



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2010

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year to	Preceding Year
		Quarter 30.6.2010 RM'000	Corresponding Quarter 30.6.2009 RM'000	date 30.6.2010 RM'000	Corresponding Period 30.6.2009 RM'000
Continuing Operations					
Revenue		435,784	392,861	872,196	782,890
Other income		23,061	22,086	44,568	40,345
Changes in inventories		(2,767)	1,290	2,571	3,917
Purchases of inventories		(48,084)	(44,378)	(105,954)	(89,723)
Employee benefits expense		(106,742)	(95,355)	(193,040)	(176,808)
Depreciation and amortisation		(35,595)	(38,967)	(75,930)	(82,629)
Other expenses		(159,804)	(146,843)	(288,206)	(262,545)
Operating profits		105,853	90,694	256,205	215,447
Finance costs		(3,963)	(4,347)	(8,046)	(4,387)
Unrealised loss on financial instruments		(3,102)	-	(6,204)	-
Share of results of associates		(17,910)	(788)	(41,943)	(235)
Profit before tax and zakat		80,878	85,559	200,012	210,825
Taxation and zakat	20	(21,377)	(24,961)	(67,895)	(56,481)
Profit for the period from continuing operations		59,501	60,598	132,117	154,344
Discontinued Operations					
Profit/(Loss) for the period from discontinued operations	17	-	980	-	(688)
Profit for the period, net of tax and zakat		59,501	61,578	132,117	153,656
Attributable to:					
Equity holders of the Company		59,489	61,586	132,034	153,517
Minority interests		12	(8)	83	139
		59,501	61,578	132,117	153,656
Earnings per share attributable to equity holders of the Company (sen):					
Basic for profit from continuing operations		5.41	5.51	12.01	14.03
Basic for profit/(loss) from discontinued operations		-	0.09	-	(0.06)
Basic for profit for the period	27	5.41	5.60	12.01	13.97

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010 RM'000	Preceding Year Corresponding Quarter 30.6.2009 RM'000	Current Year to date 30.6.2010 RM'000	Preceding Year Corresponding Period 30.6.2009 RM'000
Profit for the period, net of tax and zakat	59,501	61,578	132,117	153,656
Exchange differences on translation of foreign operations	(100)	(1,692)	(1,593)	547
Gain on available-for-sale investment	112	-	303	-
Other comprehensive income for the period, net of tax and zakat	12	(1,692)	(1,290)	547
Total comprehensive income	59,513	59,886	130,827	154,203
Attributable to:				
Equity holders of the Company	59,501	59,894	130,744	154,064
Minority interests	12	(8)	83	139
	59,513	59,886	130,827	154,203

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	30.6.2010	31.12.2009
	RM'000	RM'000
	unaudited	audited restated
ASSETS		
Non-current Assets		
Property, plant and equipment	2,048,116	1,951,143
Plantation development expenditure	48,510	46,834
Prepaid land lease payments	7,973	8,031
Concession rights	1,694,021	1,758,444
Investment in associates	22,277	133,734
Investment in jointly controlled entity	100	100
Financial assets classified as AFS Investments	248,104	302,041
Trade receivables	11,141	19,993
Staff loans	32,894	32,536
Deferred tax assets	3,635	3,635
	<u>4,116,771</u>	<u>4,256,491</u>
Current Assets		
Inventories	62,529	60,440
Trade receivables	314,041	316,343
Other receivables	407,374	318,017
Cash and bank balances	410,542	268,286
	<u>1,194,486</u>	<u>963,086</u>
Assets of disposal group classified as held for disposal	496	496
	<u>5,311,753</u>	<u>5,220,073</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,100,000	1,100,000
Share premium	822,744	822,744
Retained earnings	1,343,902	1,448,881
Fair value adjustment reserve	(96)	-
Foreign exchange reserve	(3,604)	(2,011)
	<u>3,262,946</u>	<u>3,369,614</u>
Minority interests	4,896	4,714
Total equity	<u>3,267,842</u>	<u>3,374,328</u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010 (CONTD.)

