



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.12.2012 RM'000	*Restated Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	*Restated Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue		1,328,275	813,202	3,548,062	2,754,812
Cost of inventories sold		(77,356)	(63,338)	(281,927)	(243,171)
Other income	7	39,111	28,137	124,955	131,559
Employee benefits expense		(125,429)	(126,298)	(471,403)	(426,807)
Construction Costs		(704,400)	(276,102)	(1,321,744)	(782,259)
Depreciation and amortisation		(50,224)	(48,629)	(221,277)	(174,444)
Other expenses	7	(177,791)	(179,540)	(668,203)	(607,602)
<b>Operating profits</b>		<b>232,186</b>	<b>147,432</b>	<b>708,463</b>	<b>652,088</b>
Finance costs		(4,926)	(4,702)	(19,035)	(18,809)
Impairment of investment in associate company		(68,916)	-	(68,916)	-
Share of results:					
- associates		(23,116)	(7,544)	(17,505)	(59,764)
- jointly controlled entities		(420)	677	(251)	677
<b>Profit before tax and zakat</b>		<b>134,808</b>	<b>135,863</b>	<b>602,756</b>	<b>574,192</b>
Taxation and zakat	22	(57,009)	(39,014)	(208,485)	(172,975)
Profit for the year from continuing operations		<b>77,799</b>	<b>96,849</b>	<b>394,271</b>	<b>401,217</b>
<b>Discontinued Operation</b>					
Profit/(Loss) for the year from discontinued operation		228	(96)	189	(54)
<b>Profit for the year, net of tax and zakat</b>		<b>78,027</b>	<b>96,753</b>	<b>394,460</b>	<b>401,163</b>
<b>Attributable to:</b>					
Owners of the parent		78,027	96,753	394,460	401,115
Non-Controlling interest		-	-	-	48
		<b>78,027</b>	<b>96,753</b>	<b>394,460</b>	<b>401,163</b>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic for profit from continuing operations		6.43	8.80	33.24	36.47
Basic for profit/(loss) from discontinued operation		0.02	(0.01)	0.02	-
Basic for profit for the year	30	<b>6.45</b>	<b>8.79</b>	<b>33.26</b>	<b>36.47</b>

\*Restated for the result of discontinued operation.

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 YEAR ENDED 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	*Restated Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	*Restated Preceding Year Corresponding Period 31.12.2011 RM'000
Profit for the year, net of tax and zakat	78,027	96,753	394,460	401,163
Other comprehensive income:				
Available-for-sale financial assets				
- Gain/(loss) on fair value changes	1,969	4	(333)	740
Foreign currency translation	(97)	(100)	(1,173)	995
Share of other comprehensive income of associates	-	-	4,657	-
Other comprehensive income for the period, net of tax and zakat	1,872	(96)	3,151	1,735
Total comprehensive income	79,899	96,657	397,611	402,898
<b>Attributable to:</b>				
Owners of the parent	79,899	96,657	397,611	402,850
Non-controlling interest	-	-	-	48
	79,899	96,657	397,611	402,898

\*Restated for the result of discontinued operation.

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 31 DECEMBER 2012**

	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	290,829	260,534
Plantation development expenditure	50,336	51,862
Land use rights	7,639	7,760
Intangible Assets	6,198,000	4,727,230
Investment in associates	20,378	61,615
Investment in jointly controlled entity	43,326	22,577
Available for sale investments	303,179	249,679
Trade receivables	1,250	5,501
Other receivables	353,748	342,553
Staff loans	35,330	34,528
Deferred tax assets	22,216	21,071
	<u>7,326,231</u>	<u>5,784,910</u>
<b>Current Assets</b>		
Inventories	99,097	78,523
Trade receivables	524,694	714,154
Other receivables	115,546	70,864
Cash and bank balances	774,166	778,343
	<u>1,513,503</u>	<u>1,641,884</u>
Assets of disposal group classified as held for disposal	<u>63</u>	<u>446</u>
<b>TOTAL ASSETS</b>	<u><b>8,839,797</b></u>	<u><b>7,427,240</b></u>



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012 (CONTD)**

	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>Audited</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,210,000	1,100,000
Share premium	1,320,414	822,744
Retained earnings	1,826,758	1,625,168
Fair value adjustment reserve	5,136	812
Other reserve	2,546	2,546
Foreign exchange reserve	(5,574)	(4,401)
<b>Total equity</b>	<u>4,359,280</u>	<u>3,546,869</u>
<b>Non-current Liabilities</b>		
Retirement benefits	-	5,537
Other financial liability	176,562	183,486
Loans and borrowings	3,100,000	2,500,000
Deferred income	38,621	21,770
Deferred tax liabilities	119,449	78,094
Other payables	212,274	212,651
	<u>3,646,906</u>	<u>3,001,538</u>
<b>Current Liabilities</b>		
Retirement benefits obligations	-	565
Trade payables	142,847	182,930
Other payables	659,548	657,899
Income tax payable	31,156	37,261
	<u>833,551</u>	<u>878,655</u>
Liabilities of disposal group classified as held for disposal	60	178
<b>Total liabilities</b>	<u>4,480,517</u>	<u>3,880,371</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>8,839,797</u>	<u>7,427,240</u>

*The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 YEAR ENDED 31 DECEMBER 2012**

**Attributable to equity holders of the Company**

	Non- distributable					Distributable		Non- Controlling interests	Total equity
	Share Capital	Share Premium	Fair value Adjustment Reserve	Foreign Exchange Reserve	Other Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2011</b>	1,100,000	822,744	72	(5,396)	-	1,386,991	3,304,411	5,498	3,309,909
Total comprehensive income for the year	-	-	740	995	-	401,115	402,850	48	402,898
Dividends paid	-	-	-	-	-	(162,938)	(162,938)	-	(162,938)
Additional acquisition of equity interest from non-controlling interest	-	-	-	-	2,546	-	2,546	(5,546)	(3,000)
Total transactions with owners	-	-	-	-	2,546	(162,938)	(160,392)	(5,546)	(165,938)
<b>At 31 December 2011</b>	<b>1,100,000</b>	<b>822,744</b>	<b>812</b>	<b>(4,401)</b>	<b>2,546</b>	<b>1,625,168</b>	<b>3,546,869</b>	<b>-</b>	<b>3,546,869</b>
<b>At 1 January 2012</b>	1,100,000	822,744	812	(4,401)	2,546	1,625,168	3,546,869	-	3,546,869
Total comprehensive income for the year	-	-	4,324	(1,173)	-	394,460	397,611	-	397,611
Issuance of new share via private placement	110,000	497,670	-	-	-	-	607,670	-	607,670
Dividends paid	-	-	-	-	-	(192,870)	(192,870)	-	(192,870)
<b>At 31 December 2012</b>	<b>1,210,000</b>	<b>1,320,414</b>	<b>5,136</b>	<b>(5,574)</b>	<b>2,546</b>	<b>1,826,758</b>	<b>4,359,280</b>	<b>-</b>	<b>4,359,280</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements*



