



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	*Restated	Current Year To	*Restated
		Quarter	Preceding Year	Date	Preceding Year
		30.09.2013	Corresponding	30.09.2013	Corresponding
		RM'000	Quarter	RM'000	Period
			30.09.2012		30.09.2012
			RM'000		RM'000
Revenue		972,721	754,266	2,978,100	2,219,787
Cost of inventories sold		(81,976)	(68,243)	(231,725)	(204,571)
Other income	7	28,922	31,213	93,034	85,844
Employee benefits expense		(126,961)	(111,071)	(393,898)	(345,974)
Construction Costs		(341,838)	(207,387)	(1,146,728)	(617,344)
Depreciation and amortisation		(73,775)	(58,377)	(198,612)	(171,053)
Other expenses	7	(217,800)	(169,902)	(613,139)	(490,411)
<b>Operating profits</b>		<b>159,293</b>	<b>170,499</b>	<b>487,032</b>	<b>476,278</b>
Finance costs		(8,808)	(4,916)	(22,286)	(14,109)
Share of results:					
- associates		616	7,342	492	5,611
- jointly controlled entities		(83)	(64)	3,355	169
<b>Profit before tax and zakat</b>		<b>151,018</b>	<b>172,861</b>	<b>468,593</b>	<b>467,949</b>
Taxation and zakat	22	(38,240)	(59,798)	(128,006)	(151,476)
<b>Profit for the period, net of tax and zakat</b>		<b>112,778</b>	<b>113,063</b>	<b>340,587</b>	<b>316,473</b>
<b>Discontinued Operation</b>					
Loss for the period from discontinued operation		-	(55)	-	(40)
<b>Profit for the period, net of tax and zakat</b>		<b>112,778</b>	<b>113,008</b>	<b>340,587</b>	<b>316,433</b>
<b>Attributable to:</b>					
Owners of the parent		112,778	113,008	340,587	316,433
		112,778	113,008	340,587	316,433
Earnings per share attributable to owners of the parent (sen):					
Basic for profit from continuing operations		9.21	9.60	27.82	26.86
Basic for loss from discontinued operation		-	-	-	-
Basic for profit for the period	30	9.21	9.60	27.82	26.86

\*Restated due to 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 2012 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 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2013 RM'000	*Restated Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	*Restated Preceding Year Corresponding Period 30.09.2012 RM'000
Profit for the year, net of tax and zakat	112,778	113,008	340,587	316,433
Other comprehensive income:				
Available-for-sale financial assets				
- (Loss)/gain on fair value changes	(835)	76	(1,874)	(2,302)
Share of other comprehensive income of associates	-	-	(22)	-
Foreign currency translation	971	(1,172)	1,945	(1,076)
Other comprehensive income for the period, net of tax and zakat	136	(1,096)	49	(3,378)
Total comprehensive income	112,914	111,912	340,636	313,055
<b>Attributable to:</b>				
Owners of the parent	112,914	111,912	340,636	313,055

\*Restated due to 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 2012 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 2013**

	<b>30.09.2013</b>	<b>31.12.2012</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	314,215	290,829
Plantation development expenditure	51,507	50,336
Land use rights	7,549	7,639
Intangible Assets	7,793,781	6,198,000
Investment in associates	23,080	20,378
Investment in jointly controlled entity	57,499	43,326
Available for sale investments	334,280	303,179
Trade receivables	-	1,250
Other receivables	361,866	353,748
Staff loans	39,932	35,330
Deferred tax assets	1,082	1,680
	<u>8,984,791</u>	<u>7,305,695</u>
<b>Current Assets</b>		
Inventories	119,623	99,097
Trade receivables	432,675	527,200
Other receivables	76,442	113,040
Cash and bank balances	543,333	774,166
	<u>1,172,073</u>	<u>1,513,503</u>
Assets of disposal group classified as held for disposal	-	63
<b>TOTAL ASSETS</b>	<u>10,156,864</u>	<u>8,819,261</u>



**MALAYSIA AIRPORTS HOLDINGS BERHAD (487092-W)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013**

	<b>30.09.2013</b>	<b>31.12.2012</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	1,232,444	1,210,000
Share premium	1,409,385	1,320,414
Retained earnings	2,074,481	1,826,758
Fair value adjustment reserve	3,240	5,136
Other reserve	2,546	2,546
Foreign exchange reserve	(3,629)	(5,574)
<b>Total equity</b>	<u>4,718,467</u>	<u>4,359,280</u>
<b>Non-current Liabilities</b>		
Other financial liability	188,102	176,562
Borrowings	3,600,000	3,100,000
Deferred income	47,657	38,621
Deferred tax liabilities	122,438	98,913
Other payables	569,943	212,274
	<u>4,528,140</u>	<u>3,626,370</u>
<b>Current Liabilities</b>		
Borrowings	200,000	-
Trade payables	105,226	142,847
Other payables	564,949	659,548
Income tax payable	40,082	31,156
	<u>910,257</u>	<u>833,551</u>
Liabilities of disposal group classified as held for disposal	<u>-</u>	<u>60</u>
<b>Total liabilities</b>	<u>5,438,397</u>	<u>4,459,981</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,156,864</u>	<u>8,819,261</u>

*The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Attributable to equity holders of the Company						Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non- distributable			Distributable	
				Fair value Adjustment Reserve RM'000	Foreign Exchange Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000
<b>At 1 January 2012</b>	1,100,000	822,744	812	(4,401)	2,546	1,625,168	3,546,869
Total comprehensive income for the period	-	-	(2,302)	(1,076)	-	316,433	313,055
<b>Transaction with owners</b>							
Issuance of new shares via private placement	110,000	497,654	-	-	-	-	607,654
Dividends	-	-	-	-	-	(120,270)	(120,270)
<b>At 30 September 2012</b>	<b>1,210,000</b>	<b>1,320,398</b>	<b>(1,490)</b>	<b>(5,477)</b>	<b>2,546</b>	<b>1,821,331</b>	<b>4,347,308</b>
<b>At 1 January 2013</b>	1,210,000	1,320,414	5,136	(5,574)	2,546	1,826,758	4,359,280
Total comprehensive income for the period	-	-	(1,896)	1,945	-	340,587	340,636
<b>Transaction with owners</b>							
Shares issued pursuant to Dividend Reinvestment Plan	22,444	88,971	-	-	-	-	111,415
Dividends	-	-	-	-	-	(92,864)	(92,864)
<b>At 30 September 2013</b>	<b>1,232,444</b>	<b>1,409,385</b>	<b>3,240</b>	<b>(3,629)</b>	<b>2,546</b>	<b>2,074,481</b>	<b>4,718,467</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 2012 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 2013**

