



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--------------------|----------------|--------------------|----------------------|
| | | Current Year | Preceding Year | Current Year to | Preceding Year |
| | | Quarter | Corresponding | date | Corresponding Period |
| | | 30.09.08 | 30.09.07 | 30.09.08 | 30.09.07 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 369,107 | 351,001 | 1,151,193 | 1,024,731 |
| Other income | | 22,348 | 25,514 | 65,488 | 66,668 |
| Changes in inventories | | 4,625 | (3,682) | 4,507 | 5,577 |
| Purchases of inventories | | (42,850) | (30,998) | (120,497) | (108,423) |
| Staff costs | | (81,753) | (83,170) | (242,158) | (223,611) |
| Depreciation and amortisation | | (39,338) | (29,628) | (117,448) | (102,117) |
| Other expenses | | (104,097) | (141,301) | (403,986) | (398,793) |
| Finance costs | | (82) | (162) | (227) | (3,055) |
| Share of profit of associate | | 802 | 550 | 2,687 | 2,597 |
| Profit before taxation | | 128,762 | 88,124 | 339,559 | 263,574 |
| Taxation | 19 | (38,694) | (32,462) | (91,337) | (80,640) |
| Profit for the period | | 90,068 | 55,662 | 248,222 | 182,934 |
| Attributable to: | | | | | |
| Equity holders of the parent | | 89,996 | 55,777 | 247,969 | 182,878 |
| Minority interest | | 72 | (115) | 253 | 56 |
| | | 90,068 | 55,662 | 248,222 | 182,934 |
| Earnings per share attributable to equity | | | | | |
| holders of the parent (sen) - basic | 27 | 8.18 | 5.07 | 22.54 | 16.63 |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



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

MALAYSIA AIRPORTS HOLDINGS BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2008

| | 30.09.08 RM'000 unaudited | 31.12.2007 RM'000 audited |
|--|--|--|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 1,752,025 | 1,780,077 |
| Plantation development expenditure | 59,031 | 61,187 |
| Prepaid land lease payments | 8,184 | 8,273 |
| Concession rights | 1,170,248 | 1,192,054 |
| Investment in associate | 27,675 | 25,438 |
| Trade receivables | - | 4,789 |
| Other investments | 297,647 | 106,753 |
| Staff loans | 31,800 | 31,376 |
| Deferred tax assets | 5,539 | 5,539 |
| | <u>3,352,149</u> | <u>3,215,486</u> |
| Current Assets | | |
| Inventories | 67,026 | 56,838 |
| Trade receivables | 331,961 | 369,365 |
| Other receivables | 131,441 | 124,604 |
| Cash and bank balances | 749,381 | 688,657 |
| | <u>1,279,809</u> | <u>1,239,464</u> |
| TOTAL ASSETS | <u>4,631,958</u> | <u>4,454,950</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 | 1,232,319 | 1,096,683 |
| Exchange Reserve | (1,868) | - |
| | <u>3,153,195</u> | <u>3,019,427</u> |
| Minority interest | 3,897 | 3,643 |
| Total equity | <u>3,157,092</u> | <u>3,023,070</u> |



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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2008 (CONTD.)

| | 30.09.08 | 31.12.2007 |
|-------------------------------------|------------------|-------------------|
| | RM'000 | RM'000 |
| | unaudited | audited |
| Non-current liabilities | | |
| Retirement benefits obligations | 53,110 | 54,218 |
| Other financial liability | 172,031 | 15,825 |
| Borrowings | 375 | 3,026 |
| Deferred tax liabilities | 27,799 | 27,799 |
| | <u>253,315</u> | <u>100,868</u> |
| Current Liabilities | | |
| Retirement benefits obligations | 3,264 | 2,772 |
| Borrowings | 4,169 | 6,046 |
| Trade payables | 83,386 | 112,886 |
| Concession fees payable | 826,680 | 826,680 |
| Other payables | 240,652 | 315,783 |
| Income Tax payable | 63,400 | 66,845 |
| | <u>1,221,551</u> | <u>1,331,012</u> |
| Total liabilities | <u>1,474,866</u> | <u>1,431,880</u> |
| TOTAL EQUITY AND LIABILITIES | <u>4,631,958</u> | <u>4,454,950</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 30 SEPTEMBER 2008**