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax and zakat from:		
Continuing operations	602,756	574,192
Discontinued operation	189	(54)
Adjustments for:		
Interest income	(18,511)	(20,767)
Interest from late payments	(4,478)	(4,591)
Excess fund from liquidation	(381)	-
Interest expense	19,035	18,809
Provision for liabilities	5,980	8,942
Writeback of provision of liabilities	(271)	(511)
Amortisation of:		
- Intangible assets	185,198	149,632
- plantation development expenditure	2,647	2,555
- land use rights	121	150
Depreciation of property, plant and equipment:		
-Continuing operations	33,311	22,107
-Discontinued operation	1	1
Amortisation of premium on investments	55	84
Impairment of investment in associate	68,916	-
Net (write back)/allowance for doubtful debts:		
-Continuing operations	(1,876)	2,054
-Discontinued operations	(1)	1
Net of bad debt written off/(recovered):		
-Continuing operations	9,267	(100)
-Discontinued operations	51	-
(Gain)/loss on disposal of:		
- property, plant and equipment	5,858	(316)
- intangible assets	112	284
- bonds	(640)	-
- other investment	(85)	-
Property, plant and equipment written off:		
-Continuing operations	1,531	1
-Discontinued operations	13	-
Intangible assets written off	1,662	717
Net of inventories written off:		
-Continuing operations	3,292	961
-Discontinued operations	40	-
Retirement benefits	764	320
Investment income	(15,471)	(25,605)
Profit from construction contract	(63,305)	(38,243)
Balance carried forward	835,780	690,625



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTD.)**

	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
Balance brought forward	835,780	690,625
Share of results of:		
- Jointly controlled entities	251	(677)
- Associates	17,505	59,764
Operating profit before working capital changes	<u>853,536</u>	<u>749,710</u>
Increase in inventories	(23,906)	(18,537)
Decrease/(Increase) in receivables	135,339	(75,585)
(Decrease)/Increase in payables	(137,310)	40,705
Decrease in concession liabilities	(15,234)	(13,823)
Decrease in provisions for liabilities	<u>(3,060)</u>	<u>(7,013)</u>
Cash generated from operations	809,365	675,457
Tax and Zakat paid	(165,488)	(174,535)
Retirement benefits paid	(1,145)	(6,595)
Legal settlement	-	(6,467)
Net cash generated from operating activities	<u>642,732</u>	<u>487,859</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- property, plant and equipment	(70,336)	(49,928)
- intangibles assets	(1,595,315)	(1,027,089)
- quoted shares	(70,712)	(3,180)
- additional equity interest from non-controlling interest	-	(3,000)
- proceed arising from dissolution of jointly controlled entity	-	100
- plantation development expenditure	(1,121)	(2,049)
- other investments	(221)	-
Proceed from disposal of:		
- property, plant and equipment	197	316
- intangible assets	8	
- other investments	3,784	3,000
Advance to associate	(27,924)	(19,458)
Additional investment in an associate	-	(160)
Acquisition in jointly controlled entity	-	(21,900)
Redemption of bonds	5,909	-
Investment income received	15,471	25,605
Excess fund from liquidation	381	
Dividend received from associate	2,400	7,665
Interest received	8,669	10,035
Net cash used in investing activities	<u>(1,728,810)</u>	<u>(1,080,043)</u>



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTD.)**

	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share issuance expenses	(8,346)	-
Proceeds from issuance of shares	110,000	-
Proceeds from issuance of share at premium	506,016	-
Drawdown of loans and borrowings	600,000	-
Interest paid	(5,402)	(6,070)
Dividends paid to shareholders of the Company	(120,410)	(163,210)
Net cash generated from/(used in) from financing activities	<u>1,081,858</u>	<u>(169,280)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,220)</b>	<b>(761,463)</b>
<b>Effects of foreign currency translation</b>	<b>(20)</b>	<b>36</b>
<b>Cash and cash equivalents classified as held for disposal</b>	<b>63</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>778,343</b>	<b>1,539,770</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>774,166</u></b>	<b><u>778,343</u></b>
<b>Cash and cash equivalents comprising:</b>		
Cash and bank balances	150,562	90,155
Short term deposits	623,604	688,188
	<u>774,166</u>	<u>778,343</u>

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.*





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

## **1. BASIS OF PREPARATION**

The interim 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 Requirements.

The interim condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 2011.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2011, except as follows:

On 1 January 2012, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

### **Effective for financial periods beginning on or after 1 July 2011**

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

### **Effective for financial periods beginning on or after 1 January 2012**

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Transfers of Financial Assets

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

FRS 124 Related Party Disclosures

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.



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

## 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

As at 31 December 2012, the following FRSs and IC Interpretations were in issue but not yet effective and have not been applied by the Group:

FRSs, Amendments to FRSs and Interpretation		Effective for financial year beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9	Financial Instruments	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangement	1 January 2013
FRS 12	Disclosure of interests in other entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employees Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates & Joint Venture	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

### Standards issued but not yet effective

Except for the changes in accounting policies arising from the adoption of FRS 10 and FRS 11, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the changes in accounting policy on the adoption of FRS 10 and FRS 11 are described below:



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

## **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

### FRS10 Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

### FRS 11 Joint Arrangements

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

### **Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').



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

**2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

**Standards issued but not yet effective (Contd.)**

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities shall be mandatory for annual periods beginning on or after 1 January 2013.

However, on 30 June 2012, MASB has decided to allow the Transitioning Entities to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the quarter ending 31 March 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

**3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

Airport services segment and retail segment, being the core businesses of the Group were not materially affected by any seasonality or cyclicity during the current quarter and financial year 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 and financial year under review.



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

**6. SEGMENT INFORMATION**

The Group is organized into business units and has the following reportable operating segments which are classified under airport operations and non-airport operations activities:-

Airport Operations:-

a) Duty free and non-dutiable goods

To operate duty free and non-duty free outlets and provide services in respect of food and beverage outlets at airports in Malaysia.

b) Airport services

To manage, operate and maintain designated airports in Malaysia and to provide airport related services.

Non-Airport Operations:-

a) Agriculture and horticulture

To cultivate and sell oil palm and other agricultural products and to carry out horticulture activities.

b) Hotel

To manage and operate a hotel, known as The Pan Pacific Hotel KLIA, which was rebranded to Sama – Sama Hotel KL International Airport.

c) Project and repair maintenance

To provide consultancy, operations and maintenance of Information and Communication Technology business ventures and provision of mechanical and civil engineering services in connection with the airport industry.

There has been no material change in the total assets and no difference in the basis of segmentation or in the basis of measurement of segment profit or loss compared to the last financial statements for the year ended 31 December 2011.