	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax and zakat from:		
Continuing operations	468,593	467,949
Discontinued operation	-	(40)
Adjustments for:		
Interest income	(12,284)	(14,133)
Interest from late payments	(3,287)	(2,973)
Interest expense	22,286	14,109
Provision for liabilities	3,764	3,597
Amortisation of:		
- Intangible assets	161,444	134,190
- plantation development expenditure	2,078	1,961
- land use rights	90	90
Depreciation of property, plant and equipment		
-Continuing operations	34,999	34,811
-Discontinued operation	-	1
Amortization of premium on investments	26	46
Net allowance doubtful debts/ (write back):		
-Continuing operations	893	(1,313)
-Discontinued operation	-	(1)
Net of bad debt written off/(recovered)	7,203	(25)
Loss / (gain) on disposal of:		
- property,plant and equipment	2,164	4,856
- intangible assets	(8)	107
- bonds	-	(644)
- other investment	(187)	(420)
Property, plant and equipment written off	95	114
Intangible assets written off	89	1,625
Net of inventories written off	716	2,006
Retirement benefits	-	2,512
Investment income	(13,665)	(10,451)
Profit from construction contract	(51,932)	(30,177)
Share of results of:		
- Associates	(492)	(5,611)
- Jointly controlled entities	(3,355)	(169)
<b>Operating profit before working capital changes</b>	<b>619,230</b>	<b>602,017</b>
Increase in inventories	(21,242)	(24,898)
Decrease in receivables	123,261	144,988
Decrease in payables	(79,131)	(154,244)
Decrease in provisions for liabilities	(4,018)	(7,636)
<b>Cash generated from operations</b>	<b>638,100</b>	<b>560,227</b>
Tax and Zakat paid	(94,956)	(142,464)
Retirement benefits paid	-	(35,780)
<b>Net cash generated from operating activities</b>	<b>543,144</b>	<b>381,983</b>



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2013 (CONTD.)**

	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- property, plant and equipment	(133,214)	(247,019)
- intangibles assets	(1,243,841)	(619,445)
- quoted shares	-	(91,639)
- plantation development expenditure	(3,903)	(856)
- other investments	(25,416)	(994)
Proceed from disposal of:		
- property, plant and equipment	85	141
- other investments	5,991	-
Acquisition of an associate	(840)	-
Advance to associate	(3,191)	(2,060)
Redemption of bonds	-	6,105
Investment income received	13,665	10,451
Dividend received from associate	1,800	2,400
Interest received	3,935	5,903
<b>Net cash used in investing activities</b>	<b>(1,384,929)</b>	<b>(937,013)</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	-	506,000
Repayment of concession payable	(17,095)	(9,322)
Drawdown of loans and borrowings	700,000	-
Interest paid	(19,034)	(4,116)
Dividends paid to shareholders of the Company	(53,008)	(120,270)
<b>Net cash generated (used in)/from financing activities</b>	<b>610,863</b>	<b>473,946</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(230,922)</b>	<b>(81,084)</b>
Effects of foreign currency translation	26	(22)
Cash and cash equivalents at beginning of period	774,229	778,343
<b>Cash and cash equivalents at end of period</b>	<b>543,333</b>	<b>697,237</b>
<b>Cash and cash equivalents comprising:</b>		
Cash and bank balances	94,898	89,216
Short term deposits	448,435	608,021
	<b>543,333</b>	<b>697,237</b>

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.*



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## **1. BASIS OF PREPARATION**

The interim condensed consolidated financial statements 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 2012. 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 2012.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except as follows:

On 1 January 2013, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

Effective for financial periods beginning on or after 1 July 2012

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013

Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))

FRS 10 Consolidated Financial Statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of interests in Other Entities

FRS 13 Fair Value Measurement

FRS 119 Employee Benefits





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

FRS 127 Separate Financial Statements

FRS 128 Investment in Associate and Joint Ventures

Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans

Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))

Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))

Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))

Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012))

Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance

Amendments to FRS 11: Joint Arrangements: Transition Guidance

Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of changes in accounting policy are described below:

### FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.



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

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

### FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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.

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.



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

### FRS 12 Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

### FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

### FRS 128 Investment in Associate and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

### Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

### **Standards issued but not yet effective**

#### Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities

#### Effective for financial periods beginning on or after 1 January 2015

FRS 9: Financial Instruments Activities



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

### FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

### **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 a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption in view of potential changes on the horizon which may change current accounting treatments. On 6 September 2013, MASB had announced the adoption of MFRS for TEs is deferred to 1 January 2015.

TEs are non-private entities within the scope of MFRS 141 – Agriculture and IC Interpretation 15 – Agreements for the Construction of Real Estate, including their parent, significant investor and venturer. The Group being a TE, will adopt the MFRS Framework with effect from 1 January 2015.

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

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.



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**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 cyclical nature during the current quarter and financial period-to-date 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 period-to-date under review.

**6. SEGMENT INFORMATION**

The Group is organised 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 Sama – Sama Hotel KL International Airport.



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

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 2012.



