



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year to	Preceding Year
		Quarter 31.12.08 RM'000	Corresponding Quarter 31.12.07 RM'000	date 31.12.08 RM'000	Corresponding Period 31.12.07 RM'000
Continuing Operations					
Revenue		364,134	358,648	1,513,089	1,379,983
Other income		26,637	52,991	90,992	118,670
Changes in inventories		2,734	(1,332)	7,241	4,245
Purchases of inventories		(47,361)	(37,896)	(167,858)	(146,318)
Staff costs		(84,768)	(80,670)	(324,641)	(301,490)
Depreciation and amortisation		(39,821)	(41,548)	(157,036)	(143,412)
Other expenses		(129,071)	(110,876)	(531,457)	(507,063)
Finance costs		(56)	(226)	(283)	(3,281)
Share of profit of associate		(299)	959	2,388	3,556
Profit before taxation		92,129	140,050	432,435	404,890
Taxation	20	(32,070)	(33,835)	(123,407)	(114,353)
Profit for the year from continuing operations		60,059	106,215	309,028	290,537
Discontinued Operation					
(Loss)/profit for the year from discontinued operation	17	(2,462)	143	(3,209)	(1,245)
Profit for the year		57,597	106,358	305,819	289,292
Attributable to:					
Equity holders of the Company		57,235	105,984	305,204	288,862
Minority interests		362	374	615	430
		57,597	106,358	305,819	289,292
Earnings per share attributable to equity holders of the Company (sen):					
Basic for profit from continuing operations		5.46	9.66	28.09	26.41
Basic for (loss)/profit from discontinued operation		(0.22)	0.01	(0.29)	(0.11)
Basic for profit for the year	28	5.24	9.67	27.80	26.30

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)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2008

	31.12.08	31.12.07
	RM'000	RM'000
	unaudited	audited
ASSETS		
Non-current Assets		
Property, plant and equipment	1,935,525	1,780,077
Plantation development expenditure	58,314	61,187
Prepaid land lease payments	8,152	8,273
Concession rights	1,162,979	1,192,054
Investment in associate	52,663	25,438
Trade receivables	20,501	4,789
Other investments	311,582	106,753
Staff loans	31,504	31,376
Deferred tax assets	3,744	5,539
	<u>3,584,964</u>	<u>3,215,486</u>
Current Assets		
Inventories	58,100	56,838
Trade receivables	384,348	369,365
Other receivables	283,185	124,604
Cash and bank balances	677,481	688,657
	<u>1,403,114</u>	<u>1,239,464</u>
Net assets classified as held for disposal	<u>4,305</u>	<u>-</u>
TOTAL ASSETS	<u>4,992,383</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	1,256,995	1,096,683
Exchange Reserve	(1,178)	-
	<u>3,178,561</u>	<u>3,019,427</u>
Minority interest	4,058	3,643
Total equity	<u>3,182,619</u>	<u>3,023,070</u>



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008 (CONTD.)

	31.12.08	31.12.07
	RM'000	RM'000
	unaudited	audited
Non-current liabilities		
Retirement benefits obligations	52,751	54,218
Other financial liability	201,960	15,825
Borrowings	250	3,026
Deferred Income	138,985	11,094
Deferred tax liabilities	47,917	27,799
	<u>441,863</u>	<u>111,962</u>
Current Liabilities		
Retirement benefits obligations	3,428	2,772
Borrowings	2,782	6,046
Trade payables	106,696	112,886
Concession fees payable	826,680	826,680
Other payables	386,079	304,689
Income Tax payable	39,579	66,845
	<u>1,365,244</u>	<u>1,319,918</u>
Liabilities directly associated with assets classified as held for disposal	<u>2,657</u>	<u>-</u>
Total liabilities	<u>1,809,764</u>	<u>1,431,880</u>
TOTAL EQUITY AND LIABILITIES	<u>4,992,383</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)
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	← Attributable to equity holders of the parent →				Minority interest	Total equity
	Share Capital	Non-distributable Share Premium	Exchange Reserve	Distributable Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	1,100,000	822,744	-	872,061	3,213	2,798,018
Profit for the year	-	-	-	288,862	430	289,292
Dividends paid	-	-	-	(64,240)	-	(64,240)
At 31 December 2007	1,100,000	822,744	-	1,096,683	3,643	3,023,070
At 1 January 2008	1,100,000	822,744	-	1,096,683	3,643	3,023,070
Profit for the year	-	-	-	305,204	615	305,819
Dividends paid	-	-	-	(144,892)	-	(144,892)
Dividends paid to minority interest	-	-	-	-	(200)	(200)
Foreign currency translation	-	-	(1,178)	-	-	(1,178)
As at 31 December 2008	1,100,000	822,744	(1,178)	1,256,995	4,058	3,182,619

