

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2007

	Note	3 months ended	
		31.3.2007 RM'000 unaudited	31.3.2006 RM'000 unaudited
Revenue		332,049	313,763
Other income		19,872	18,205
Negative goodwill recognised in income statement		-	380
Changes in inventories		6,178	(2,011)
Purchases of inventories		(39,838)	(25,472)
Staff costs		(65,108)	(56,603)
Depreciation and amortisation		(31,504)	(25,345)
Other expenses		(127,405)	(139,262)
Finance costs		(1,375)	(1,450)
Share of results of associated companies		1,202	969
Profit before taxation		94,071	83,174
Taxation	20	<u>(22,774)</u>	<u>(21,968)</u>
Profit for the period		<u>71,297</u>	<u>61,206</u>
Attributable to:			
Equity holders of the parent		71,253	61,032
Minority interest		44	174
		<u>71,297</u>	<u>61,206</u>
Earnings per share attributable to equity			
holders of the parent (sen) - basic	28	<u>6.48</u>	<u>5.55</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2007

	Note	31.3.2007 RM'000 unaudited	31.12.2006 RM'000 audited
ASSETS			
Non-current Assets			
Property, plant and equipment		1,726,502	1,713,233
Prepaid land lease payments	2	8,364	8,394
Concession rights		1,213,859	1,221,128
Investment in associates		31,293	30,091
Trade receivables		4,792	6,073
Other investments		130,316	133,755
Staff loans		30,487	30,345
Deferred tax assets		748	748
		<u>3,146,361</u>	<u>3,143,767</u>
Current Assets			
Inventories		53,951	49,014
Trade receivables		247,182	221,024
Other receivables		127,545	136,113
Marketable securities	22	34	41
Cash and bank balances		682,727	781,782
		<u>1,111,439</u>	<u>1,187,974</u>
TOTAL ASSETS		<u>4,257,800</u>	<u>4,331,741</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,100,000	1,100,000
Share premium		822,744	822,744
Retained earnings		943,314	872,061
		<u>2,866,058</u>	<u>2,794,805</u>
Minority interest		3,257	3,213
Total equity		<u>2,869,315</u>	<u>2,798,018</u>
Non-current liabilities			
Retirement benefits obligations		55,071	55,002
Provision for pension funds		34,352	34,352
Other financial liability		16,100	16,238
Borrowings		7,548	9,065
Deferred tax liabilities		14,508	14,508
		<u>127,579</u>	<u>129,165</u>

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CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2007 (CONTD.)

	31.3.2007	31.12.2006
	RM'000	RM'000
	unaudited	audited
Current Liabilities		
Retirement benefits obligations	1,970	2,626
Borrowings	106,054	106,049
Trade payables	63,542	116,712
Concession fees payable	826,680	826,680
Other payables	221,585	317,185
Income Tax payable	41,075	35,306
	<hr/>	<hr/>
	1,260,906	1,404,558
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	4,257,800	4,331,741

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST MARCH 2007

	← Attributable to equity holders of the parent →				Minority interest	Total equity
	Non-distributable		Distributable			
	Share Capital	Share Premium	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2006	1,100,000	822,744	733,411	2,656,155	-	2,656,155
Acquisition of subsidiary	-	-	-	-	3,014	3,014
Profit for the year	-	-	170,330	170,330	537	170,867
Dividends paid	-	-	(31,680)	(31,680)	-	(31,680)
Dividends paid to minority interests	-	-	-	-	(338)	(338)
At 31 December 2006	1,100,000	822,744	872,061	2,794,805	3,213	2,798,018
At 1 January 2007	1,100,000	822,744	872,061	2,794,805	3,213	2,798,018
Profit for the period	-	-	71,253	71,253	44	71,297
Dividends paid	-	-	-	-	-	-
At 31 March 2007	1,100,000	822,744	943,314	2,866,058	3,257	2,869,315