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

	Continuing Operations							Total Operations
	Airport Operations		Non Airport Operations				Consolidation	
	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	
<b>For the period ended 30 September 2013</b>								
<b>Segment Revenue</b>								
External:								
Aeronautical	886,761	-	-	-	-	-	-	886,761
Non-aeronautical:								
Retail	-	437,608	-	-	-	-	-	437,608
Others	361,243	-	24,130	47,926	21,773	-	-	455,072
Construction	1,198,659	-	-	-	-	-	-	1,198,659
Internal	112,120	1,480	20,134	493	2,220	-	(136,447)	-
	<u>2,558,783</u>	<u>439,088</u>	<u>44,264</u>	<u>48,419</u>	<u>23,993</u>	<u>-</u>	<u>(136,447)</u>	<u>2,978,100</u>
<b>Segment Results</b>								
Construction Profit	51,932	-	-	-	-	-	-	51,932
Profits from operations (excluding construction profit)	598,108	36,217	4,230	4,062	505	(7,610)	(1,800)	633,712
Depreciation and amortisation	(163,823)	(4,484)	(99)	(15,161)	(2,716)	(12,329)	-	(198,612)
Finance costs	(20,943)	-	-	-	(13)	(1,330)	-	(22,286)
Share of results of associates:								
- associates	2,785	-	-	-	-	(2,293)	-	492
- jointly controlled entity	-	-	-	569	-	2,786	-	3,355
Profit/(loss) before tax and zakat	<u>468,059</u>	<u>31,733</u>	<u>4,131</u>	<u>(10,530)</u>	<u>(2,224)</u>	<u>(20,776)</u>	<u>(1,800)</u>	<u>468,593</u>
<b>As at 30 September 2013</b>								
<b>Assets and Liabilities</b>								
Segment assets	5,943,475	227,246	82,149	136,220	85,049	8,002,448	(4,399,462)	10,077,125
Investment in associates	21,135	-	-	-	-	1,105	-	22,240
Investment in Jointly Controlled Entity	-	-	-	-	-	57,499	-	57,499
Total assets	<u>5,964,610</u>	<u>227,246</u>	<u>82,149</u>	<u>136,220</u>	<u>85,049</u>	<u>8,061,052</u>	<u>(4,399,462)</u>	<u>10,156,864</u>
Segment liabilities representing								
Total liabilities	<u>2,226,750</u>	<u>107,450</u>	<u>5,005</u>	<u>43,633</u>	<u>17,831</u>	<u>5,372,802</u>	<u>(2,335,074)</u>	<u>5,438,397</u>



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**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 period ended 30 Sept 2012</b>										
<b>Segment Revenue</b>										
External:										
Aeronautical	747,857	-	-	-	-	-	-	747,857	-	747,857
Non-aeronautical:										
Retail	-	388,258	-	-	-	-	-	388,258	-	388,258
Others	333,940	-	9,210	55,985	37,016	-	-	436,151	-	436,151
Construction	647,521	-	-	-	-	-	-	647,521	-	647,521
Internal	105,475	1,693	19,639	760	2,229	-	(129,796)	-	-	-
	<b>1,834,793</b>	<b>389,951</b>	<b>28,849</b>	<b>56,745</b>	<b>39,245</b>	<b>-</b>	<b>(129,796)</b>	<b>2,219,787</b>	<b>-</b>	<b>2,219,787</b>
<b>Segment Results</b>										
Construction Profit	30,177	-	-	-	-	-	-	30,177	-	30,177
Profits from operations (excluding construction profit)	592,506	28,175	(1,937)	7,040	16,117	(22,347)	(2,400)	617,154	(39)	617,115
Depreciation and amortisation	(146,845)	(4,314)	(113)	(5,933)	(2,601)	(11,247)	-	(171,053)	(1)	(171,054)
Finance costs	(14,103)	-	(1)	-	(1)	(4)	-	(14,109)	-	(14,109)
Share of results of associates:										
- associates	2,936	-	-	-	-	2,675	-	5,611	-	5,611
- jointly controlled entity	-	-	-	-	-	169	-	169	-	169
Profit/(loss) before tax and zakat	<b>464,671</b>	<b>23,861</b>	<b>(2,051)</b>	<b>1,107</b>	<b>13,515</b>	<b>(30,754)</b>	<b>(2,400)</b>	<b>467,949</b>	<b>(40)</b>	<b>467,909</b>
<b>As at 30 September 2012</b>										
<b>Assets and Liabilities</b>										
Segment assets	6,028,603	208,500	154,793	127,065	94,555	6,789,700	(5,441,914)	7,961,302	446	7,961,748
Investment in associates	19,326	-	-	-	-	62,786	-	82,112	-	82,112
Investment in Jointly Controlled Entity	-	-	-	-	-	22,747	-	22,747	-	22,747
Total assets	<b>6,047,929</b>	<b>208,500</b>	<b>154,793</b>	<b>127,065</b>	<b>94,555</b>	<b>6,875,233</b>	<b>(5,441,914)</b>	<b>8,066,161</b>	<b>446</b>	<b>8,066,607</b>
Segment liabilities representing										
Total liabilities	<b>2,678,325</b>	<b>107,450</b>	<b>86,514</b>	<b>20,741</b>	<b>21,781</b>	<b>4,211,209</b>	<b>(3,406,899)</b>	<b>3,719,121</b>	<b>178</b>	<b>3,719,299</b>





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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2013 RM'000	*Restated Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	*Restated Preceding Year Corresponding Period 30.09.2012 RM'000
<b>Included in Other Income:</b>				
Interest income:				
-Unquoted Investment and staff loan	1,411	1,721	3,647	5,451
-Other loan and receivables	2,785	2,742	8,349	8,230
- available-for-sale financial assets	97	97	288	452
Investment Income	1,672	4,169	13,665	10,451
Net realised foreign exchange gain	895	642	2,582	3,168
Net gain/(loss) on disposal of:				
- Property, plant and equipment	14	(4,930)	(2,164)	(4,856)
- Intangible assets	-	(113)	8	(107)
- Bonds	-	4	-	644
- Others	73	217	187	420
Recoupment of expenses	17,090	15,536	48,947	46,636
<b>Included in Expenses:</b>				
Interest expense:				
- Concession payables and borrowings	7,737	1,329	19,034	4,116
- Financial liabilities	1,071	3,587	3,252	9,993
Net allowance doubtful debt/(write back)				
- Continuing operations	6,056	(763)	893	(1,313)
- Discontinued operation	-	-	-	(1)
Net bad debt (recovered)/written off	-	(50)	7,203	(25)
Property, plant and equipment				
written off	-	110	95	114
Intangible assets written off	-	1,184	89	1,625
User fee	60,856	24,609	169,093	71,264

\*Restated for the result of discontinued operation.



