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

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2015

		INDIVIDUAL QUARTER	
		Current Year Quarter	Preceding Year Corresponding Quarter
	Note	31.03.2015	31.03.2014
		RM'000	RM'000
Revenue		876,179	781,081
Cost of inventories sold		(87,881)	(85,572)
Other income		115,549	33,829
Employee benefits expense		(177,692)	(144,981)
Construction costs		-	(116,364)
Depreciation and amortisation		(205,250)	(66,139)
Other expenses		(322,885)	(210,045)
Operating profits		198,020	191,809
Finance costs		(159,913)	(7,261)
Impairment of investment		-	(4,571)
Share of results:			
- associates		115	(2,584)
- jointly controlled entities		1,074	1,584
Profit before tax and zakat	7	39,296	178,977
Taxation and zakat	22	(7,299)	(50,266)
Profit for the period, net of tax and zakat		31,997	128,711
Discontinued Operation			
Loss from discontinued operation, net of tax	13	-	-
Profit for the period, net of tax and zakat		31,997	128,711
Attributable to:			
Owners of the parent		32,578	128,711
Non-controlling interests		(581)	-
		31,997	128,711
Earnings per share attributable to owners of the parent (sen):			
Basic for profit from continuing operations		1.28	10.19
Basic for loss from discontinued operation		-	-
Basic for profit for the period	30	1.28	10.19

The condensed unaudited consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000
Profit for the period, net of tax and zakat	31,997	128,711
Other comprehensive income:		
Available-for-sale financial assets		
- Gain on fair value changes	2,397	929
Foreign currency translation	(170,757)	(439)
Other comprehensive income for the period, net of tax and zakat	(168,360)	490
Total comprehensive income	(136,363)	129,201
Attributable to:		
Owners of the parent	(135,782)	129,201
Non-controlling interest	(581)	-
	(136,363)	129,201

The condensed unaudited consolidated of other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	31.03.2015 RM'000 Unaudited	31.12.2014 RM'000 Audited
ASSETS		
Non-current Assets		
Property, plant and equipment	333,499	365,099
Plantation development expenditure	54,347	53,903
Land use rights	7,346	7,379
Intangible assets	16,632,983	17,327,735
Investment in associates	42,149	39,034
Investment in jointly controlled entity	63,488	62,415
Available for sale investments	509,764	467,379
Other receivables	452,203	452,253
Staff loans	38,569	39,325
Deferred tax assets	733,763	803,265
	18,868,111	19,617,787
Current Assets		
Inventories	150,395	154,485
Trade receivables	747,486	606,383
Other receivables	180,185	110,251
Cash and bank balances	1,997,855	2,041,129
	3,075,921	2,912,248
Assets of disposal group classified as held for disposal	104	104
TOTAL ASSETS	21,944,136	22,530,139

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

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	31.03.2015 RM'000 Unaudited	31.12.2014 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,651,850	1,374,150
Perpetual sukuk	997,842	997,842
Share premium	3,419,186	2,373,149
Retained earnings	2,695,165	2,676,767
Fair value adjustment reserve	519	(1,878)
Other reserve	2,635	2,635
Foreign exchange reserve	(171,302)	(545)
	8,595,895	7,422,120
Non-controlling interests	(546)	35
Total equity	8,595,349	7,422,155
Non-current Liabilities		
Other financial liability	213,490	201,950
Borrowings	5,500,339	5,619,277
Deferred income	62,432	64,343
Deferred tax liabilities	1,322,951	1,453,280
Trade payables	2,974,595	3,479,998
Other payables	470,868	577,399
	10,544,675	11,396,247
Current Liabilities		
Borrowings	1,157,241	705,742
Trade payables	585,733	733,348
Other payables	1,021,427	2,240,123
Income tax payable	39,685	32,498
	2,804,086	3,711,711
Liabilities of disposal group classified as held for disposal	26	26
Total liabilities	13,348,787	15,107,984
TOTAL EQUITY AND LIABILITIES	21,944,136	22,530,139

The condensed unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2015

	Attributable to equity holders of the Company									
			Non- distributable				Distributable			
	Share Capital RM'000	Perpetual Sukuk RM'000	Share Premium RM'000	Fair value Adjustment Reserve RM'000	Foreign Exchange Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling interests RM'000	Total equity RM'000
At 1 January 2014	1,232,444	-	1,409,376	(553)	(2,941)	2,546	2,037,431	4,678,303	64	4,678,367
Total comprehensive income for the period	-	-	-	929	(439)	-	128,711	129,201	-	129,201
Transaction with owners										
Shares issued pursuant to Dividend reinvestment plan	8,102	-	57,031	-	-	-	-	65,133	-	65,133
Issuance of new shares via private placement	124,050	-	846,785	-	-	-	-	970,835		970,835
Dividends	-	-	-	-	-	-	(78,775)	(78,775)	-	(78,775)
Total transactions with owners	132,152	-	903,816	-	-	-	(78,775)	957,193	-	957,193
At 31 March 2014	1,364,596	-	2,313,192	376	(3,380)	2,546	2,087,367	5,764,697	64	5,764,761
At 1 January 2015	1,374,150	997,842	2,373,149	(1,878)	(545)	2,635	2,676,767	7,422,120	35	7,422,155
Total comprehensive income for the period	-	-	-	2,397	(170,757)		32,578	(135,782)	(581)	(136,363)
Distribution to perpetual sukuk holder	-	-	-	-	-	-	(14,180)	(14,180)	-	(14,180)
Transaction with owners										
Shares issued pursuant to Dividend reinvestment plan	2,392	-	12,126	-	-	-	-	14,518	-	14,518
Issuance of new shares via rights issue	275,308	-	1,033,911	-	-	-	-	1,309,219	-	1,309,219
		-								
Total transactions with owners	277,700	-	1,046,037	-	-	-	-	1,323,737	-	1,323,737
At 31 March 2015	1,651,850	997,842	3,419,186	519	(171,302)	2,635	2,695,165	8,595,895	(546)	8,595,349

