



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2010 RM'000	Preceding Year Corresponding Quarter 30.9.2009 RM'000	Current Year to date 30.9.2010 RM'000	Preceding Year Corresponding Period 30.9.2009 RM'000
Continuing Operations				
Revenue	446,287	377,360	1,318,483	1,160,250
Other income	20,550	16,850	65,118	57,195
Changes in inventories	(7,841)	(3,531)	(5,270)	386
Purchases of inventories	(43,790)	(40,840)	(149,744)	(130,563)
Employee benefits expense	(89,873)	(82,554)	(282,913)	(259,362)
Depreciation and amortisation	(38,459)	(38,120)	(114,389)	(120,749)
Other expenses	(158,556)	(114,787)	(446,762)	(377,332)
Operating profits	128,318	114,378	384,523	329,825
Finance costs	(4,045)	(3,598)	(12,091)	(7,985)
Unrealised loss on financial instruments	(3,102)	-	(9,306)	-
Share of results of associates	(29,783)	460	(71,726)	225
Profit before tax and zakat	91,388	111,240	291,400	322,065
Taxation and zakat	20 (29,585)	(27,002)	(97,480)	(83,483)
Profit for the period from continuing operations	61,803	84,238	193,920	238,582
Discontinued Operations				
Profit/(Loss) for the period from discontinued operations	17 -	(738)	-	(1,426)
Profit for the period, net of tax and zakat	61,803	83,500	193,920	237,156
Attributable to:				
Equity holders of the Company	61,823	83,432	193,857	236,949
Minority interests	(20)	68	63	207
	61,803	83,500	193,920	237,156
Earnings per share attributable to equity holders of the Company (sen):				
Basic for profit from continuing operations	5.62	7.66	17.63	21.69
Basic for profit/(loss) from discontinued operations	-	(0.07)	-	(0.13)
Basic for profit for the period	28 5.62	7.59	17.63	21.56

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2010 RM'000	Preceding Year Corresponding Quarter 30.9.2009 RM'000	Current Year to date 30.9.2010 RM'000	Preceding Year Corresponding Period 30.9.2009 RM'000
Profit for the period, net of tax and zakat	61,803	83,500	193,920	237,156
Exchange differences on translation of foreign operations	(1,692)	(498)	(3,285)	49
Loss on available-for-sale investment	(44)	-	(347)	-
Other comprehensive income for the period, net of tax and zakat	(1,736)	(498)	(3,632)	49
Total comprehensive income	60,067	83,002	190,288	237,205
Attributable to:				
Equity holders of the Company	60,087	82,934	190,225	236,998
Minority interests	(20)	68	63	207
	60,067	83,002	190,288	237,205

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)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

	30.9.2010	31.12.2009
	RM'000	RM'000
	unaudited	audited restated
ASSETS		
Non-current Assets		
Property, plant and equipment	2,247,437	1,951,143
Plantation development expenditure	47,874	46,834
Prepaid land lease payments	7,943	8,031
Concession rights	1,684,655	1,758,444
Investment in associates	22,210	133,734
Investment in jointly controlled entity	100	100
Financial assets classified as AFS Investments	236,792	302,041
Trade receivables	10,156	19,993
Staff loans	32,358	32,536
Deferred tax assets	3,635	3,635
	<u>4,293,160</u>	<u>4,256,491</u>
Current Assets		
Inventories	73,316	60,440
Trade receivables	311,110	316,343
Other receivables	465,824	318,017
Cash and bank balances	1,182,407	268,286
	<u>2,032,657</u>	<u>963,086</u>
Assets of disposal group classified as held for disposal	496	496
	<u>6,326,313</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	1,405,725	1,448,881
Fair value adjustment reserve	52	-
Foreign exchange reserve	(5,296)	(2,011)
	<u>3,323,225</u>	<u>3,369,614</u>
Minority interests	4,875	4,714
Total equity	<u>3,328,100</u>	<u>3,374,328</u>



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 (CONTD.)