	30.6.2010	31.12.2009
	RM'000	RM'000
	unaudited	audited restated
Non-current Liabilities		
Retirement benefits obligations	48,654	51,580
Other financial liability	188,102	199,625
Borrowings	-	507,890
Deferred income	135,761	137,278
Deferred tax liabilities	51,303	47,725
Other payables	175,367	216,895
	<u>599,187</u>	<u>1,160,993</u>
Current Liabilities		
Retirement benefits obligations	3,803	3,712
Borrowings	711,019	250
Trade payables	88,847	110,197
Other payables	577,538	524,023
Income tax payable	63,288	46,341
	<u>1,444,495</u>	<u>684,523</u>
Liabilities of disposal group classified as held for disposal	<u>229</u>	<u>229</u>
Total liabilities	<u>2,043,911</u>	<u>1,845,745</u>
TOTAL EQUITY AND LIABILITIES	<u>5,311,753</u>	<u>5,220,073</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 JUNE 2010

	← Attributable to equity holders of the Company →							
	← Non-distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Available For Sales Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority interests RM'000	
At 1 January 2009	1,100,000	822,744	-	(1,178)	1,256,997	3,178,563	4,058	3,182,621
Total comprehensive income	-	-	-	547	153,517	154,064	139	154,203
Dividends paid	-	-	-	-	(120,038)	(120,038)	-	(120,038)
At 30 June 2009	1,100,000	822,744	-	(631)	1,290,476	3,212,589	4,197	3,216,786
At 1 January 2010	1,100,000	822,744	-	(2,011)	1,448,881	3,369,614	4,714	3,374,328
Effect of adopting FRS 139	-	-	(399)	-	(114,087)	(114,486)	-	(114,486)
At 1 January 2010, as restated	1,100,000	822,744	(399)	(2,011)	1,334,794	3,255,128	4,714	3,259,842
Total comprehensive income for the period	-	-	303	(1,593)	132,034	130,744	83	130,827
Minority interest share of capital	-	-	-	-	-	-	99	99
Dividends paid	-	-	-	-	(122,926)	(122,926)	-	(122,926)
At 30 June 2010	1,100,000	822,744	(96)	(3,604)	1,343,902	3,262,946	4,896	3,267,842

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010

	30.6.2010	30.6.2009
	RM'000	RM'000
	unaudited	unaudited
		restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax and zakat from:		
Continuing operations	200,012	210,825
Discontinued operation	-	(688)
Adjustments for:		
Depreciation:		
- continuing operations	56,427	62,884
- discontinued operation	-	1,096
Amortisation of:		
- plantation development expenditure	1,272	1,435
- prepaid lease payments	60	60
- concession rights	18,170	18,250
- premium on investments	45	77
- deferred income	(1,517)	(706)
Interest expense	8,046	4,387
Provision for doubtful debts	12,840	1,770
Retirement benefits	1,152	1,084
Inventories written off	460	18
Bad debt written off	(312)	-
Property, plant and equipment written off	7	-
Writeback of liabilities	-	(52,016)
Interest income from:		
- continuing operations	(4,844)	(7,153)
- discontinued operation	-	(260)
Dividend income	(1,922)	(774)
Gain on disposal of Investment	(16)	(902)
Share of results of associates	41,943	235
Operating profit before working capital changes	<u>331,823</u>	<u>239,622</u>
Increase in inventories	(2,549)	(8,300)
(Increase)/decrease in receivables	(36,262)	39,374
Decrease in payables	<u>(65,307)</u>	<u>(295,610)</u>
Cash flow generated from operations	227,705	(24,914)
Taxes and zakat paid	(46,648)	(55,333)
Retirement benefits paid	(1,911)	(3,988)
Net cash flow generated from/(used in) operating activities	<u>179,146</u>	<u>(84,235)</u>



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2010 (CONTD.)

	30.6.2010	30.6.2009
	RM'000	RM'000
	unaudited	unaudited
		restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(156,351)	(94,710)
- investments	-	(35,502)
Proceeds from disposal of investments	43,044	902
Interest received from:		
- continuing operations	4,844	7,153
- discontinued operation	-	260
Payment made to GoM	-	(507,890)
Dividend income received	1,922	774
Net cash flow generated from investing activities	<u>(106,541)</u>	<u>(629,013)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(8,046)	(4,387)
Drawdown of borrowings	203,129	507,890
Repayment of term loans	(250)	(1,500)
Repayment of debenture	(2,185)	-
Repayment of hire purchase	-	(29)
Proceed from additional minority interest share of capital	99	-
Dividends paid	(122,926)	(120,038)
Net cash flow (used in)/generated from financing activities	<u>69,821</u>	<u>381,936</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	142,426	(331,312)
EFFECTS OF FOREIGN CURRENCY TRANSLATION	(166)	494
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF FINANCIAL PERIOD	<u>268,286</u>	<u>681,213</u>
CASH AND CASH EQUIVALENTS AT END		
OF FINANCIAL PERIOD	<u>410,546</u>	<u>350,395</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	267,146	81,666
Short term deposits	143,396	228,358
	<u>410,542</u>	<u>310,024</u>
Cash and bank balances classified as held for disposal	4	40,371
	<u>410,546</u>	<u>350,395</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



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1. BASIS OF PREPARATION

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

The interim condensed consolidated 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 main Market Listing Requirement.

