributable to equity holders of the Company										Non-controlling interest RM '000	Total Equity RM '000
	Share capital RM '000	Perpetual Sukuk RM '000	Non-Distributable				Distributable					
Share premium RM '000			Cash Flow hedge reserves RM '000	Capital redemption reserve RM '000	Foreign exchange translation reserve RM '000	General reserves RM '000	Accumulated losses RM '000	Total reserves RM '000	Total RM '000			
At 1 January 2013	3,342,156	1,498,190	4,995,970	21,406	41,775	-	459,755	(8,236,108)	(2,717,202)	2,123,144	14,847	2,137,991
Loss for the period	-	-	-	-	-	-	-	(830,247)	(830,247)	(830,247)	3,232	(827,015)
Other comprehensive income	-	-	-	27,992	-	-	-	-	27,992	27,992	-	27,992
Capital reduction	(3,007,940)	-	(4,995,970)	-	-	-	-	8,003,910	3,007,940	-	-	-
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	-	(68,905)	(68,905)	(68,905)	-	(68,905)
Share of forex translation reserve from associated company	-	-	-	-	-	16,961	-	-	16,961	16,961	-	16,961
Rights Issue	1,336,862	-	1,737,921	-	-	-	-	-	1,737,921	3,074,783	-	3,074,783
Rights Issue expenses	-	-	(2,205)	-	-	-	-	-	(2,205)	(2,205)	-	(2,205)
At 30 September 2013	1,671,078	1,498,190	1,735,716	49,398	41,775	16,961	459,755	(1,131,350)	1,172,255	4,341,523	18,079	4,359,602

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Attributable to equity holders of the Company										Non-controlling interest RM '000	Total Equity RM '000
	Share capital RM '000	Perpetual Sukuk RM '000	Non-Distributable				Distributable					
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	-	-	-	-	-	-	-	(483,957)	(483,957)	(483,957)	1,410	(482,547)
Other comprehensive income	-	-	-	-	-	62,993	-	-	62,993	62,993	-	62,993
Issue of Perpetual Junior Sukuk	-	1,496,910	-	-	-	-	-	-	-	1,496,910	-	1,496,910
Expiry of ESOS	-	-	-	-	(88,938)	-	-	88,938	-	-	-	-
At 30 September 2012	3,342,156	1,496,910	58,076	4,995,970	-	34,771	501,530	(8,310,959)	(2,720,612)	2,118,454	15,049	2,133,503

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
<u>Cash Flows From Operating Activities</u>		
Loss before taxation	(814,852)	(477,962)
Adjustments for:		
Provision for/(Writeback of):		
- aircraft maintenance and overhaul costs	189,567	408,445
- doubtful debts, net	13,251	5,941
- short term accumulating compensated absences, net	13,947	12,634
- inventories obsolescence, net	(9,996)	15,118
- stock loss	901	-
- unavailed credits on sales in advance of carriage	(293,286)	(160,983)
Aircraft, property, plant and equipment:		
- depreciation	621,348	399,801
- written off	18,712	2,362
- writeback of impairment losses, net	(9,820)	(2,462)
- loss on disposal, net	683	5,050
Amortisation of intangible assets	32,527	24,193
Share of post-tax results from investments accounted for using the equity method	(11,335)	4,578
Finance costs	331,475	157,254
Fair value change of derivatives	(14,616)	31,785
Unrealised foreign exchange loss/(gain)	175,738	(120,496)
Interest income	(85,998)	(18,609)
Dividend income	(2,564)	(22,753)
Operating profit before working capital changes	155,682	263,896
Decrease/(Increase) in inventories	9,256	(25,449)
(Increase)/Decrease in trade and other receivables	(351,082)	47,644
Increase/(Decrease) in trade and other payables	256,585	(246,361)
Decrease in provision	(289,218)	(399,803)
Increase in sales in advance of carriage	1,035,385	158,338
Increase in deferred revenue	73,169	44,468
Cash generated from/(used in) operating activities	889,777	(157,267)
Net cash settlement on derivatives	29,516	6,109
Finance costs paid	(356,772)	(144,595)
Taxes paid	(7,998)	(7,224)
Net cash generated from/(used in) operating activities	554,523	(302,977)
<u>Cash Flows From Investing Activities</u>		
Purchase of:		
- aircraft, property, plant and equipment	(3,243,735)	(3,517,946)
- intangible assets	(37,874)	(25,150)
- investment in a jointly controlled entity	(9,282)	(19,264)
- other investment	(9,273)	-
(Placement)/Withdrawal of:		
- deposits pledged with banks	(111,098)	14,645
- negotiable instruments of deposit	-	101,073
Proceeds from:		
- disposal of aircraft, property, plant and equipment	846,477	455,315
- investment in associate	2,355	-
Interest received	85,998	18,610
Dividend received	11,610	31,050
Net cash used in investing activities	(2,464,822)	(2,941,667)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
Cash Flows From Financing Activities		
Proceeds from:		
- rights issue	3,074,783	685,141
- aircraft refinancing	832,933	-
- borrowings	1,910,000	2,758,520
Repayment of:		
- borrowings	(166,164)	(1,052,851)
- finance lease	(486,324)	(189,127)
Profit distribution of perpetual sukuk	(68,905)	-
Issuance of perpetual sukuk	-	1,498,190
Expenses incurred on issuance of Rights share exercise	(2,205)	-
Net cash generated from financing activities	5,094,118	3,699,873
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	3,183,819	455,229
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	2,134,001	958,814
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	5,317,820	1,414,043
Cash and cash equivalents comprise:		
Cash on hand and at banks	1,213,915	742,815
Short term deposits	4,229,479	712,232
Cash and bank balances	5,443,394	1,455,047
Less: Deposits pledged with banks	(125,574)	(41,004)
Cash and cash equivalents as at 30 September	5,317,820	1,414,043

