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

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter	*Restated Preceding Year Corresponding Quarter	Current Year Quarter	*Restated Preceding Year Corresponding Quarter
	Note	30.09.2014	30.09.2013	30.09.2014	30.09.2013
		RM'000	RM'000	RM'000	RM'000
Revenue		675,760	972,703	2,632,388	2,977,992
Cost of inventories sold		(74,958)	(81,976)	(234,080)	(231,725)
Other income		46,447	28,922	112,544	93,034
Employee benefits expense		(168,314)	(126,961)	(473,312)	(393,898)
Construction Costs		-	(341,838)	(633,880)	(1,146,728)
Depreciation and amortisation		(137,027)	(73,775)	(337,547)	(198,612)
Other expenses		(278,638)	(217,571)	(755,180)	(611,819)
Operating profits		63,270	159,504	310,933	488,244
Finance costs		(54,491)	(8,808)	(98,600)	(22,286)
Impairment of investment in associate company		-	-	(9,011)	-
Share of results:					
- associates		1,387	616	1,646	492
- jointly controlled entities		445	(191)	(53,109)	2,786
Profit before tax and zakat	7	10,611	151,122	151,859	469,237
Taxation and zakat	22	(8,979)	(38,240)	(66,190)	(128,006)
Profit for the period, net of tax and zakat		1,632	112,882	85,669	341,231
Discontinued Operation					
Loss from discontinued operations, net of tax	13	(54)	-	(54)	(96)
Profit for the period, net of tax and zakat		1,579	112,882	85,615	341,135
Attributable to:					
Owners of the parent		1,605	112,779	85,641	340,588
Non-controlling interests		(26)	103	(26)	546
		1,579	112,882	85,615	341,135
Earnings per share attributable to owners of the parent (sen):					
Basic for profit from continuing operations		0.12	9.22	6.41	27.87
Basic for loss from discontinued operation		-	-	-	(0.01)
Basic for profit for the period	30	0.12	9.21	6.41	27.86

*Restated due to the result of discontinued operation.

The condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year Quarter 30.09.2014 RM'000	*Restated Preceding Year Corresponding Quarter 30.09.2013 RM'000
Profit for the period, net of tax and zakat	1,579	112,882	85,615	341,135
Other comprehensive income:				
Available-for-sale financial assets				
- Gain/(Loss) on fair value changes	1,728	(835)	4,208	(1,874)
Share of other comprehensive income of an associate	-	-	-	(22)
Share of other comprehensive income of a jointly controlled entity	1,585	-	4,062	-
Foreign currency translation	(469)	971	(1,424)	1,945
Other comprehensive income for the period,net of tax and zakat	2,844	136	6,846	49
Total comprehensive income	4,423	113,018	92,461	341,184
Attributable to:				
Owners of the parent	4,449	112,915	92,487	340,637
Non-controlling interest	(26)	103	(26)	546
	4,423	113,018	92,461	341,184

The condensed consolidated of other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

*Restated due to the result of discontinued operation.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	30.09.2014 RM'000 Unaudited	31.12.2013 RM'000 Audited
ASSETS		
Non-current Assets		
Property, plant and equipment	325,060	326,335
Plantation development expenditure	52,883	52,822
Land use rights	7,429	7,518
Intangible Assets	8,740,592	8,259,114
Investment in associates	36,817	24,779
Investment in jointly controlled entity	847,334	57,152
Available for sale investments	387,868	349,450
Trade receivables	5,447	-
Other receivables	373,069	364,572
Staff loans	30,569	37,083
Deferred tax assets	9,716	6,236
	10,816,784	9,485,061
Current Assets		
Inventories	162,385	122,317
Trade receivables	490,588	442,323
Other receivables	115,094	128,113
Cash and bank balances	288,821	345,413
	1,056,888	1,038,166
Assets of disposal group classified as held for disposal	104	104
TOTAL ASSETS	11,873,776	10,523,331

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	30.09.2014 RM'000 Unaudited	31.12.2013 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,374,150	1,232,444
Share premium	2,373,149	1,409,376
Retained earnings	2,044,199	2,037,431
Fair value adjustment reserve	7,717	(553)
Other reserve	2,546	2,546
Foreign exchange reserve	(4,365)	(2,941)
	5,797,396	4,678,303
Non-controlling interests	37	64
Total equity	5,797,433	4,678,367
Non-current Liabilities		
Other financial liability	187,525	189,256
Borrowings	3,600,000	3,600,000
Deferred income	55,917	47,078
Deferred tax liabilities	99,886	135,149
Other payables	594,712	703,021
	4,538,040	4,674,504
Current Liabilities		
Borrowings	450,000	200,000
Trade payables	152,739	231,676
Other payables	893,200	685,619
Income tax payable	42,278	53,122
	1,538,217	1,170,417
Liabilities of disposal group classified as held for disposal	86	43
Total liabilities	6,076,344	5,844,964
TOTAL EQUITY AND LIABILITIES	11,873,776	10,523,331