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

**6. SEGMENT INFORMATION (Contd.)**

	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	
<b>For the year ended 31 December 2012</b>										
<b>Segment Revenue</b>										
External:										
Airport operations:										
Aeronautical	1,036,710	-	-	-	-	-	-	1,036,710	-	1,036,710
Non-aeronautical:										
Retail	-	536,455	-	-	-	-	-	536,455	-	536,455
Others	447,886	1,057	-	-	-	-	-	448,943	-	448,943
Construction	1,385,049	-	-	-	-	-	-	1,385,049	-	1,385,049
Non-airport operations	-	-	20,260	75,051	45,594	-	-	140,905	8	140,913
Internal	153,962	2,337	27,241	1,331	2,926	-	(187,797)	-	-	-
Inter-segment dividends	-	-	-	-	-	117,279	(117,279)	-	-	-
	<u>3,023,607</u>	<u>539,849</u>	<u>47,501</u>	<u>76,382</u>	<u>48,520</u>	<u>117,279</u>	<u>(305,076)</u>	<u>3,548,062</u>	<u>8</u>	<u>3,548,070</u>
<b>Segment Results</b>										
Profits from operations	906,919	42,857	1,329	9,787	20,737	53,629	(105,518)	929,740	189	929,929
Depreciation and amortisation	(187,009)	(5,558)	(148)	(7,888)	(3,498)	(17,176)	-	(221,277)	-	(221,277)
Finance costs	(19,029)	-	(1)	-	(1)	(4)	-	(19,035)	-	(19,035)
Impairment of Investment of associate company	-	-	-	-	-	(68,916)	-	(68,916)	-	(68,916)
Share of results of:										
- associates	3,760	-	-	-	-	(21,265)	-	(17,505)	-	(17,505)
- jointly controlled entity	-	-	-	-	-	(251)	-	(251)	-	(251)
Profit/(loss) before tax and zakat	<u>704,641</u>	<u>37,299</u>	<u>1,180</u>	<u>1,899</u>	<u>17,238</u>	<u>(53,983)</u>	<u>(105,518)</u>	<u>602,756</u>	<u>189</u>	<u>602,945</u>
<b>As at 31 December 2012</b>										
<b>Assets and Liabilities</b>										
Segment assets	5,757,941	184,912	122,340	123,782	71,347	7,453,591	(4,894,557)	8,819,356	63	8,819,419
Investment in associates	20,151	-	-	-	-	227	-	20,378	-	20,378
Total assets	<u>5,778,092</u>	<u>184,912</u>	<u>122,340</u>	<u>123,782</u>	<u>71,347</u>	<u>7,453,818</u>	<u>(4,894,557)</u>	<u>8,839,734</u>	<u>63</u>	<u>8,839,797</u>
Segment liabilities representing total liabilities	<u>2,341,831</u>	<u>88,751</u>	<u>48,012</u>	<u>18,903</u>	<u>678</u>	<u>4,808,078</u>	<u>(2,825,796)</u>	<u>4,480,457</u>	<u>60</u>	<u>4,480,517</u>



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

**6. SEGMENT INFORMATION (Contd.)**

	Continuing Operations							Discontinued Operations	Total Operations	
	Airport Operations		Non Airport Operations				Consolidation Elimination			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	
<b>For the year ended 31 December 2011</b>										
<b>Segment Revenue</b>										
External:										
Airport operations:										
Aeronautical	888,964	-	-	-	-	-	-	888,964	-	888,964
Non-aeronautical:										
Retail	-	473,328	-	-	-	-	-	473,328	-	473,328
Others	423,179	1,246	-	-	-	-	-	424,425	-	424,581
Construction	820,502	-	-	-	-	-	-	820,502	-	820,502
Non-airport operations	-	-	18,281	73,783	55,390	-	-	147,454	156	147,298
Internal	137,851	1,604	87,106	861	2,747	-	(230,030)	139	(139)	-
Inter-segment dividends	-	-	-	-	-	194,093	(194,093)	-	-	-
	<b>2,270,496</b>	<b>476,178</b>	<b>105,387</b>	<b>74,644</b>	<b>58,137</b>	<b>194,093</b>	<b>(424,123)</b>	<b>2,754,812</b>	<b>17</b>	<b>2,754,674</b>
<b>Segment Results</b>										
Profits from operations	778,636	44,190	9,905	17,882	23,633	174,205	(221,918)	826,533	(54)	826,479
Depreciation and amortisation	(151,624)	(4,258)	(259)	(7,979)	(3,385)	(6,940)	-	(174,445)	-	(174,445)
Finance costs	(18,809)	-	-	-	-	-	-	(18,809)	-	(18,809)
Share of results of:										
- associates	3,476	-	-	-	-	(63,240)	-	(59,764)	-	(59,764)
- jointly controlled entity	-	-	-	-	-	677	-	677	-	677
Profit/(loss) before tax and zakat	<b>611,679</b>	<b>39,932</b>	<b>9,646</b>	<b>9,903</b>	<b>20,248</b>	<b>104,702</b>	<b>(221,918)</b>	<b>574,192</b>	<b>(54)</b>	<b>574,138</b>
<b>As at 31 December 2011</b>										
<b>Assets and Liabilities</b>										
Segment assets	6,148,177	194,205	174,074	129,263	91,073	6,598,801	(5,970,414)	7,365,179	446	7,365,625
Investment in associates	600	-	21,514	-	-	39,501	-	61,615	-	61,615
Total assets	<b>6,148,777</b>	<b>194,205</b>	<b>195,588</b>	<b>129,263</b>	<b>91,073</b>	<b>6,638,302</b>	<b>(5,970,414)</b>	<b>7,426,794</b>	<b>446</b>	<b>7,427,240</b>
Segment liabilities representing total liabilities										
	<b>3,074,871</b>	<b>109,758</b>	<b>121,840</b>	<b>18,193</b>	<b>28,784</b>	<b>4,549,744</b>	<b>(4,022,997)</b>	<b>3,880,193</b>	<b>178</b>	<b>3,880,371</b>



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

**7. NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	*Restated Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	*Restated Preceding Year Corresponding Period 31.12.2011 RM'000
<b>Included in Other Income:</b>				
Interest income:				
-Unquoted Investment and staff loan	1,536	3,145	6,987	9,259
-Other loan and receivables	2,744	2,683	10,974	10,732
-Net fair value gain on available-for-sale financial assets	98	194	550	776
Investment Income	(10,451)	1,655	0	25,605
Net realised foreign exchange gain	617	1,188	3,785	3,527
Net (loss)/gain on disposal of:				
- Property, plant and equipment	(141)	274	0	316
- Intangible assets	-	-	(5,858)	(284)
- Bond	-	-	(112)	-
- Investment	(424)	-	640	-
Recoupment of expenses	15,271	16,921	61,907	60,572
<b>Included in Expenses:</b>				
Interest expense:				
- Concession payables	1,286	1,517	5,402	6,071
- Financial liabilities	3,640	3,185	13,633	12,738
Net (write back)/ allowance doubtful debt:				
- Continuing operations	1,315	3,648	-	2,054
- Discontinued operations	-	(3)	(1)	1
Net bad debt written off/(recovered):				
- Continuing operations	9,292	-	9,267	(100)
- Discontinued operations	51	-	51	-
Property, plant and equipment written off:				
- Continuing operations	(6,731)	(1,625)	-	1
- Discontinued operations	14	-	14	-
Intangible asset written off	37	(907)	1,662	717

\*Restated for the result of discontinued operation.