	30.9.2010	31.12.2009
	RM'000	RM'000
	unaudited	audited restated
Non-current Liabilities		
Retirement benefits obligations	48,780	51,580
Other financial liability	178,293	199,625
Borrowings	1,000,000	507,890
Deferred income	135,115	137,278
Deferred tax liabilities	50,334	47,725
Other payables	185,619	216,895
	<u>1,598,141</u>	<u>1,160,993</u>
Current Liabilities		
Retirement benefits obligations	3,846	3,712
Borrowings	857,890	250
Trade payables	58,302	110,197
Other payables	428,953	524,023
Income tax payable	50,852	46,341
	<u>1,399,843</u>	<u>684,523</u>
Liabilities of disposal group classified as held for disposal	<u>229</u>	<u>229</u>
Total liabilities	<u>2,998,213</u>	<u>1,845,745</u>
TOTAL EQUITY AND LIABILITIES	<u>6,326,313</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 SEPTEMBER 2010

	← Attributable to equity holders of the Company →							Total equity RM'000
	← Non-distributable →				Distributable		Minority interests RM'000	
	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		
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	-	-	-	49	236,949	236,998	207	237,205
Dividends paid	-	-	-	-	(120,038)	(120,038)	-	(120,038)
Disposal of investment in Subsidiary					(10,000)	(10,000)		(10,000)
At 30 September 2009	1,100,000	822,744	-	(1,129)	1,363,908	3,285,523	4,265	3,289,788
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	-	(114,088)	(113,689)		(113,689)
At 1 January 2010, as restated	1,100,000	822,744	399	(2,011)	1,334,793	3,255,925	4,714	3,260,639
Total comprehensive income for the period	-	-	(347)	(3,285)	193,857	190,225	63	190,288
Minority interest share of capital	-	-	-	-	-	-	98	98
Dividends paid	-	-	-	-	(122,925)	(122,925)	-	(122,925)
At 30 September 2010	1,100,000	822,744	52	(5,296)	1,405,725	3,323,225	4,875	3,328,100

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 SEPTEMBER 2010

	30.9.2010	30.9.2009
	RM'000	RM'000
	unaudited	unaudited
		restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax and zakat from:		
Continuing operations	291,400	322,065
Discontinued operation	-	(1,426)
Adjustments for:		
Depreciation:		
- continuing operations	84,892	91,887
- discontinued operation	-	1,157
Amortisation of:		
- plantation development expenditure	1,908	1,435
- prepaid lease payments	52	52
- concession rights	27,537	27,375
- premium on investments	67	120
- deferred income	(2,163)	(2,160)
Interest expense	12,091	7,985
Provision for doubtful debts / (write back)	18,654	(575)
Retirement benefits	1,729	1,527
Inventories written off	664	542
Bad debt recovered	(600)	-
Property, plant and equipment written off	7	-
Writeback of liabilities	-	(52,016)
Interest income from:		
- continuing operations	(6,835)	(9,230)
- discontinued operation	-	(278)
Dividend income	(2,035)	(990)
Gain on disposal of Investment	16	37
Share of results of associates	71,726	(225)
Operating profit before working capital changes	499,110	387,282
Increase in inventories	(13,542)	(6,214)
(Increase)/decrease in receivables	(95,789)	60,688
Decrease in payables	(263,856)	(433,094)
Cash flow generated from operations	125,923	8,662
Taxes and zakat paid	(89,685)	(79,926)
Retirement benefits paid	(2,317)	(4,847)
Net cash flow generated from/(used in) operating activities	33,921	(76,111)



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

	30.9.2010	30.9.2009
	RM'000	RM'000
	unaudited	unaudited
		restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(384,098)	(139,595)
- investments	-	(40,955)
Proceeds from disposal of investments	43,013	(37)
Interest received from:		
- continuing operations	6,835	9,230
- discontinued operation	-	278
Payment made to GoM	-	(507,890)
Dividend income received	2,035	990
Dividend received from associate	-	450
Net cash flow used in investing activities	<u>(332,215)</u>	<u>(677,529)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(12,091)	(7,985)
Drawdown of borrowings	1,350,000	507,890
Repayment of term loans	(250)	(2,500)
Repayment of debenture	(2,185)	-
Repayment of hire purchase	-	(33)
Proceed from additional minority interest share of capital	98	-
Dividends paid	(122,925)	(120,038)
Net cash flow generated from financing activities	<u>1,212,647</u>	<u>377,334</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	914,353	(376,306)
EFFECTS OF FOREIGN CURRENCY TRANSLATION	(228)	464
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>1,182,411</u>	<u>305,371</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	828,752	123,327
Short term deposits	353,655	180,282
	<u>1,182,407</u>	<u>303,609</u>
Cash and bank balances classified as held for disposal	4	1,761
	<u>1,182,411</u>	<u>305,370</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.