The interim condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim condensed consolidated 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 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendment to FRSs and Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

FRS 4	Insurance Contract
FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Equity or Associate
Amendment to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRS's 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i-3	Presentation of Financial Statements of Islamic Financial Institution



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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Other than for the application of FRS 8, FRS101 and FRS 139, the application of the above FRSs, Amendments to FRSs and interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the "chief operating decision maker" who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard.

(c) FRS 139: Financial Instruments - Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables and AFS investments.

i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

ii) AFS

Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognized in income statement and with unrealised gains or losses recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the AFS reserve.



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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include trade and other payables and are carried at amortised cost.

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

	As at
	1 January 2010
	RM'000
Decrease in Trade receivables	2,166
Decrease in Other payables	(33,288)
Decrease in Concession rights	46,252
Decrease in Investments in associates	98,957
	<hr/>
Decrease in Retained earnings	<u>114,087</u>

In addition, these changes in the accounting policies have the effect of decreasing the profit before tax for the financial period-to-date by RM42.18 million.

As at 30 June 2010, the following FRSs and IC Interpretations were in issue but not yet effective and have not been applied by the Group and the Company:

FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127:	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2	Share-based Payments	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretations 12	Service Concession Arrangements	1 July 2010
IC Interpretations 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretations 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretations 17	Distributions of Non- Cash Assets to Owners	1 July 2010



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3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

4. 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 current quarter under review.

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 under review.



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6. SEGMENTAL INFORMATION

	Continuing Operations							Discontinued Operations	Total Operations	
	Airport Operations		Non Airport Operations				Consolidation			TOTAL
	Airport services	Retail	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Segment Revenue										
External:										
Aeronautical	420,199	-	-	-	-	-	-	420,199	-	420,199
Non-aeronautical:										
Retail	-	196,131	-	-	-	-	-	196,131	-	196,131
Others	196,695	-	7,117	30,361	21,693	-	-	255,866	-	255,866
Internal	69,196	693	36,816	218	1,409	-	(108,332)	-	-	-
	686,090	196,824	43,933	30,579	23,102	-	(108,332)	872,196	-	872,196
Segment Results										
Profits from operations	315,821	8,880	5,551	7,726	8,559	30,352	(44,754)	332,135	-	332,135
Depreciation and amortisation	(60,644)	(1,824)	(439)	(7,554)	(1,668)	(3,801)	-	(75,930)	-	(75,930)
Finance costs	(8,008)	-	-	-	-	(38)	-	(8,046)	-	(8,046)
Unrealised loss on financial instruments	(6,204)	-	-	-	-	-	-	(6,204)	-	(6,204)
Share of results of associates	2,805	-	-	-	-	(44,749)	-	(41,943)	-	(41,943)
Profit /(loss) before tax and zakat	243,770	7,056	5,112	172	6,891	(18,236)	(44,754)	200,012	-	200,012
Assets and Liabilities										
Segment assets	7,354,519	113,552	149,642	121,586	87,511	5,443,665	(7,981,495)	5,288,980	496	5,289,476
Investment in associates	600	-	-	-	-	21,677	-	22,277	-	22,277
Total assets	7,355,119	113,552	149,642	121,586	87,511	5,465,342	(7,981,495)	5,311,257	496	5,311,753
Segment liabilities representing total liabilities	4,542,838	42,627	80,365	20,088	28,729	3,426,148	(6,097,113)	2,043,682	229	2,043,911



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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 period-to-date results.

8. DEBT AND EQUITY SECURITIES

During the financial period under review, the Group made a repayment in long term unsecured borrowings of RM250,000.

The Group has obtained an extension with respect to the availability of the unsecured short-term borrowings facilities from CIMB Islamic Bank Berhad amounting to RM857.9 million, of which RM507.9 million was utilized in 2009 and RM 203.13 million was utilized in the current quarter under review. The extension period will be until 12 February 2011 or upon receipt of proceeds from a proposed longer term financing solution, whichever is earlier.