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

## **8. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect in the result for the current quarter and financial year under review.

## **9. DEBT AND EQUITY SECURITIES**

On 30 January 2012, it was announced that the Company proposed to undertake a private placement of up to 110,000,000 new ordinary shares of RM1.00 each in the Company ("Placement Shares"), representing up to 10% of the issued and paid-up share capital of the Company ("Private Placement"). The Private Placement was subsequently completed on 20 March 2012, following the listing of and quotation for 110,000,000 new MAHB Shares on the Main Market of Bursa Malaysia Securities Berhad.

The Placement Shares were issued to investors identified via a book-building exercise, which had attracted demand from both domestic and foreign institutional investors. The issue price was fixed at RM5.60 per Placement Share, representing a discount of approximately 2.4% to the 5-day Volume Weighted Average Market Price ("VWAMP") of MAHB up to and including 7 March 2012 of RM5.74 and a discount of approximately 0.9% to the closing market price of MAHB Shares on 7 March 2012 of RM5.65.

Save for the above, there were no other issuance and/or repayment of debt and/or equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter and financial year under review.

## **10. DIVIDENDS PAID**

The final dividend of 12.85 sen per ordinary share less Malaysian income tax of 25% and a single-tier dividend of 0.30 sen per ordinary share in respect of the financial year ended 31 December 2011 was approved by the Shareholders at its Annual General Meeting held on 29 March 2012. The final dividend totalling to RM120.27 million was paid on 11 May 2012 in respect of the shares registered in the Records of Depositors on 12 April 2012.



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

**10. DIVIDENDS PAID (Contd.)**

A single-tier interim dividend of 6 sen per ordinary share in respect of the financial year ended 31 December 2012 was declared on 23 October 2012. The interim dividend totalling to RM72.60 million was paid on 18 January 2013, in which RM33.53 million was reinvested on 21 January 2013.

Dividend Reinvestment Plan

In the current quarter under review, the Company had proposed to undertake a recurrent Dividend Reinvestment Plan that provides Shareholders the option to elect to reinvest their cash dividend(s) declared by the Company (whether interim, final, special or any other cash dividend) ("Dividend(s)") in new ordinary shares of RM1.00 each in MAHB ("Shares" or "MAHB Shares") ("DRP").

The DRP will provide Shareholders with an opportunity to reinvest their Dividends (in part or in whole) in new MAHB Shares ("New Shares") in lieu of receiving cash.

The DRP has capital management benefits as the reinvestment of Dividends by Shareholders in the New Shares will enlarge the Company's share capital base and strengthen the Company's capital position.

Under the DRP, any cash so retained within the Company, that would otherwise be made payable by way of Dividend, will be preserved to fund the Group's continuing growth and expansion plans, and/or for the Group's working capital (including payment for general corporate activities and to defray expenses incurred in the course of day-to-day business operations).

The issue of New Shares under the DRP is also expected to improve the liquidity of MAHB Shares currently listed on the Main Market of Bursa Securities.

In addition, Shareholders are also expected to benefit from their participation in the DRP as the New Shares may be issued at a discount and the subscription of such New Shares will be free from any brokerage fees and other related transaction costs.



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

**10. DIVIDENDS PAID (Contd.)**

Dividend Reinvestment Plan (Contd.)

The DRP will also provide Shareholders with greater flexibility to meet their investment objectives as they would each have the choice of receiving the Dividends in cash or reinvesting into the Company through the subscription of additional Shares.

In relation to Dividends declared, the Board may, at its absolute discretion, determine whether to offer Shareholders an option to reinvest such Dividend in New Shares ("Reinvestment Option") and where applicable, the size of the portion of such Dividend to which the Reinvestment Option applies ("Electable Portion").

Shareholders will have the following options in respect of a Reinvestment Option:

- (a) elect to participate and thereby reinvest the entire Electable Portion (or a part thereof) at the Issue Price (as defined below) for New Shares and to receive wholly in cash:
  - (i) the portion of the Dividend to which the Reinvestment Option does not apply, as determined by the Board ("Non-Electable Portion"); and
  - (ii) remaining portion of the Electable Portion not reinvested (if any) ("Remaining Portion");

or

- (b) elect not to participate in the Reinvestment Option and thereby receive the entire Dividend wholly in cash.

The issue price of such New Shares shall be the higher of the following ("Issue Price"):

- (a) the adjusted volume-weighted average market price ("VWAP") of MAHB Shares for the five market days immediately preceding the price-fixing date (i.e. a date on which the Issue Price will be determined) after applying a discount of not more than 10%. The VWAP shall be adjusted for Dividends before applying the aforementioned discount in fixing the Issue Price; or
  
- (b) the par value of MAHB Shares at the material time.

The DRP had received all the necessary approvals from Bank Negara Malaysia, Bursa Malaysia Securities Berhad and the Shareholders via an EGM held on 30 November 2012.



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

**10. DIVIDENDS PAID (Contd.)**

Dividend Reinvestment Plan (Contd.)

The Board determined that the DRP would apply to the single-tier interim dividend of 6 sen in respect of the financial year ended 31 December 2012 ("Interim Dividend"). The DRP in respect of the Interim Dividend has since been completed on 21 January 2013 following the listing of and quotation for 7,088,046 New Shares on the Main Market of Bursa Securities.

Save for the foregoing, there were no other dividends paid or declared during the current quarter and financial year under review.

**11. CARRYING AMOUNT OF REVALUED ASSETS**

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

**12. CHANGES IN COMPOSITION OF THE GROUP**

On 1 October 2012, Malaysia Airport Consultancy Services Sdn. Bhd. ("MACS"), a wholly-owned subsidiary of the Group and Mr. Hamad Abdullah Al-Attayah had incorporated a limited liability company in Doha, Qatar under the name of Malaysia Airports Consultancy Services Gulf LLC ("MACS Gulf LLC") for the purpose of undertaking activities in the areas of facilities maintenance services at airports, including the new Doha International Airport and any other activities. The issued share capital of MACS Gulf LLC is amounting to Qatari Riyal 200,000 (or the equivalent of approximately RM177,000), in which 49% is held by MACS and 51% by Mr. Hamad Abdullah Al-Attayah.

Save for the above, there were no other changes in the composition of the Group during the current quarter and financial year under review.



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

### **13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

- a) XY Base Technologies Sdn Bhd (“Plaintiff”) filed an application against the Group (“Defendants”) in the High Court (Suit No. 22-87-2022) for the following claims:
- (a) The sum of RM6,467,000 against MA (Sepang) for software support (“Software Support”);
  - (b) General damages for unlawful interference with the Plaintiff’s employees against all the Defendants;
  - (c) General damages for breach of memorandum of understanding/joint venture with the Plaintiff against all the Defendants; and
  - (d) General damages for breach and unlawful use of confidential information/business plan with Plaintiff against all the Defendants.