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 YEAR ENDED 31 DECEMBER 2008

	CUMULATIVE QUARTER	
	31.12.08	31.12.07
	RM'000	RM'000
	unaudited	audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
Continuing operations	432,435	404,890
Discontinued operation	(3,164)	(1,245)
Adjustments for:		
Depreciation	125,226	111,770
Amortisation of plantation development expenditure	2,870	2,869
Amortisation of prepaid lease payments	121	121
Amortisation of concession rights	29,074	29,074
Amortisation of premium on investments	81	179
Amortisation of deferred income	(4,801)	(3,705)
Interest expense	283	3,281
(Write back of)provision for doubtful debts	(37,690)	11,237
Provision for retirement benefits	2,696	2,806
Provision for pension fund no longer required	-	(34,352)
Inventories written off	40	6
Property, plant and equipment written off	69	331
Movement in provisions	2	1,343
Interest income from:		
- continuing operations	(26,036)	(24,370)
- discontinued operation	(245)	(568)
Investment income	(2,223)	(1,425)
Share of results of associated companies	(2,388)	(3,556)
Loss on disposal of plantation development expenditure	-	78
Gain on disposal of investments	-	(930)
Gain on disposal of property, plant and equipment	(56)	(104)
Impairment of :		
- marketable securities	-	6
- property plant & equipment		
- continuing operations	-	2,000
- discontinued operation	1,009	-
Operating profit before working capital changes	517,303	499,736



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT.)

	CUMULATIVE QUARTER	
	31.12.08	31.12.07
	RM'000	RM'000
	unaudited	audited
CASH FLOWS FROM OPERATING ACTIVITIES (Cont.)		
Increase in inventories	(1,302)	(7,456)
Increase in receivables	(152,162)	(148,090)
Increase in payables	216,553	4,434
Cash flow generated from operations	580,392	348,624
Income tax paid	(128,758)	(76,276)
Lease rental paid to GoM	(6,050)	(7,300)
Retirement benefits paid	(3,506)	(3,444)
Net cash flow generated from operating activities	442,078	261,604
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(281,750)	(245,227)
Proceeds from disposal of property, plant and equipment	56	252
Purchase of other investments	(231,345)	(8,194)
Proceeds from disposal of investments	-	43,345
Net disbursement of staff loans	(128)	1,862
Interest received from:		
- continuing operations	26,036	24,370
- discontinued operation	245	568
Investment income received	2,223	1,425
Dividend received from associate	450	438
Net cash flow used in investing activities	(484,213)	(181,161)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(283)	(3,281)
Repayment of term loans	(6,000)	(106,000)
Debentures issued by a subsidiary	186,044	-
Repayment of hire purchase	(40)	(42)
Dividends paid	(145,092)	(64,240)
Net cash flow generated from/(used in) financing activities	34,629	(173,563)



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT.)

	CUMULATIVE QUARTER	
	31.12.08	31.12.07
	RM'000	RM'000
	unaudited	audited
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,506)	(93,120)
EFFECTS OF FOREIGN CURRENCY TRANSLATION	62	(5)
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF FINANCIAL YEAR	688,657	781,782
CASH AND CASH EQUIVALENTS AT END		
OF FINANCIAL YEAR	681,212	688,657
 CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	142,789	81,714
Short term deposits	534,692	606,943
	677,481	688,657
Cash & bank balances classified as held for disposal	3,731	-
	681,212	688,657

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)
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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)
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4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The airport operations 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)
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6. SEGMENTAL INFORMATION

