



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

CONDENSED CONSOLIDATED INCOMESTATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to date	Preceding Year Corresponding Period
	Note 30.06.2007 RM'000	30.06.2006 RM'000	30.06.2007 RM'000	30.06.2006 RM'000
Revenue	341,681	285,987	673,730	599,750
Other income	21,282	14,488	41,154	32,693
Negative goodwill recognised in income statement	-	-	-	380
Changes in inventories	3,081	9,126	9,259	7,115
Purchases of inventories	(37,587)	(38,680)	(77,425)	(64,152)
Staff costs	(75,333)	(69,523)	(140,441)	(128,234)
Depreciation and amortisation	(40,985)	(24,750)	(72,489)	(50,095)
Other expenses	(130,087)	(124,688)	(257,492)	(261,842)
Finance costs	(1,518)	(1,600)	(2,893)	(3,050)
Share of results of associated companies	845	1,611	2,047	2,580
Profit before taxation	81,379	51,971	175,450	135,145
Taxation	20 (25,404)	(20,682)	(48,178)	(42,650)
Profit for the period	<u>55,975</u>	<u>31,289</u>	<u>127,272</u>	<u>92,495</u>
Attributable to:				
Equity holders of the parent	55,848	31,210	127,101	92,242
Minority interest	127	79	171	253
	<u>55,975</u>	<u>31,289</u>	<u>127,272</u>	<u>92,495</u>
Earnings per share attributable to equity holders of the parent (sen) - basic	28 5.08	2.84	11.55	8.39

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)
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CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2007

	Note	30.06.2007 RM'000 unaudited	31.12.2006 RM'000 audited
ASSETS			
Non-current Assets			
Property, plant and equipment		1,739,146	1,713,233
Prepaid land lease payments	2	8,334	8,394
Concession rights		1,206,590	1,221,128
Investment in associates		32,138	30,091
Trade receivables		2,240	6,073
Other investments		132,673	133,755
Staff loans		30,276	30,345
Deferred tax assets		748	748
		<u>3,152,145</u>	<u>3,143,767</u>
Current Assets			
Inventories		65,777	49,014
Trade receivables		313,585	221,024
Other receivables		107,004	136,113
Marketable securities	22	35	41
Cash and bank balances		618,680	781,782
		<u>1,105,081</u>	<u>1,187,974</u>
TOTAL ASSETS		<u>4,257,226</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		999,162	872,061
		<u>2,921,906</u>	<u>2,794,805</u>
Minority interest		3,384	3,213
Total equity		<u>2,925,290</u>	<u>2,798,018</u>
Non-current liabilities			
Retirement benefits obligations		54,918	55,002
Provision for pension funds		34,352	34,352
Other financial liability		15,916	16,238
Borrowings		6,044	9,065
Deferred tax liabilities		14,508	14,508
		<u>125,738</u>	<u>129,165</u>



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CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007 (CONTD.)

	30.06.2007	31.12.2006
	RM'000	RM'000
	unaudited	audited
Current Liabilities		
Retirement benefits obligations	2,716	2,626
Borrowings	6,051	106,049
Trade payables	74,839	116,712
Concession fees payable	826,680	826,680
Other payables	249,434	317,185
Income Tax payable	46,478	35,306
	<u>1,206,198</u>	<u>1,404,558</u>
TOTAL EQUITY AND LIABILITIES	<u>4,257,226</u>	<u>4,331,741</u>

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)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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	-	-	127,101	127,101	171	127,272
Dividends paid	-	-	-	-	-	-
As at 30 June 2007	1,100,000	822,744	999,162	2,921,906	3,384	2,925,290

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)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007

	CUMULATIVE QUARTER	
	30.06.2007	30.06.2006
	RM'000	RM'000
	unaudited	unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	175,450	135,145
Adjustments for:		
Depreciation	57,952	35,558
Amortisation of concession rights	14,537	14,537
Amortisation of premium on investments	101	177
Interest expense	2,893	3,050
Provision for doubtful debts	13,279	1,937
Provision for retirement benefits	-	1,227
Property, plant and equipment written off	5	100
Provision for doubtful debts written back	(2,009)	(2,525)
Interest income	(13,726)	(10,757)
Investment income	(724)	-
Share of results of associated companies	(2,047)	(2,580)
Negative goodwill recognised in income statement	-	(380)
Gain on disposal of investments	(904)	(364)
Provision for diminution in value of investments	6	-
Provision for diminution in value of investments no longer required	-	(5)
Bad debt recovered	(1,333)	-
Accretion of discount in investments	(1)	(1)
Operating profit before working capital changes	243,479	175,119
Increase in inventories	(16,765)	(8,100)
(Increase)/Decrease in receivables	(69,504)	19,998
(Decrease)/Increase in payables	(107,127)	11,416
Cash flow generated from operations	50,083	198,433
Income tax paid	(37,005)	(33,392)
Lease rental paid to GoM	(2,500)	(2,500)
Retirement benefits paid	6	(1,885)
Net cash flow generated from operating activities	10,584	160,656



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007 (CONTD.)