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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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.



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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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 RM60.2 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.



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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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		
Segment Revenue										
External:										
Aeronautical	639,056	-	-	-	-	-	639,056	-	639,056	
Non-aeronautical:										
Retail	-	294,946	-	-	-	-	294,946	-	294,946	
Others	292,367	-	12,832	45,193	34,089	-	384,481	-	384,481	
Internal	102,400	1,041	53,360	345	2,081	-	(159,227)	-	-	
	<u>1,033,823</u>	<u>295,987</u>	<u>66,192</u>	<u>45,538</u>	<u>36,170</u>	<u>-</u>	<u>(159,227)</u>	<u>-</u>	<u>1,318,483</u>	
Segment Results										
Profits from operations	475,049	15,111	6,127	10,767	14,253	52,074	(74,469)	498,912	498,912	
Depreciation and amortisation	(91,552)	(2,732)	(556)	(11,262)	(2,519)	(5,768)	-	(114,389)	(114,389)	
Finance costs	(12,054)	-	-	-	-	(37)	-	(12,091)	(12,091)	
Unrealised loss on financial instruments	(9,306)	-	-	-	-	-	-	(9,306)	(9,306)	
Share of results of associates	2,739	-	-	-	-	(74,465)	-	(71,726)	(71,726)	
Profit /(loss) before tax and zakat	<u>364,876</u>	<u>12,379</u>	<u>5,571</u>	<u>(495)</u>	<u>11,734</u>	<u>(28,196)</u>	<u>(74,469)</u>	<u>291,400</u>	<u>291,400</u>	
Assets and Liabilities										
Segment assets	7,367,041	144,991	157,782	123,013	94,242	6,593,560	(8,177,022)	6,303,607	6,304,103	
Investment in associates	600	-	-	-	-	21,610	-	22,210	22,210	
Total assets	<u>7,367,641</u>	<u>144,991</u>	<u>157,782</u>	<u>123,013</u>	<u>94,242</u>	<u>6,615,170</u>	<u>(8,177,022)</u>	<u>6,325,817</u>	<u>6,326,313</u>	
Segment liabilities representing total liabilities	4,461,479	70,075	88,956	22,183	30,666	4,615,721	(6,291,096)	2,997,984	2,998,213	



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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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 and RM203.1 million were utilised in 2009 and in the immediate preceding quarter, respectively. The balance of RM146.9 was utilised in the current quarter under review. The extension period will be until 12 February 2011.

During the period under review, Malaysia Airports Capital Berhad ("MACB"), a wholly-owned subsidiary of MAHB, completed the issuance of the first tranche comprising RM1.0 billion nominal value IMTNs (as defined in Note 23) pursuant to the IMTN Programme (as defined in Note 23). The IMTNs issued under the first tranche has a tenure of ten (10) years from the date of issuance with a periodic distribution (coupon) rate of 4.55% per annum.

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 RM122.9 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

The Company has incorporated Malaysia Airports Capital (Labuan) Limited ("MACLL") and Malaysia Airports Capital Berhad ("MACB") on 7 June 2010 and 12 July 2010 with paid-up capital of USD2.00 and RM2.00 respectively. With effect from that date, the MACLL and MACB became a fully owned subsidiary of the Company.

There were no changes in the composition of the Group during the current quarter and financial period-to-date under review.



MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)
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12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the current quarter under review, the Group had provided additional corporate guarantee of RM40 million for the purpose of standby equity commitment to a financial institution for credit facilities granted to Istanbul Sabiha Gokchen International Airport Investment Development and Operation Inc ("ISGIA").

There were no other changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2009.

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 September 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	724,907	1,771,155	-	-	2,496,061
	<u>724,907</u>	<u>1,789,905</u>	<u>37,500</u>	<u>30,000</u>	<u>2,582,311</u>
(ii) Approved but not contracted for:					
Capital expenditure	533,145	300,081	-	-	833,226
	<u>1,258,052</u>	<u>2,099,995</u>	<u>57,519</u>	<u>112,079</u>	<u>3,527,645</u>



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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 30.9.2010 RM'000	Preceding Year Corresponding Quarter 30.9.2009 RM'000	Current Year to date 30.9.2010 RM'000	Preceding Year Corresponding Period 30.9.2009 RM'000
Revenue	446,287	377,360	1,318,483	1,160,250
Profit before tax	91,388	111,240	291,400	322,065

Revenue

The consolidated revenue of the Group for the current quarter under review was 18.3% 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 6.6% higher than the corresponding period last year, in which the international and domestic passenger movements improved by 13.5% and 0.7% respectively.