| | ← | | Attributable to equity holders of the parent | | | | → | | Total equity |
|--------------------------------|---------------|---------------|--|--------------------------------------|-------------------|-----------|-------------------|-----------|--------------|
| | Share Capital | Share Premium | Non-distributable | | Distributable | | Minority interest | Total | |
| | | | Share | Foreign Currency Translation Reserve | Retained Earnings | Total | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 1 January 2007 | 1,100,000 | 822,744 | - | - | 872,061 | 2,794,805 | 3,213 | 2,798,018 | |
| Profit for the year | - | - | - | - | 288,862 | 288,862 | 430 | 289,292 | |
| Dividends paid | - | - | - | - | (64,240) | (64,240) | - | (64,240) | |
| At 31 December 2007 | 1,100,000 | 822,744 | - | - | 1,096,683 | 3,019,427 | 3,643 | 3,023,070 | |
| At 1 January 2008 | 1,100,000 | 822,744 | - | - | 1,096,683 | 3,019,427 | 3,643 | 3,023,070 | |
| Profit for the year | - | - | - | - | 247,969 | 247,969 | 253 | 248,222 | |
| Dividends paid | - | - | - | - | (112,332) | (112,332) | - | (112,332) | |
| Foreign currency translation | - | - | (1,868) | (1,868) | - | (1,868) | - | (1,868) | |
| As at 30 September 2008 | 1,100,000 | 822,744 | (1,868) | (1,868) | 1,232,320 | 3,153,196 | 3,896 | 3,157,092 | |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statement



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008

| | CUMULATIVE QUARTER | |
|--|---------------------------|------------------|
| | 30.09.08 | 30.09.07 |
| | RM'000 | RM'000 |
| | unaudited | unaudited |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 339,559 | 263,574 |
| Adjustments for: | | |
| Depreciation | 93,397 | 78,787 |
| Amortisation of plantation development expenditure | 2,156 | 1,435 |
| Amortisation of prepaid lease payments | 89 | 89 |
| Amortisation of concession rights | 21,806 | 21,806 |
| Amortisation of premium on investments | 57 | 152 |
| Interest expense | 227 | 3,055 |
| Provision for (writeback of) doubtful debts | (2,009) | 28,146 |
| Bad debt recovered | (14) | (4,166) |
| Provision for retirement benefits | 2,178 | 2,071 |
| Inventories written off | 25 | 6 |
| Bad debt written off | 7 | - |
| Property, plant and equipment written off | 25 | 84 |
| Movement in provisions | (2) | 7,920 |
| Interest income | (18,750) | (19,442) |
| Investment income | (1,517) | (1,097) |
| Share of results of associated companies | (2,687) | (2,597) |
| Gain on disposal of investments | - | (904) |
| Gain on disposal of property, plant and equipment | (31) | (15) |
| Provision for diminution in value of investments | - | 6 |
| Accretion of discount in investments | - | (2) |
| Operating profit before working capital changes | 434,516 | 378,908 |
| Increase in inventories | (10,212) | (16,447) |
| Decrease/(Increase) in receivables | 37,371 | (110,758) |
| Decrease in payables | (98,580) | (72,138) |
| Cash flow generated from operations | 363,095 | 179,565 |
| Income tax paid | (94,781) | (59,828) |
| Lease rental paid to GoM | (6,050) | (2,500) |
| Retirement benefits paid | (2,794) | (2,038) |
| Net cash flow generated from operating activities | 259,470 | 115,199 |



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (CONT.)