	Continuing Operations										Discontinued Operations	Total Operations												
	Airport Operations		Non-Airport Operations										Discontinued Operations	Total Operations										
	Retail	Event management	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others	Consolidation	TOTAL	Retail	Event management					Project & repair and maintenance	Hotel	Agriculture & horticulture	Others	Consolidation	TOTAL				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Segment Revenue																								
External:																								
Aeronautical	948,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	948,766	
Non-aeronautical:																								
Retail	-	304,904	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	304,904
Others	25,483	-	78,116	26,761	61,709	67,350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	261,955
Internal	80,389	1,099	-	91,107	2,460	5,398	114,757	(295,210)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,054,638	306,003	78,116	117,868	64,169	72,748	114,757	(295,210)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,515,625
Segment Results																								
Profits from operations	478,843	37,541	7,391	15,008	16,724	34,237	98,336	(100,712)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	584,458
Depreciation and amortisation	(133,608)	(1,158)	(2,106)	(898)	(13,790)	(3,368)	(2,108)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(157,291)
Finance costs	-	-	-	(5)	-	-	(278)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(283)
Share of profit of associate	3,339	-	-	-	-	-	(951)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,388
Profit before taxation	348,574	36,383	5,285	14,105	2,934	30,869	94,999	(100,712)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	429,272
Assets and Liabilities																								
Segment assets	6,614,960	114,630	152,808	115,399	129,994	76,817	4,916,537	(7,133,899)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,992,331
Investment in associates	28	-	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52
Total assets	6,614,988	114,630	152,808	115,399	129,994	76,817	4,916,561	(7,133,899)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,992,383
Segment liabilities																								
Representing																								
total liabilities	4,333,446	39,820	158,691	57,609	28,164	33,902	2,445,098	(5,289,623)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,809,764



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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 RM6 million respectively.

During the financial year to date, a foreign subsidiary has issued fully paid debenture units of USD1.00 each of 53,770,000. 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).

An interim dividend of 4.0 sen per share less income tax of 26% on 1,100,000,000 ordinary shares amounting to RM32.56 million (2.96 sen net per share) was paid on 29 December 2008 in respect of the financial year ended 31 December 2008.

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)
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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 31 December 2008 were as follows:

	Due year 2009 RM'000	Due year 2010 to 2014 RM'000	Due year 2015 to 2024 RM'000	Due year 2025 to 2066 RM'000	Total RM'000
(i) Approved and contracted for:					
Lease rental payable to the Government for Subang airport	2,300	11,500	23,000	96,600	133,400
	Due year 2009 RM'000	Due year 2010 to 2014 RM'000	Due year 2015 to 2024 RM'000	Due year 2025 to 2033 RM'000	Total RM'000
Nominal Land Lease Charges payable to the Government	7,000	20,000	40,000	36,000	103,000
Capital expenditure	351,892	39,088	-	-	390,980
	358,892	59,088	40,000	36,000	493,980
(ii) Approved but not contracted for:					
Capital expenditure	270,649	-	-	-	270,649
(iii) Other Investment:					
Investment in Delhi International Airport Limited	27,833	145,167	-	-	173,000
Investment in Sabiha Gokchen International Airport	17,975	69,212	-	-	87,187
	629,541	59,088	40,000	36,000	764,629

The following commitments which were disclosed in the previous quarter announcement have been excluded from the above as the items have been incorporated in the Corporate and Financial restructuring.

- 1) Lease rental payable to the Government of Malaysia ("GoM") for all airports amounting to RM 5 million.
- 2) Fixed lease rental payable to the GoM in respect to KLIA of RM398 million.
- 3) Accumulated variable payment in respect of financial year to date 31 December 2008 of RM240.8 million.

14. SUBSEQUENT EVENTS

The Group's Corporate and Financial restructuring was announced on 12 February 2009. There were no other material events subsequent to the end of the financial year under review.



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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15. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year to	Preceding Year
	Quarter	Corresponding	date	Corresponding Period
	31.12.08	31.12.07	31.12.08	31.12.07
	RM'000	RM'000	RM'000	RM'000
Revenue	364,134	358,648	1,513,089	1,379,983
Profit before taxation	92,129	140,050	432,435	404,890

Revenue

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 1.52% and 9.64% respectively.

The marginal increase in the current quarter revenue was mainly due to a 6.45% growth in airport operations. The non-airport operation however, was down by 26.6% mainly due to lower revenue from the agriculture segment as a result of lower Fresh Fruit Bunch (FFB) price.

For the financial year to date, the increase in revenue was due to a 9.26% growth in airport operations and 11.81% growth in non-airport operations. The growth in airport operations was contributed mainly by a 29.47% growth in non- aeronautical revenue arising from rental and other commercial revenue and a 3.04% increase in aeronautical revenue arising from a strong growth of 4.87% in international and 5.12% in domestic passenger movements.