The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statement

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2015

	31.03.2015 RM'000 Unaudited	31.03.2014 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and zakat from:		
Continuing operations	39,296	178,977
Adjustments for:		
Interest income	(7,037)	(5,810)
Interest from late payments	(1,526)	(1,132)
Interest expense	159,913	7,261
Provision for liabilities	1,006	875
Writeback of provision of liabilities	(7)	-
Amortisation of:		
- Intangible assets	192,599	56,494
- plantation development expenditure	800	802
- land use rights	35	30
Depreciation of property, plant and equipment	11,816	8,813
Impairment of:		
- investment in associate	-	4,571
Net provision/(writeback) of doubtful debts	4,884	(242)
Net bad debt written off	3,540	-
Unrealised gain on foreign currency translation	(63,443)	-
Property, plant and equipment written off	700	12
Plantation development expenditure written off	-	1,396
Intangible assets written off	71	502
Net of inventories written off	42	48
Investment income	(4,639)	(1,982)
Profit from construction contract	-	(5,236)
Share of results of:		
- Jointly controlled entities	(1,074)	(1,584)
- Associates	(115)	2,584
Operating profit before working capital changes	336,861	246,379
Decrease/(Increase) in inventories	3,824	(247)
Increase in receivables	(215,314)	(42,592)
Decrease in payables	(182,634)	(56,167)
Decrease in concession liabilities	(6,248)	(3,574)
Decrease in provision for liabilities	(2,927)	(2,426)
Cash generated from operations	(66,438)	141,373
Tax and Zakat paid	(31,173)	(20,786)
Net cash (used in)/generated from operating activities	**(97,611)**	**120,587**

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

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2015

	31.03.2015 RM'000 Unaudited	31.03.2014 RM'000 Unaudited
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(35,747)	(5,241)
- intangibles assets	(69,908)	(162,233)
- quoted shares	(26,530)	(36,096)
Advance to associates	-	(7,842)
Acquisition in a subsidiary	(1,182,856)	-
Additional investment in an associate	(3,000)	(13,650)
Investment income received	4,639	1,982
Interest received	983	1,118
Net cash used in investing activities	**(1,312,419)**	**(221,962)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance expenses for private placement	-	(9,161)
Proceeds from issuance of shares from private placement	-	124,050
Proceeds of share premium arising from private placement	-	855,945
Share issuance expenses for right issue	(6,754)	-
Proceeds from issuance of shares from right issue	275,308	-
Proceeds of share premium arising from right issue	1,040,665	-
Repayment of loan	(705,742)	-
Concession payment	(379,705)	
Drawdown of loans and borrowings	1,259,455	250,000
Interest paid	(45,955)	(6,249)
Dividends paid to shareholders of the Company	(12,825)	(8,641)
Net cash generated from financing activities	**1,424,447**	**1,205,944**
Net increase in cash and cash equivalents	**14,417**	**1,104,569**
Effects of foreign currency translation	(57,691)	(344)
Cash and cash equivalents at beginning of period	2,041,233	345,413
Cash and cash equivalents at end of period	**1,997,959**	**1,449,638**
Cash and cash equivalents comprising:		
Cash and bank balances	1,487,986	90,456
Short term deposits	509,973	1,359,182
	1,997,959	**1,449,638**

The condensed unaudited consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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 2014. 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 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014, except as follows:

On 1 January 2015, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

<u>Effective for financial periods beginning on or after 1 July 2014.</u>

Amendmend to FRS 119 Defined Benefit Plans: Employee Contributions

Annual Improvements to MFRSs 2010-2012 Cycle

- Amendment to FRS 2 Share-based payment
- Amendment to FRS 3 Business Combinations
- Amendment to FRS 8 Operating Segments
- Amendment to FRS 13 Fair Value Measurement
- Amendment to FRS 116 Property, Plant and Equipment
- Amendment to FRS 124 Related Party Disclosure
- Amendment to FRS 138 Intangibles Asset

Annual Improvements to MFRSs 2011-2013 Cycle

- Amendment to FRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendments to FRS 3 Business Combinations: Scope exceptions for joint venture
- FRS 13 Fair Value Measurement
- Amendment to FRS 140 Investment Property

The application of the above amendments had no material impact on the financial position or disclosure in the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Standards issued but not yet effective

Effective for financial periods beginning on or after 1 January 2016

Annual Improvements to FRSs 2012 – 2014 Cycle
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 127: Equity Method in Separate Financial Statements Amendments to FRS 101: Disclosure Initiatives
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception
FRS 14 Regulatory Deferral Accounts

Effective for financial periods beginning on or after 1 January 2017

FRS 15 Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018

FRS 9 Financial Instruments

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 except as discussed below:

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Standards issued but not yet effective (Contd.)

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Group is currently assessing the impact upon adopting the amendments to these standards.

Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. The Directors anticipate that the application of these amendments will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of these amendments and plans to adopt the new standard on the required effective date.

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Standards issued but not yet effective (Contd.)

Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments is not expected to have any impact on the Group's and the Company's financial statements.

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Standards issued but not yet effective (Contd.)

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

FRS 15 Revenue from Contracts with Customers

FRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. FRS 15 will supersede the current revenue recognition guidance including FRS 118 Revenue, FRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of FRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under FRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 15 and plans to adopt the new standard on the required effective date.

FRS 9 Financial Instruments

In November 2014, the Malaysian Accounting Standards Board issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 2 September 2014, MASB had announced the adoption of MFRS for TEs is deferred to 1 January 2017.

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 2017.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2014 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 cyclicality during the current quarter.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

The Group started to consolidate Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A.S. (“ISG”) and LGM Havalimani Isletmeleri Ticarat ve Turizm A.S. (“LGM”) statement of profit and loss from 1 January 2015 when they became the Group wholly owned subsidiaries on 31 December 2014.

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review.

6. SEGMENT INFORMATION

The Group is organised into business segments and geographical segments which further classified under airport operations and non-airport operations activities:-

Malaysia Operations

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 designated airports in Malaysia.

b) Airport services
To manage, operate and maintain designated airports and to provide airport related services.

Non-Airport Operations:-

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

d) Hotel
To manage and operate a group of hotel, known as Sama – Sama Hotel and Sama-Sama Express KL International Airport.

e) Project and repair maintenance
To provide consultancy, operations and maintenance, mechanical and civil engineering services in connection with the airport industry.

f) Others
Investment holdings and dormant companies.

Overseas Operations

a) Airport Services
To manage, operate and maintain the Istanbul Sabiha Gokcen International Airport in Turkey and to provide airport related services.

b) Project and repair maintenance
To provide facilities maintenance services at Doha International Airport..