| | 30.09.08 | 30.09.07 |
|---|------------------|------------------|
| | RM'000 | RM'000 |
| | unaudited | unaudited |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (65,371) | (139,395) |
| Proceeds from disposal of property, plant and equipment | 31 | 20 |
| Purchase of other investments | (182,292) | (5,474) |
| Proceeds from disposal of investments | - | 4,513 |
| Net disbursement of staff loans | (422) | (776) |
| Interest received | 18,750 | 19,442 |
| Investment income received | 1,517 | 1,097 |
| Dividend received | 450 | 438 |
| Net cash flow used in investing activities | <u>(227,337)</u> | <u>(120,135)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (227) | (3,055) |
| Repayment of term loans | (4,500) | (104,500) |
| Debentures issued by a subsidiary | 147,542 | - |
| Repayment of hire purchase | (29) | (28) |
| Dividends paid | (112,332) | (32,126) |
| Net cash flow generated from/(used in) financing activities | <u>30,454</u> | <u>(139,709)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 62,587 | (144,645) |
| EFFECTS OF FOREIGN CURRENCY TRANSLATION | (1,863) | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING | | |
| OF FINANCIAL PERIOD | <u>688,657</u> | <u>781,782</u> |
| CASH AND CASH EQUIVALENTS AT END | | |
| OF FINANCIAL PERIOD | <u>749,381</u> | <u>637,137</u> |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Cash and bank balances | 89,194 | 65,460 |
| Short term deposits | 660,187 | 571,677 |
| | <u>749,381</u> | <u>637,137</u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



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

1. BASIS OF PREPARATION

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 2007. 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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") and new Interpretations effective for financial period beginning 1 January 2008:

| | |
|---------------------|---|
| FRS 107 | Cash Flow Statements |
| FRS 111 | Construction Contracts |
| FRS 112 | Income Taxes |
| FRS 118 | Revenue |
| FRS 120 | Accounting for Government Grants and Disclosure of Government Assistance |
| FRS 134 | Interim Financial Reporting |
| FRS 137 | Provisions, Contingent Liabilities and Contingent Assets |
| IC Interpretation 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| IC Interpretation 2 | Members' Shares in Co-operative Entities and Similar Instruments |
| IC Interpretation 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| IC Interpretation 6 | Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment |
| IC Interpretation 7 | Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ - Financial Reporting in Hyperinflationary Economies |
| IC Interpretation 8 | Scope of FRS 2 |

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.



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

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The airport services and retail business of the Group were not materially affected by any seasonality or cyclicity during the current quarter and financial year to date 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.

5. 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.



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

6. SEGMENTAL INFORMATION

| | Airport Operations | | Non-Airport Operations | | | | | TOTAL | | |
|--------------------------------|--------------------|----------------|------------------------|----------------------------------|----------------|----------------------------|--------------|------------------|--------------------|------------------|
| | Airport services | Retail | Event management | Project & repair and maintenance | Hotel | Agriculture & horticulture | Auction | | Others | Consolidation |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | | | | | | | |
| External: | | | | | | | | | | |
| Aeronautical | 488,322 | - | - | - | - | - | - | - | - | 488,322 |
| Non-aeronautical: | | | | | | | | | | |
| Retail | - | 221,339 | - | - | - | - | - | - | - | 221,339 |
| Others | 244,475 | - | 68,900 | 19,352 | 45,840 | 60,728 | 2,237 | - | - | 441,532 |
| Internal | 56,352 | 98 | 914 | 56,595 | 1,397 | 4,055 | - | - | (119,411) | - |
| | <u>789,149</u> | <u>221,437</u> | <u>69,814</u> | <u>75,947</u> | <u>47,237</u> | <u>64,783</u> | <u>2,237</u> | <u>-</u> | <u>(119,411)</u> | <u>1,151,193</u> |
| Segment Results | | | | | | | | | | |
| Profits from operations | 354,389 | 28,752 | 12,507 | 9,724 | 11,998 | 36,063 | 3,767 | (5,275) | 2,620 | 454,547 |
| Depreciation and amortisation | (99,335) | (893) | (1,577) | (681) | (10,658) | (2,511) | (233) | (1,560) | - | (117,448) |
| Finance costs | - | - | - | (9) | - | - | - | (218) | - | (227) |
| Share of profit of associate | 2,687 | - | - | - | - | - | - | - | - | 2,687 |
| Profit before taxation | <u>257,741</u> | <u>27,859</u> | <u>10,930</u> | <u>9,035</u> | <u>1,340</u> | <u>33,552</u> | <u>3,534</u> | <u>(7,053)</u> | <u>2,620</u> | <u>339,559</u> |
| Assets and Liabilities | | | | | | | | | | |
| Segment assets | 6,622,553 | 112,795 | 147,791 | 123,388 | 130,589 | 80,880 | 7,483 | 4,444,396 | (7,037,945) | 4,631,930 |
| Investment in associates | 28 | - | - | - | - | - | - | - | - | 28 |
| Total assets | <u>6,622,581</u> | <u>112,795</u> | <u>147,791</u> | <u>123,388</u> | <u>130,589</u> | <u>80,880</u> | <u>7,483</u> | <u>4,444,396</u> | <u>(7,037,945)</u> | <u>4,631,958</u> |
| Segment liabilities | | | | | | | | | | |
| Representing total liabilities | 4,359,894 | 28,712 | 148,002 | 54,618 | 29,872 | 31,863 | 3,498 | 2,003,919 | (5,185,512) | 1,474,866 |