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2007

	3 months ended	
	31.3.2007	31.3.2006
	RM'000	RM'000
	unaudited	unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	94,071	83,174
Adjustments for:		
Depreciation	24,235	18,076
Amortisation of concession rights	7,269	7,269
Amortisation of premium on investments	50	89
Interest expense	1,375	1,450
Provision for doubtful debts	7,673	2,073
Provision for retirement benefits	-	30
Property, plant and equipment written off	4	-
Provision for doubtful debts written back	(998)	(1,625)
Interest income	(6,372)	(4,789)
Investment income	(361)	-
Share of results of associated companies	(1,202)	(969)
Negative goodwill recognised in income statement	-	(380)
Gain on disposal of investments	(904)	-
Provision for diminution in value of investments	10	-
Provision for diminution in value of investments no longer required	-	(9)
Bad debt recovered	-	(3)
Accretion of discount in investments	(1)	(1)
Operating profit before working capital changes	124,849	104,385
Increase in inventories	(4,938)	(2,707)
Increase/Decrease in receivables	(22,924)	11,061
Decrease in payables	(147,518)	(18,458)
Cash flow generated from operations	(50,531)	94,281
Income tax paid	(17,005)	(16,026)
Lease rental paid to GoM	(1,250)	(1,250)
Retirement benefits paid	(587)	(899)
Net cash flow generated from operating activities	(69,373)	76,106

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2007 (CONTD.)

	3 months ended	
	31.3.2007	31.3.2006
	RM'000	RM'000
	unaudited	unaudited
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,480)	(21,908)
Proceeds from disposal of property, plant and equipment	1	-
Purchase of other investments	(361)	-
Proceeds from disposal of investments	4,513	-
Acquisition of a subsidiary*	-	2,447
Net disbursement of staff loans	(201)	(127)
Interest received	6,372	4,789
Investment income received	361	-
Net cash flow used in investing activities	<u>(26,795)</u>	<u>(14,799)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,375)	(1,450)
Repayment of term loans	(1,500)	(1,500)
Repayment of hire purchase	(12)	(12)
Net cash flow used in financing activities	<u>(2,887)</u>	<u>(2,962)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(99,055)	58,345
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF FINANCIAL PERIOD	<u>781,782</u>	<u>561,321</u>
CASH AND CASH EQUIVALENTS AT END		
OF FINANCIAL PERIOD	<u>682,727</u>	<u>619,666</u>
CASH AND CASH EQUIVALENTS COMPRISE		
Cash and bank balances	95,705	89,826
Short term deposits	<u>587,022</u>	<u>529,840</u>
	<u>682,727</u>	<u>619,666</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2007 (CONTD.)

*In 2006, the Group acquired a subsidiary; Urusan Teknologi Wawasan Sdn. Bhd. The net cash inflow on acquisition is as follows:

	3 months ended
	31.3.2006
	RM'000
	unaudited
Total purchase consideration	2,754
Less: Cash of Urusan Teknologi Wawasan Sdn. Bhd. acquired	<u>(5,201)</u>
Cash flow on acquisition, net of cash acquired	<u>(2,447)</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS119 ₂₀₀₄	Employee Benefits

The adoption of FRS 124 and FRS 119₂₀₀₄ does not have significant financial impact on the Group's accounts. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRS 117 are discussed below:

FRS 117: Leases

The adoption of FRS 117 has affected the presentation of leasehold land which is now required to be presented as prepaid land lease payment as a separate item under non-current assets and are amortised on a straight line basis over the lease terms.

3. COMPARATIVES

The following comparative amounts have been restated due to the adoption of a new FRS:

	Previously stated RM'000	Adjustment FRS 117 RM'000	Restated RM'000
At 31 December 2006			
Property, plant and equipment	1,721,627	(8,394)	1,713,233
Prepaid land lease payments	-	8,394	8,394

4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

5. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The core airport services and retail business of the Group were not materially affected by any seasonality or cyclicity during the financial quarter under review.

However, the event management business of the Group is dependent upon the calendar of the organisation of major motor sport events at Sepang F1 Circuit.

6. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date except as disclosed in Note 2.

MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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7. SEGMENTAL INFORMATION

	Airport services RM'000	Retail RM'000	Event management RM'000	Project & repair and maintenance RM'000	Hotel RM'000	Agriculture & horticulture RM'000	Auction RM'000	Others RM'000	Consolidation RM'000	TOTAL RM'000
Segment Revenue										
External	201,604	69,348	36,198	3,915	12,820	6,720	1,444	-	-	332,049
Internal	24,294	239	1,150	23,989	170	878	-	-	(50,720)	-
	<u>225,898</u>	<u>69,587</u>	<u>37,348</u>	<u>27,904</u>	<u>12,990</u>	<u>7,598</u>	<u>1,444</u>	<u>-</u>	<u>(50,720)</u>	<u>332,049</u>
Segment Results										
Profits from operations	97,589	5,931	14,013	3,503	3,095	1,888	122	(1,182)	789	125,748
Depreciation and amortisation	(25,146)	(270)	(496)	(235)	(3,811)	(840)	(84)	(622)	-	(31,504)
Finance costs	-	-	-	(4)	-	-	-	(1,371)	-	(1,375)
Share of associate company	1,202	-	-	-	-	-	-	-	-	1,202
Profit before taxation	<u>73,645</u>	<u>5,661</u>	<u>13,517</u>	<u>3,264</u>	<u>(716)</u>	<u>1,048</u>	<u>38</u>	<u>(3,175)</u>	<u>789</u>	<u>94,071</u>

8. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

9. DEBT AND EQUITY SECURITIES

The Group made a RM1.5 million repayment in long term and short-term unsecured borrowings during the financial quarter under review. Save for the foregoing, there were no issuance and repayment of debts and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares during the financial quarter under review.

10. DIVIDENDS PAID

There were no dividends paid or declared during the financial quarter under review.

11. CARRYING AMOUNT OF REVALUED ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial quarter under review.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2006.

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14. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at 31 March 2007 were as follows:

	Due year 2007 RM'000	Due year 2008 to 2011 RM'000	Due year 2012 to 2022 RM'000	Due year 2023 to 2048 RM'000	Total RM'000
(i) Approved and contracted for:					
Lease rental payable to the GoM for all airports managed other than KLIA	3,750	20,000	55,000	-	78,750
Fixed lease rental payable to the GoM in respect of KLIA (Note (a))	356,652	298,070	1,107,410	5,601,500	7,363,632
Capital expenditure	<u>177,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,094</u>
	<u>537,496</u>	<u>318,070</u>	<u>1,162,410</u>	<u>5,601,500</u>	<u>7,619,476</u>
(ii) Approved but not contracted for:					
Capital expenditure	<u>342,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,551</u>
	<u>880,047</u>	<u>318,070</u>	<u>1,162,410</u>	<u>5,601,500</u>	<u>7,962,027</u>

Note (a)

The government (GoM) has agreed that the lease rental payable from 2004 be temporarily suspended until the Group's negotiations with GoM to restructure its obligations are formalised. The commitment disclosed due in the year 2007 is in relation to the fixed payment amount since the effective commencement year 2004, which remains unpaid to-date.

15. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the financial quarter under review.

16. PERFORMANCE REVIEW

	3 months ended	
	31.3.2007 RM'000 unaudited	31.3.2006 RM'000 unaudited
Revenue	332,049	313,763
Profit before taxation	94,071	83,174

The consolidated revenue of the Group for the financial quarter under review was higher by 5.83% as compared to the corresponding quarter last year mainly due to the overall higher revenue achieved in all segments except for event management and auction. The profit before taxation of the financial quarter under review was higher by 13.1% as compared to corresponding quarter last year mainly due to the opening of LCCT-KLIA end of March 2006 and new Passenger Security Service Charges (PSSC) charged to passenger effective from 15th January 2007.

17. MATERIAL CHANGE IN PROFIT BEFORE TAXATION OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER

	3 months ended	
	31.3.2007	31.12.2006
	RM'000	RM'000
	unaudited	audited
Revenue	332,049	298,362
Profit before taxation	94,071	75,118

The consolidated revenue of the Group during the financial quarter under review was 11.29% higher than the immediate preceding quarter. The increase was mainly due to revenue derived from Formula One tickets sales and the new Passenger Security Service Charges (PSSC) revenue charged to passengers effective from 15th January 2007.

The profit before taxation increased by 25.23% mainly due to revenue from PSSC as explained above and higher operating cost incurred during the immediate preceding quarter.