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2012 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 2012.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted for the quarterly condensed financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2012 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRSs") and amendments to MFRSs during the current financial period:

(i) Effective for annual periods beginning on or after 1 July 2012

Amendments to MFRS 101:	Presentation of Items of Other Comprehensive Income
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(ii) Effective for annual periods beginning on or after 1 January 2013

MFRS 3:	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10:	Consolidated Financial Statements
MFRS 11:	Joint Arrangements
MFRS 12:	Disclosure of Interests in Other Entities
MFRS 13:	Fair Value Measurement
MFRS 119:	Employee Benefits
MFRS 127:	Separate Financial Statements
MFRS 128:	Investment in Associate and Joint Ventures
MFRS 127:	Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to MFRS 10, MFRS 11 and MFRS 12: Annual Improvements 2009-2011 Cycle	Consolidated Financial Statements, Joint Arrangement and Disclosure at Interest in Other Entities: Transition Guidance

The adoption of Amendments to MFRS 10, MFRS 12 and MFRS 127 is not expected to have any financial impact to the Group as the Company is not an investment entity as defined in MFRS 10.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

At the date of authorisation of this quarterly condensed financial report, the MASB had issued several MFRSs and amendments but not yet effective and have not been adopted by the Group:

(i) Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 132:	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127:	Investment Entities

(ii) Effective for annual periods beginning on or after 1 January 2015

MFRS 9	Financial instruments
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The above MFRSs and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

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 2012.

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 30 September 2013.

6. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no material changes in estimates of amount reported for the financial period ended 30 September 2013.

7. SIGNIFICANT EVENTS

- (i) On 19 February 2013, in relation to the Memorandum of Understanding signed between MAS and ATR on 18 December 2012, the Company has entered into a Sale and Purchase Agreement with ATR for the purchase of twenty (20) firm and sixteen (16) option ATR72-600 aircraft.
- (ii) On 8 February 2013, the Company has entered into a Sale and Purchase Agreement with Viking Air Limited to purchase six (6) DHC6-400 aircraft worth approximately RM128 million. The aircraft which will be operated by MASwings for the Rural Air Services operations in Sabah & Sarawak, will replace the existing old aircraft.
- (iii) On 1 February 2013, the Company joined the premier oneworld airline alliance, offering a wider global network and a host of rewards for Enrich frequent flyers.

There was no other significant event for the financial period ended 30 September 2013.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

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

On 5 June 2013, the Company issued 13,368,624,960 new ordinary shares of RM0.10 each at an issue price of RM0.23 per rights share on the basis of four (4) rights share for every one (1) existing ordinary share of RM0.10 each held in the Company. Please refer Part B, Note 9 for further details.