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

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

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

On 21 January 2013, the Company has increased the share issued and paid-up share capital of the Company to 1,217,088,046 via issuance of 7,088,046 new ordinary shares of RM1.00 each pursuant to DRP as stated in note 25, in relation to the single-tier interim dividend of 6.0% for the financial year ended 31 December 2012.

On 13 May 2013, the Company has further increased the share issued and paid-up share capital of the Company to 1,232,443,879 via issuance of 15,355,833 new ordinary shares of RM1.00 each pursuant to DRP as stated in note 25, in relation to the single-tier final dividend of 7.63% pursuant to financial year ended 31 December 2012.

The new ordinary shares issued during the financial period rank pari passu in all respect with the existing shares of the Company.

The Company had on 29 July 2013 accepted a Murabahah Tawarruq revolving credit facility (RC-i Facility) from Amlslamic Bank Berhad amounting to RM200,000,000 with an availability period of up to twelve (12) month from the date of first disbursement. The RC-i Facility has been fully drawn on 30 July 2013 to part finance the construction of klia2. The RC-i Facility effective profit rate is the Amlslamic Bank Berhad's Islamic cost of fund plus 0.5% per annum for a flexible tenure of up to 1, 3 or 6 months.

On 6 September 2013, the Company had completed the issuance of RM500,000,000 Senior Sukuk (Sukuk Musharakah) via a dual tranche offering pursuant to the Senior Sukuk Programme (as defined in Note 25). The Senior Sukuk offering comprises a three (3) years, RM250,000,000 tranche and a five (5) year, RM250,000,000 tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.85% and 4.15% respectively.

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 period-to-date under review.



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#### **10. DIVIDENDS PAID**

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.

A single-tier final dividend of 7.63 sen per ordinary share in respect of the financial year ended 31 December 2012 was approved by the Shareholders at its Annual General Meeting held on 28 March 2013. The final dividend totalling to RM92.86 million in which RM78.93 million was reinvested on 14 May 2013.

Save for the foregoing, there were no other dividends paid or declared during the current quarter and financial period-to-date 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 2 January 2013, KL Airport Hotel Sdn Bhd ("KLAH"), a wholly-owned subsidiary and ATOZ Hospitality Services Sdn Bhd ("ATOZ"), had incorporated a private limited Joint Venture Company under the name of Sama-Sama Hospitality Management Sdn Bhd ("SSHM") for the purpose of operating and managing a new airport hotels brand known as "Sama-Sama Hospitality Group" which comprised two sub-brands namely, "Sama-Sama Hotel" and "Sama-Sama Express". The issued share capital of SSHM is amounting to RM100 in which 51% is held by KLAH and 49% by ATOZ.



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**12. CHANGES IN COMPOSITION OF THE GROUP (Cont'd)**

On 3 September 2013, KLAH issued a notice of termination of the Hotel Management Agreement (“HMA”) to SSHM due to the non-participation and withdrawal of a key individual in the management and operations of the JV Company. On 18 September 2013, pursuant to the terms of the Joint Venture Agreement (“JVA”), KLAH issued a written notice of termination to ATOZ, to terminate the JVA. The termination is not expected to have any material financial impact on MAHB Group for the financial year ending 31 December 2013.

On 5 September 2013, Malaysia Airports Consultancy Services Sdn Bhd (“MACS”) had received an official confirmation on the cessation of MACS Gulf LLC as a limited liability company in Doha, Qatar based on business strategic decision. Pursuant thereto, the value of issued share capital of the Company was transferred back to the respective shareholders based on their equity ratio. The Cessation is not expected to have any financial impact on MAHB Group for the financial year ending 31 December 2013.

On 21 August 2013, MAHB has entered into a Joint Venture Agreement (the “JVA”) with Malaysia Airports Sepang Sdn Bhd (“MA (Sepang)”), Mitsui Fudosan Co. Ltd (“MF”) and Retail Investment One Pte Ltd (“RI One”), to participate in a joint venture company under the name of MFMA Development Sdn Bhd (the “JVC”) for the development operation and maintenance of a Factory Outlet Centre and its complementary components known as “Mitsui Outlet Park KLIA”. The JVC was incorporated on 26 February 2013. The issued share capital of the JV amounting to RM110,000,000 in which 30% is held by MA (Sepang) and 70% for RI One.

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

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

- i) As at 30 September 2013, the Company provided corporate guarantees as follows:
  - a) RM35,210,000 (September 2012: RM31,670,000) for the purpose of guarantee to a financial institution for credit facilities granted to Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc (“ISG”).



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**13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Cont'd)**

- b) RM8,360,000 (September 2012: RM13,460,000) for the purpose of guarantee to a financial institution for credit facilities granted to LGM Airport Operations Trade and Tourism Inc, a related company of ISG.
- c) RM26,400,000 (September 2012:RM23,750,000) for advance payment guarantee to a Duty Free Operator at ISG.

The company has assessed the financial guarantee contracts and concluded that the guarantees are more likely not to be called upon by the banks and accordingly not recognised as financial liability as at 30 September 2013.

- ii) XY Base Technologies Sdn Bhd (“Plaintiff”) had 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) in respect of items (a) and (b) above respectively and the judgment sum of RM6,467,000 for Software Support has been paid accordingly by MA Sepang. Subsequently, the High Court fixed the matter for Mediation to assess the damages in respect of the Defendants’ liabilities as to the poaching with the Plaintiff’s employees. The High Court of Malaya at Shah Alam had, on 29 July 2013, recorded an amicable settlement between the parties whereby the Defendant had agreed to pay RM1,000,000 to the Plaintiff as a full and final settlement being damages towards



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### **13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Cont'd)**

the High Court's order dated 23 September 2011 that the Defendants were liable for the unlawful interference with the Plaintiff's employees.

- iii) 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.

On 31 May 2012, the Group announced that in response to Notices under Section 218(1)(e) of the Companies Act served on MA Sepang on 1 February 2012 by the Appellants, MA (Sepang) had 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 had 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 said 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 and the matter was set for hearing on 25 February 2013. The Federal Court unanimously allowed MA (Sepang)'s appeal on 24 September 2013 and accordingly has set aside the decision and order the Court of Appeal made on 13 November 2011 and restored the decision and judgment of the High Court given on 15 October 2010.