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to equity holders of the Company								
		Non- distributable				Distributable			
	Share Capital 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 2013	1,210,000	1,320,414	5,136	(5,574)	2,546	1,826,758	4,359,280	-	4,359,280
Total comprehensive income for the period	-	-	(1,896)	1,945	-	340,588	340,637	546	341,183
Transaction with owners									
Shares issued pursuant to Dividend Reinvestment Plan	22,444	88,971	-	-	-	-	111,415	-	111,415
Dividends	-	-	-	-	-	(92,864)	(92,864)	-	(92,864)
Total transactions with owners	22,444	88,971	-	-	-	(92,864)	18,551	-	18,551
At 30 September 2013	1,232,444	1,409,385	3,240	(3,629)	2,546	2,074,482	4,718,469	546	4,719,013
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	-	-	8,270	(1,424)	-	85,641	92,487	(26)	92,461
Transaction with owners									
Shares issued pursuant to Dividend Reinvestment Plan	17,656	115,996	-	-	-	-	133,652	-	133,652
Issuance of new shares via Private Placement	124,050	847,777	-	-	-	-	971,827	-	971,827
Dividends	-	-	-	-	-	(78,874)	(78,874)	-	(78,874)
Total transactions with owners	141,706	963,773	-	-	-	(78,874)	1,026,605	-	1,026,605
At 30 September 2014	1,374,150	2,373,149	7,717	(4,365)	2,546	2,044,199	5,797,396	37	5,797,433

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statement

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	30.09.2014 RM'000 Unaudited	*Restated 30.09.2013 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and zakat from:		
Continuing operations	151,859	469,237
Discontinued operation	(54)	(96)
Adjustments for:		
Interest income	(11,899)	(12,284)
Interest from late payments	(3,327)	(3,287)
Interest expense	98,600	22,286
Provision for liabilities	2,833	3,764
Amortisation of:		
- Intangible assets	306,182	161,444
- plantation development expenditure	2,384	2,078
- land use rights	90	90
Depreciation of property, plant and equipment	28,891	34,999
Amortisation of premium on investments	-	26
Impairment of investment in associate	9,011	-
Net allowance of doubtful debts	1,340	893
Net bad debt written off	-	7,203
Net gain on disposal of:		
- property,plant and equipment	(16)	(166)
- intangible assets	(36)	(8)
- other investment	(10)	(187)
Property, plant and equipment written off	266	2,425
Plantation development expenditure written off	1,396	-
Intangible assets written off	1,602	89
Net of inventories (write back)/written off	(958)	716
Investment income	(12,643)	(13,665)
Profit from construction contract	(28,525)	(51,932)
Share of results of:		
- Jointly controlled entities	53,109	(2,786)
- Associates	(1,646)	(492)
Operating profit before working capital changes	598,449	620,347
Increase in inventories	(39,111)	(21,242)
(Increase)/Decrease in receivables	(31,941)	123,261
Decrease in payables	(134,890)	(80,247)
Decrease in concession liabilities	(16,326)	(17,095)
Decrease in provisions for liabilities	(3,377)	(4,018)
Cash generated from operations	372,804	621,006
Tax and Zakat paid	(115,812)	(94,956)
Net cash generated from operating activities	**256,992**	**526,050**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	30.09.2014 RM'000 Unaudited	*Restated 30.09.2013 RM'000 Unaudited
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- property, plant and equipment	(33,218)	(17,291)
- intangibles assets	(408,595)	(1,359,765)
- plantation development expenditure	-	(3,903)
- quoted shares	(36,820)	(25,416)
Proceeds from disposal of:		
- property, plant and equipment	52	85
- other investments	11	5,991
Acquisition of an associate	-	(840)
Advance to associates	(9,011)	(3,191)
Advance to joint controlled entities	(3,271)	-
Additional investment in an associate	(13,650)	-
Additional investment in jointly controlled entity	(933,719)	-
Investment income received	12,643	13,665
Dividend received from associate	1,800	1,800
Interest received	3,262	3,935
Net cash used in investing activities	**(1,420,516)**	**(1,384,930)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance expenses for Private Placement	(8,169)	-
Proceeds from issuance of shares from Private Placement	124,050	-
Proceeds of Share Premium arising from Private Placement	855,945	-
Drawdown of loans and borrowings	250,000	700,000
Interest paid	(95,798)	(19,034)
Dividends paid to shareholders of the Company	(18,443)	(53,008)
Net cash generated from financing activities	**1,107,585**	**627,958**
Net decrease in cash and cash equivalents	**(55,939)**	**(230,923)**
Effects of foreign currency translation	(653)	26
Cash and cash equivalents at beginning of period	345,413	774,229
Cash and cash equivalents at end of period	**288,821**	**543,333**
Cash and cash equivalents comprising:		
Cash and bank balances	107,318	94,898
Short term deposits	181,503	448,435
	288,821	**543,333**

*Restated due to the result of discontinued operation.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2013. 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 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except as follows:

On 1 January 2014, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for periods beginning on or after
• Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities	1 January 2014
• Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
• Amendments to FRS 136 Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets.	1 January 2014
• Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
• IC Interpretation 21 Levies	1 January 2014

The adoption of the above standards and interpretation have no material impact on the financial statements of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Standards issued but not yet effective