On 11 April 2013, the Capital Restructuring (comprising a reduction of RM0.90 of the par value of each existing ordinary share of RM1.00 each in MAS ("Par Value Reduction") and a reduction of the share premium account pursuant to Sections 64 and 60 of the Companies Act, 1965 ("the Act")) took effect with the lodgment of the Court Order with the Companies Commission of Malaysia. Pursuant to the Par Value Reduction, the par value of each existing ordinary share in MAS has been reduced from RM1.00 to RM0.10 each.

There was no other issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the financial period ended 30 September 2013.

9. DIVIDEND PAID

There was no dividend paid during the financial period ended 30 September 2013.

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 30 September 2013 and 2012, respectively.

	Airlines Operations RM'000	Cargo Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
For the period ended 30 September 2013					
Revenue					
External revenue	9,329,756	1,396,244	40,018	-	10,766,018
Inter-segment revenue *	929,889	-	26,881	(956,770)	-
Total revenue	10,259,645	1,396,244	66,899	(956,770)	10,766,018
Results					
Segment (loss)/profit before tax	(743,976)	(92,020)	9,809	11,335	(814,852)

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

10. SEGMENTAL INFORMATION (CONTINUED)

	Airlines Operations RM'000	Cargo Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
For the period ended 30 September 2012					
Revenue					
External revenue	8,183,151	1,372,288	68,942	-	9,624,381
Inter-segment revenue *	987,094	-	36,558	(1,023,652)	-
Total revenue	9,170,245	1,372,288	105,500	(1,023,652)	9,624,381
Results					
Segment loss before tax	(372,495)	(75,389)	(25,500)	(4,578)	(477,962)
Segment assets **					
At 30 September 2013	24,059,082	740,684	1,326,601	(3,452,451)	22,673,916
At 31 December 2012	17,919,052	6,070,644	1,323,712	(8,147,334)	17,166,074

* Inter-segment revenues are eliminated on consolidation.

** Segment assets do not include investment in associates (Sep'13: RM151.2 million, Dec'12: RM125.0 million) as these assets are managed on a group basis.

11. VALUATION OF ASSETS

There was no valuation of aircraft, property, plant and equipment for the financial period ended 30 September 2013.

12. SUBSEQUENT EVENT

There was no material subsequent event for the financial period ended 30 September 2013.

13. CHANGES IN THE COMPOSITION OF THE GROUP

- (i) On 5 August 2013, the Company has incorporated an off-shore company, Malaysia Airlines B738 II Capital Labuan Limited with a paid-up capital of USD1.00 (equivalent to RM3.18). With effect from that date, Malaysia Airlines B738 II Capital Labuan Limited became a wholly-owned subsidiary of the Company.
- (ii) On 25 June 2013, the Company has incorporated an off-shore company, Malaysia Airlines B738 Capital Labuan Limited with a paid-up capital of USD1.00 (equivalent to RM3.18). With effect from that date, Malaysia Airlines B738 Capital Labuan Limited became a wholly-owned subsidiary of the Company.
- (iii) On 22 February 2013, the Company has acquired 250 ordinary shares of USD1.00 each in Malaysia Airlines Capital V Cayman Limited, an off-shore company for a consideration of USD250 (equivalent of RM775) for cash. With effect from that date, Malaysia Airlines Capital V Cayman Limited became a wholly-owned subsidiary of the Company.

There were no other changes in the composition of the Group for the financial period ended 30 September 2013.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

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.

	12/11/2013
	RM '000
1. Loan (unsecured)	<u>10,510</u>
2. Tenure	
Loan due within one year	7,915
Loan due later than one year and not later than five years	<u>2,595</u>
	<u>10,510</u>
3. Loan by currency denomination	
Euro	<u>10,510</u>
(b) Others	
Bank guarantees given to third parties	330,309
Performance bonds given to third parties	<u>803</u>
	<u>331,112</u>

(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	As at
	30/09/2013	31/12/2012
	RM '000	RM '000
		(Audited)
Approved and contracted for	6,070,322	8,469,233
Approved but not contracted for	84,919	264,367
	<u>6,155,241</u>	<u>8,733,600</u>