6. SEGMENT INFORMATION (Contd.)

	Continuing Operations										Discontinued Operation	Total Operations
	Malaysia Operations						Overseas Operations					
	Airport Operations		Non Airport Operations									
	Airport services	Duty free and non-dutiable goods	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others	Airport services	Project & repair and maintenance	Consolidation adjustments	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the year ended 31 March 2015												
Segment Revenue												
External:												
Aeronautical	332,536	-	-	-	-	-	88,907	-	-	421,443	-	421,443
Non-aeronautical:												
Retail	-	158,636	-	-	-	-	-	-	-	158,636	-	158,636
Others	150,866	243	-	-	-	-	89,689	-	-	240,799	-	240,799
Construction	-	-	-	-	-	-	-	-	-	-	-	-
Non-airport Operations	-	-	5,017	19,019	5,857	-	3,060	22,349	-	55,302	-	55,302
Inter-segment sales	59,607	211	15,176	190	1,247	-	9,743	-	(86,174)	-	-	-
Inter-segment dividends	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	543,009	159,090	20,193	19,209	7,104	-	191,399	22,349	(86,174)	876,179	-	876,179
Segment Results												
Profit from operations	214,087	(14,829)	6,159	2,676	1,353	124,942	124,143	(3,863)	(51,398)	403,270	-	403,270
Depreciation and amortisation	(108,739)	(3,167)	(60)	(3,948)	(1,015)	(2,990)	(45,823)	(123)	(39,385)	(205,250)	-	(205,250)
Finance costs	(60,814)	36	(20)	-	-	(40,909)	(103,788)	-	45,582	(159,913)	-	(159,913)
Share of results of:												
- associates	115	-	-	-	-	-	-	-	-	115	-	115
- jointly controlled entities	-	-	-	-	-	1,074	-	-	-	1,074	-	1,074
Profit /(loss) before tax and zakat	44,649	(17,960)	6,079	(1,272)	338	82,117	(25,468)	(3,986)	(45,201)	39,296	-	39,296
Tax and Zakat	(15,583)	(1,819)	(1,627)	362	(88)	4,132	(1,302)	358	8,268	(7,299)	-	(7,299)
Profit/(loss) for the year	29,066	(19,779)	4,452	(910)	250	86,249	(26,770)	(3,628)	(36,933)	31,997	-	31,997
As at 31 March 2015												
Assets and Liabilities												
Segment assets	12,187,372	271,142	107,540	177,696	85,659	15,156,367	5,581,871	61,109	(11,790,361)	21,838,395	104	21,838,499
Investment in associates	42,149	-	-	-	-	-	-	-	-	42,149	-	42,149
Investment in jointly controlled entities	-	-	-	-	-	63,488	-	-	-	63,488	-	63,488
Total assets	12,229,521	271,142	107,540	177,696	85,659	15,219,855	5,581,871	61,109	(11,790,361)	21,944,032	104	21,944,136
Segment liabilities representing												
Total liabilities	8,329,984	213,221	19,714	94,667	17,577	8,992,666	6,414,167	47,332	(10,780,567)	13,348,761	26	13,348,787

6. SEGMENT INFORMATION (Contd.)

	Continuing Operations										Discontinued Operations	Total Operations
	Malaysia Operations						Overseas Operations					
	Airport Operations		Non Airport Operations									
	Airport services	Duty free and non-dutiable goods	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others	Airport services	Project & repair and maintenance	Consolidation	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 31 March 2014												
Segment Revenue												
External:												
Aeronautical	334,651	-	-	-	-	-	-	-	-	334,651	-	334,651
Non-aeronautical:										-		-
Retail	-	162,240	-	-	-	-	-	-	-	162,240	-	162,240
Others	123,521	351	2,915	20,042	6,917	-	-	8,844	-	162,590	-	162,590
Construction	121,600	-	-	-	-	-	-	-	-	121,600	-	121,600
Internal	40,690	267	8,428	1,249	971	-	-	-	(51,605)	-	-	-
	620,462	162,858	11,343	21,291	7,888	-	-	8,844	(51,605)	781,081	-	781,081
Segment Results												
Construction profit	5,236	-	-	-	-	-	-	-	-	5,236	-	5,236
Profit from operations (excluding construction profit)	230,429	14,288	(365)	5,032	1,079	(4,228)	-	4,713	1,764	252,712	-	252,712
Depreciation and amortisation	(56,905)	(1,654)	(28)	(3,313)	(1,017)	(3,066)	-	(156)	-	(66,139)	-	(66,139)
Finance costs	(7,027)	66	19	-	3	(322)	-	-	-	(7,261)	-	(7,261)
Impairment of Investment of associate company						(4,571)	-	-		(4,571)	-	(4,571)
Share of results of associates:										-		
- associates	380	-	-	-	-	(2,964)	-	-	-	(2,584)	-	(2,584)
- jointly controlled entities	-	-	-	-	-	1,584	-	-	-	1,584	-	1,584
Profit /(loss) before tax and zakat	172,113	12,700	(374)	1,719	65	(13,567)	-	4,557	1,764	178,977	-	178,977
Tax and Zakat	(43,966)	(2,982)	(377)	(2,393)	(3)	(322)	-	(223)	-	(50,266)		(50,266)
Profit/(loss) for the year	128,147	9,718	(751)	(674)	62	(13,889)	-	4,334	1,764	128,711	-	128,711
As at 31 March 2014												
Assets and Liabilities												
Segment assets	7,079,367	245,978	98,344	169,428	115,168	9,483,497	-	31,808	(5,488,425)	11,735,165	104	11,735,269
Investment in associates	37,351	-	-	-	-	1,766	-	-	-	39,117	-	39,117
Investment in jointly controlled entities	-	-	-	-	-	58,736	-	-	-	58,736	-	58,736
Total assets	7,116,718	245,978	98,344	169,428	115,168	9,543,999	-	31,808	(5,488,425)	11,833,018	104	11,833,122
Segment liabilities representing												
Total liabilities	3,242,713	127,928	21,232	80,953	47,751	5,887,740	-	22,760	(3,362,759)	6,068,318	43	6,068,361