Description	**Effective for annual periods beginning on or after**
• Amendmend to FRS 119 Defined Benefit Plans: Employee Contributions	1 July 2014
• Annual Improvements to MFRSs 2010-2012 Cycle	
- Amendment to FRS 2 Share-based payment	1 July 2014
- Amendment to FRS 3 Business Combinations	1 July 2014
- Amendment to FRS 8 Operating Segments	1 July 2014
- Amendment to FRS 13 Fair Value Measurement	1 July 2014
- Amendment to FRS 116 Property, Plant and Equipment	1 July 2014
- Amendment to FRS 124 Related Party Disclosure	1 July 2014
- Amendment to FRS 138 Intangibles Asset	1 July 2014
• Annual Improvements to MFRSs 2011-2013 Cycle	
- Amendment to FRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
- Amendments to FRS 3 Business Combinations: Scope exceptions for joint venture	1 July 2014
- FRS 13 Fair Value Measurement	1 July 2014
- Amendment to FRS 140 Investment Property	1 July 2014
• FRS 9 Financial Instrument Activities	1 January 2015
• Amendment to FRS 11 Accounting for Acquisition of interest in joint operations (Amendments to FRS 11)	1 January 2016
• FRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to FRS 116 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)	1 January 2016
• Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
• FRS 15 Revenue from contracts with customers	1 January 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Description	Effective for annual periods beginning on or after
• FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009	To be announced
• FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010	To be announced
• FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

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:

<u>Amendment to FRS 8 Operating Segments</u>
The Amendment requires the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics and clarifies that reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

<u>FRS 9 Financial Instruments: Classification and Measurement</u>

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.

<u>FRS 116 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)</u>

The amendments clarify the principle in FRS116 and FRS138 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 use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and to amortise intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Group will quantify the effect of change in current method of amortisation of concession right which is based on revenue stream to straight line method.

Amendment to FRS 11 Acquisition of interest in joint venture

The amendments to FRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant FRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured 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.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

FRS 15 Revenue from contracts with customers

The FRS 15 was issued in September 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. 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 IFRS 15 and plans to adopt the new standard on the required effective date.

Effective date to be announced by the Malaysian Accounting Standard Board

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.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2013 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 and financial period-to-date under review.

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

The net loss reported in the previous quarter was mainly attributed to the one-off recognition of previously unrecognised share of losses of RM42.5 million in Istanbul Sabiha Gokchen International Airport ("ISG"). The recoupment was pursuant to the acquisition of additional 40% stake in ISG during the previous quarter under review.

Save for the above, there were no other 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 designated 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 oil palm and sell palm oil and other agricultural products and to carry out horticulture activities.

6. SEGMENT INFORMATION (Contd.)

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

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

There has been no material change in the total assets and no difference in the basis of segmentation or in the basis of measurement of segment profit or loss compared to the last financial statements for the year ended 31 December 2013.

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

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

6. SEGMENT INFORMATION (Contd.)

	Continuing Operations								Discontinued Operations	Total Operations
	Airport Operations		Non Airport Operations							
	Airport services	Retail	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others	Consolidation	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 30 September 2014										
Segment Revenue										
External:										
Aeronautical	991,754	-	-	-	-	-	-	991,754	-	991,754
Non-aeronautical:										
Retail	-	439,016	-	-	-	-	-	439,016	-	439,016
Others	411,325	900	47,788	54,147	25,053	-	-	539,213	-	539,213
Construction	662,405	-	-	-	-	-	-	662,405	-	662,405
Internal	156,448	709	32,291	1,845	3,110	-	(194,403)	-	-	-
	2,221,932	440,625	80,079	55,992	28,163	-	(194,403)	2,632,388	-	2,632,388
Segment Results										
Construction Profit	28,525	-	-	-	-	-	-	28,525	-	28,525
Profits from operations (excluding construction profit)	619,405	(15,585)	17,915	5,113	4,998	67,503	(79,395)	619,954	(54)	619,901
Depreciation and amortisation	(307,217)	(4,523)	(814)	(10,712)	(3,040)	(11,241)	-	(337,547)	-	(337,547)
Finance costs	(98,470)	(73)	(14)	(7)	(37)	(77,310)	77,312	(98,600)	-	(98,600)
Impairment of Investment of associate company	-	-	-	-	-	(9,011)	-	(9,011)	-	(9,011)
Share of results of associates:										
- associates	1,646	-	-	-	-	-	-	1,646	-	1,646
- jointly controlled entity	-	-	-	-	-	(53,109)	-	(53,109)	-	(53,109)
Profit /(loss) before tax and zakat	243,889	(20,181)	17,087	(5,606)	1,921	(83,168)	(2,083)	151,859	(54)	151,805
As at 30 September 2014										
Assets and Liabilities										
Segment assets	11,520,331	245,553	135,286	163,982	87,274	10,121,388	(11,284,292)	10,989,522	104	10,989,626
Investment in associates	36,817	-	-	-	-	-	-	36,817	-	36,817
Investment in jointly controlled entities	-	-	-	-	-	847,334	-	847,334	-	847,334
Total assets	11,557,148	245,553	135,286	163,982	87,274	10,968,722	(11,284,292)	11,873,673	104	11,873,776
Segment liabilities representing										
Total liabilities	7,651,466	151,784	39,670	82,723	18,706	7,241,627	(9,109,718)	6,076,258	86	6,076,344