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

7. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter and financial year to date results.

8. DEBT AND EQUITY SECURITIES

During the current quarter and financial year to date under review, the Group made a repayment in long term and short-term unsecured borrowings of RM1.5 million and RM4.5 million respectively.

During the financial year to date, a foreign subsidiary has issued fully paid debenture units of USD1.00 each of 45,120,000. Interest on the debentures are payable upon the realisation of dividends from other investment held by the foreign subsidiary. The debentures have a 10-year period and the debenture holders have the rights to redeem the debenture at the nominal value and debentures may be converted to ordinary shares issued by the foreign subsidiary.

Save for the foregoing, there were no other 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 current quarter and financial year to date under review.

9. DIVIDENDS PAID

The final dividend of 13.80 sen per share less income tax of 26% on 1,100,000,000 ordinary shares in respect of the financial year ended 31 December 2007, was approved by the Shareholders at its Annual General Meeting held on 29 May 2008. The final dividend was thereafter paid on 27 June 2008 in respect of the shares registered in the Records of Depositors on 13 June 2008 amounting to RM112.3 million (10.21 sen per ordinary share)

Save for the foregoing, there were no other dividends paid or declared during the financial year to date under review.

10. CARRYING AMOUNT OF REVALUED ASSETS

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

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial year-to-date other than the formation of a joint venture company, Airport Automotive Workshop Sdn Bhd (AAW) by 75% owned subsidiary company, Urusan Teknologi Wawasan Sdn Bhd (UTW). The paid up capital of AAW is RM100 divided between UTW (RM51) and Quasar Industrial Vehicles Sdn Bhd (RM49), accordingly.

There were no other changes in the composition of the Group during financial year to date under review.

12. 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 2007 other than those disclosed in the annual audited accounts for the financial year ended 31 December 2007.



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

13. CAPITAL COMMITMENTS

The amount of commitments for the lease rental and purchase of property, plant and equipment not provided for in the interim condensed financial statements as at 30 September 2008 were as follows:

| | Due year 2008 RM'000 | Due year 2009 to 2013 RM'000 | Due year 2014 to 2023 RM'000 | Due year 2024 to 2066 RM'000 | Total RM'000 |
|--|----------------------------|------------------------------------|------------------------------------|------------------------------------|------------------|
| (i) Approved and contracted for: | | | | | |
| Lease rental payable to the GoM for Subang airport | 575 | 11,500 | 23,000 | 98,900 | 133,975 |
| | Due year 2008 RM'000 | Due year 2009 to 2013 RM'000 | Due year 2014 to 2023 RM'000 | Due year 2024 to 2048 RM'000 | Total RM'000 |
| Lease rental payable to the GoM for all airports managed other than KLIA | 1,250 | 25,000 | 45,000 | - | 71,250 |
| Fixed lease rental payable to the GoM in respect of KLIA (Note (a)) | 324,980 | 395,390 | 1,066,310 | 5,475,090 | 7,261,770 |
| Capital expenditure | 165,166 | - | - | - | 165,166 |
| | <u>491,396</u> | <u>420,390</u> | <u>1,111,310</u> | <u>5,475,090</u> | <u>7,498,186</u> |
| (ii) Approved but not contracted for: | | | | | |
| Capital expenditure | 224,929 | - | - | - | 224,929 |
| (iii) Other Investment: | | | | | |
| Investment in Hyderabad International Airport Limited | - | 102 | - | - | 102 |
| Investment in Delhi International Airport Limited | 27,833 | 145,167 | - | - | 173,000 |
| Investment in Sabiha Gokchen International Airport | - | 81,781 | - | - | 81,781 |
| | <u>716,325</u> | <u>420,492</u> | <u>1,111,310</u> | <u>5,475,090</u> | <u>7,723,216</u> |