The High Court had on 23 September 2011 allowed the Plaintiff’s claim against MA (Sepang) and payment as to the judgment sum of RM6,467,000 for Software Support has been paid by MA Sepang. In addition to this, the High Court has fixed 4 December 2012 for hearing to assess the damages in respect of the interference by the Defendants with the Plaintiff’s employees. The matter is now fixed for continued hearing on the 7 March 2013 by the court. The solicitors of the Defendants in this matter are of the view that the Court could award damages to the Plaintiff, however they are currently unable to quantify the sum claimed by the Plaintiff as the Plaintiff will have to prove its actual losses at the abovementioned hearing.

- b) On 13 December 2011, the Court of Appeal (“COA”) has reversed the judgment by the High Court in respect of the legal suit by Federal Express Brokerage Sdn Bhd, United Parcel Service (M) Sdn Bhd and UPS SCS (Malaysia) Services Sdn Bhd (collectively referred to as “the Appellants”) against Malaysia Airports (Sepang) Sdn Bhd (“MA (Sepang)”).

Based on advice from the Group’s legal counsel, MA (Sepang) filed an application for leave to appeal on 22 December 2011 and such other relevant application against the COA’s decision to the Federal Court.



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

**13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Contd.)**

On 31 May 2012, the Company announced that in response to Notices under Section 218(1)(e) of the Act served on MA Sepang on 1 February 2012 by the Appellants, MA (Sepang) filed an application for Fortuna Injunction in the High Court to refrain the Appellants from presenting any winding up petitions against MA (Sepang). The High Court has on 29 May 2012 allowed the said application with costs of RM15,000 to be paid by the Appellants jointly within one month from the date of the order.

On 18 September 2012, the Federal Court granted MA (Sepang)'s application for leave to appeal and the Attorney General's application to intervene. The Federal Court has fixed the hearing of the matter on 25 February 2013. In view of the ongoing legal proceedings, other than the relevant information disclosed in the financial statements, any further disclosures may be prejudicial to the outcome of the appeal.

Save for the above, there were no other changes in contingent liabilities since 31 December 2011. The Group has no contingent assets.

**14. RELATED PARTY TRANSACTIONS AND BALANCES**

**Related Party Transactions:**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
<b>Revenue/Other Income:</b>				
<u>Associate:</u>				
KL Aviation Fuelling System Sdn. Bhd.	1,445	1,445	5,781	5,781
Istanbul Sabiha Gokcen International Airport	730	505	2,980	2,019
LGM Airport Operations Trade and Tourism Inc	195	257	(249)	1,028
GMR Male International Airport	9,342	413	1,210	1,528
<u>Jointly Controlled Entities:</u>				
Segi Astana Sdn. Bhd.	318	530	1,273	530
Airport Cooling Energy Supply Sdn. Bhd.	179	894	715	894
<b>Other Expenses:</b>				
Bad Debts written off				
<u>Associate:</u>				
GMR Male International Airport	9,342	-	9,342	-



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

**14. RELATED PARTY TRANSACTIONS AND BALANCES (Contd.)**

**Related Party Balances:**

	As at 31.12.2012 RM'000 Unaudited	As at 31.12.2011 RM'000 Audited
Amount owing by associate companies	5,057	14,177

**15. CAPITAL COMMITMENTS**

The amount of commitments for lease rental, purchase of property, plant and equipment, construction of terminal building and other investment not provided for in the interim condensed consolidated financial statements as at 31 December 2012 were as follows:

	Due year 2013 RM'000	Due year 2014 to 2018 RM'000	Due year 2019 to 2066 RM'000	Total RM'000
(i) Approved and contracted for:				
Lease rental payable to the GoM other than within the operating agreements	-	-	66,063	66,063
Capital expenditure	1,476,269	-	-	1,476,269
	1,476,269	-	66,063	1,542,332
(ii) Approved but not contracted for:				
Capital expenditure	1,252,654	206,485	-	1,459,139
(iii) Other investment:				
Investment in Istanbul Sabiha Gokcen International Airport	-	116,433	-	116,433
Investment in Segi Astana Sdn. Bhd.	10,818	-	-	10,818
	10,818	116,433	-	127,251
	2,739,741	322,918	66,063	3,128,722



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

**16. SUBSEQUENT EVENTS**

On 31 December 2012, KL Airport Hotel Sdn Bhd ("KLAH"), a wholly-owned subsidiary of the Group has entered into a Joint Venture Agreement with ATOZ Hospitality Services Sdn Bhd ("ATOZ"), to set up a private limited Joint Venture Company for the purpose of operating and managing a new airport hotels brand known as "Sama-sama Hospitality Group" which comprised of two sub-brands namely, "Sama-Sama Hotel" and Sama-Sama Express". The authorised capital of JV Company shall be RM100,000 divided into 100 ordinary shares of RM1.00 each. The shareholdings of the Parties shall be in the proportions of 51% for KLAH and 49% for ATOZ. There were no effects to the Group at the reporting date.

On 1 January 2013, Pan Pacific Hotel KLIA under KLAH has been rebranded to Sama-Sama Hotel KL International Airport.

On 2 January 2013, the JV Company was incorporated as Sama-Sama Hospitality Management Sdn Bhd.

There were no other material events subsequent to the end of the current quarter and financial year under review that requires disclosure or adjustments to the interim financial statements.

**17. PERFORMANCE REVIEW**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Restated Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Restated Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue	1,328,275	813,202	3,548,062	2,754,812
Profit before tax and zakat	134,808	135,863	602,756	574,192

**Revenue**

The consolidated revenue of the Group for the current quarter and financial year under review was higher than the same corresponding period in the previous year by 63.3% or RM515.1 million and 28.8% or RM793.3 million respectively.





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

**17. PERFORMANCE REVIEW (Contd.)**

**Revenue (Contd.)**

a) Airport Operations

Included in the airport operations' revenue in the current quarter and financial year under review was construction revenue of RM737.5 million and RM1,385.0 million respectively as compared to the amount recognised in the same period in previous year of RM290.2 million and RM820.5 million respectively. The construction revenue was recognised in relation to the construction of klia2 and expansion of Penang International Airport.

Excluding the construction revenue, the airport operations' revenue in the current quarter and financial year under review increased by 12.9% or RM67.7 million and 11.8% or RM228.7 million respectively. The improvement in revenue for the current quarter and financial year under review was mainly contributed by a positive growth of 15.7% or RM39.3 million and 16.6% or RM147.8 million respectively from aeronautical revenue which was mostly derived from passenger service charges and landing charges driven by higher passenger and aircraft numbers and the implementation of the new rates. The favourable variance in revenue was also due to lower airline incentives provided in the current quarter and financial year under review of RM11.0 million or 83% and RM38.0 million or 37% as compared to the same period in the previous year respectively.