18. COMMENTARY ON PROSPECTS

The Group expects the airport services business segment to continue to contribute significantly to the consolidated revenue of the Group for the current financial year. Therefore, revenue stream of the Group would be highly dependent on the passenger movements at the airports operated by the Group. Barring adverse circumstances on the propensity for air travel, the Group expects to register a growth in the passenger movements for the current financial year especially considering it is Visit Malaysia Year.

The GoM recently on 23rd May 2007 reduced PSC in LCCT to RM25 and RM6 for international and domestic passengers respectively. The GoM stated that the rationale behind the changes to the PSC is to encourage domestic and regional air travel and promote tourism. MAHB supports the GoM's effort to stimulate the growing low cost travel industry and make Malaysia a hub for low cost air travel for the region. However, the reduction is expected to spur growth which will provide additional revenue to the Group.

Finally, the Group has completed discussions with the GoM on the proposed corporate and financial restructuring of the Group and is awaiting the outcome of the GoM's decision. The Group expects its financial performance for the current financial year to be determined by the outcome of the abovementioned proposal.

19. PROFIT FORECAST

The disclosure requirements for explanatory notes for the variance of actual profit after taxation and minority interest and forecast profit after taxation and minority interest are not applicable.

20. INCOME TAX EXPENSE

	3 months ended	
	31.3.2007	31.3.2006
	RM'000	RM'000
	unaudited	unaudited
Current tax	22,774	21,868
Deferred taxation	-	100
	<u>22,774</u>	<u>21,968</u>

The effective tax rate of the Group for the financial quarter under review is lower than the statutory tax rate due to utilisation of brought forward tax losses and capital allowances by certain subsidiaries.

21. SALE OF PROPERTIES

There were no sales of properties since the last annual balance sheet as at 31 December 2006.

22. INVESTMENTS IN QUOTED SECURITIES

There were no dealings by the Group in quoted securities for the financial quarter under review.

Details of investments in quoted securities are as follows:

	As at
	31.3.2007
	RM'000
At cost	123
At carrying value	34
At market value	34

23. STATUS OF CORPORATE PROPOSALS

Proposed Disposal of Sepang F1 Circuit and Sepang International Circuit Sdn. Bhd. ("Proposed Disposal")

The negotiations on the Proposed Disposal to Minister of Finance (Incorporated) are still on-going. On 16 January 2003, the Company announced that Minister of Finance (Incorporated) had agreed to the following broad terms in relation to the Proposed Disposal:-

- (a) the purchase consideration of RM389.35 million for the Proposed Disposal; and
- (b) the aforesaid purchase consideration shall be settled by way of a set-off against the concession fees due to the GoM pursuant to the Concession Agreement in relation to K.L. International Airport dated 18 October 1999 entered into between Malaysia Airports (Sepang) Sdn. Bhd. and the GoM.

The definitive terms of the Proposed Disposal will be announced once the necessary agreements are finalised and entered into.

24. BORROWINGS AND DEBT SECURITIES

	As at 31.3.2007 RM'000 unaudited	As at 31.12.2006 RM'000 audited
Short term borrowings		
Unsecured:		
Term loans	106,000	106,000
Hire-purchase	54	49
	<u>106,054</u>	<u>106,049</u>
Long term borrowings		
Unsecured:		
Term loans	7,500	9,000
Hire-purchase	48	65
	<u>7,548</u>	<u>9,065</u>
	<u>113,602</u>	<u>115,114</u>

As at the reporting date, the Group has not issued any debt securities.

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 May 2007.

26. CHANGES IN MATERIAL LITIGATION

There are several suits against the Company and its subsidiary companies that are not expected to have a material impact on the financial performance of the Group.

27. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial quarter ended (year ended 31 March 2006: Nil).

28. EARNINGS PER SHARE ("EPS")

Basic EPS

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	3 months ended	
	31.3.2007 RM'000 unaudited	31.3.2006 RM'000 unaudited
Profit attributable to equity holders of the parent	71,253	61,032
Weighted average number of ordinary shares in issue ('000)	1,100,000	1,100,000
Basic EPS (sen)	<u>6.48</u>	<u>5.55</u>

29. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

BY ORDER OF THE BOARD

Sabarina Laila Mohd Hashim
Company Secretary
Subang
31 May 2007.