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

16. SIGNIFICANT RELATED PARTY DISCLOSURES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2013 RM '000	30/09/2012 RM '000	30/09/2013 RM '000	30/09/2012 RM '000
Brahim's Airline Catering Sdn. Bhd. (formerly known as LSG Chefs-Brahim's Sdn. Bhd.), an associate:				
- Catering and other services cost	67,213	60,544	202,689	173,528
- Rental income and others	(4,888)	(4,888)	(14,664)	(14,664)
GE Engine Services (M) Sdn. Bhd., an associate:				
- Engine maintenance services cost	81,296	54,202	269,545	269,738
- Rental income and others	-	-	(1,034)	(4,149)
Pan Asia Pacific Aviation Services Ltd., an associate:				
- Line maintenance and aircraft interior cleaning services cost	1,401	1,068	3,383	3,574
Hamilton Sundstrand Customer Support Centre (M) Sdn. Bhd., an associate:				
- Aircraft component repair services cost	1,472	828	4,282	3,097
Honeywell Aerospace Services (M) Sdn. Bhd., an associate:				
- Aircraft power plant unit overhaul services cost	-	-	-	1,572
Abacus International Holding Ltd., a company in which the Company has equity interest:				
- Computer reservation system access fee cost	8,423	6,664	23,963	23,886
Evergreen Sky Catering Corporation, a company in which the Company has equity interest:				
- Catering services cost	1,051	691	2,668	2,681
PMB, a fellow subsidiary:				
- Aircraft lease rental cost	40,295	58,311	97,385	174,092
- Residual value sharing on sale of aircraft	-	-	(96,149)	-
Aircraft Business Malaysia Sdn. Bhd., a related party:				
- Aircraft lease rental cost	27,185	60,651	101,272	181,468
Turus Pesawat Sdn. Bhd., a related party:				
- finance cost	55,563	-	170,590	-

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

17. SIGNIFICANT RELATED PARTY BALANCES

	As at 30/09/2013 RM '000	As at 31/12/2012 RM '000 (Audited)
Amount owing to fellow subsidiary	(33,908)	(34,208)
Amount owing by a related party		
- due within one year	14,627	51,636
- due after one year	-	47,380
Amount owing by associated companies	10,855	4,854
Amount owing to associated companies	(62,526)	(37,766)
Loan from a related party	(5,310,000)	(3,400,000)

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

1. REVIEW OF PERFORMANCE

The Group's operating revenue improved by 13% to RM3,782.7 million as compared to the same quarter last year due to an increase in seat factor by 10.3 percentage points to 84.8% at the back of 20% increase in capacity. Passenger yield continued to be under pressure as competition for market share intensified regionally and globally. Airline revenue increased by 14% while Cargo revenue was comparable to last year.

Group operating expenditure was higher by 16% compared to the same quarter last year. This is principally due to higher fuel and non-fuel variable cost which rose in line with capacity increase and weakening of MYR against USD. Both fuel and non-fuel cost for airline increased by 16%. The increase in operating expenditure is also attributed to one off cost incurred for redelivery of aircraft. In addition, the Group intensified its advertising and promotional activities amid intense competition as part of its long term strategy to continuously strengthen presence in key markets.

Despite the increase in operating expenditure, the Group's EBITDA remains positive at RM52.4 million compared to RM153.6 million for the same quarter last year. EBITDA margins have decreased year-on-year due to intensified competition causing a reduction in passenger yields.

However, after accounting for depreciation and amortisation of RM228.6 million (Quarter ended 30 September 2012: RM149.6 million), unrealised foreign exchange loss of RM86.1 million (Quarter ended 30 September 2012: RM93.8 million gain), finance costs of RM121.2 million (Quarter ended 30 September 2012: RM49.9 million) and fair value change of derivative of RM4.7 million gain (Quarter ended 30 September 2012: RM7.3 million gain), the Group ended the quarter 30 September 2013 with a loss after tax of RM375.4 million as compared to RM37.1 million profit after tax in the same quarter last year.

Despite the loss in the current quarter, the Group's cash position remains strong at RM5.4 billion. Cash generated from operations was RM555 million for the nine months ended September 2013.

2. (LOSS)/PROFIT FOR THE PERIOD

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)/profit for the period:

	Quarter ended 30/09/2013 RM '000	Quarter ended 30/09/2012 RM '000	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
Provision for/(Writeback of):				
- doubtful debts, net	7,565	535	13,251	5,941
- inventories obsolescence, net	9,029	(2,590)	(9,996)	15,118
Aircraft, property, plant and equipment:				
- depreciation	215,020	140,236	621,348	399,801
- writeback of impairment losses, net	-	-	(9,820)	(2,462)
- (gain)/loss on disposal, net	(6,006)	14,206	683	5,050
Amortisation of intangible assets	13,606	9,403	32,527	24,193
Finance costs	121,160	49,880	331,475	157,254
Interest income	(42,513)	(6,552)	(85,998)	(18,609)

Other than the items highlighted above, there were no disposal of unquoted investment and properties during the quarter and financial period ended 30 September 2013.