Therefore, the imposition of the Free Commercial Zone ("FCZ") charges against the freight forwarders operating at FCZ area are lawful and MA (Sepang) is entitled as the authority to collect such FCZ charges. Following the aforesaid decision, the Appellant are now liable to pay to MA (Sepang) the amount of RM7,273,025 together with interest of 8% per annum from 7 April 2008 until full settlement. In addition to the aforesaid amount, the Appellant is also ordered to pay RM50,000 to MA (Sepang) as costs of the proceedings.



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**13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Cont'd)**

Save for the above, there were no other changes in contingent liabilities since 31 December 2012. 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 Quarter	To Date	Corresponding Period
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
<b>Revenue/Other Income:</b>				
<u>Associate:</u>				
KL Aviation Fuelling System Sdn. Bhd.	1,489	1,445	4,379	4,336
Istanbul Sabiha Gokcen International Airport	1,000	1,121	3,296	3,363
LGM Airport Operations Trade and Tourism Inc	262	85	262	585
GMR Male International Airport	-	404	-	1,210
<u>Jointly Controlled Entities:</u>				
Segi Astana Sdn. Bhd.	318	318	955	955
Airport Cooling Energy Supply Sdn. Bhd.	222	179	652	536
Sama-Sama Hospitality Management Sdn Bhd	318	-	408	-
<b>Expenses:</b>				
<u>Jointly Controlled Entities:</u>				
Sama-Sama Hospitality Management Sdn Bhd	(162)	-	928	-
Airport Cooling Energy Supply Sdn. Bhd.	16,047	-	42,791	-

**Related Party Balances:**

	As at	As at
	30.09.2013	31.12.2012
	RM'000	RM'000
	Unaudited	Audited
Amount owing by associate companies	4,789	5,057
Amount owing to jointly controlled entities	29,147	-



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**15. CAPITAL COMMITMENTS**

The amount of commitments for the lease rental, purchase of property, plant and equipment, construction of the terminal building and other investment not provided for in the interim condensed consolidated financial statements as at 30 September 2013 were as follows:

	<b>Due year 2013 RM'000</b>	<b>Due year 2014 to 2018 RM'000</b>	<b>Due year 2019 to 2066 RM'000</b>	<b>Total RM'000</b>
(i) Approved and contracted for:				
Lease rental payable to the GoM other than within the operating agreements	-	-	66,063	66,063
Capital expenditure	361,119	396,070	-	757,189
	<u>361,119</u>	<u>396,070</u>	<u>66,063</u>	<u>823,252</u>
(ii) Approved but not contracted for:				
Capital expenditure	<u>565,447</u>	<u>206,285</u>	<u>-</u>	<u>771,732</u>
(iii) Other investment:				
Investment in Istanbul Sabiha Gokcen International Airport	40,486	22,004	-	62,490
Investment in MFMA Development Sdn. Bhd.	-	14,490	-	14,490
	<u>40,486</u>	<u>36,494</u>	<u>-</u>	<u>76,980</u>
	<u>967,052</u>	<u>638,849</u>	<u>66,063</u>	<u>1,671,964</u>





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**16. 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 interim financial statements.

**17. PERFORMANCE REVIEW**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2013 RM'000	Restated Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	Restated Preceding Year Corresponding Period 30.09.2012 RM'000
Revenue	972,721	754,266	2,978,100	2,219,787
Profit before tax and zakat	151,018	172,861	468,593	467,949

**Revenue**

The consolidated revenue of the Group for the current quarter and financial period-to-date under review was 29.0% or RM218.4 million and 34.2% or RM758.3 million higher than the respective corresponding period in the previous year.

a) **Airport Operations**

Included in the airport operations' revenue in the current quarter and financial period-to-date under review was the construction revenue of RM357.3 million and RM1,198.7 million respectively, compared to the RM217.6 million and RM647.5 million recognised in the corresponding period in the previous year. The construction revenue was recognised in relation to the construction of klia2 and the expansion of Penang International Airport.



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## **17. PERFORMANCE REVIEW (Cont'd)**

### **Revenue (Contd.)**

Excluding the construction revenue, the Group recorded 16.9% or RM84.3 million and 14.7% or RM215.6 million improvement in the airport operation's revenue for the current quarter and the financial period-to-date under review respectively. The improvement was mainly attributed to an increase in aeronautical revenue of 20.4% or RM52.1 million and 18.6% or RM138.9 million for the current quarter and financial period-to-date under review respectively. The improvement in aeronautical revenue was driven by higher passenger and aircraft movements as well as the implementation of new Landing charges with an increase of 9% per annum effective 1 January 2012, 1 January 2013 and 1 January 2014 (compounded annually).

The favourable variance in the airport operations' revenue was also contributed by an increase in non-aeronautical revenue of 13.3% or RM32.2 million and 10.6% or RM76.7 million for the current quarter and financial period to-date under review respectively. The improvement was driven by higher commercial and retail revenue on the back of higher passenger growth.

The Group's retail business improved by 18.7% or RM24.2 million and 12.7% or RM49.2 million, in the current quarter and financial period-to-date under review respectively, riding on the passenger growth and various promotional activities.

The passenger movements for the current quarter under review increased by 22.6% as compared to the corresponding period last year, in which the international and domestic passenger movements increased by 20.1% and 24.9% respectively. Passenger movements at KLIA-Main Terminal and KLIA-LCCT increased by 32.4% (international: +25.7%, domestic: +55.8%) and 13.1% (international: +15.4%, domestic: +9.2%) respectively.

The passenger movements for the financial period-to-date under review increased by 16.6% to 57.3 million passenger as compared to the corresponding period last year, in which the international and domestic passenger movements increased by 16.4% and 16.9% respectively. Passenger movements at KLIA-Main Terminal and KLIA-LCCT increased by 24.0% (international: +20.2%, domestic: +37.8%) and 11.8% (international: +13.8%, domestic: +8.5%) respectively.