7. PROFIT BEFORE TAX AND ZAKAT

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000
Included in Other Income:		
Interest income:		
-Unquoted Investment and staff loan	983	1,118
-Other loan and receivables	2,966	2,927
-Gain on financial instrument at fair value through profit or loss	1,303	1,765
- Fair value adjustment for ISG VAT receivable	1,785	-
Investment Income	4,639	1,982
Net realised foreign exchange gain	959	803
Unrealised foreign exchange gain	63,443	-
Recoupment of expenses	30,900	18,947
Included in Other Expenses:		
Net provision/(write back) of doubtful debts	4,884	(242)
Net bad debt written off	3,540	-
Property, plant and equipment written off	700	12
Plantation development expenses written off	-	1,396
Intangible assets written off	71	502
Net inventories written off	42	48
User fee	67,800	63,109
Included in Finance Cost:		
Interest expense:		
- Concession payables and borrowings	151,014	6,249
- Financial liabilities	591	873
- Loss on financial instrument at fair value through profit or loss	-	139
- Fair value of utilisation fee, Setur and Pegasus of ISG	8,308	-

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 under review.

9. DEBT AND EQUITY SECURITIES

On 2 January 2015, the Company has drawndown a Bridger Loan facility amounting to Euro 279,232,000 (equivalent to RM1,182,856,000) to fund the acquisition of ISG and LGM. The Bridger Loan facility was repaid on 2 April 2015 by utilising the proceeds from the issuance of Rights Shares as stated in Note 17.

On 5 January 2015, the Company has repaid its revolving credit facility amounting to RM250,000,000 by utilising the proceeds raised from the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme which was issued on 15 December 2014 as stated in Note 25.

On 21 January 2015 ISG has repaid its secured subordinated loan principal amount of Euro 80,000,000. On 30 January 2015, LGM has repaid its unsecured term loan principal amount of Euro 6,071,429. The repayment of the loans were made by utilising the proceeds from the Euro 500,000,000 on unsecured senior term loan facility which was fully drawndown by ISG on 24 December 2014.

On 23 January 2015, the Company has increased the share issued and paid-up share capital of the Company to RM1,376,541,339 via issuance of 2,391,485 ordinary shares of RM1.00 each pursuant to DRP as stated in note 25, in relation to the single-tier interim dividend of 2.0% for the financial year ended 31 December 2014.

On 27 March 2015, the Company has increased the share issued and paid-up capital of the Company to 1,651,849,606 via issuance of 275,308,267 Rights Shares as stated in Note 25.

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

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 under review.

10. DIVIDENDS PAID

A single-tier interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2014 was declared on 25 November 2014. The interim dividend amounting to RM27.5 million of which RM12.8 million was paid on 22 January 2015 and the remaining RM14.7 million was reinvested on 23 January 2015.

A single-tier final dividend of 3.60 sen per ordinary share amounting to RM59.47 million in respect of the financial year ended 31 December 2014 was approved by the Shareholders at its Annual General Meeting held on 5 May 2015.

Save for the foregoing, there were no other dividends paid or declared during the current quarter 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

There were no changes in the composition of the Group during the current quarter.

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

On 18 September 2013, KL Airport Hotel Sdn Bhd had issued a written notice of termination to ATOZ Hospitality Services Sdn Bhd, to terminate Sama-Sama Hospitality Management Sdn Bhd ("SSHM").

As at 31 March 2015, the assets and liabilities of SSHM have been presented on the consolidated statements of financial position as assets and liabilities held for disposal and the results from SSHM is presented separately on the statement of profit or loss as discontinued operation.

The Board of Directors of MAHB, had on 25 November 2014 approved for the striking off or winding up of SSHM via a court order, after attempt to have SSHM wound up via voluntary winding up failed. This process is expected to be concluded by end of 2015.

There were no movement in the Income Statements of the discontinued operation in the current quarter under review.

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

	31.03.2015 RM'000 Unaudited	31.12.2014 RM'000 Audited
Assets		
Cash & bank balances	104	104
Liabilities		
Other payables	26	26

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Financial Guarantee

i) As at 31 March 2015, six letters of guarantee amounting to Euro 109,201,000 (equivalent to RM433,702,000), representing 6% of total amount payable were provided by ISG to the Administration for the right to operate the ISGIA as set out in the Concession Agreement.

ii) On 11 September 2013, a wholly-owned subsidiary of the Group, MACS has provided a Corporate Guarantee to the Government of the State of Qatar represented by the New Doha International Airport Steering Committee to guarantee the performance of obligations and liabilities of MACS ME under Contract for Facility Management Services for Airport Operational Facilities and Ancillary Buildings.

The Group has assessed the financial guarantee contracts and concluded that the guarantees are more likely not to be called upon and accordingly not recognised as financial liability as at 31 March 2015.

b) Contingent Liability

ISG is involved in, and may from time to time be involved in a number of legal proceedings. There are 274 employee lawsuits filed against ISG either directly or indirectly via sub-contractors. The total amount of claims against the Group is Euro 1,150,000 (equivalent to RM4,567,000). The Group recognised a provision for these claims of Euro 348,000 (equivalent to RM1,382,000) in the consolidated financial statements considering that ISG cannot establish the rest of the claims and that a probable loss will occur.

Save for the above, there were no other changes in contingent liabilities since 31 December 2014. The Group has no contingent assets.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transaction:

	INDIVIDUAL QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter
	31.03.2015	31.03.2014
	RM'000	RM'000
Revenue:		
Associate:		
Lease rental		
- KL Aviation Fuelling System Sdn. Bhd.	1,489	1,489
Management Fee		
- Istanbul Sabiha Gokcen International Airport *	-	-
- LGM Airport Operations Trade and Tourism Inc. *	-	289
Jointly Controlled Entities:		
Lease rental		
- Segi Astana Sdn. Bhd.	318	318
- Airport Cooling Energy Supply Sdn. Bhd.	222	222
Concession Fee		
- MFMA Development Sdn Bhd	142	-
Expenses:		
Jointly Controlled Entities:		
Airport Cooling Energy Supply Sdn. Bhd.		
- Utilities	8,031	-
- Less Rebate	(962)	-
- Interest on concession payable	5,340	-
Segi Astana Sdn. Bhd.		
- Rental of shops and warehouse	707	-
- Water and electricity	73	-
Other Transactions:		
Associate:		
Interest on outstanding payment		
- Istanbul Sabiha Gokcen International Airport *	-	78
Jointly Controlled Entities:		
Airport Cooling Energy Supply Sdn. Bhd.		
- Construction Cost	-	16,047
- Payment on concession payable	2,675	-
Other Related Party:		
Construction Cost		
- UEMC-Bina Puri J.V.	-	17,607