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

3. FAIR VALUE CHANGE OF DERIVATIVES

This represents the movement of mark-to-market (MTM) of the ineffective portion of cash flow hedges for the remaining hedging contracts as at 30 September 2013 as compared to 1 January 2013 which comprised the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2013	Quarter ended 30/09/2012	Period ended 30/09/2013	Period ended 30/09/2012
	RM '000	RM '000	RM '000	RM '000
(i) Gain/(Loss) from fuel hedging contracts	4,225	15,250	5,465	(9,748)
(ii) Gain from foreign currency hedging contracts	-	2,963	-	7,036
(iii) Gain/(Loss) from interest rate hedging contracts	481	(10,944)	9,151	(29,073)
	4,706	7,269	14,616	(31,785)

4. OTHER COMPREHENSIVE INCOME

This represents the movement of mark-to-market (MTM) of the effective portion of cash flow hedges for the remaining contracts as at 30 September 2013 as compared to 1 January 2013 which comprised the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2013	Quarter ended 30/09/2012	Period ended 30/09/2013	Period ended 30/09/2012
	RM '000	RM '000	RM '000	RM '000
(i) Gain/(Loss) from fuel hedging contracts	32,286	85,194	(8,014)	67,288
(ii) Loss from foreign currency hedging contracts	-	(1,338)	-	(1,111)
(iii) Gain/(Loss) from interest rate hedging contracts	248	5,174	36,006	(3,184)
	32,534	89,030	27,992	62,993

5. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group operating revenue increased by 6% to RM3,782.7 million as compared to the previous quarter mainly due to higher load factor and capacity.

Total operating expenditure also increased by 9% to RM3,853.9 million in line with the higher capacity. Fuel cost was higher by 11% and non-fuel cost higher by 8% over the preceding quarter.

The Group's EBITDA remains positive at RM52.4 million compared to the preceding quarter RM226.6 million due to intensified competition causing a reduction in passenger yields.

The Group's loss after tax for the current quarter was RM375.4 million (Quarter Ended 30 June 2013: RM176.0 million loss). Included in the quarter loss was depreciation and amortisation of RM228.6 million (Quarter Ended 30 June 2013: RM218.7 million), unrealised foreign exchange loss of RM86.1 million (Quarter Ended 30 June 2013: RM68.3 million) and finance cost of RM121.2 million (Quarter Ended 30 June 2013: RM111.0 million).

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

6. CURRENT YEAR PROSPECTS

Overall, the aviation industry, as reported by the International Air Transport Association (IATA) and the Association of Asia Pacific Airlines (AAPA), continued to see growth in passenger traffic of between 7-8%, exceeding the capacity increase at 5% in the months of August and September. This resulted in improved seat load factors, although with weak passenger yields globally.

Going forward, while airlines focus on growth opportunities presented by the year-end holiday season, the business environment remains very challenging. Jet fuel prices are still high, exchange rates are uncertain, competition is increasing and continued pressure on yield is impacting all sectors.

For Malaysia Airlines, it is looking to sustain strong growth in both passenger traffic and seats for the remainder of the year. Competition, on both the domestic and international fronts, has intensified over the year. With average fares falling across the board, the Group continues to monitor market demand and focus on driving business efficiency.

The arrival of more new aircraft will further improve its product offering while simultaneously reducing the average age of the fleet. The additional capacity will be used to increase frequencies to meet passenger demand, and fly to new destinations. Aggressive marketing and promotions, better capacity management, optimizing asset utilisation and driving productivity continues to be central the airline's business model.

The Group is also closely monitoring the impact on operational costs of the weakening Malaysian Ringgit against the US Dollar, and seeking ways to manage expenditure increases in line with the growth in capacity and revenue generation.

7. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee in respect of the financial period ended 30 September 2013.