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## 17. PERFORMANCE REVIEW (Cont'd)

### Revenue (Contd.)

#### b) Non-Airport Operations

Net revenue from non-airport operations for the current quarter and financial period-to-date under review registered a decrease of 14.9% or RM5.6 million and 8.2% or RM8.4 million as compared with the previous corresponding period respectively.

Revenue contributed from the agriculture segment in the current quarter and financial period-to-date under review decreased by 35.5% or RM5.5 million and 41.2% or RM15.2 million as compared to the previous corresponding period respectively. Similarly, revenue in the Hotel segment dropped by 6.6% or RM1.1 million and 14.4% or RM8.1 million in the current quarter and financial period-to-date under review as compared to the previous corresponding period respectively. However, the project and repair maintenance revenue in the current quarter and financial period-to-date under review increased by 18.4% or RM1.0 million and more than 100% or RM14.9 million as compared to the previous corresponding period respectively.

The decrease in the agriculture revenue was attributed to lower price attained for fresh fruit bunches ("FFB") per tonne (RM174 or 27.6% lower) coupled with lower production volume for the period (a decrease of 11,709MT or 20.0%) (2013: 46,868MT / RM457, 2012: 58,577MT / RM631).

The decrease in financial period-to-date Hotel revenue was due to lower revenue from food and beverage by 36% or RM10.2 million which was due to the discontinuation of MAS Golden Lounge catering contract starting April 2013.

The Project and repair maintenance revenue grew mainly due to the higher sales of Airport Ground Lighting System ("AGL").



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

### **Profit before tax and zakat**

The consolidated Profit before tax and zakat (PBT) for the current quarter under review was 12.6% or RM21.8 million lower as compared to the corresponding period in the previous year.

Included in the PBT for the current quarter was a construction profit of RM15.4 million, an increase of 51.6% or RM5.3 million as compared to the same period in the previous year.

Excluding the construction profit, the PBT for the current quarter under review was RM135.6 million, a decrease of 16.7% or RM27.1 million as compared to the corresponding period in the previous year. The unfavourable PBT variance was mainly due to the increase in user fee by more than 100% from RM24.6 million to RM60.9 million.

The higher user fee expense was attributable to the recognition of 100% user fee on the income statement. As set out in the Operating Agreements signed on 12 February 2009, MAHB is required to pay user fee to the Government of Malaysia which is equal to a specified percentage of revenue derived from activities at the airports as a consideration for the Concession Rights granted to MAHB. The amount which had been recognised in the income statement represents half of the total user fee payable to the Government of Malaysia, while the other half is to reduce the amount due for the Balance Residual Payment arising from MAHB's restructuring exercise that was completed in February 2009. Upon the full settlement of the Balance Residual Payment in April 2013, the user fee is fully recognised in the income statement.

The consolidated Profit before tax and zakat (PBT) for the financial period-to-date under review was less than 1.0% or RM0.6 million higher than the corresponding period in the previous year.



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

**Profit before tax and zakat**

Included in the PBT in the financial period-to-date under review was a construction profit of RM51.9 million derived from the construction of klia2 and Penang International Airport, representing an increase of 72.1% or RM21.8 million as compared to the same period in the previous year.

Excluding the construction profit, the PBT decreased by 4.8% or RM21.1 million. The unfavourable PBT variance was mainly due to the increase in user fee by more than 100% from RM71.3 million to RM160.1 million.

Other income increased mainly due to the dividend received from Gas District Cooling Sdn Bhd (“GDC”) amounting to RM8.7 million.

Share of associate results shows a negative variance primarily due to no more share of profit recognised from GMR Male International Airport Private Limited (“GMIAL”) (YTD September 2012: RM20.0 million). On 27 November 2012, the Maldivian Government declared the concession agreement with GMIAL which was awarded in 2010, as void. However, the unfavourable variance was cushioned by lower loss absorbed from investment in Istanbul Sabiha Gokchen International Airport (“ISGIA”). In January 2013, the Group had contributed further capital advance amounting to RM3.2 million and therefore, the total interest and obligation in ISGIA as at 30 September 2013 increased to RM222 million. Hence, the Group had to further absorb the remaining RM3.2 million losses in 2013 instead of RM42.0 million being 20% shares of losses by ISGIA for YTD September 2013.

The Group has no further obligation in respect of these losses and until such time where the associates are in a profitable position, the Group will resume to recognise the share of profits only after its share of profits equals the share of losses not recognised. The Group’s cumulative share of unrecognised losses in the current financial period under review was RM130.0 million (GMIAL: RM58.0 million and ISGIA: RM72.2 million).



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

**Profit before tax and zakat**

The negative variance of share of profits from associates was, however, cushioned by the increase of share of profit of LGM Airport Operations Trade and Tourism Inc. amounted to RM1.1 million.

In addition, there was a net share of profit from investment in Jointly Controlled Entities contributed by Airport Cooling Energy Supply Sdn Bhd (“ACES”) of RM3.8 million but negated by a share of loss contributed by Segi Astana Sdn Bhd of RM1.2 million.

**ECONOMIC PROFIT STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000
<b>Net Operating Profit Less Adjusted Tax (NOPLAT) computation.</b>				
Earnings before interest and tax (EBIT*)	154,998	165,941	474,748	462,144
Adjusted Tax	(38,749)	(41,485)	(118,687)	(115,536)
NOPLAT	116,249	124,456	356,061	346,608
<b>Economic charge computation</b>				
Average invested capital	7,361,548	5,642,668	7,361,548	5,642,668
Weighted average cost of capital per annum	6.56%	6.27%	6.56%	6.27%
Economic Charge	120,729	88,449	362,188	265,346
Economic (Loss)/Profit	(4,480)	36,007	(6,127)	81,262

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



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

**ECONOMIC PROFIT STATEMENT**

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 loss of RM4.5 million for the current quarter under review compared to an economic profit of RM36.0 million in the corresponding period in the previous year. Similarly, the Group also recorded an economic loss of RM6.1 million for the financial period-to-date under review compared to an economic profit of RM81.3 million in the corresponding period last year. The economic loss was due to the higher average invested capital resulting from cost incurred for the construction of klia2.