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

6. SEGMENT INFORMATION (Contd.)

	Continuing Operations								Discontinued Operations	Total Operations
	Airport Operations		Non Airport Operations							
	Airport services	Retail	Project & repair and maintenance	Hotel	Agriculture & horticulture	Others	Consolidation	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 30 Sept 2013										
Segment Revenue										
External:										
Aeronautical	886,761	-	-	-	-	-	-	886,761	-	886,761
Non-aeronautical:										
Retail	-	437,608	-	-	-	-	-	437,608	-	437,608
Others	361,243	-	24,130	47,818	21,773	-	-	454,964	-	454,964
Construction	1,198,659	-	-	-	-	-	-	1,198,659	-	1,198,659
Internal	112,120	1,480	20,134	601	2,220	-	(136,555)	-	-	-
	2,558,783	439,088	44,264	48,419	23,993	-	(136,555)	2,977,992	-	2,977,992
Segment Results										
Construction Profit	51,932	-	-	-	-	-	-	51,932	-	51,932
Profits from operations (excluding construction profit)	598,106	36,217	4,230	4,061	505	(7,606)	(588)	634,925	(96)	634,829
Depreciation and amortisation	(163,823)	(4,484)	(99)	(15,161)	(2,716)	(12,329)	-	(198,612)	-	(198,612)
Finance costs	(20,943)	-	-	-	(13)	(1,330)	-	(22,286)	-	(22,286)
Share of results of associates:										
- associates	2,785	-	-	-	-	(2,293)	-	492	-	492
- jointly controlled entity	-	-	-	-	-	2,786	-	2,786	-	2,786
Profit /(loss) before tax and zakat	468,057	31,733	4,131	(11,100)	(2,224)	(20,772)	(588)	469,237	(96)	469,141
As at 30 Sept 2013										
Assets and Liabilities										
Segment assets	5,943,475	227,246	82,149	136,220	85,049	8,004,252	(4,401,224)	10,077,167	63	10,077,230
Investment in associates	21,135	-	-	-	-	1,105	-	22,240	-	22,240
Investment in Jointly Controlled Entity	-	-	-	-	-	56,930	-	56,930	-	56,930
Total assets	5,964,610	227,246	82,149	136,220	85,049	8,062,287	(4,401,224)	10,156,337	63	10,156,400
Segment liabilities representing										
Total liabilities	2,226,750	107,450	5,005	43,633	17,831	5,372,984	(2,336,267)	5,437,386	-	5,437,386

7. PROFIT BEFORE TAX AND ZAKAT

The following items have been included in arriving at profit before tax and zakat

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000
Included in Other Income:				
Interest income:				
-Unquoted Investment and staff loan	1,069	1,411	3,262	3,647
-Other loan and receivables	2,829	2,785	8,565	8,349
-Available-for-sale financial assets	-	97	-	288
-Gain on financial instrument at fair value through profit or loss	12	-	72	-
Investment Income	4,273	1,672	12,643	13,665
Net realised foreign exchange gain	1,013	895	2,676	2,582
Net gain/(loss) on disposal of property, plant and equipment				
- Property, plant and equipment	(36)	14	16	166
- Intangible assets	36	-	36	8
- Others	-	72	10	187
Recoupment of expenses	32,136	17,090	68,585	48,947
Included in Other Expenses:				
Net allowance of doubtful debts	916	6,056	1,340	893
Net bad debt written off	-	-	-	7,203
Property, plant and equipment written off	159	14	266	2,425
Plantation development expenses written off	-	-	1,396	-
Intangible assets written off	160	13	1,602	89
Net inventories (write back)/ written off	(1,315)	(231)	(958)	716
User fee	67,364	60,856	196,318	169,093
Included in Finance Cost:				
Interest expense:				
- Concession payables and borrowings	53,498	7,737	95,798	19,034
- Financial liabilities	874	1,071	2,620	3,252
- Loss on financial instrument at fair value through profit or loss	119	-	182	-

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 4 February 2014, the Company has increased the share issued and paid-up share capital of the Company to 1,240,546,352 via issuance of 8,102,473 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 2013.

On 12 March 2014, the Company has increased the share issued and paid-up share capital to 1,364,596,352 via issuance of 124,050,000 new ordinary shares of RM1 each through a private placement to investors identified via a book-building exercise, which had attracted demand from both domestic and foreign institutional investors. The issue price was fixed at RM7.90 per ordinary share, representing a discount of approximately 4.36% to the 5-day Volume Weighted Average Market Price ("VWAMP") of MAHB up to and including 3 March 2014 of RM8.26 and a discount of approximately 5.73% to the closing market price of MAHB Shares on 3 March 2014 of RM8.38.

On 2 May 2014, the Company has further increased the share issued and paid-up share capital of the Company to 1,374,149,854 via issuance of 9,553,502 new ordinary shares of RM1.00 each pursuant to DRP as stated in note 25, in relation to the single-tier final dividend of 5.78% for the financial year ended 31 December 2013.

The new ordinary shares issued during the financial period 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 and financial period-to-date under review.

10. DIVIDENDS PAID

A single-tier interim dividend of 6 sen per ordinary share in respect of the financial year ended 31 December 2013 was declared on 8 November 2013. The interim dividend amounting to RM73.95 million of which RM8.64 million was paid on 30 January 2014 and the remaining was reinvested on 4 February 2014.

A single-tier final dividend of 5.78 sen per ordinary share in respect of the financial year ended 31 December 2013 was approved by the Shareholders at its Annual General Meeting held on 20 March 2014. The final dividend amounting to RM78.87 million in which RM69.07 million was reinvested on 2 May 2014.

10. DIVIDENDS PAID (Contd.)

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 30 April 2014, MAHB had completed the acquisition of an additional 40% stake in ISG and LGM Airport Operations Trade and Tourism Inc (“LGM”) from GMR Infrastructure Limited, GMR Infrastucture Overseas Limited and GMR Infrastructure (Global) Limited for total cash consideration of EUR209.0 million (or the equivalent of approximately RM933.7 million) through a wholly-owned subsidiary of MAHB called Malaysia Airports MSC Sdn Bhd (“MAMSC”).