8. TAXATION

Taxation charge for the Group comprised the following: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM '000	RM '000	RM '000	RM '000
Current period				
- Malaysian taxation	1,406	328	2,555	2,281
- Foreign taxation	1,741	1,150	4,054	3,281
	<u>3,147</u>	<u>1,478</u>	<u>6,609</u>	<u>5,562</u>
(Over)/Under provision in prior year:				
- Malaysian taxation	(393)	204	(2,104)	(703)
- Foreign taxation	-	-	7,682	-
Deferred taxation	(24)	(85)	(24)	(274)
Total	<u>2,730</u>	<u>1,597</u>	<u>12,163</u>	<u>4,585</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 27 November 2012, the Company announced that it proposes to undertake the following Proposals:

- (a) Proposed Capital Restructuring comprising:
 - 1. Proposed reduction of RM0.90 of the par value of each existing ordinary share of RM1.00 each in MAS pursuant to Section 64 of the Act ("Proposed Par Value Reduction"); and
 - 2. Proposed reduction of the share premium account of MAS pursuant to Sections 64 and 60 of the Act;
 - (b) Proposed Renounceable Rights Issue of new ordinary shares of RM0.10 each in MAS to raise gross proceeds of up to RM3,100 million after the Proposed Capital Restructuring; and
 - (c) Proposed amendment to the Memorandum and Articles of Association of MAS ("M&A") to facilitate the implementation of the Proposed Par Value Reduction.
- (Collectively Referred to as "Proposals")

The Proposals' application has been submitted to Bursa Malaysia Securities Berhad ("Bursa") on 5 December 2012. On 18 December 2012, Bursa has approved the listing and quotation subject to the following conditions:

- (a) MAS and its adviser must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa pertaining to the implementation of the Proposals;
- (b) MAS and its adviser to inform Bursa upon the completion of the Proposals;
- (c) MAS to furnish Bursa with a written confirmation of its compliance with the terms and conditions of Bursa's approval once the Proposals are completed;
- (d) MAS to furnish Bursa with a certified true copy of the resolution passed by shareholders at extraordinary general meeting for the Proposals;
- (e) Payment of the balance of the processing fees together with a detailed computation of processing fees payable; and
- (f) Confirmation from the principal adviser that the Company complies with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements and a certificate of distribution of the shares in the format contained in Part B(1)(d) of Annexure Practice Note 21-A of the Listing Requirements.

On 7 January 2013, the Company made application for an extension until 14 February 2013 to issue circular in relation to the Proposals to shareholders. On 15 January 2013, approval has been received for the extension. On 6 February 2013, the circular was issued.

On 5 March 2013, an Extraordinary General Meeting ("EGM") was held in Kelana Jaya to announce that the holder of the ordinary shares present and voting have passed all resolutions to approve the above Proposals.

On 21 March 2013, the Company had presented to the High Court of Malaya at Kuala Lumpur ("High Court") a petition filed to obtain sanction of the High Court for the Proposed Capital Restructuring approved by the shareholders of MAS at its EGM held on 5 March 2013.

On 9 April 2013, MAS obtained the sanction through Court Order from the High Court. The Proposed Capital Restructuring took effect on 11 April 2013 with the lodgment of the Court Order with the Companies Commission of Malaysia. Pursuant to the Par Value Reduction, the par value of each existing ordinary share in MAS has been reduced from RM1.00 to RM0.10 each.

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

9. CORPORATE PROPOSALS (CONTINUED)

On 11 April 2013, the Board of Directors of the Company had fixed the Issue Price and Entitlement Basis for the Proposed Renounceable Rights Issue of new ordinary shares of RM0.10 each (Rights Share) as follows:

- (a) the issue price is RM0.23 per Rights Share; and
- (b) the Entitlement Basis is 4 Rights Shares for every 1 existing Share held by MAS' shareholders whose names appear on MAS' Record of Depositors as at 5.00pm on 6 May 2013.

The Rights Issue will result in the issuance of up to 13,368,624,960 Rights Shares and will raise gross proceeds of up to RM3,074.8 million.

On 6 May 2013, the Abridged Prospectus was registered with the Securities Commission and lodged with the Companies Commission of Malaysia.

On 27 May 2013, the Company announced, as at close of acceptance for the Rights Issue at 5.00 p.m. on 21 May 2013, the Company had received valid acceptance and excess application for a total of 18,918,342,071 Rights Shares. This represents an over-subscription of 41.15% over the total number of Rights Shares available under the Rights Issue. Accordingly, 85,437,020 excess Rights Shares will be allotted pursuant to excess applications in accordance with the basis as stated in the Abridged Prospectus.