Note (a)

Lease rental payable to the Government of Malaysia ("GoM") comprises a fixed and a variable payment. The lease rental payable represents the fixed payment, which commences from RM60 million in year 2004 and increases by 4% in each subsequent year up to the end of the concession period. The variable payment is based on 8% of the total audited revenue of a subsidiary, which was granted the rights in respect of the KLIA Concession, and is payable on an annual basis commencing in year 2004.

The commitment amount of RM324.9 million due in the year 2008 is in relation to the fixed payment amount since the effective commencement year 2004. In addition, as at 30 September 2008, the accumulated variable payment in respect of financial year to date 30 September 2008 is approximately RM226.1million.

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. Accordingly, the accumulated fixed and accumulated variable amounts have not been provided for and remains unpaid to date.



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

14. SUBSEQUENT EVENTS

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

15. PERFORMANCE REVIEW

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------|---|--|---|--|
| | Current Year Quarter 30.09.08 RM'000 | Preceding Year Corresponding Quarter 30.09.07 RM'000 | Current Year to date 30.09.08 RM'000 | Preceding Year Corresponding Period 30.09.07 RM'000 |
| Revenue | 369,107 | 351,001 | 1,151,193 | 1,024,731 |
| Profit before taxation | 128,762 | 88,124 | 339,559 | 263,574 |

The consolidated revenue of the Group for the current quarter and financial year-to-date under review was higher than the corresponding period last year by 5.16% and 12.34% respectively.

The increase in revenue in the current quarter under review was due to 10.3% growth in airport operations and 23.7% growth in non-airport operations. The growth in airport operations was contributed mainly by a 19.6% growth in non- aeronautical revenue arising from rental and other commercial revenue and a 3.3% increase in aeronautical revenue coming from a strong growth of 7.43% in international and 7.26% in domestic passenger movements.

The non-airport operations saw revenue increases in all segments except for the auction business, led by the agriculture segment which improved by 77% mainly due to higher total crop harvested and higher Fresh Fruit Bunch price.

The profit before tax for the current quarter and financial year to date under review was also higher as compared to the corresponding period last year by 46.1% and 28.8% respectively. Higher profit before tax in the current quarter was mainly due to the reversal of provision for doubtful debts.

The improvement on overall revenue however was reduced by higher staff related costs, repair maintenance and depreciation charged during the current quarter and financial year to date under review.



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

15. PERFORMANCE REVIEW (Cont.)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|---|---|
| | Current Year Quarter 30.09.08 RM'000 | Preceding Year Corresponding Quarter 30.09.07 RM'000 | Current Year to date 30.09.08 RM'000 | Preceding Year Corresponding Period 30.09.07 RM'000 |
| Net Operating Profit Less Adjusted Tax (NOPLAT) computation. | | | | |
| Earnings before interest and tax (EBIT*) | 121,991 | 82,020 | 318,349 | 244,590 |
| Adjusted Tax | (31,718) | (22,145) | (82,771) | (66,039) |
| NOPLAT | 90,273 | 59,875 | 235,578 | 178,551 |
| Economic charge computation | | | | |
| Average invested capital | 2,300,276 | 2,130,332 | 2,300,276 | 2,130,332 |
| Weighted average cost of capital per annum | 9.24% | 9.08% | 9.24% | 9.08% |
| Economic Charge | 53,136 | 48,359 | 159,409 | 145,076 |
| Economic Profit | 37,137 | 11,516 | 76,169 | 33,475 |

* EBIT is arrived before finance cost, interest income and share of associate profit.