Effective 1 May 2014, ISG and LGM are regarded as Jointly Controlled Entities ("JCE"). They were previously regarded as associates and in view that there was additional investment by the Group in ISG and LGM, the previously unrecognised share of losses in ISG carried forward was recognised in the previous quarter.

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

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 30 September 2014, 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.

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year quarter	Preceding Year Corresponding Quarter
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Other income	-	-	-	-
Depreciation and amortisation				
Other expenses	(19)	(96)	(19)	(96)
Depreciation and amortisation		-	-	-
Loss before tax of discontinued operations	(19)	(96)	(19)	(96)
Income tax expenses	(35)	-	(35)	-
Loss for the period from discontinued operations	(54)	(96)	(54)	(96)

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

	30.09.2014 RM'000 Unaudited	31.12.2013 RM'000 Audited
Assets		
Cash & bank balances	104	104
Liabilities		
Other payables	86	43

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) As at 30 September 2014, the Company provided corporate guarantees as follows:

a) RM265,810,000 (December 2013: RM72,160,000) for the purpose of guarantee to a financial institution for credit facilities granted to ISG.

b) RM17,860,000 (December 2013: RM8,570,000) for the purpose of guarantee to a financial institution for credit facilities granted to LGM, a related company of ISG.

c) RM19,940,000 (December 2013:RM27,060,000) for advance payment guarantee to a Duty Free Operator at ISG.

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 30 September 2014.

Save for the above, there were no other changes in contingent liabilities since 31 December 2013. The Group has no contingent assets.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transaction:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Revenue:				
Associate:				
Lease rental				
- KL Aviation Fuelling System Sdn. Bhd.	1,489	1,489	4,466	4,379
Management Fee				
- Istanbul Sabiha Gokcen International Airport	-	1,296	-	3,296
- LGM Airport Operations Trade and Tourism Inc.	-	262	-	262
Jointly Controlled Entities:				
Management Fee				
- LGM Airport Operations Trade and Tourism Inc.	4,192	-	4,747	-
Lease rental				
- Segi Astana Sdn. Bhd.	318	318	955	955
- Airport Cooling Energy Supply Sdn. Bhd.	222	222	666	652
Rebate				
- Airport Cooling Energy Supply Sdn. Bhd.	3,068	-	3,068	-
Concession Fee				
- MFMA Development Sdn Bhd	327	-	327	-
Interest on outstanding payment				
- Istanbul Sabiha Gokcen International Airport	117	-	358	-
- MFMA Development Sdn Bhd	312	-	312	-
Expenses:				
Jointly Controlled Entities:				
Airport Cooling Energy Supply Sdn. Bhd.				
- Utilities	8,031	-	13,386	-
- Interest on concession payable	5,340	-	8,901	-
Segi Astana Sdn. Bhd.				
- Rental of shops and warehouse	682	-	993	-
- Water and electricity	51	-	139	-
- Car park	-	-	51	-
Other Transactions:				
Jointly Controlled Entities:				
Airport Cooling Energy Supply Sdn. Bhd.				
- Construction Cost	-	16,047	21,395	42,791
- Payment on concession payable	2,675	-	4,458	-
Other Related Party:				
Construction Cost				
- UEMC-Bina Puri J.V.	(1,227)	55,891	20,924	253,059

Related Party Balances:

	As at 30.09.2014 RM'000 Unaudited	As at 31.12.2013 RM'000 Audited
Amount owing by jointly controlled entities	40,048	-
Amount owing to jointly controlled entities	-	13,818
Amount owing by associate company	514	5,280
Amount owing to other related party	500	1,816

16. 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 2014 were as follows:

	Due year 2014 RM'000	Due year 2015 to 2018 RM'000	Due year 2019 to 2066 RM'000	Total RM'000
(i) Approved and contracted for:				
Lease rental payable to the GoM other than within the operating agreements	-	-	66,063	66,063
Capital expenditure	117,588	-	-	117,588
	117,588	-	66,063	183,651
(ii) Approved but not contracted for:				
Capital expenditure	248,621	-	-	248,621
(iii) Other investment:				
Investment in ISG	172,362	135,398	-	307,760
	538,571	135,398	66,063	740,032

17. 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.

18. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000
Revenue	675,760	972,703	2,632,388	2,977,992
Profit before tax and zakat	10,611	151,122	151,859	469,237

a) Quarter-on-Quarter

Revenue

The consolidated revenue of the Group for the current quarter under review amounts to RM675.8 million was 30.5% or RM296.9 million lower than the same corresponding quarter last year.

However, if the construction revenue is excluded, the consolidated revenue was 9.8% or RM60.3 million higher than the same corresponding quarter last year.

i) Airport Operations

Construction revenue is recognised under airport operations' revenue. This construction revenue is in relation to the construction of klia2 and the expansion of Penang International Airport ("PIA") which were completed in May 2014 and June 2013 respectively.

For the current quarter under review, owing to the completion of both airports there is no construction revenue to be recognised as compared to RM357.3 million accounted for in the corresponding quarter last year.

If construction revenue is excluded from both periods, the airport operations' revenue was 7.2% or RM41.9 million higher than the corresponding quarter last year. This was mainly attributed to an increase in aeronautical revenue of 8.9% or RM27.5 million (Q3 2014: RM335.6 million; Q3 2013: RM308.1 million). This improvement in aeronautical revenue was mainly due to the recognition of MARCS PSC of RM22.2 million.