On 5 June 2013, the Rights Issue was completed following the listing and quotation for 13,368,624,960 Rights Shares.

There were no other corporate proposals made during the financial period ended 30 September 2013.

10. GROUP BORROWINGS

	As at 30/09/2013 RM '000	As at 31/12/2012 RM '000 (Audited)
(i) Short term borrowings		
Unsecured		
- Revolving Credit	637,147	628,902
- Term Loan	125,000	175,000
Secured		
- Term Loan	189,932	104,500
- Finance Lease	639,776	549,835
	<u>1,591,855</u>	<u>1,458,237</u>
(ii) Long term borrowings		
Unsecured		
- Term Loan	439,754	510,057
Secured		
- Term Loan	6,451,734	4,133,246
- Finance Lease	3,362,360	3,446,990
	<u>10,253,848</u>	<u>8,090,293</u>
Total	<u>11,845,703</u>	<u>9,548,530</u>
(iii) Currency denominations		
Ringgit Malaysia	6,848,956	5,046,369
US Dollars	4,255,557	3,779,999
Japanese Yen	741,190	722,162
	<u>11,845,703</u>	<u>9,548,530</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 30/09/2013 Barrels 'Mil	Fair Value as at 30/09/2013 Assets/ (Liabilities) RM 'Mil
(i) Fuel Hedging Contracts		
Less than 1 year	2.0	39.6
1 year to 3 years	0.6	-
	<u>2.6</u>	<u>39.6</u>
(iii) Interest Rate Hedging Contracts		
	RM 'Mil	
Less than 1 year	581.1	(4.5)
1 year to 3 years	261.5	(1.6)
More than 3 years	888.6	7.4
	<u>1,731.1</u>	<u>1.3</u>
Total		<u>40.9</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.

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 30 September 2013					
Realised (losses)/profit	(1,273,334)	46,930	(104,946)	209,329	(1,122,021)
Unrealised profit/(losses)	5,428	(14,436)	(321)	-	(9,329)
	<u>(1,267,906)</u>	<u>32,494</u>	<u>(105,267)</u>	<u>209,329</u>	<u>(1,131,350)</u>
As at 31 December 2012					
Realised (losses)/profit	(8,557,191)	6,952	(76,082)	200,574	(8,425,747)
Unrealised profit/(losses)	191,822	(2,143)	(40)	-	189,639
	<u>(8,365,369)</u>	<u>4,809</u>	<u>(76,122)</u>	<u>200,574</u>	<u>(8,236,108)</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.

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

13. MATERIAL LITIGATION

- (a) (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.

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 defense agreement with the other defendants. The court also dismissed portions of the claims relating to flights originating in Asia on the basis of lack of jurisdiction. These rulings have, according to the Company's US lawyers, significantly reduced the potential amount of claims. The Company is settling the claim for the amount of USD950,000. This is subject to Court approval.

An initial settlement payment has been made to the plaintiffs in the amount USD475,000 on 16 September 2013. A second payment of the same amount will be due end of November 2013.

(b) 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 ("Commerce Commission") in relation to its air freight investigation under Section 27 of the New Zealand Commerce Act.

On 31 January 2013, the Company and the Company's wholly owned cargo subsidiary Malaysia Airlines Cargo Sdn. Bhd. ("MASkargo") entered into a confidential settlement agreement ("Settlement Agreement") with the Commerce Commission in relation to the proceedings. Following entry into the Settlement Agreement, the proceedings were discontinued against the Company on 19 February 2013 and the Company has made no admission of liability in relation to the proceedings and MASkargo was added as a second defendant to the proceedings on 15 February 2013 and made certain limited admissions in relation to the proceedings.

A hearing was held in the New Zealand High Court ("Court") in relation to the penalty to be imposed against MASkargo in relation to the proceedings on 19 February 2013, and a judgement was issued on 22 April 2013. The Court has ordered in the judgement that MASkargo pays a penalty of NZD2.6 million plus contribution towards Commerce Commission's costs of NZD0.7 million, payable in four instalments over 18 months. This represents a settlement of approximately RM8.4 million (applying the exchange rate of NZD1=RM2.564) in total, with payment guaranteed by MAS.