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

For the financial period-to-date under review, the consolidated revenue of the Group was 13.6% 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 14.9% from the airport operations, driven by an increase in both aeronautical and non-aeronautical revenue of 13.1% and 17.0% respectively. 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 15.1% higher than the corresponding period last year, in which the international and domestic passenger movements improved by 25.2% and 7.0% respectively.

Revenue from non-airport operations, however, dropped by 1.3% 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 16.4% and 6.0% 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: 65,661MT / RM509 Vs 2009: 76,555MT/ RM419) attributable to the clearing of a portion of the plantation land to make way for the construction of the new KLIA 2.



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15. PERFORMANCE REVIEW (Contd.)

Profit before tax

Operating profit for the current quarter and financial period-to-date under review improved by 12.2% and 16.6% respectively as compared to corresponding period last year. The favourable variance was due to higher revenue but reduced by higher staff costs, repair and maintenance and provision for doubtful debts.

Profit before tax and zakat (PBT) for the current quarter and financial period-to-date under review, however, were lower than the corresponding period last year by 17.9% and 9.5% 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.

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 RM52.0 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 and Share Sales Agreements for the disposal of Sepang International Circuit Sdn Bhd and NECC Sdn Bhd. 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 30.9.2010 RM'000	Preceding Year Corresponding Quarter 30.9.2009 RM'000	Current Year to date 30.9.2010 RM'000	Preceding Year Corresponding Period 30.9.2009 RM'000
Net Operating Profit Less Adjusted Tax (NOPLAT) computation.				
Earnings before interest and tax (EBIT*)	123,225	112,301	368,382	320,594
Adjusted Tax	(30,806)	(28,075)	(92,096)	(80,148)
NOPLAT	92,419	84,226	276,286	240,446
Economic charge computation				
Average invested capital	3,594,742	3,003,913	3,594,742	3,003,913
Weighted average cost of capital per annum	7.09%	8.24%	7.09%	8.24%
Economic Charge	63,717	61,881	191,150	185,642
Economic Profit	28,702	22,345	85,135	54,805

* EBIT is earning before finance costs, interest income and share of associate results.

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 RM28.7 million for current quarter under review as compared to RM22.3 million in the corresponding period last year and RM85.1 million for financial period-to-date under review as compared to RM 54.8 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 current cumulative quarter against the Headline KPIs for year 2010 were as follows:-

	Headline KPIs for year 2010		Actual cumulative quarter ended 30 September 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	498,911	498,911	80%
ii) ROE	9.22%	6.57%	7.40%	5.79%	80%	88%
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 *			

* The result was for the second quarter ended 30 June 2010. Result for the third quarter ended 30 September 2010 is not yet available as of the reporting date.

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

	INDIVIDUAL QUARTER	
	Current Year Quarter 30.9.2010 RM'000	Immediate Preceding Quarter 30.06.2010 RM'000
Revenue	446,287	435,784
Profit before tax	91,388	80,878

Revenue

The consolidated revenue of the Group for the current quarter under review was slightly higher by 2.4% as compared to the immediate preceding quarter, mainly due to higher aeronautical revenue which was attributable to stronger passenger numbers. Passenger movements for the current quarter were 2.0% higher than the immediate preceding quarter, in which passenger movements for international improved by 5.3% whereas the domestic passenger declined by 2.0%.

The favourable variance was however reduced by payment of incentives to eligible airlines under MAHB’s Airlines Recovery Programme made in the current quarter whereas none was paid in the immediate preceding quarter.



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

Profit before tax

Profit before tax for the current quarter under review was higher than the immediate preceding quarter by 13.0% mainly due to higher revenue and lower operating costs. The reduction in operating costs was mainly due to lower staff costs. Included in the immediate preceding quarter staff cost was payment of bonus and annual increment.

The favourable variance was however reduced by higher depreciation and share of associate losses which arose from the adoption of FRS 139.