18. PERFORMANCE REVIEW

Quarter-on-Quarter (Contd.)

The Group has started to recognise Marginal Cost Support Sum on Passenger Service Charges ("MARCS PSC") for passengers who travelled on and after 12 February 2014. As stipulated in the Operating Agreement signed on 12 February 2009 ("OA"), the Benchmark PSC rate is revised in 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 RM22.2 million was recognised in the current quarter under review for the difference between actual PSC and Benchmark PSC rate.

RM Per Pax	Actual PSC	Benchmark PSC Rate of 2nd Tariff Cycle (RM Per Pax)	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 favourable variance in the airport operations' revenue was also contributed by an increase in the non-aeronautical revenue of 5.2% or RM14.4 million (Q3 2014: RM289.7 million; Q3 2013: RM275.3 million). The improvement was driven by higher commercial revenue by 25.9% or RM31.6 million however was negated by a lower retail revenue by 11.2% or RM17.1 million due to the business transitions from LCCT to klia2 starting 9 May 2014 .

The passenger movements for the current quarter under review decreased by 2.1% to 19.9 million passengers as compared to the corresponding quarter last year of 20.4 million passengers. The international and domestic passenger movements decreased by 0.8% and 3.4% respectively. Passenger movements at KLIA-Main Terminal decreased by -10.3% (international: -7.5%, domestic: -18.8%) while at KLIA-LCCT/klia2 increased by 3.9% (international: +9.6%, domestic: -5.7%).

18. PERFORMANCE REVIEW (Contd.)

Quarter-on-Quarter (Contd.)

ii) Non-Airport Operations

For the current quarter under review, the businesses from the non-airport operations segments registered an increase in revenue of 57.4% or RM18.4 million (Q3 2014: RM50.4 million; Q3 2013: RM32.0 million).

Revenue contributed from the project and repair maintenance segment in the current quarter increased by more than 100.0% or RM16.9 million (Q3 2014: RM23.3 million; Q3 2013: RM6.4 million). Similarly, revenue in the hotel segment increased by 9.5% or RM1.5 million (Q3 2014: RM17.1 million; Q3 2013 RM15.6 million).

The positive variance in the project and repair maintenance revenue in the current quarter was mainly due to higher revenue obtained from MACS Middle East LLC that provides the facilities maintenance services at Doha International Airport which started in October, 2013.

Profit before tax and zakat

The Group recorded profit before taxation and zakat amounting to RM10.6 million in the current quarter under review as compared to RM151.1 million in the previous corresponding period.

Construction profit recognised in the preceding quarter was RM15.4 million, while none was recognised in the current quarter.

If construction profit is excluded from both periods, the Group recorded a PBT of RM10.6 million, as compared to RM135.7 million in the previous corresponding quarter mainly due to higher operating costs, higher depreciation and amortisation and higher finance cost.

Total cost (excluding construction cost) for the current quarter under review increased by 40.1% or RM204.3 million (2014: RM713.4 million; 2013: RM509.1 million) mainly due to the increase in expenses incurred that were related to depreciation and amortisation, finance, employee benefit and utilities.

Higher depreciation and amortisation costs were due to the completion of klia2 project. Similarly, higher finance cost was due to the cost of borrowing incurred for the construction of klia2.

Higher utilities costs were mainly due to additional consumption on electricity after the commencement of klia2 operation and higher tariff that has been in force beginning January 2014.

Higher employee benefit expenses for the current quarter were due to the annual increment and additional recruitments. In addition, there was a salary revision effective January 2014.

18. PERFORMANCE REVIEW (Contd.)

b) Year-on-Year

Revenue

The Group consolidated revenue for the financial period-to-date under review was 12.0% or RM345.6 million lower than the same corresponding period last year.

However, if the construction revenue is excluded, the consolidated revenue was 11.0% or RM190.6 million higher than the same corresponding period last year.

i) Airport Operations

Included in the airport operations' revenue in the financial period-to-date under review was the construction revenue of RM662.4 million as compared to RM1,198.6 million recognised in the corresponding period last year.

Lower revenue for the financial period-to-date under review as compared to the corresponding period last year was due to lower construction revenue by 45.0% or RM536.3 million.

If construction revenue is excluded from both periods, the Group recorded 9.0% or RM157.4 million improvement in the airport operations' revenue for the financial period-to-date under review. The improvement was mainly attributed to an increase in the aeronautical revenue of 12.0% or RM105.0 million (2014: RM991.8 million; 2013: RM886.8 million). The improvement was driven by higher passenger and aircraft movements as well as the implementation of new landing charges.

18. PERFORMANCE REVIEW (Contd.)

Year-on-Year (Contd.)

Included in the aeronautical revenue was RM56.7 million MARCS PSC revenue recognised during the financial period-to-date under review.

The favourable variance in the airport operations' revenue was also contributed by an increase in the non-aeronautical revenue of 7.0% or RM52.4 million (2014: RM851.2 million; 2013: RM798.8 million). The improvement was driven by higher commercial revenue by 14% or RM50.0 million due to availability of more commercial spaces pursuant to opening of klia2.

The passenger movements for the financial period-to-date under review increased by 6.8% to 61.2 million passengers as compared to the corresponding period last year of 57.3 million passengers, in which the international and domestic passenger movements increased by 6.5% and 7.2% respectively. Passenger movements at both KLIA-Main Terminal and KLIA-LCCT/klia2 increased by 2.3% (international: +2.0%, domestic: +3.1%) and 8.0% (international: +13.6%, domestic: -1.3%) respectively.

ii) Non-Airport Operations

Total revenue from the non-airport operations segment for the financial period-to-date under review registered an increase of 35.0% or RM33.3 million (2014: RM127. 0 million; 2013: RM93.7 million).