(c) Notice of Proposed Decision by the Competition Commission of Malaysia

The Company has on 6 September 2013 been served with a Notice of Proposed Decision by the Competition Commission of Malaysia ("MyCC") pursuant to Section 36 of the Competition Act 2010.

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

13. MATERIAL LITIGATION (CONTINUED)

(c) Notice of Proposed Decision by the Competition Commission of Malaysia (continued)

The decision is premised on an alleged breach by the Company of Section 4(2)(b) of the Competition Act 2010 in entering into the Comprehensive Collaboration Framework of 9 August 2011, an agreement that allegedly has as its object the sharing of markets in air transport services sector within Malaysia. The particular routes under scrutiny were the Kuala Lumpur-Kuching, Kuala Lumpur-Kota Kinabalu, Kuala Lumpur-Sandakan and Kuala Lumpur-Sibu routes.

As further provided under the Competition Act, a proposed financial penalty of RM10 million has been imposed on the Company on the alleged infringement.

The Company has submitted its written representation to the MyCC on 17 October 2013 and MyCC has informed the Company that the date for the oral representation is to be held on 14 and 15 January 2014.

14. DIVIDENDS

The directors do not recommend any dividend for the financial period ended 30 September 2013.

15. (LOSS)/EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2013	30/09/2012	30/09/2013	30/09/2012

(a) Basic (loss)/earnings per share

(Loss)/Profit attributable to equity holders of the Company (RM'000)	(375,440)	37,084	(830,247)	(483,957)
Weighted average number of ordinary shares in issue ('000)	16,710,781	7,102,082	12,440,248	7,102,082
(Loss)/Earnings per share (sen)	<u>(2.25)</u>	<u>0.52</u>	<u>(6.67)</u>	<u>(6.81)</u>

(Loss)/Earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period ended 30 September 2013. For the comparative quarter and period ended 30 September 2012, the basic earnings/(loss) per share is restated in accordance with MFRS 133 - Earnings Per Share.

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

15. (LOSS)/EARNINGS PER SHARE (CONTINUED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2013	Quarter ended 30/09/2012	Period ended 30/09/2013	Period ended 30/09/2012
(b) Diluted (loss)/earnings per share				
Diluted (loss)/profit attributable to equity holders of the Company (RM'000)	(375,440)	37,084	(830,247)	(483,957)
Weighted average number of ordinary shares in issue and issuable ('000)	16,710,781	7,102,082	12,440,248	7,102,082
Diluted (loss)/earnings per share (sen)	<u>(2.25)</u>	<u>0.52</u>	<u>(6.67)</u>	<u>(6.81)</u>

The Company does not have any potential dilutive ordinary shares as at current reporting date.

For the comparative period, the diluted earnings/(loss) per share was calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue and issuable during the financial period ended 30 September 2012.

RCPS has not been included in the calculation of diluted earnings/(loss) per shares for the financial period ended 30 September 2012 because they were antidilutive.

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 18 November 2013.

By Order of the Board

Rizani bin Hassan (LS 0009520)
Company Secretary
Selangor Darul Ehsan
18 November 2013

PART C - ADDITIONAL INFORMATION

1. SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended ended 30/09/2013 RM '000	Quarter ended 30/09/2012 RM '000	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
(a) Revenue	3,906,309	3,474,318	11,224,523	9,890,080
(b) Earnings Before Interest, Taxation, Depreciation & Amortisation	52,435	153,601	320,285	19,153
(c) (Loss)/Profit before taxation	(370,508)	39,103	(814,852)	(477,962)
(d) (Loss)/Profit for the period	(373,238)	37,506	(827,015)	(482,547)
(e) (Loss)/Profit attributable to ordinary equity holders of the Company	(375,440)	37,084	(830,247)	(483,957)
(f) Basic (loss)/earnings per share (sen)	(2.25)	0.52	(6.67)	(6.81)
Diluted (loss)/earnings per share (sen)	(2.25)	0.52	(6.67)	(6.81)

	AS AT 30/09/2013	AS AT 31/12/2012 (Audited)
(a) Net assets per share attributable to ordinary equity holders of the Company (RM)	0.26	0.64

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2013 RM '000	Quarter ended 30/09/2012 RM '000	Period ended 30/09/2013 RM '000	Period ended 30/09/2012 RM '000
(a) Interest income	42,513	6,552	85,998	18,609
(b) Finance costs	(121,160)	(49,880)	(331,475)	(157,254)