However, the increase in revenue from passenger service charges was negated by lower MARCS PSC since the Group is no longer entitled to claim for MARCS PSC upon the implementation of the new rates which is equivalent to the benchmark rate as stipulated in the Operating Agreements signed on 12 February 2009.

Further, the positive growth in revenue, both in the current quarter and financial year under review, was also derived from the Group's retail business which improved by 14.4% or RM18.7 million and 13.3% or RM63.1 million respectively, riding on the passenger growth, particularly from LCCT.



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

**17. PERFORMANCE REVIEW (Contd.)**

**Revenue (Contd.)**

a) **Airport Operations (Contd.)**

Passenger movements for the current quarter under review were 8.4% higher than the corresponding period last year, in which the international and domestic passenger movements increased by 10.8% and 6.1% respectively. Passenger movements at KLIA-LCCT and KLIA- Main Terminal were higher by 9.4% (international: +12.4%, domestic: +5.0%) and 11.4% (international: +11.3%, domestic: +11.7%) respectively.

Passenger movements for the financial year under review were 5.0% higher than the corresponding period last year, in which the international and domestic passenger movements increased by 6.1% and 3.9% respectively. Passenger movements at KLIA-LCCT and KLIA-Main Terminal were higher by 9.9% (international: +8.8%, domestic: +11.6%) and 2.3% (international: +4.7%, domestic: -5.4%) respectively.

b) **Non-Airport Operations**

Net revenue from non-airport operations for the current quarter under review registered an increase of 4.3% or RM1.6 million while a decrease for the financial year under review of 4.5% or RM6.7 million compared with the previous corresponding period. The positive variance for the current quarter under review was mainly derived from project & repair maintenance segment by more than 100% or RM5.7 million. However, the positive variance was negated by the decrease in agriculture and hotel segments of 24.1% or RM2.7 million and 6.8% or RM1.4 million respectively.

The negative variance in Hotel revenue for the current quarter compared to the previous corresponding period was due to the closure of five levels of the hotel for renovation project.



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

**17. PERFORMANCE REVIEW (Contd.)**

**Revenue (Contd.)**

b) **Non-Airport Operations (Contd.)**

The negative variance for the financial year under review was derived from agriculture of 17.7% or RM9.8 million as compared to the same period in the previous year. However, the negative variance was cushioned by the increase in project & repair maintenance and hotel segment of 10.0% or RM1.8 million or 1.7% or RM1.3 million respectively.

The decrease in agriculture revenue was due to a lower price attained for FFB per tonne (RM109 or 16.0% lower) coupled with a lower production volume for the year (a decrease of 1,396MT or 1.8%) (2012: 78,285MT / RM572, 2011:79,681MT / RM681). The decrease in the production was in line with the industry outlooks due to the occurrence of El Nino in recent years which have a direct effect on the current oil palm yield (i.e. production).

Project & repair maintenance revenue for the financial year grew by 9.9% or RM1.8 million and was mainly due to higher revenue generated from various projects secured during the year.

Hotel revenue for financial year grew by 1.7% or RM1.3 million due to higher revenue from food and beverage related services which increased by 10.0% or RM3.7 million, contributed by the catering business for various events. However, the positive variance was reduced by lower revenue from room occupancy by 5.0% or RM1.9 million mainly resulting from lower room occupancy by 8.5% (2012: 59.9%, 2011: 68.4%) despite higher average room rates. Lower room occupancy was due to the closure of five levels of the hotel for renovation project.

**Profit before tax and zakat**

The consolidated Profit before tax and zakat (PBT) for the current quarter under review was slightly lower by RM1.0 million as compared to the previous corresponding period. However PBT for the financial year under review was higher as compared to the previous corresponding period by 5.0% or RM28.6 million.



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

**17. PERFORMANCE REVIEW (Contd.)**

**Profit before tax and zakat (Contd.)**

Included in PBT for the current quarter and financial year under review were construction profit of RM33.1 million and RM63.3 million which were higher by more than 100% or RM19 million and 65.5% or RM25.1 million as compared to the same period in the previous year of RM14.1 million and RM38.2 million respectively.

Other income was 38% or RM10.6 million higher in the current quarter under review due to higher investment income from structured products. On the other hand, other income in the financial year under review declined by 5% or RM7.0 million as compared to the previous corresponding year due to dividends received from investment in unquoted shares of RM22.5 million in the previous corresponding year whereas no dividend was received in the current financial year under review. The decrease had been cushioned by higher interest and investment income.

Excluding the construction profit, PBT for the current quarter under review was RM101.7 million, lower by 16.5% or RM20.1 million mainly due to the impairment of investment in an associate company. However, for the financial year under review, the PBT was RM539.5 million, higher by 1.0% or RM3.5 million and attributed to the positive growth in revenue.

Total cost (excluding construction cost) for the current quarter and financial year under review increased by 1.0% or RM10.9 million and 11.0% or RM143.5 million respectively due to the increase in staff cost, repair and maintenance, utilities, user fees, administrative cost, professional fee and bad debt written off.

Higher staff costs were mainly due to annual increments, additional recruitment and the salary adjustments. Repair and Maintenance cost was higher due to higher maintenance incurred at various airports. Increase in utilities was mainly attributable to higher passenger movements coupled with the increase in electricity tariff since December 2011 and gas price since June 2011.



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

## **17. PERFORMANCE REVIEW (Contd.)**

### **Profit before tax and zakat (Contd.)**

Higher depreciation and amortisation was due to the capitalisation of newly completed projects such as system development enhancements, CCTV, Baggage Handling System IT as well as capitalisation of sixteen units of fire vehicles.

Share of associate results shows a positive variance primarily due to higher profit recorded by GMR Male International Airports Limited (“GMIAL”) and lower loss from Istanbul Sabiha Gokcen International Airport (“ISGIA”).

### **Share of results of associates**

The Group has not recognised further losses relating to ISGIA where its share of losses exceeded the Group's interest and the extent of the Group's legal and constructive obligations in its investment in ISGIA. The Group's cumulative share of unrecognised losses in the current financial year under review was RM30.2 million. The Group has no further obligation in respect of these losses and until such time where the associate is in a profitable position, the Group shall recognise the share of profits only after its share of the profits equals the share of losses not recognised.

### **Impairment of investment in associate**

The Group has provided for the impairment of investment on the cost of investment and total share of profit recognised for GMIAL from 2010 until 2012 totalling to RM68.9 million due to the termination of Concession Agreement between Government of Maldives and the GMIAL (the Consortium) in December 2012. The Consortium was to operate, maintain, expand, rehabilitate and modernise the Ibrahim Nasir International Airport for period of 25 years which the Group has 23% interest.