The non-airport operations saw revenue increases in all segments, led by the agriculture segment which improved by 37.78% mainly due to higher total crop harvested and higher average FFB price in the financial year under review.

Profit before tax

The profit before tax for the current quarter under review was lower as compared to the corresponding period last year by 34.22% due to the one off reversal of pension fund amounting to RM34.4million made in corresponding period last year.

However, the profit before tax for the year is 6.8% higher than last year mainly due to the overall higher revenue and reversal of provision for doubtful debts despite higher staff related costs, repair maintenance and depreciation charged.



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15. PERFORMANCE REVIEW (Cont.)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.08 RM'000	Preceding Year Corresponding Quarter 31.12.07 RM'000	Current Year to date 31.12.08 RM'000	Preceding Year Corresponding Period 31.12.07 RM'000
Net Operating Profit Less Adjusted Tax (NOPLAT) computation.				
Earnings before interest and tax (EBIT*)	82,537	133,843	400,886	378,433
Adjusted Tax	(21,460)	(36,138)	(104,230)	(102,177)
NOPLAT	61,077	97,705	296,656	276,256
Economic charge computation				
Average invested capital	2,343,533	2,158,997	2,343,533	2,158,997
Weighted average cost of capital per annum	7.75%	9.53%	7.75%	9.53%
Economic Charge	45,406	51,438	181,624	205,752
Economic Profit	15,671	46,267	115,032	70,504

* 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 RM15.67 million and RM115.03 million for current quarter and financial year to date under review respectively as compared to RM46.37 million and RM70.5 million in the corresponding period last year.



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

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.12.08 RM'000	Immediate Preceding Quarter 30.09.08 RM'000
Revenue	364,134	368,437
Profit before taxation	92,129	129,118

Revenue

The consolidated revenue of the Group during the financial quarter under review was 1.17% lower than the immediate preceding quarter. The decrease was mainly due to lower revenue from agriculture segment as compared to the immediate preceding quarter.

Profit before tax

The profit before tax of the Group for the financial quarter under review was also lower by 28.65% than the immediate preceding financial quarter mainly due the higher utilities and expenses for event management relating to holding routes 2008.



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17. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISPOSAL

On 30 October 2008, the Company announced the decision to discontinue and dispose of its subsidiary, Asia Pacific Auction Centre Sdn Bhd (APAC), comprising its entire auction business segment. The disposal is consistent with the Group's objective to rationalize and streamline its operations to focus on its core business. APAC, a wholly owned subsidiary of MAHB, was operating a non-airport related business and opines that the business has low barriers to entry, with extensive participation from new industry players causing saturated market conditions. Therefore, APAC decided to cease operations to enable MAHB to channel its resources into a more productive revenue generating activities.

The disposal of the subsidiary is due to complete by 2nd quarter 2009. As at 31 December 2008, the assets and liabilities of APAC have been presented on the consolidated balance sheet as assets and liabilities held for disposal and results from this subsidiary is presented separately on the consolidated income statement as discontinued operation.

An analysis of the result of discontinued operation is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.08 RM'000	Preceding Year Corresponding Quarter 31.12.07 RM'000	Current Year to date 31.12.08 RM'000	Preceding Year Corresponding Period 31.12.07 RM'000
Revenue	299	1,326	2,536	4,722
Other income	109	409	1,242	1,398
Expenses	(2,824)	(1,715)	(6,942)	(7,366)
(Loss)/profit before tax of discontinued operation	(2,416)	20	(3,164)	(1,246)
Income tax expenses	(46)	123	(46)	1
(Loss)/profit for the year from discontinued operation	(2,462)	143	(3,210)	(1,245)

The major classes of assets and liabilities of APAC classified as held for sale on the consolidated balance sheet as at 31 December 2008 are as follows:

	RM'000
Assets	
Trade and other receivables	574
Cash & bank balances	3,731
Assets of disposal group classified as held for disposal	<u>4,305</u>
Liabilities	
Trade & other payables	2,611
Current tax payable	46
	<u>2,657</u>



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18. COMMENTARY ON PROSPECTS

The Group expects the airport operations business segment to continue contributing positively to the consolidated revenue of the Group for next financial year. However, the aeronautical 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 forecasted almost zero growth in 2009. The Group however expects its non-aeronautical revenue from commercial activities to improve as a result of increased commercial space and retail optimization initiatives at the airports.