	CUMULATIVE QUARTER	
	30.06.2007	30.06.2006
	RM'000	RM'000
	unaudited	unaudited
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(83,812)	(39,514)
Proceeds from disposal of property, plant and equipment	1	-
Purchase of other investments	(2,946)	(44,422)
Proceeds from disposal of investments	4,513	5,386
Acquisition of a subsidiary*	-	2,447
Net disbursement of staff loans	19	(273)
Interest received	13,726	10,757
Investment income received	724	-
Net cash flow used in investing activities	<u>(67,775)</u>	<u>(65,619)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,893)	(3,050)
Repayment of term loans	(103,000)	(3,000)
Repayment of hire purchase	(18)	(28)
Net cash flow used in financing activities	<u>(105,911)</u>	<u>(6,078)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(163,102)	88,959
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>618,680</u>	<u>650,280</u>
CASH AND CASH EQUIVALENTS COMPRISE		
Cash and bank balances	98,297	62,095
Short term deposits	520,383	588,185
	<u>618,680</u>	<u>650,280</u>



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

	30.06.2006
	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
FRS 119 ₂₀₀₄	Employee Benefits

The adoption of FRS 124 and FRS 119₂₀₀₄ do 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



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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.



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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	415,732	139,694	61,348	8,299	27,945	18,383	2,329	-	-	673,730
Internal	48,073	239	1,245	45,331	974	1,762	-	-	(97,624)	-
	463,805	139,933	62,593	53,630	28,919	20,145	2,329	-	(97,624)	673,730
Segment Results										
Profits from operations	198,780	11,574	18,776	8,387	8,733	8,415	(245)	(4,507)	(1,127)	248,785
Depreciation and amortisation	(59,744)	(568)	(999)	(432)	(7,675)	(1,679)	(169)	(1,223)	-	(72,489)
Finance costs	-	-	-	(8)	-	-	-	(2,885)	-	(2,893)
Share of associate company	2,047	-	-	-	-	-	-	-	-	2,047
Profit before taxation	141,083	11,006	17,777	7,947	1,058	6,736	(414)	(8,615)	(1,127)	175,450



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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 RM101.5 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 30 June 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	2,500	20,000	55,000	-	77,500
Fixed lease rental payable to the GoM in respect of KLIA (Note (a))	254,790	298,070	1,107,410	5,601,500	7,261,770
Capital expenditure	187,818	-	-	-	187,818
	<u>445,108</u>	<u>318,070</u>	<u>1,162,410</u>	<u>5,601,500</u>	<u>7,527,088</u>
(ii) Approved but not contracted for:					
Capital expenditure	277,985	-	-	-	277,985
	<u>723,093</u>	<u>318,070</u>	<u>1,162,410</u>	<u>5,601,500</u>	<u>7,805,073</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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM'000	Preceding Year Corresponding Quarter 30.06.2006 RM'000	Current Year to date 30.06.2007 RM'000	Preceding Year Corresponding Period 30.06.2006 RM'000
Revenue	341,681	285,987	673,730	599,750
Profit before taxation	81,379	51,971	175,450	135,145



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16. PERFORMANCE REVIEW (Cont.)

The consolidated revenue of the Group for the financial quarter under review and financial year-to-date was higher than the corresponding period last year by 19.47% and 12.34% respectively mainly due to the overall higher revenue achieved in all segments except for auction. The passenger movements for the financial quarter under review and financial year-to-date improved as compared to the corresponding period last year by 6.97% and 2.56% respectively. The profit before tax of the financial quarter under review and financial year-to-date were also higher as compared to the corresponding period last year by 56.59% and 29.82% respectively. The improvement was derived from the new Passenger Security Surcharges (PSSC) imposed on passengers effective 15th January 2007, revenue from 6 months operations of LCCT in 2007 as compared to 3 months in 2006 and the higher passenger numbers.

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

INDIVIDUAL QUARTER

	Current Year Quarter 30.06.2007 RM'000	Immediate Preceding Quarter 31.03.2007 RM'000
Revenue	341,681	332,049
Profit before taxation	81,379	94,071

The consolidated revenue of the Group during the financial quarter under review was 2.90% higher than the immediate preceding quarter. This was mainly due to the higher revenue achieved in airport services and agriculture segments. The passenger movements for the financial quarter under review improved by 7.58% as compared to the immediate preceding quarter. However, the profit before tax of the Group for the financial quarter under review was 13.49% lower than the preceding financial quarter mainly due to the increase in depreciation expenses.

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 on 23rd May 2007 reduced PSC in LCCT to RM25 and RM6 for international and domestic passengers respectively effective 1st June 2007. 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. This 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.



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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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM'000	Preceding Year Corresponding Quarter 30.06.2006 RM'000	Current Year to date 30.06.2007 RM'000	Preceding Year Corresponding Period 30.06.2006 RM'000
Current tax	25,404	20,582	48,178	42,550
Deferred taxation	-	100	-	100
	<u>25,404</u>	<u>20,682</u>	<u>48,178</u>	<u>42,650</u>

The effective tax rates of the Group for the financial quarter under review and financial year-to-date were higher than the statutory tax rate due to certain expenses which are not deductible for tax purposes.

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 30.06.2007 RM'000
At cost	123
At carrying value	35
At market value	35



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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 30.06.2007 RM'000 unaudited	As at 31.12.2006 RM'000 audited
Short term borrowings		
Unsecured:		
Term loans	6,000	106,000
Hire-purchase	51	49
	6,051	106,049
Long term borrowings		
Unsecured:		
Term loans	6,000	9,000
Hire-purchase	44	65
	6,044	9,065
	12,095	115,114

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 30 August 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 30 June 2007 (quarter ended 30 June 2006: Nil).



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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.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM'000	Preceding Year Corresponding Quarter 30.06.2006 RM'000	Current Year to date 30.06.2007 RM'000	Preceding Year Corresponding Period 30.06.2006 RM'000
Profit attributable to equity holders of the parent	55,848	31,210	127,101	92,242
Weighted average number of ordinary shares in issue ('000)	1,100,000	1,100,000	1,100,000	1,100,000
Basic EPS (sen)	5.08	2.84	11.55	8.39

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
 30 August 2007.