Save for the foregoing, there were no other issuance and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter and financial period-to-date under review.

9. DIVIDENDS PAID

The final dividend of 14.90 sen per share less income tax of 25% on 1,100,000,000 ordinary shares in respect of the financial year ended 31 December 2009, was approved by the Shareholders at its Annual General Meeting held on 27 May 2010. The final dividend was thereafter paid on 28 June 2010 in respect of the shares registered in the Records of Depositors on 14 June 2010 amounting to RM122.96 million (11.18 sen per ordinary share)

Save for the foregoing, there were no other dividends paid or declared during the current quarter and financial period-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 current quarter and financial period-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 2009.



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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 consolidated financial statements as at 30 June 2010 were as follows:

	Due year 2010 RM'000	Due year 2011 to 2015 RM'000	Due year 2016 to 2025 RM'000	Due year 2026 to 2066 RM'000	Total RM'000
(i) Approved and contracted for:					
Lease rental payable to the GoM for Subang airport	-	10,010	20,019	82,079	112,108
	Due year 2010 RM'000	Due year 2011 to 2015 RM'000	Due year 2016 to 2025 RM'000	Due year 2026 to 2033 RM'000	Total RM'000
Lease rental payable to the GoM for all airports managed other than KLIA	-	10,050	20,100	16,080	46,230
Lease rental payable to the GoM in respect of KLIA	-	8,700	17,400	13,920	40,020
Capital expenditure	1,027,484	50,000	-	-	1,077,484
	1,027,484	68,750	37,500	30,000	1,163,734
(ii) Approved but not contracted for:					
Capital expenditure	436,665	1,764,130	-	-	2,200,795
	1,464,149	1,842,890	57,519	112,079	3,476,637



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14. SUBSEQUENT EVENTS

There were no other material events subsequent to the end of the current quarter and financial period-to-date under review that requires disclosure or adjustments to the unaudited interim financial statement.

15. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010 RM'000	Preceding Year Corresponding Quarter 30.6.2009 RM'000	Current Year to date 30.6.2010 RM'000	Preceding Year Corresponding Period 30.6.2009 RM'000
Revenue	435,784	392,861	872,196	782,890
Profit before tax	80,878	85,559	200,012	210,825

Revenue

The consolidated revenue of the Group for the current quarter under review was 10.93% higher than the corresponding period last year.

The improved revenue in the current quarter under review was mainly contributed by the Group's airport operations, driven by a stronger recovery in air travel demand. Passenger movements for the current quarter were 14.85% higher than the corresponding period last year, in which the international and domestic passenger movements improved by 26.29% and 6.13% respectively.

The improved revenue was also contributed by growth in the retail business as well as higher rental revenue derived from additional commercial space.

For the financial period-to-date under review, the consolidated revenue of the Group was 11.41% higher than the corresponding period last year.

The improvement in revenue for the financial period-to-date under review was mainly contributed by a positive growth of 12.76% from the airport operations, driven by an 8.47% increase in aeronautical revenue together with a 17.74% increase in non-aeronautical revenue. The improvement in non-aeronautical revenue was mostly derived from retail businesses as well as rental of available commercial spaces.

Passenger movements for the financial period-to-date under review were 17.77% higher than the corresponding period last year, in which the international and domestic passenger movements improved by 28.75% and 9.20% respectively.

Revenue from non-airport operations, however, dropped by 4.33% from the corresponding period last year, mainly due to lower revenue recorded in project and repair maintenance services as well as the agriculture segment by 28.64% and 6.66% respectively. The reduction in revenue from project and repair maintenance services was mainly attributed to the lower number of projects secured during the period. Despite the higher Fresh Fruit Bunch price, revenue from the agriculture segment was lower than the same period of last year due to the lower total crop harvested (2010- 42,136MT/ RM493 vs. 2009- 55,071MT/ RM420) contributed by the clearing of a portion of the plantation land to make way for the construction of the new terminal.



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15. PERFORMANCE REVIEW (Contd.)

Profit before tax

Profit before tax and zakat (PBT) for the current quarter and financial period-to-date under review were lower than the corresponding period last year by 5.47% and 5.13% respectively, mainly due to the adoption of FRS 139 resulting in the higher share of losses in an associate company, whereby, the concession payable by the associate company was recognized at fair value and subsequently at amortized cost. Gains and losses arising from the changes in the fair value were recognized in the income statement. Besides, the lower PBT were also due to higher staff costs, utilities costs and provision for doubtful debts.