The EP statement is disclosed on a voluntary basis. EP is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital, that is, the difference between the Company's rate of return and cost of capital.

The Group recorded an economic profit of RM37.1 million and RM76.2 million for current quarter and financial year to date under review respectively as compared to economic profit of RM11.5 million and RM33.5 million in the corresponding period last year.



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

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

INDIVIDUAL QUARTER

| | Current Year Quarter 30.09.08 RM'000 | Immediate Preceding Quarter 30.06.08 RM'000 |
|------------------------|---|--|
| Revenue | 369,107 | 372,223 |
| Profit before taxation | 128,762 | 88,461 |

The consolidated revenue of the Group during the financial quarter under review was 0.8% lower than the immediate preceding quarter. The decrease was mainly due to lower revenue from SIC's events and agriculture segment as compared to the immediate preceding quarter.

However, the profit before tax of the Group for the financial quarter under review was higher by 45.6% than the preceding financial quarter mainly due to the reversal of provision for doubtful debts made during the preceding quarter for debt settlement made by customers.

17. COMMENTARY ON PROSPECTS

The Group expects the airport operations business segment to continue contributing positively to the consolidated revenue of the Group for 2008 financial year. However, the revenue stream of the Group would be highly dependant on the passenger movements at the airports operated by the Group. The International Air Transport Association (IATA) has revised its forecast for 2008 significantly downwards. Its latest forecasted growth for international passenger movements is 2.8% globally and 3.3% in Asia Pacific. The Group expects its own growth to be above this forecast considering good cumulative numbers in the first 3 quarters.

The agriculture business of the non-airport operations segment have contributed strongly to the Group's consolidated revenue in the first 3 quarters of the current financial year. However, the Group expects the contribution would not be as significant in the 4th quarter with the recent drop in crude palm oil price.

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 financial performance for 2008 financial year may be determined by the outcome of the abovementioned proposal.

18. 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.



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

19. INCOME TAX EXPENSE

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------|-------------------------|--|----------------------|--|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year to date | Preceding Year Corresponding Period |
| | 30.09.08 | 30.09.07 | 30.09.08 | 30.09.07 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax | 38,694 | 32,462 | 91,337 | 80,640 |
| Deferred taxation | - | - | - | - |
| | <u>38,694</u> | <u>32,462</u> | <u>91,337</u> | <u>80,640</u> |

The effective tax rates of the Group for the current quarter and financial year to date under review was higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

20. SALE OF PROPERTIES

There were no sales of properties since the last annual balance sheet as at 31 December 2007.

21. INVESTMENTS IN QUOTED SECURITIES

There were no investments in quoted securities during the financial quarter under review.



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

22. STATUS OF CORPORATE PROPOSALS

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

The Proposed Disposal to Minister of Finance (Incorporated) are still on-going. On 16th 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 18th 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.

23. BORROWINGS AND DEBT SECURITIES

| | As at 30.09.08 RM'000 unaudited | As at 31.12.2007 RM'000 audited |
|------------------------------|--|--|
| Short term borrowings | | |
| Unsecured: | | |
| Term loans | 4,125 | 6,000 |
| Hire-purchase | 44 | 46 |
| | 4,169 | 6,046 |
| Long term borrowings | | |
| Unsecured: | | |
| Term loans | 375 | 3,000 |
| Hire-purchase | - | 26 |
| | 375 | 3,026 |
| | 4,544 | 9,072 |

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

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 27 November 2008.

25. 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.

26. DIVIDEND PAYABLE

Final dividend in respect of financial year ended 31 December 2007 has been declared and paid as per note 9. There were no other dividends paid or declared during the financial year under review.



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

27. 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 30.09.08 RM'000 | Preceding Year Corresponding Quarter 30.09.07 RM'000 | Current Year to date 30.09.08 RM'000 | Preceding Year Corresponding Period 30.09.07 RM'000 |
| Profit attributable to equity holders of the parent | 89,996 | 55,777 | 247,969 | 182,878 |
| Weighted average number of ordinary shares in issue ('000) | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Basic EPS (sen) | 8.18 | 5.07 | 22.54 | 16.63 |

28. 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
 27 November 2008.