* Before these entities became wholly owned subsidiaries as at 31 December 2014

Related Party Balances:

	As at 31.03.2015 RM'000 Unaudited	As at 31.12.2014 RM'000 Audited
Amount owing by associated company	496	515
Amount owing to jointly controlled entities	-	6,530
Amount owing to other related party	500	500

16. CAPITAL COMMITMENTS

i) The amount of commitments for the lease rental, purchase of property, plant and equipment and other investment not provided for in the interim condensed consolidated financial statements as at 31 March 2015 were as follows:

	Due year 2015 RM'000	Due year 2016 to 2019 RM'000	Due year 2020 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	79,819	-	-	79,819
	79,819	-	66,063	145,882
(ii) Approved but not contracted for:				
Capital expenditure	416,206	-	-	416,206
(iii) Other investment:				
Investment in ISG	-	125,105	-	125,105
Investment in MFMA Development Sdn. Bhd.	-	48,442	-	48,442
	496,025	173,547	66,063	735,635

17. SUBSEQUENT EVENTS

On 2 April 2015, the Company had repaid the Bridger Loan facility amounting to RM1,182,856,000 by utilising proceeds from the issuance of Rights Shares.

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

18. PERFORMANCE REVIEW

Quarter-on-Quarter

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.03.2015 RM'000	**Preceding Year Corresponding Quarter 31.03.2014 RM'000**
Revenue	876,179	781,081
Profit before tax and zakat	39,296	178,977

Revenue

The consolidated revenue of the Group for the current quarter under review amounted to RM876.2 million which was 12.2% or RM95.1 million higher than the same corresponding quarter last year.

Included in the Group's consolidated revenue for the current quarter under review was the revenue recognised in ISG & LGM which were acquired on 31 December 2014, totalling RM181.7 million.

i) Airport Operations

Revenue from airport operations for the current quarter under review amounted to RM821.1 million, 32.3% or RM200.3 million higher than the corresponding period in 2014 when excluding construction revenue. Construction revenue of RM121.6 million in the prior year was in respect of the construction of klia2, which was completed in May 2014.

18. PERFORMANCE REVIEW

Quarter-on-Quarter (Contd.)

Included in revenue from airport operations for the current quarter under review was RM178.8 million, contributed by ISG and LGM. Excluding ISG and LGM, revenue from airport operations was 3.5% or RM21.5 million higher than the corresponding quarter last year (Q1 2015: RM642.3 million; Q1 2014: RM620.8 million).

The increase in the Group's airport operations revenue was mainly attributed to the increase in non-aeronautical revenue. Non-aeronautical revenue increased by 39.7% or RM113.5 million (Q1 2015: RM399.6 million; Q1 2014: RM286.1 million), when including non-aeronautical revenue from ISG and LGM totalling RM89.9 million. Excluding ISG and LGM, non-aeronautical revenue increased by 8.3% or RM23.6 million (Q1 2015: RM309.7 million; Q1 2014: RM286.1 million). This improvement was driven by higher rental revenue by 22.0% or RM27.2 million.

The favourable variance in revenue from the Group's airport operations was also attributed to the increase in aeronautical revenue. Aeronautical revenue increased by 25.9% or RM86.8 million (Q1 2015: RM421.4 million; Q1 2014: RM334.7 million), which entirely due to revenue from ISG of RM88.9 million.

Excluding ISG, aeronautical revenue decreased by 0.6% or RM2.1 million (Q1 2015: RM332.5 million; Q1 2014: RM334.7 million) which was mainly due to lower Passenger Service Charges ("PSC") attributable to the marginal decrease in the passenger movements. The unfavourable variance in aeronautical revenue was also due to lower Marginal Cost Support Sum ("MARCS") on Expresss Rail Link ("ERL") by 57.0% or RM10.8 million. MARCS ERL was recognised for payment remitted to ERL upon collection of PSC from the airlines. However, the unfavourable variance in aeronautical revenue was cushioned by higher recognition of MARCS PSC of RM10.8 million.

The Group has started to recognise MARCS PSC for passengers who travelled on and after 12 February 2014. As stipulated in the Operating Agreement ("OA") signed on 12 February 2009, the Benchmark PSC rates are revised every 5 years based on the agreed calculation as stated in the OA. The 2nd Tariff Cycle revision became effective 12 February 2014. MARCS PSC of RM10.8 million was recognised in the current quarter under review for the difference between actual PSC and Benchmark PSC rates.

18. PERFORMANCE REVIEW (Contd.)

Quarter-on-Quarter (Contd.)

RM Per Pax	Actual PSC	Benchmark PSC Rates of 2nd Tariff Cycle	MARCS PSC
International PSC/PSSC (All airports except LCCTs)	65	71	6
Domestic PSC/PSSC (all airports except LCCTs)	9	10	1
International PSC (for LCCTs only)	32	35	3
Domestic PSC (for LCCTs only)	6	7	1
International PSC/PSSC (Secondary airports and BIMP-AEGA/IMT-GT)	26	28	2

The passenger movements for airports operated by MAHB in Malaysia for the current quarter under review decreased by 1.5% to 20.3 million passengers as compared to the corresponding quarter last year of 20.6 million passengers. The international passenger movements decreased by 3.7% while domestic passenger movements increased by 0.7%. Passenger movements at KLIA-LCCT/klia2 decreased by 1.4% (international: -0.3%, domestic: +3.3%). Passenger movements at KLIA-Main Terminal decreased by 4.4% (international: -3.8%, domestic: -6.6%).

ii) Non-Airport Operations

For the current quarter under review, the businesses from the non-airport operations segment registered an increase in revenue of 42.3% or RM16.4 million for which LGM contributed to RM2.9 million.

Excluding LGM, revenue from non-airport operations segment improved by 35.0% or RM13.5 million (Q1 2015: RM52.2 million; Q1 2014: RM38.7 million). The improvement was largely contributed by revenue from the project and repair maintenance segment which increased by 132.7% or RM15.6 million (Q1 2015: RM27.4 million; Q1 2014: RM11.8 million). Revenue from the agriculture and hotel segments decreased by 15.0% or RM1.0 million (Q1 2015: RM5.9 million; Q1 2014: RM6.9 million) and 5.1% or RM1.0 million (Q1 2015: RM19.1 million; Q1 2014: RM20.0 million) respectively.