In addition, the PBT figure for the corresponding financial period-to-date under review in the preceding year had included a reversal of lease rental payable to the Government totaling RM 52.0 million and a backdated user fee amount in respect of financial year 2008 paid to the Government of RM45.8 million subsequent to the signing of the Operating Agreements.

There were also other one-off transactions pursuant to the signing of the Operating Agreements. However, after considering the said transactions, operationally, the Group had performed better as reflected by the higher passenger and revenue numbers.



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15. PERFORMANCE REVIEW (Contd.)

ECONOMIC PROFIT STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010 RM'000	Preceding Year Corresponding Quarter 30.6.2009 RM'000	Current Year to date 30.6.2010 RM'000	Preceding Year Corresponding Period 30.6.2009 RM'000
Net Operating Profit Less Adjusted Tax (NOPLAT) computation.				
Earnings before interest and tax (EBIT*)	101,098	87,517	245,157	208,293
Adjusted Tax	(25,275)	(21,879)	(61,289)	(52,073)
NOPLAT	<u>75,823</u>	<u>65,638</u>	<u>183,868</u>	<u>156,220</u>
Economic charge computation				
Average invested capital	3,629,821	3,005,244	3,629,821	3,005,244
Weighted average cost of capital per annum	<u>7.66%</u>	<u>7.77%</u>	<u>7.66%</u>	<u>7.77%</u>
Economic Charge	<u>69,511</u>	<u>58,377</u>	<u>139,022</u>	<u>116,754</u>
Economic Profit	<u>6,312</u>	<u>7,261</u>	<u>44,846</u>	<u>39,466</u>

* 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 RM6.31 million for current quarter under review as compared to RM7.26 million in the corresponding period last year and RM44.85 million for financial period-to-date under review as compared to RM 39.47 million in the corresponding period last year.



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15. PERFORMANCE REVIEW (Contd.)

HEADLINE KEY PERFORMANCE INDICATORS (“KPIs”)

The Group’s financial and operational performances for the cumulative quarter ended 30 June 2010 against the Headline KPIs for year 2010 were as follows:-

	Headline KPIs for year 2010		Actual cumulative quarter ended 30 June 2010		% achieved	
	Without FRS 139	With FRS 139	Without FRS 139	With FRS 139	Without FRS 139	With FRS 139
	i) EBITDA (RM'000)	619,955	619,955	332,135	332,135	54%
ii) ROE	9.22%	6.57%	5.13%	3.98%	56%	61%
iii) Airport Service Quality Survey Ranking	KLIA Ranking top 5 Worldwide		i) 25-40 mppa - ranking at no.4 ii) Worldwide - ranking at no. 10			

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

INDIVIDUAL QUARTER

	Current Year Quarter 30.6.2010 RM'000	Immediate Preceding Quarter 31.03.2010 RM'000
Revenue	435,784	436,412
Profit before tax	80,878	119,134

Revenue

The consolidated revenue of the Group for the current quarter under review was slightly lower by 0.14% as compared to the immediate preceding quarter, mainly due to lower non-aeronautical revenue, albeit aeronautical revenue and revenue from non-airport operations were both higher compared to the preceding quarter.

Profit before tax

Profit before tax for the current quarter under review was lower than the immediate preceding quarter by 32.11% mainly due to lower revenue and higher operating costs. The higher operating costs were mainly due to higher staff costs as a result from the payment of bonus and annual increment made in the current quarter and higher utilities consumption mainly electricity and chilled water. Repair maintenance expenses also increased due to higher maintenance works in the current quarter as compared to the immediate preceding quarter.



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

Assets and liabilities classified as held for sale in the consolidated balance sheet was for auction segment of the group, APAC, which has ceased operation since October 2008. The result presented separately on the consolidated income statement as discontinued operation was for APAC and for event management segment of the group, SIC, as well as for NECC which have been disposed to The Ministry of Finance in July 2009 and 30 June 2009 respectively. MAHB is currently in the process of having APAC dissolved.