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

**17. PERFORMANCE REVIEW (Contd.)**

**ECONOMIC PROFIT STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding year 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
<b>Net Operating Profit Less Adjusted Tax (NOPLAT) computation.</b>				
Earnings before interest and tax (EBIT*)	227,810	141,408	689,954	631,320
Adjusted Tax	(56,953)	(35,353)	(172,489)	(157,830)
NOPLAT	170,857	106,055	517,465	473,490
<b>Economic charge computation</b>				
Average invested capital	6,001,375	4,808,714	6,001,375	4,808,714
Weighted average cost of capital per annum	6.43%	6.72%	6.43%	6.72%
Economic Charge	96,472	80,786	385,888	323,146
Economic Profit	74,385	25,269	131,576	150,344

\* EBIT is earning before finance costs, interest income, share of results of associates and impairment of investment in an associate.

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 economic profit of RM74.4 million for current quarter under review as compared with RM25.3 million in the corresponding period in the previous year, and RM131.5 million for the financial year under review as compared with RM150.3 million in the corresponding period in the previous year. Higher economic profit in the current quarter as compared to the corresponding period was due to higher construction profit. Lower economic profit in the financial year under review as compared to the corresponding period was due to higher average invested capital resulting from cost incurred for the construction of klia2.



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

**17. PERFORMANCE REVIEW (Contd.)**

**HEADLINE KEY PERFORMANCE INDICATORS (“KPIs”)**

The Group’s financial and operational performances for the year under review against the Headline KPIs were as follows:-

	Headline KPIs for year 2012		Actual achievements 31 December 2012	
	Without Construction Profit	With Construction Profit	Without Construction Profit	With Construction Profit
i) EBITDA (RM'000)	822,000	909,862	866,436	929,741
ii) ROE *	10.42%	11.61%	8.59%	9.97%
iii) Airport Service Quality Survey Ranking	KLIA Ranking top 5 Worldwide		i) 25-40 mppa - ranking at no.3 ii) Worldwide - ranking at no. 9	

Construction profit is recognised for construction of klia2 and expansion of Penang International Airport in compliance with IC Interpretation 12: Service Concession Arrangement (“IC12”)

\*Actual ROE was lower mainly due to provision for impairment of investment in GMIAL of RM 69.0 million made during the year.

**18. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER**

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Restated Immediate Preceding Quarter 30.09.2012 RM'000
Revenue	1,328,275	754,266
Profit before tax and zakat	134,808	172,864



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

**18. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER  
COMPARED WITH PRECEDING QUARTER (Contd.)**

**Revenue**

The consolidated revenue of the Group for the current quarter under review increased by 76.1% or RM574.0 million as compared with the immediate preceding quarter. The positive variance was mainly due to higher construction revenue recorded by more than 100% or RM520.0 million. Construction revenue of RM737.5 million was recognised in the current quarter under review as compared to RM217.6 million recognised in the immediate preceding quarter.

Excluding the construction revenue, the consolidated revenue for the current quarter under review was 10.1% or RM54.2 million higher than the immediate preceding quarter which was mainly contributed by airport and non-airport operations by 10.6% or RM53.0 million and 3.1% or RM1.2 million respectively.

a) **Airport Operation**

The increase in revenue from airport operations by 10.6% or RM53.0 million was primarily due to higher aeronautical revenue by 12.8% or RM32.8 million which was due to lower airline incentive and higher passenger service charge of RM21.1 million and RM11.1 million respectively.

The increase in non-aeronautical revenue by 8.3% or RM20.1 million was mainly due to higher retail revenue by 15.3% or RM19.8 million.





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

**18. MATERIAL CHANGE IN PROFIT BEFORE TAX AND ZAKAT OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (Contd.)**

**Revenue (Contd.)**

b) Non-Airport Operations

Non-Airport Operations segment recorded a higher revenue by 2.8% or RM1.1 million. This was mainly due to higher revenue registered by project and repair maintenance business and hotel segments, which increased by more than 100% or RM5.7 million and 14.0% or RM2.3 million respectively. However, there was a decreased by 44.6% or RM6.9 million in agriculture segment due to lower production volume and lower FFB price.

**Profit before tax and zakat**

Lower PBT for the current quarter under review as compared to the immediate preceding quarter was primarily due to the impairment of investment on the cost of investment and total share of profit recognised for GMIAL from 2010 until 2012 totalling to RM68.9 million resulting from the termination of Concession Agreement by Government of Maldives in December 2012.



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

**19. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISPOSAL**

During the year, a subsidiary Airport Automotive Workshop Sdn Bhd (“AAW”) ceased operation and subsequently, on 16 January 2013, AAW commenced Members’ Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.

As at 31 December 2012, the assets and liabilities of AAW have been presented on the consolidated statements of financial position as assets and liabilities held for disposal and results from AAW is presented separately on the statement of comprehensive income as discontinued operation.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	to date	Corresponding Period
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	59	3	8	17
Other income	176	-	181	-
Expenses	(7)	(99)	-	(71)
Profit /(loss) before tax of discontinued operations	228	(96)	189	(54)
Income tax expenses	-	-	-	-
Profit /(loss) for the year from discontinued operations	228	(96)	189	(54)



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

**19. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISPOSAL**  
**(Contd.)**

The classes of assets and liabilities of AAW classified as held for disposal on the consolidated statement of financial position as follows:-

	<b>31.12.2012</b>
	<b>RM'000</b>
	<b>Unaudited</b>
<b>Assets</b>	
Cash & bank balances	63
Assets of disposal group classified as held for disposal	<u>63</u>
<b>Liabilities</b>	
Trade & other payables	<u>60</u>

Prior year assets and liabilities held for disposal were in respect of Asia Pacific Auction Centre Sdn. Bhd. and its subsidiaries which completed the liquidation during the year.



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

## **20. COMMENTARY ON PROSPECTS**

The airports operated by the Group achieved 5.0% passenger growth in 2012. International passenger movements recorded 6.1% growth and the domestic sector was 3.9% above 2011. Aircraft movements grew by 2.3% while Cargo experienced a 1.4% decline over 2011. As separate market segments, both foreign airlines and low-cost carriers registered double-digit growth in 2012. However, there was a decline recorded by full-service domestic carriers.

The global economic uncertainties continue to remain especially with respect to Eurozone's debt crisis and North America's uncertain fiscal initiatives. The International Monetary Fund (IMF) has continuously revised downwards the world economic outlook. Its world GDP forecast for 2013 has been lowered to 3.5% in January 2013 from 3.6% in October and 3.9% in July 2012.

Nevertheless, year-to-date passenger traffic performance has remained relatively healthy despite the on-going risks and slowdown in the global economy as major airports in emerging markets continue to counterbalance the slowdown from other regions with sustained demand for air transport. Therefore, passenger traffic is expected to remain positive in 2013. . The International Air Transport Association (IATA) and Airport Council International (ACI) have estimated 2013 world passenger traffic to grow by a reasonable 4.5% and 5.1% respectively while International Civil Aviation Organization (ICAO) estimates a stronger growth of 6.0%.