The positive variance in the project and repair maintenance revenue in the current quarter was mainly due to higher revenue recorded from MACS Middle East LLC that provides facilities maintenance services at the New Doha International Airport.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

18. PERFORMANCE REVIEW (Contd.)

Quarter-on-Quarter (Contd.)

Profit before tax and zakat

The Group recorded profit before taxation and zakat ("PBT") of RM39.3 million in the current quarter under review as compared to RM179.0 million in the previous corresponding quarter.

For the current quarter under review, ISG and LGM recorded a loss before tax of RM25.5 million. Owing to the fair valuation exercise on the acquisition of ISG and LGM, a further RM45.2 million loss was recognised primarily due to the amortisation of fair value for the concession rights.

There were no construction profits recognised in the current quarter as compared to RM5.2 million accounted for in the corresponding quarter last year due to the completion of klia2 in May 2014.

Excluding the construction profit as well as the results of ISG and LGM, the Group recorded a PBT of RM110.0 million in the current quarter under review as compared to RM173.7 million in the previous corresponding quarter.The unfavourable variance in PBT was mainly due to higher total costs by 36.4% or RM187.1 million (2015: RM701.1 million; 2014: RM514.0 million) primarily arising from klia2 which had yet to open in the previous corresponding quarter. The increase in these costs were attributable increases in depreciation and amortisation by 81.5% or RM53.9 million, finance costs by 568.3% or RM41.3 million, repair and maintenance costs 63.4% or RM21.3 million and staff costs by 13.9% or RM20.1 million. The unfavourable variance in PBT was cushioned by an unrealised gain on foreign exchange of RM63.4 million, represented by the translation of the outstanding Euro 279.2 million bridger loan.

Total costs for ISG and LGM for the current quarter under review was RM252.5 million, comprising mainly of finance costs, depreciation and amortisation and administrative cost amounting to RM111.4 million, RM85.2 million and RM22.0 million respectively.

Share of results of associates and JCE

Share of associate profits in the current quarter under review amounting to RM0.1 million as compared to net loss of RM2.6 million for the same quarter in 2014, an improved of RM2.7 million or 104.0%. Included in the previous corresponding quarter was the recognition of ISG losses of RM3.3 million when MAHB held an associate stake in ISG.

Lower share of profits from JCE arose mainly from Airport Cooling Energy Supplies ("ACES") by RM0.3 million and higher share of loss from Segi Astana Sdn Bhd by RM0.3 million.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

18. PERFORMANCE REVIEW (Cont'd)

ECONOMIC PROFIT STATEMENT

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000
Net Operating Profit Less Adjusted Tax (NOPLAT) computation.		
Earnings before interest and tax (EBIT*)	194,072	187,764
Adjusted Tax	(48,518)	(46,941)
NOPLAT	145,554	140,823
Economic charge computation		
Average invested capital	16,111,340	8,250,938
Weighted average cost of capital per annum	5.96%	6.90%
Economic Charge	240,059	142,329
Economic loss	(94,505)	(1,505)

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

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 loss of RM94.5 million for the current quarter under review higher than RM1.5 million recorded in the corresponding quarter last year. Higher economic loss in the current quarter under review was due to the higher average invested capital contributed by ISG's and LGM's assets.

18. PERFORMANCE REVIEW (Cont'd)

HEADLINE KEY PERFORMANCE INDICATORS ("KPIs")

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

		Headline KPIs for year 2015		Actual achievements 31 March 2015	
		Without ISG & LGM	With ISG & LGM	Without ISG & LGM	With ISG & LGM
i)	EBITDA (RM'000)	880,189	1,522,417	277,342	403,270
ii)	Airport Service Quality Survey Ranking	Above 40 million passenger size category: KLIA Ranking Top 5		Above 40 mppa - ranking at no.7	

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

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.03.2015 RM'000	**Immediate Preceding Quarter 31.12.2014 RM'000**
Revenue	876,179	711,334
Profit before tax and zakat	39,296	682,313

19. 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 23.2% or RM164.8 million as compared to the immediate preceding quarter, primarily owing to revenue from ISG and LGM of RM181.7 million.

The consolidated revenue for the current quarter under review decreased by 2.4% or RM16.8 million as compared to the immediate preceding quarter when excluding revenue contributions from ISG and LGM,

There were no construction revenue recorded in both quarters.

a) Airport Operation

Airport operations revenue was higher by RM154.3 million or 23.2% as compared to the immediate preceeding quarter for which RM178.8 million was contributed by ISG and LGM.

Excluding ISG and LGM, the airport operations revenue was 3.7% or RM24.5 million lower than the immediate preceding quarter (Q1 2015: RM642.3 million; Q4 2014: RM666.8 million). The unfavourable variance was due to the decrease of 2.4% or RM7.7 million in non-aeronautical revenue. This was due to lower retail revenue of 9.7% or RM17.0 million but cushioned by higher rental revenue by 6.6% or RM9.3 million.The unfavourable variance was also due to lower aeronautical revenue by 4.8% or RM16.8 million which was mainly due to lower PSC revenue attributable to lower passengers movements.

The passenger movements for airports operated by MAHB in Malaysia for the current quarter under review decreased by 7.9% as compared to the immediate preceding quarter, in which both the international and domestic passenger movements decreased by 6.3% and 9.3% respectively. The passenger movements at KLIA-Main Terminal decreased by 5.9% (international: 3.2%, domestic: 14.3%) while KLIA-LCCT/klia2 decreased by 7.3% (international: 8.5%, domestic: 4.9%).

b) Non-Airport Operations

Non-airport operations revenue was higher by 23.6% or RM10.5 million as compared to the immediate preceeding quarter for which RM2.9 million was contributed by LGM.

Excluding LGM, the revenue from the non-airport operations segment recorded an increase of 17.2% or RM7.6 million (Q1 2015: RM52.2 million; Q4 2014: RM44.6 million) mainly due to the higher revenue recorded by the project and repair maintenance segment by 49.3% or RM9.1 million. The overall increase was negated by lower revenues in the hotel segment and agriculture segment by 4.9% or RM1.0 million and 6.3% or RM0.4 million respectively.