The Group's Corporate and Financial restructuring was approved by the Government on 23 December 2008. The salient terms of the restructuring was announced on 12 February 2009 after formalisation of all the agreements. The Group expects the restructuring to have a positive impact on its earnings capability based on the said salient terms as set out in the Operating Agreements.

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	Preceding Year Corresponding Quarter	Current Year to date	Preceding Year Corresponding Period
	31.12.08	31.12.07	31.12.08	31.12.07
	RM'000	RM'000	RM'000	RM'000
Current tax	13,747	25,335	105,084	105,853
Deferred taxation	18,323	8,500	18,323	8,500
	<u>32,070</u>	<u>33,835</u>	<u>123,407</u>	<u>114,353</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.

21. SALE OF PROPERTIES

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

22. INVESTMENTS IN QUOTED SECURITIES

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



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23. STATUS OF CORPORATE PROPOSALS

- i. Proposed Disposal of Sepang F1 Circuit ("SIC Circuit") and Sepang International Circuit Sdn. Bhd. ("SICSB") ("Proposed SIC Disposal")

MAHB and Malaysia Airports Sdn. Bhd. ("MASB") will execute the conditional share sale agreement with the Ministry of Finance ("MoF") in due course. The conditional share sale agreement will be entered into for the proposed disposal of 10,000,000 ordinary shares of RM1.00 each, representing 100% equity interest in SICSB, to MoF for cash consideration of RM1 with the grant of a ten year option by MASB to the MoF to purchase the Circuit at the SIC Circuit Sale Price, being the book value of the SIC Circuit less capital expenditure incurred by MASB which are funded through Government's contribution. The Proposed SIC Disposal to the MoF shall be effective on the execution date of the share sale agreement and upon obtaining MAHB's shareholders' approval.

- ii. Proposed Disposal of NECC Sdn Bhd ("Proposed NECC Disposal")

MAHB and MA Sepang Sdn Bhd ("MA Sepang") will execute the conditional share sale and purchase agreement with the MoF for the proposed disposal of 162,388,926 ordinary shares of RM1 each, representing 100% equity interest in NECC, to MoF for sale consideration of RM159,632,122 in due course. ("NECC Sale Consideration") The NECC Sale Consideration shall be satisfied by MoF by deducting the amount from the Residual Payment of RM1,419,698,499. The Proposed NECC Disposal to the MoF shall be effective on the execution date of the share sale agreement and upon obtaining MAHB's shareholders' approval.

24. BORROWINGS AND DEBT SECURITIES

	As at 31.12.08 RM'000 unaudited	As at 31.12.2007 RM'000 audited
Short term borrowings		
Unsecured:		
Term loans	2,750	6,000
Hire-purchase	32	46
	<u>2,782</u>	<u>6,046</u>
Long term borrowings		
Unsecured:		
Term loans	250	3,000
Hire-purchase	-	26
	<u>250</u>	<u>3,026</u>
	<u>3,032</u>	<u>9,072</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 25 February 2009.



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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

Final dividend in respect of financial year ended 31 December 2007 and interim dividend in respect of financial year ended 31 December 2008 has been declared and paid as per note 9. There were no other dividends paid or declared during the financial year under review.

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 31.12.08 RM'000	Preceding Year Corresponding Quarter 31.12.07 RM'000	Current Year to date 31.12.08 RM'000	Preceding Year Corresponding Period 31.12.07 RM'000
Profit from continuing operations attributable to equity holders of the Company	60,059	106,215	309,028	290,537
Loss from discontinued operation attributable to equity holders of the Company	(2,462)	143	(3,209)	(1,245)
Profit attributable to equity holders of the Company	<u>57,597</u>	<u>106,358</u>	<u>305,819</u>	<u>289,292</u>
Weighted average number of ordinary shares in issue ('000)	1,100,000	1,100,000	1,100,000	1,100,000
Basic earning per share for:				
Profit from continuing operations	5.46	9.66	28.09	26.41
(Loss)/profit from discontinued operation	(0.22)	0.01	(0.29)	(0.11)
Profit for the year	<u>5.24</u>	<u>9.67</u>	<u>27.80</u>	<u>26.30</u>



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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
25 February 2009.