**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 2013		Actual achievements 30 September 2013	
	Without Construction Profit	With Construction Profit	Without Construction Profit	With Construction Profit
i) EBITDA (RM'000)	750,878	807,654	633,714	685,644
ii) Airport Service Quality Survey Ranking	25-40 million passenger size category: KLIA Ranking Top 5		25-40 mppa - ranking at no.5	

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



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

	<b>INDIVIDUAL QUARTER</b>	
	<b>Current Year Quarter 30.09.2013 RM'000</b>	<b>Restated Immediate Preceding Quarter 30.06.2013 RM'000</b>
Revenue	972,721	978,156
Profit before tax and zakat	151,018	131,973

**Revenue**

The consolidated revenue of the Group for the current quarter under review decreased by less than 1.0% or RM5.5 million as compared to the immediate preceding quarter. The negative variance was mainly attributed to the lower construction revenue, which decreased by 7.6% or RM29.5 million as compared to the immediate preceding quarter. A construction revenue of RM357.2 million was recognised in the current quarter under review as compared to the RM386.7 million recognised in the immediate preceding quarter.

Excluding the construction revenue, the consolidated revenue for the current quarter under review was 4.1% or RM24.0 million higher as compared to the immediate preceding quarter, mainly due to growth in the airport and non-airport operations segment by 3.2% or RM18.0 million and 23.0% or RM6.0 million respectively.

The passenger movements for the current quarter under review increased by 4.0% as compared to the immediate preceding quarter, in which the international and domestic passenger movements increased by 4.9% and 3.2% respectively. Passenger movements at KLIA-Main Terminal increased by 7.6% (international: +5.9%, domestic: +13.0%) while decreased in KLIA-LCCT by -1.6% (international: +1.7%, domestic: -6.8%).





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

### **Revenue (Contd.)**

#### **a) Airport Operation**

Revenue from the airport operations grew 3.2% or RM18.0 million primarily due to a 1.2% or RM3.6 million increase in the aeronautical revenue. This was attributed to the higher passenger and aircraft movements. The favourable variance was negated by the higher airline incentives accrued in the current quarter under review of RM22.5 million as compared to the RM18.0 million accrued in the immediate preceding quarter.

The non-aeronautical revenue increased by 5.5% or RM14.4 million due to the higher retail revenue by 8.6% or RM12.1 million.

#### **a) Non-Airport Operations**

Revenue from Non-Airport Operations segment recorded a growth of 23.0% or RM6.0 million in the current quarter, mainly due to the higher revenue recorded by the agriculture and hotel business of 74.4% or RM4.3 million and 19.8% or RM2.6 million. However, project and repair maintenance recorded a decline of 11.6% or RM0.8 million.

### **Profit before tax and zakat**

Excluding the construction profit, the PBT for the current quarter under review was 17.7% or RM20.4 million higher as compared to the immediate preceding quarter, mainly due to the higher revenue (excluding construction revenue) by 4.1% or RM24.4 million and lower total expenses (excluding construction cost) of 1.1% or RM5.9 million. These were mainly due to lower user fee and staff cost. However, the favourable variance was negated by lower other income by 18.0% or RM6.4 million.

The construction profit for the current quarter under review decreased by 8.2% or RM1.4 million as compared to the immediate preceding quarter.



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

On 16 January 2013, Airport Automotive Workshop Sdn Bhd (“AAW”) commenced Members’ Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.

On 16 August 2013, AAW had been fully dissolved. As at 30 September 2013, there were no results attributable to the discontinued operations and no assets and liabilities held for disposal in current period under review.

## **20. COMMENTARY ON PROSPECTS**

MAHB Group recorded a double-digit passenger growth of 16.6%, for the first nine months in 2013 (“9M13”) compared to the same period last year with a total of 57.3 million passengers passed through MAHB’s 39 airports in Malaysia. Both international and domestic passenger movements registered positive growth of 16.4% and 16.9% respectively. Total passenger movements at KLIA-MTB grew strongly at 24.0% while KLIA-LCCT recorded a positive growth of 11.8%. Total aircraft movements grew 12.5% while Cargo experienced a 4.9% growth in 9M13.

MAHB continues to benefit from the entry of new airlines and expansion of local carriers. Malaysia Airlines and AirAsia Group contributed strongly to passenger growth while Malindo Air has registered a competitive load factor. Malaysia Airlines’ entry into the Oneworld Alliance in February 2013 has significantly increased the market outreach across continents and will continue to provide critical support for passenger growth. A new record was established in August 2013 whereby the total passengers handled by Malaysia Airports surpassed the 7 million mark for the first time, being the highest passenger movements achieved in a month in Malaysia’s history. The third quarter on an average achieved more than 22% increase in passenger movements.

Notwithstanding the recent marginal downward revision of 2013 global GDP forecast by International Monetary Fund, we remain optimistic with our 2013 passenger forecast. The seat capacity offering for 4Q13 remains buoyant with 19.3% growth in capacity as we approach the holiday season towards the end of the year. Furthermore, the Visit Malaysia Year 2014 campaign launched early this year has seen positive impact on the growth trend. Seat capacity expansion coupled with encouraging tourist arrivals provide optimism that the growth momentum will continue and the year-end traffic would surpass industry expectations. MAHB through its marketing efforts has been aggressively pursuing airlines globally through its various marketing initiatives and is optimistic to achieve its Headline KPI target for 2013.



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**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.

**22. TAXATION AND ZAKAT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	*Restated Preceding Year Corresponding Period 30.09.2012 RM'000
Current tax	40,322	51,293	102,129	148,908
Deferred taxation	(5,598)	8,026	22,361	(6,751)
Zakat	3,516	479	3,516	9,319
	<u>38,240</u>	<u>59,798</u>	<u>128,006</u>	<u>151,476</u>

**23. SALE OF PROPERTIES**

There were no sales of properties since 31 December 2012.

**24. INVESTMENTS IN QUOTED SECURITIES**

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



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

- a) Save for the followings, there are no other ongoing corporate proposals announced by the Group but not completed as at 29 October 2013 being a date not earlier than 7 days from the date of issuance of the quarterly report:

### Dividend Reinvestment Plan

The Dividend Reinvestment Plan ("DRP") was approved by the Shareholders at the Extraordinary General Meeting held 30 November 2012. The DRP provides Shareholders an 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 ("MAHB Shares").