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

Profit before tax and zakat

The Group recorded PBT of RM39.3 million in the current quarter under review, lower than RM682.3 million recorded in the preceding quarter.

As highlighted in Note 18, ISG and LGM recorded a loss before tax of RM25.5 million owing to the fair valuation exercise on the acquisition of ISG and LGM while a further RM45.2 million loss was recognised primarily due to the amortisation of fair value for the concession rights.

PBT excluding ISG and LGM was RM110.0 million, lower by RM572.3 million from the RM682.3 million recorded in the preceding quarter.

There were no construction profit recognised in both quarters.

Included in the preceding quarter was the recognition of the gain arising from re-measurement of fair value of investment amounting to RM502.5 million being the difference between the carrying amount of previously held equity interest and the acquisition date fair value of the net asset of ISG and LGM upon both entities becoming wholly-owned subsidiaries of MAHB, gain on bargain purchase of RM379.1 million arising from the acquisition of ISG and impairment of goodwill of RM229.4 million arising from the acquisition of LGM.

However, the unfavourable variance in PBT was cushioned by unrealised gain on foreign exchange of RM63.4 million and lower total expenses by 4.5% or RM33.1 million mainly due to lower administrative costs. Higher administrative cost in the preceding quarter was due to impairment and write-off of LCCT assets of RM50.3 million. Lower total expenses was also due to lower repair and maintenance costs.

For the current quarter under review, the total cost for ISG and LGM was RM252.5 million which was mainly due to the depreciation and amortisation and borrowing costs incurred amounting to RM85.2 million and RM111.4 million respectively.

20. COMMENTARY ON PROSPECTS

The total passenger movements handled by airports under MAHB including Istanbul Sabiha Gokcen International Airport (“ISGIA”) was 26.0 million in the first quarter of 2015, registering a 2.0% growth over the same corresponding period last year. Domestic movements increased by 4.7% while international movements declined by 1.1%.

Malaysia’s traffic for the first quarter registered 20.4 million passenger movements, a decline of 1.5% over 2014, mainly as a result of the large contractions in January and February. Malaysia’s overall traffic in March 2015 was encouraging registering 7.2 million passengers, an increase of 1.2% over March 2014 which had a 13.1% growth over the previous year. Aircraft movements grew by 8.8% over the same period last year.

ISGIA handled 5.6 million passengers and continued to record double-digit growth for both domestic and international sectors, achieving an overall 16.7% growth for the first quarter of 2015. Overall aircraft movements increased by 15.9% over the same corresponding period.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

20. COMMENTARY ON PROSPECTS (Contd')

We expect our 2015 passenger traffic target of 85.8 million passenger movements for Malaysia to be within the achievable range. Passenger traffic for March, the third highest month movement since January 2014, provides optimism for the next quarter and beyond. The return of British Airways in May and All Nippon Airways in September will provide the added dynamism required by the industry. Moving forward the second quarter year-on-year airlines' seat capacity growth at 4.9% over 2014 is well above our 3% target for 2015.

Similarly, we expect our 2015 passenger traffic target of 27.0 million passenger movements for ISGIA to be within the achievable range. ISGIA 16.7% growth performance over the first quarter brings further optimism and we expect the double-digit growth to continue in the second quarter.

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	
	Current Year Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000
Current tax	32,467	52,680
Deferred taxation	(25,168)	(2,414)
	7,299	50,266

23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2014.

24. INVESTMENTS IN QUOTED SECURITIES

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

25. STATUS OF CORPORATE PROPOSALS

Save for the followings, there are no other ongoing corporate proposals announced by the Group but not completed as at 30 April 2015 being a date not earlier than 7 days from the date of issuance of the quarterly report.

a) 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.

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.

<u>Final Dividend for the financial year ended 31 December 2014</u>

On 13 February 2015, the Board of Directors had determined that the DRP shall apply to the entire Final Dividend for the financial year ended 31 December 2014.

b) <u>Rights Issues</u>

On 10 November 2014, MAHB had announced that it is to undertake the Rights Issue to fund the Acquisition via the issuance of Rights Issue of 274,829,971 new ordinary shares of RM1.00 each in MAHB on the basis of one (1) Rights Share for every (5) existing MAHB shares held on an entitlement date to be determined later. The number of Rights Shares to be issued was arrived at based on the issued and paid up ordinary shares capital of 1,374,149,854.

25. STATUS OF CORPORATE PROPOSAL (Cont'd)

On 5 December 2014, MAHB had announced that Bursa Securities had, vide its letter dated 5 December 2014, approved the amended application for the listing of and quotation for up to 275,777,660 Rights Shares to be issued pursuant to the Rights Issue on the Main Market of Bursa Securities.

The Rights Issue was approved by shareholders at its Extraordinary General Meeting held on 23 December 2014.

MAHB had on 27 January 2015, MAHB had announced the issue price of the Rights Shares has been fixed at RM4.78 per Rights Share ("Issue Price"), representing a discount of approximately 28.8% to the theoretical ex-rights price ("TERP") of MAHB Shares of RM 6.71. Based on the Issue Price, the Rights Issue is expected to raise gross proceeds of approximately RM1,316.0 million.

The Issue Price was determined by the Board of MAHB together with CIMB and Maybank IB, being the Joint Managing Underwriters for the Rights Issue on 27 January 2015 after taking into consideration the following:

(i) the purchase consideration for the acquisitions of the 40% equity stake in ISG and 40% equity stake in LGM of Euro 279.2 million which is equivalent to RM1,182.9 million based on Bank Negara Malaysia's middle rate of Euro 1.00: RM4.24 as at 5.00 p.m. on 2 January 2015, being the completion date of the said acquisitions;
(ii) the prevailing market price of MAHB Shares;
(iii) the TERP of MAHB Shares of RM6.71 per Share, based on the five (5)-day volume-weighted average market price of MAHB Shares up to and including 26 January 2015, being the last trading day before the price-fixing date of the Rights Shares on 27 January 2015, of RM7.10; and
(iv) the prevailing market conditions.