Revenue contributed from the project and repair maintenance segment in the financial period-to-date increased by 98.0% or RM23.7 million (2014: RM47.8 million; 2013: RM24.1 million). Similarly, revenue in the hotel segment increased by 13.0% or RM6.3 million (2014: RM54.1 million; 2013: RM47.8 million). Revenue in the agriculture segment also increased by 15% or RM3.3 million (2014: RM25.1 million; 2013: RM21.8 million).

The positive variance in the project and repair maintenance revenue in the financial period-to-date was mainly due to the higher revenue from MACS Middle East LLC.

The increase in hotel revenue was mainly due to higher occupancy rate (2014: 76.0%, 2013: 65.0%).

The increase in the agriculture revenue in the financial period-to-date was attributed to the higher price attained for fresh fruit bunches ("FFB") per tonne (RM58.0 or 12.6% higher) and higher production volume for the period (an increase of 2,529MT or 5.4%) (2014: 49,397MT / RM517, 2013: 46,868MT / RM459).

18. PERFORMANCE REVIEW (Cont'd)

Profit before tax and zakat (Contd.)

The consolidated Profit before tax and zakat (PBT) for the financial period-to-date under review was 67.6% or RM317.4 million lower than the corresponding period last year.

Included in the PBT in the financial period-to-date under review was a construction profit of RM28.5 million derived from the construction of klia2, representing a decrease of 45.1% or RM23.4 million as compared to the same period last year.

If construction profit is excluded from both periods, PBT decreased by 70.5% or RM294.0 million. The unfavourable PBT variance were attributed to higher operating costs, higher depreciation and amortisation, higher finance cost and higher share of losses from JCE.

Total cost (excluding construction cost) for the financial period-to-date under review increased by 30.8% or RM449.4 million mainly due to the significant increase in the expenses incurred that were related to depreciation and amortisation, employee benefit, finance and utilities.

Share of results of associates and JCE

As stated in note 12, during the previous quarter, the Group had acquired additional 40% stake in ISG and LGM totalling to RM933.7 million. Upon the additional acquisition, investment in ISG and LGM which were previously regarded as investment in associate are now regarded as investment in JCE.

Share of associate profit in the financial period-to-date under review was contributed by profit from Kuala Lumpur Aviation Fuelling System Sdn Bhd but reduced by loss in MFMA Development Sdn Bhd ("MFMA"). MFMA is an associate company involved in the development operation and maintenance of a factory outlet centre known as 'Mitsui Outlet Park KLIA'. The factory outlet is currently under development and scheduled to start operation in 2015. Share of losses from associates in the previous corresponding period was in relation to the share of losses in ISG when ISG was an associate to the Group.

Share of losses from JCE represents additional losses absorbed from the investment in ISG but cushioned by share of profit from LGM pursuant to the additional acquisition. Included in the share of losses in ISG was the one-off recognition of previously unrecognised losses of RM42.5 million.

18. PERFORMANCE REVIEW (Cont'd)

ECONOMIC PROFIT STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000
Net Operating Profit Less Adjusted Tax (NOPLAT) computation.				
Earnings before interest and tax (EBIT*)	59,372	155,307	299,106	476,154
Adjusted Tax	(14,843)	(38,827)	(74,776)	(119,038)
NOPLAT	44,529	116,479	224,330	357,115
Economic charge computation				
Average invested capital	8,438,918	7,361,548	8,438,918	7,361,548
Weighted average cost of capital per annum	7.60%	6.56%	7.60%	6.56%
Economic Charge	160,339	120,729	481,018	362,188
Economic Loss	(115,810)	(4,250)	(256,688)	(5,073)

* 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 RM115.8 million for the current quarter under review higher than RM4.3 million recorded in the corresponding quarter last year. Similarly, the Group also recorded economic loss of RM256.7 million for the financial period-to-date under review higher than RM5.1 million recorded 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.

18. PERFORMANCE REVIEW (Cont'd)

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 2014		Actual achievements 30 September 2014	
		Without Construction Profit	With Construction Profit	Without Construction Profit	With Construction Profit
i)	EBITDA (RM'000)	861,395	894,533	619,955	648,480
ii)	Airport Service Quality Survey Ranking	40 million passenger size category: KLIA Ranking Top 5		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 30.09.2014 RM'000	Immediate Preceding Quarter 30.06.2014 RM'000
Revenue	675,760	1,175,547
Profit/(loss) before tax and zakat	10,611	(37,729)

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

Revenue (Contd.)

The consolidated revenue of the Group for the current quarter under review decreased by 42.5% or RM499.8 million as compared to the immediate preceding quarter.

However, if the construction revenue is excluded, the consolidated revenue was 6.5% or RM41.0 million higher than the immediate preceding quarter.

a) Airport Operation

For the current quarter under review, there was no construction revenue recognised as compared to RM540.8 million accounted for in the immediate preceding quarter.

If construction revenue is excluded from both periods, the airport operations' revenue was 4.8% or RM28.5 million higher than the immediate preceding quarter.The improvement was primarily due to an increase of 5.2% or RM14.3 million in the non-aeronautical revenue generated. This was due to higher rental revenue of 13.8% or RM18.6 million but negated by lower retail revenue by 3.0% or RM4.3 million.