The DRP provides Shareholders with an opportunity to reinvest their Dividends in new MAHB Shares ("New Shares") in lieu of receiving cash. Shareholders are expected to benefit from their participation in the DRP as the New Shares may be issued at a discount and their subscription of such New Shares will be free from any brokerage fees and other related transaction costs. In addition, the DRP also provides the Shareholders with greater flexibility to meet their investment objectives as they would have the choice of receiving Dividends in cash or reinvesting into the Company through the subscription of additional Shares.

The DRP has capital management benefits to MAHB as the reinvestment of Dividends by Shareholders in New Shares will enlarge MAHB's share capital base and strengthen MAHB's capital position. Under the DRP, any cash so retained within MAHB, that would otherwise be made payable by way of dividend, will be preserved to fund the Group's continuing growth and expansion plan, 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.



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## **25. STATUS OF CORPORATE PROPOSALS (Cont'd)**

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) the 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 before 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.

On 20 February 2013, the Board of Directors had determined that the DRP shall apply to the entire Final Dividend.



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## **25. STATUS OF CORPORATE PROPOSALS (Cont'd)**

On 28 March 2013, the shareholders had approved a single-tier final dividend of 7.63 sen per ordinary share in respect of the financial year ended 31 December 2012 and authorised MAHB to allot and issue new ordinary shares of RM1.00 each in MAHB pursuant to the DRP.

On 29 March 2013, the Board of Directors has approved that the issue price for the new shares is 5.14 per share to be issued pursuant to the implementation of the DRP in respect of the Final Dividend.

The DRP had received all the necessary approvals from Bursa securities and from its shareholders on 29 March 2013. On 13 May 2013, an amount of RM78,928,982 was re-invested in the DRP and as disclosed in Note 9, the paid up share capital of the Company was increased to RM1,232,443,879 by the issuance of 15,355,833 shares of RM1 each under the DRP.

Senior Sukuk Programme and Perpetual Subordinated Sukuk Programme with a combined aggregate limit of up to RM2.5 billion (collectively, "the Programmes")

On 6 September 2013, the Company has completed the issuance of RM500,000,000 Senior Sukuk (Sukuk Musharakah) via a dual tranche offering pursuant to the Senior Sukuk Programme. The Senior Sukuk offering comprises a three (3) years, RM250,000,000 tranche and a five (5) year, RM250,000,000 tranche with a periodic distribution rate (per annum, payable semi-annually) of 3.85% and 4.15% respectively.

The Sukuk Musharakah are issued based on the Shariah principle of Musharakah. The tenure of the Senior Sukuk Programme is twenty (20) years from the date of the first issue of Sukuk Musharakah under the Senior Sukuk Programme whilst the Perpetual Subordinated Sukuk Programme does not have a fixed tenure. The proceeds from the Sukuk Musharakah issuance shall be utilised for the working capital requirements, general investments and/or refinance any borrowings/financing of MAHB and/or its subsidiaries, which are Shariah-compliant.



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**25. STATUS OF CORPORATE PROPOSALS (Cont'd)**

The Senior Sukuk Programme was approved by the Securities Commission Malaysia ('SC'), vide its letter dated 19 June 2013 whilst the Perpetual Subordinated Sukuk Programme was approved by the SC vide its letter dated 21 May 2013. RAM Ratings Services Berhad has assigned long-term ratings of AAA and AA2, both with stable outlook, to the Senior Sukuk Programme and the Perpetual Subordinated Sukuk Programme, respectively.

- b) The status of utilisation of proceeds raised from corporate proposals as at 30 October 2013 (being a date not earlier than 7 days from the date of issue of the quarterly report) are as follows:

**Senior Sukuk 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	500,000	222,561



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## 26. BORROWINGS AND DEBT/EQUITY SECURITIES

	<b>As at 30.09.2013 RM'000 unaudited</b>	<b>As at 31.12.2012 RM'000 audited</b>
<b>Short term borrowings</b>		
Unsecured:		
Term loans	<u>200,000</u>	<u>-</u>
<b>Long term borrowings</b>		
Unsecured:		
Islamic Medium Term Notes ("IMTN")	<u>3,600,000</u>	<u>3,100,000</u>

## 27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 29 October 2013.

## 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 2012.

## 29. DIVIDEND PAYABLE

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





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**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 30.09.2013 RM'000	Restated Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year To Date 30.09.2013 RM'000	Restated Preceding Year Corresponding Period 30.09.2012 RM'000
Profit from continuing operations attributable to owners of the parent	112,778	113,063	340,587	316,473
Loss from discontinued operation attributable to equity holders of the Company	-	(55)	-	(40)
Profit attributable to equity holders of the Company	<u>112,778</u>	<u>113,008</u>	<u>340,587</u>	<u>316,433</u>
Weighted average number of ordinary shares in issue ('000)	1,224,418	1,178,285	1,224,418	1,178,285
Basic earning per share for (sen):				
Profit from continuing operations	9.21	9.60	27.82	26.86
Loss from discontinued operation	-	-	-	-
Basic earnings per share (sen)	<u>9.21</u>	<u>9.60</u>	<u>27.82</u>	<u>26.86</u>

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 weighing factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.



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

	<b>As at 30.09.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	3,701,716	3,440,220
- Unrealised	61,101	33,293
	<u>3,762,817</u>	<u>3,473,513</u>
Total share of retained earnings/(accumulated losses) from associate companies:		
- Realised	(208,375)	(211,319)
- Unrealised	50,639	54,892
	<u>(157,736)</u>	<u>(156,427)</u>
Total share of retained earnings from jointly controlled entities:		
- Realised	2,786	265
- Unrealised	426	160
	<u>3,212</u>	<u>425</u>
Less: Consolidation Adjustments	<u>(1,533,812)</u>	<u>(1,490,753)</u>
Total retained earnings as per financial statements	<u>2,074,481</u>	<u>1,826,758</u>

**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

31 October 2013