An analysis of the result of discontinued operation of APAC, SIC and NECC are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010 RM'000	Preceding Year Corresponding Quarter 30.6.2009 RM'000	Current Year to date 30.6.2010 RM'000	Preceding Year Corresponding Period 30.6.2009 RM'000
Revenue	-	58,970	-	61,106
Other income	-	202	-	283
Expenses	-	(58,191)	-	(62,077)
(Loss)/profit before tax of discontinued operations	-	981	-	(688)
Income tax expenses	-	-	-	-
(Loss)/profit for the year from discontinued operations	-	981	-	(688)

The major classes of assets and liabilities of APAC classified as held for disposal on the consolidated statement of financial position as at 30 June 2010 and 31 December 2009 are as follows:

	30.6.2010 RM'000 unaudited	31.12.2009 RM'000 audited
Assets		
Trade and other receivables	492	492
Cash & bank balances	4	4
Assets of disposal group classified as held for disposal	496	496
Liabilities		
Trade & other payables	229	229



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18. COMMENTARY ON PROSPECTS

The Group benefits from the economic growth in Malaysia, the ASEAN region and other countries and expects future GDP growth as well as increases in tourism and consumer spending will provide meaningful support to the operational and growth objectives.

The airport operations business segment is expected to continue contributing positively to the consolidated revenue for 2010 financial year. The aeronautical revenue stream would be highly dependent on the passenger movements at all airports operated by the Group. The passenger traffic performance at MAHB airports is expected to be optimistic.

International Air Transport Association (“IATA”) had reported that airlines have experienced further improvement in financial performance in the second quarter. IATA's latest projected passenger numbers for 2010 is 7.1% over 2009. Cargo is expected to grow by 18.5% as compared to 12% previously.

As indicated by IATA, the turnaround being seen by the conventional airlines would likely provide a boost to our aeronautical revenue.

The Group also expects non-aeronautical revenue to further contribute positively to overall revenue in 2010 with the completion of the KLIA LCCT expansion in April 2009 and Retail Optimization Plan at the KLIA Satellite Building and Contact Pier in November 2009.

19. PROFIT FORECAST

The disclosure requirements for explanatory notes for the variance of actual profit attributable to equity holder of the company and forecast profit are not applicable.

20. TAXATION AND ZAKAT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	30.6.2010 RM'000	30.6.2009 RM'000	30.6.2010 RM'000	30.6.2009 RM'000
Current tax	17,077	24,961	63,595	56,481
Deferred taxation	4,300	-	4,300	-
Zakat	-	-	-	-
	<u>21,377</u>	<u>24,961</u>	<u>67,895</u>	<u>56,481</u>

21. SALE OF PROPERTIES

There were no sales of properties since the last annual balance sheet as at 31 December 2009.

22. INVESTMENTS IN QUOTED SECURITIES

There were no investments in quoted securities during the current quarter and financial period-to-date under review.



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23. BORROWINGS AND DEBT SECURITIES

	As at 30.6.2010 RM'000 unaudited	As at 31.12.2009 RM'000 audited
Short term borrowings		
Unsecured:		
Term loans	711,019	250
	<u>711,019</u>	<u>250</u>
Long term borrowings		
Unsecured:		
Term loans	-	507,890
	<u>-</u>	<u>507,890</u>
	<u>711,019</u>	<u>508,140</u>

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 17 August 2010.

25. CHANGES IN MATERIAL LITIGATION

There were no changes to material suits against the company and its subsidiaries since 31 December 2009.

26. DIVIDEND PAYABLE

Final dividend in respect of financial year ended 31 December 2009 has been declared and paid as per note 9. There were no other dividends paid or declared during the current quarter and financial period-to-date under review.



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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 Company by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010 RM'000	Preceding Year Corresponding Quarter 30.6.2009 RM'000	Current Year to date 30.6.2010 RM'000	Preceding Year Corresponding Period 30.6.2009 RM'000
Profit from continuing operations attributable to equity holders of the Company	59,501	60,598	132,117	154,344
Loss from discontinued operations attributable to equity holders of the Company	-	980	-	(688)
Profit attributable to equity holders of the Company	<u>59,501</u>	<u>61,578</u>	<u>132,117</u>	<u>153,656</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 (sen):				
Profit from continuing operations	5.41	5.51	12.01	14.03
Profit/(loss) from discontinued operations	<u>-</u>	<u>0.09</u>	<u>-</u>	<u>(0.06)</u>
Profit for the year	<u>5.41</u>	<u>5.60</u>	<u>12.01</u>	<u>13.97</u>



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28. AUTHORISATION FOR ISSUE

The interim condensed consolidated 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 Dato' Mohd Hashim
Company Secretary
Sepang
17 August 2010