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 10 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 30.9.2010 RM'000	Preceding Year Corresponding Quarter 30.9.2009 RM'000	Current Year to date 30.9.2010 RM'000	Preceding Year Corresponding Period 30.9.2009 RM'000
Revenue	-	206	-	61,313
Other income	-	22	-	304
Expenses	-	(966)	-	(63,043)
(Loss)/profit before tax of discontinued operations	-	(738)	-	(1,426)
Income tax expenses	-	-	-	-
(Loss)/profit for the year from discontinued operations	-	(738)	-	(1,426)

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

	30.9.2010 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 projected further improvement in airlines profitability for the year. Passenger numbers continue to be above the pre-recession level. Business confidence remains strong. Passengers and airlines are expected to further grow but at a lesser level. IATA had projected year 2010 to end with 11% year-on-year passenger growth. Asia Pacific passenger growth is likely to be at higher at 15.3%.

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 that the full realization of non-aeronautical revenue from KLIA LCCT expansion as well as Retail Optimization Plan at the KLIA Satellite Building and Contact Pier which were completed in April 2009 and November 2009 respectively will contribute positively to the overall revenue in 2010.

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
	30.9.2010 RM'000	30.9.2009 RM'000	30.9.2010 RM'000	30.9.2009 RM'000
Current tax	26,254	27,002	94,149	83,483
Deferred taxation	3,331	-	3,331	-
Zakat	-	-	-	-
	29,585	27,002	97,480	83,483

21. SALE OF PROPERTIES

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



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22. INVESTMENTS IN QUOTED SECURITIES

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

23. STATUS OF CORPORATE PROPOSALS

Save for the following, there are no other corporate proposals announced by the Group but not completed as at 29 October 2010:

On 5 August 2010, the Company announced the proposed offering by MACB of Islamic Commercial Papers (“ICP”) and Islamic Medium Term Notes (“IMTN”) pursuant to an Islamic Commercial Paper Programme (“ICP Programme”) and an Islamic Medium Term Notes Programme (“IMTN Programme”), respectively with a combined aggregate nominal value of up to RM3.1 billion (with a sub-limit of RM1.0 billion in nominal value for the ICP Programme) (collectively, the “Proposal”). The Proposal was approved by the Securities Commission, vide its letter dated 18 August 2010, pursuant to Section 212(5) of the Capital Market and Services Act, 2007. On 30 August 2010, MACB successfully completed the issuance of the first tranche comprising RM1.0 billion nominal value IMTNs pursuant to the IMTN Programme. The IMTNs issued under the first tranche have a tenure of ten (10) years from the date of issuance with a periodic distribution (coupon) rate of 4.55% per annum.

The status of utilisation of proceeds raised from corporate proposals as at 29 October 2010 is as follows:

ICP Programme and IMTN Programme

Purpose	Proposed Utilisation (RM '000)	Actual Utilisation (RM '000)	Intended Timeframe for Utilisation	Deviation	
				Amount (RM '000)	%
To part finance the construction of the new Low Cost Carrier Terminal (“KLIA2”) and/or to refinance MAHB’s borrowings/ financings which were utilised for Shariah-compliant purposes and/or for MAHB’s Shariah-compliant general corporate purposes	1,000,000	193,826	By 2012	-	



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24. BORROWINGS AND DEBT SECURITIES

	As at 30.9.2010 RM'000 unaudited	As at 31.12.2009 RM'000 audited
Short term borrowings		
Unsecured:		
Term loans	857,890	250
	<u>857,890</u>	<u>250</u>
Long term borrowings		
Unsecured:		
Islamic Medium Term Notes ("IMTN")	1,000,000	-
Term loans	-	507,890
	<u>1,000,000</u>	<u>507,890</u>
	<u>1,857,890</u>	<u>508,140</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 29 October 2010.

26. CHANGES IN MATERIAL LITIGATION

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2010 RM'000	Preceding Year Corresponding Quarter 30.9.2009 RM'000	Current Year to date 30.9.2010 RM'000	Preceding Year Corresponding Period 30.9.2009 RM'000
Profit from continuing operations attributable to equity holders of the Company	61,803	84,238	193,920	238,582
Loss from discontinued operations attributable to equity holders of the Company	-	(738)	-	(1,426)
Profit attributable to equity holders of the Company	<u>61,803</u>	<u>83,500</u>	<u>193,920</u>	<u>237,156</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	5.62	7.66	17.63	21.69
Profit/(loss) from discontinued operations	-	(0.07)	-	(0.13)
Profit for the year	<u>5.62</u>	<u>7.59</u>	<u>17.63</u>	<u>21.56</u>

29. 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
 29 October 2010