The Board is of the opinion that the discount of approximately 28.8% to the TERP is reasonably attractive to the entitled shareholders of MAHB to subscribe for the Rights Shares. In addition, the discount applied to the TERP to arrive at the Issue Price is also in line with the market discount rates of between 13.2% and 59.4% for major Rights Issue exercises implemented in Malaysia over the last five (5) years.

MAHB had on 27 January 2015 entered into an underwriting agreement in relation to the Rights Issue with CIMB, Maybank IB and JPMorgan Securities (Malaysia) Sdn Bhd (collectively, the "Joint Underwriters"), whereby the Joint Underwriters will severally but not jointly underwrite up to an aggregate of 174,396,216 Rights Shares to be issued, representing approximately 63.35% of the total issue size of the Rights Issue. Khazanah Nasional Berhad has provided its irrevocable undertaking to subscribe for the remaining Rights Shares.

On 26 February 2015, the abridged prospectus in relation to the Rights Issue has been made available on Bursa Malaysia website.

25. STATUS OF CORPORATE PROPOSAL (Cont'd)

On 19 March 2015, MAHB announced that, as at the closing date and time of the acceptance and payment for the Rights Shares as at 5.00 p.m. on 13 March 2015, MAHB had received total valid acceptances and excess applications of 303,179,299 Rights Shares. This represents an oversubscription of 27,871,032 Rights Shares or 10.12% over the total number of Rights Shares available for subscription under the Rights Issue.

On 27 March 2015, the Rights Issue has been completed following the listing of and quotation for 275,308,267 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad.

c) Perpetual Subordinated Sukuk Programme

On 15 December 2014, the Company has completed the issuance of RM1,000,000,000 Perpetual Subordinated Sukuk pursuant to the Perpetual Subordinated Sukuk Programme. The Perpetual Subordinated Sukuk is a perpetual non-call ten (10) - year with no fixed tenure and carries a fixed initial periodic distribution rate of 5.75% (per annum, payable semi-annually) up to the 10th year anniversary of the issue date, after which and for every 10 years onward the periodic distribution rate will be reset. The periodic distribution rate will be reset to the prevailing 10 – year MGS benchmark rate plus 1.867% (Initial Spread) plus 1.00% step up rate. The Perpetual Subordinated Sukuk is structured as a perpetual securities and accounted as equity.

The Perpetual Subordinated Sukuk is issued based on the Shariah principle of Musharakah. The proceed from the Perpetual Subordinated Sukuk 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.

The status of utilisation of proceeds raised from the above as at 30 April 2015 (being a date not earlier than 7 days from the date of issue of the quarterly report) are as follows:

Perpetual Sukuk Programme

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)
To part finance the working capital requirements, general investments and/or refinance any borrowings/financing of MAHB and/or its subsidiaries, which are Shariah – compliant.	1,000,000	933,542

d) Proposed Disposal of MAHB's stake in Delhi International Airport Private Limited ("DIAL")

On 24 March 2015, MAHB had, via its wholly owned subsidiary, Malaysia Airports (Mauritius) Private Limited ("MAMPL") entered into a conditional share sale agreement ("SSA") with GMR Airports Limited (formerly known as GVL Investments Private Limited and GMR Airports Holdings Limited)("GMR Airports") for the disposal by MAMPL of its entire 10% equity interest in DIAL.

25. STATUS OF CORPORATE PROPOSAL (Cont'd)

The proposed disposal entails the disposal by MAMPL of 245,000,000 equity shares of Indian Rupees 10 each in DIAL, representing 10% of the entire issued and paid-up share capital of DIAL, for a total cash consideration of USD79.0 million which is equivalent to approximately RM292.6 million. The sale consideration is agreed between the MAMPL and GMR Airports based on the assumption that the completion of the sale and purchase take place on or before 30 April 2015. In the event the completion takes place after 30 April 2015, MAMPL and GMR Airports may revise the sale consideration with mutual written agreement.

26. BORROWINGS AND DEBT/EQUITY SECURITIES

	As at 31.03.2015 RM'000 unaudited	As at 31.12.2014 RM'000 audited
Short term borrowings		
Unsecured:		
Revolving Credit Facility	-	250,000
Bridger Loan	1,119,413	-
Term Loan	-	25,807
Secured:		
Subordinated Loan	-	368,225
Senior Term Facility	37,828	61,710
	1,157,241	705,742
Long term borrowings		
Unsecured:		
Islamic Medium Term Notes ("IMTN")	3,100,000	3,100,000
Senior Sukuk	500,000	500,000
Secured:		
Senior term facility	1,900,339	2,019,277
	5,500,339	5,619,277

27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 April 2015.

28. CHANGES IN MATERIAL LITIGATION

There was no material suit against the Group and its subsidiaries since 31 December 2014.

29. DIVIDEND PAYABLE

Interim dividend in respect of financial year ended 31 December 2014 had been paid and final dividend in respect of financial year ended 31 December 2014 was approved by the shareholders at its Annual General Meeting as per note 10. There were no other dividends paid or declared during the current quarter 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 current quarter under review.

	INDIVIDUAL QUARTER	
	Current Year Quarter 31.03.2015 RM'000	**Preceding Year Corresponding Quarter 31.03.2014 RM'000**
Profit from continuing operations attributable to owners of the parent	31,997	128,711
Distribution to Perpetual Sukuk Holder	(14,180)	-
Net Profit from continuing operations attributable to owners of the parent	17,817	128,711
Loss from a discontinued operation attributable to equity holders of the Company	-	-
Profit attributable to equity holders of the Company	17,817	128,711
Weighted average number of ordinary shares in issue ('000)	1,388,166	1,263,584
Basic earning per share for (sen):		
Profit from continuing operations	1.28	10.19
Loss from discontinued operation	-	-
Basic earnings per share (sen)	1.28	10.19

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-weighing 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.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

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

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	4,649,087	4,236,363
- Unrealised	(293,410)	232,036
	4,355,677	4,468,399
Total share of retained earnings/(accumulated losses) from associate companies:		
- Realised	72,411	72,283
- Unrealised	(3,129)	(3,000)
	69,282	69,283
Total share of retained earnings from jointly controlled entities:		
- Realised	8,362	(336,605)
- Unrealised	(4,928)	73,143
	3,434	(263,462)
Less: Consolidation Adjustments	(1,733,228)	(1,597,453)
Total retained earnings as per financial statements	2,695,165	2,676,767

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
5 May 2015