With regards to the Malaysian economy, it has been surprisingly resilient, amidst global economic uncertainties. In 3Q12, the Malaysian GDP grew strongly by 5.2%, the most recent 2012 GDP forecasts from MIER and RAM are 5.1% and 5.3% respectively and the 4Q2012 GDP is expected to be better. This economic resilience was mainly driven by the strong domestic demand from both private and public consumption and investments as Government efforts such as the Economic Transformation Programme (ETP) initiatives have begun to have positive effects on the economy. Moving forward, the Malaysian economy is forecasted to register a stronger growth of 5-6% in 2013 on stronger exports and private investment based on the Economic Report 2012/2013 released by the Ministry Finance (MoF). Thus, the positive outlook for the economy augurs well for the aviation industry as strong domestic demand would help fuel the demand for air travel.



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

## **20. COMMENTARY ON PROSPECTS (Cont.)**

For the MAHB Group, the year 2013 is expected to be a better year in terms of overall passenger traffic performance. Many of the airlines' routes and capacity cuts that were affected in 2012 have been reinstated or are in the process of being reinstated, as evidenced by the stronger traffic growth registered in 4Q12.

In 2013, MAHB Group will further benefit from strong traffic growth with the entry of new airlines and the expansion of local carriers in 2013. Therefore, the Group expects to achieve a passenger growth of 7.1% for 2013 on the assumption that the Malaysian GDP growth remains in the range of 5% and the global economic environment remains stable.

In addition, klia2 is expected to commence operations on 28 June 2013 and will contribute positively to MAHB Group's revenue largely fuelled by higher passenger movements and complemented by enhancements in retail and commercial operations.

Hence, the Group remains committed to its course as guided by its Five Year Business Direction, "Runway To Success". MAHB's performance is expected to further improve in 2014 with the full year operations of klia2. As MAHB Group continues on its journey, it is clearly taking flight towards a highly promising and successful future.

## **21. 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.



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

**22. TAXATION AND ZAKAT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	*Restated Preceding Year Corresponding Period 31.12.2011 RM'000
Current tax	9,569	18,554	158,477	150,343
Deferred taxation	46,961	19,617	40,210	18,865
Zakat	479	843	9,798	3,767
	<u>57,009</u>	<u>39,014</u>	<u>208,485</u>	<u>172,975</u>

**23. SALE OF PROPERTIES**

There were no sales of properties since 31 December 2011.

**24. INVESTMENTS IN QUOTED SECURITIES**

There were no movements in investments in quoted securities during the current quarter and financial year under review.



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

## **25. STATUS OF CORPORATE PROPOSALS**

- a) Save for the following, there are no other corporate proposals announced by the Group but not completed as at 19 February 2013 being a date not earlier than 7 days from the date of issuance of the quarterly report:

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 is deemed 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 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. On 17 December 2010, MACB completed the issuance of the second tranche comprising RM1.5 billion nominal value IMTNs pursuant to the IMTN Programme. The IMTNs issued under the second tranche have a tenure of twelve (12) years from the date of issuance with a periodic distribution (coupon) rate of 4.68% per annum.

On 28 December 2012, MACB completed the issuance of the final tranche comprising RM0.6 billion nominal value IMTNs pursuant to the IMTN Programme based on the Shariah Principle of Commodity Murabahah. The IMTNs issued under the final tranche have a tenure of twelve (12) years from the date of issuance with a periodic distribution (coupon) rate of 4.15% per annum.



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

**25. STATUS OF CORPORATE PROPOSALS (Contd.)**

b) The status of utilisation of proceeds raised from corporate proposals as at 19 February 2013 (being a date not earlier than 7 days from the date of issue of the quarterly report) are as follows:

i) **ICP Programme and IMTN Programme**

<b>Purpose</b>	<b>Proposed Utilisation (RM '000)</b>	<b>Actual Utilisation (RM '000)</b>
To part finance the construction of 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	3,100,000	3,100,000





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

**25. STATUS OF CORPORATE PROPOSALS (Contd.)**

**ii) Private Placement**

<b>Purpose</b>	<b>Proposed Utilisation (RM '000)</b>	<b>Actual Utilisation (RM '000)</b>
To part finance the capital expenditure for klia2 and to defray expenses relating to the Private Placement.	616,000	616,000

**26. BORROWINGS AND DEBT/EQUITY SECURITIES**

	<b>As at 31.12.2012 RM'000 unaudited</b>	<b>As at 31.12.2011 RM'000 audited</b>
<b>Long term borrowings</b>		
Unsecured:		
Islamic Medium Term Notes ("IMTN")	<u>3,100,000</u>	<u>2,500,000</u>

**27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments as at 19 February 2013.



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

**28. CHANGES IN MATERIAL LITIGATION**

Save for the updates and in Note 13, there were no other changes to material suits against the Group and its subsidiaries since 31 December 2011.

**29. DIVIDEND PAYABLE**

Final dividend in respect of financial year ended 31 December 2011 and interim dividend in respect of financial year ended 31 December 2012 have been declared and paid as per note 10. There were no other dividends paid or declared during the current quarter and financial year under review.

**30. EARNINGS PER SHARE ("EPS")**

**Basic EPS**

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Restated Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Restated Preceding Year Corresponding Period 31.12.2011 RM'000
Profit from continuing operations attributable to owners of the parent	77,800	96,848	394,271	401,217
Profit/(Loss) from discontinued operation attributable to equity holders of the Company	228	(96)	189	(54)
Profit attributable to equity holders of the Company	<u>78,028</u>	<u>96,752</u>	<u>394,460</u>	<u>401,163</u>
Weighted average number of ordinary shares in issue ('000)	1,210,000	1,100,000	1,186,257	1,100,000
Basic earning per share for (sen):				
Profit from continuing operations	6.43	8.80	33.24	36.47
Profit/(loss) from discontinued operation	<u>0.02</u>	<u>(0.01)</u>	<u>0.02</u>	<u>(0.00)</u>
Basic earnings per share (sen)	<u>6.45</u>	<u>8.79</u>	<u>33.26</u>	<u>36.47</u>



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

**30. EARNINGS PER SHARE ("EPS") (Contd.)**

Weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

**31. SUPPLEMENTAL EXPLANATORY NOTE ON DISCLOSURE OF REALISED AND UNREALISED PROFITS**

	<b>As at 31.12.2012 RM'000</b>	<b>As at 31.12.2011 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	3,440,220	3,163,928
- Unrealised	33,293	10,198
	<u>3,473,513</u>	<u>3,174,126</u>
Total share of retained earnings/(accumulated losses) from associate companies:		
- Realised	(211,319)	(187,793)
- Unrealised	54,892	51,270
	<u>(156,427)</u>	<u>(136,523)</u>
Total share of retained earnings from jointly controlled entities:		
- Realised	265	677
- Unrealised	160	-
	<u>425</u>	<u>677</u>
Less: Consolidation Adjustments	(1,490,753)	(1,413,112)
Total retained earnings as per financial statements	<u>1,826,758</u>	<u>1,625,168</u>



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

### **32. 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

20 February 2013