The favourable variance was also due to higher aeronautical revenue by 4.4% or RM14.1 million which mainly due to lower airline incentives by 52.6% or RM18.5 million and higher aerobridge revenue by 29.1% or RM1.6 million. However, the increase was negated by lower PSC/PSSC revenue by 2.7% or RM5.9 million and lower MARCS PSC revenue by 3.6% or RM0.8 million.

The passenger movements for the current quarter under review decreased by 3.7% as compared to the immediate preceding quarter, in which both the international and domestic passenger movements decreased by 1.6% and 5.7% respectively. The passenger movements at KLIA-Main Terminal decreased by 4.6% (international: -2.8%, domestic: -10.7%) and at KLIA-LCCT/klia2 decreased by 3.1% (international: -1.3%, domestic: -6.3%).

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

b) Non-Airport Operations

Revenue from the Non-Airport Operations segment recorded an increase of 33.1% or RM12.5 million to RM50.4 million from RM37.9 million, mainly due to the higher revenue recorded by project and repair maintenance segment by 83.7% or RM10.6 million and the agriculture segment by 22.6% or RM1.8 million.

Profit before tax and zakat

The Group recorded profit before taxation and zakat of RM10.6 million as compared to loss before tax of RM37.7 million in the preceding quarter.

There was no construction profit recognised in the current quarter under review but RM23.3 million has been recognised in the immediate preceding quarter.

If construction profit is excluded from both periods, the Group recorded profit before taxation and zakat in the current quarter under review of RM10.6 million, as compared to a loss before taxation and zakat of RM61.0 million in the immediate preceding quarter, mainly due to higher revenue (excluding construction revenue) by 6.5% or RM41.0 million and lower share of losses from JCE of more than 100.0% or RM55.6 million. However, the favourable variance was negated by higher total expenses (excluding construction cost) of 5.6% or RM37.7 million. Higher total expenses were mainly due to higher finance costs, employee benefit expenses and depreciation and amortisation. Lower share of losses of JCE was mainly due to one-off recognition of the previous years losses in the immediate preceding quarter of RM42.5 million.

20. COMMENTARY ON PROSPECTS

Industry Review

For 3Q14, MAHB airports handled 19.9 million passenger movements registering a decline of 2.1% over the same corresponding period last year. International and domestic movements recorded 0.8% and 3.4% decline respectively. 3Q14 passenger numbers were also lower than the previous quarter by 3.7%. Aircraft movements however, grew by 2.3% over the same period last year.

Traffic for the quarter was likely affected by demand sentiments in the region as well as the two unprecedented incidents involving Malaysia Airlines' aircraft. While events in the Middle East have been affecting demand to Iran, Yemen and Egypt, emotional sentiments in China, including Hong Kong and Macao markets, with respect to MH370 also remains strong. In addition, Malaysia Airlines-operated destinations to Amsterdam and Heathrow, seems to be affected by MH17 incident. Nevertheless, it is expected that the effective execution of the Malaysia Airlines turnaround plan and the oneworld alliance will play an important role in improving traffic generation.

20. COMMENTARY ON PROSPECTS (Contd')

Industry Outlook

The full-year growth prospect remains softer than actual traffic growth to date. The first two quarters announcements of Malaysia's actual GDP performance is promising. However, IMF had revised downwards the global economy forecast for the year to 3.3% in October 2014. The 2015 forecast was also lowered by another 0.2% to 3.8%. MAHB is on-track to achieve full-year traffic numbers of over 83 million passengers despite the recent setbacks in the aviation industry. This is evident from the strong growth over the last decade and resilience shown during previous downturns such as SARS and the financial crisis.

The Malaysia Year of Festivals campaign in 2015 is expected to enhance the growth prospects for MAHB. klia2's position as another flagship international gateway to Malaysia is vital in supporting the campaign. KLIA is at the forefront of providing a hybrid solution to cater to today's highly competitive and dynamic industry in offering a new model of connectivity and this has been acknowledged by the Centre of Aviation (CAPA) in awarding KLIA Asia Pacific's Large International Airport of the Year 2014. The return of British Airways in 2015 will also strengthen KLIA's position as oneworld's South East Asian Hub. MAHB will continue to replicate this winning formula in its other endeavours to lure more foreign airlines to KLIA as part of its aspiration to make KLIA a great airport hub.

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	Preceding Year Corresponding Quarter	Current Year Quarter	*Restated Preceding Year Corresponding Quarter
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Current tax	36,951	40,322	100,148	102,129
Deferred taxation	(32,757)	(5,598)	(38,743)	22,361
Zakat	4,785	3,516	4,785	3,516
	8,979	38,240	66,190	128,006

23. SALE OF PROPERTIES

There were no sales of properties since 31 December 2013.

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.

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 1 November 2014 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”).

25. STATUS OF CORPORATE PROPOSALS (Cont'd)

a) Dividend Reinvestment Plan (Contd.)

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.

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 13 February 2014, the Board of Directors had determined that the DRP shall apply to the entire Final Dividend.

On 20 March 2014, the shareholders had approved a single-tier final dividend of 5.78 sen per ordinary share in respect of the financial year ended 31 December 2013 and authorised MAHB to allot and issue new ordinary shares of RM1.00 each in MAHB pursuant to the DRP.

On 20 March 2014, the Board of Directors had approved that the issue price for the new shares is RM7.23 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 20 March 2014. On 25 April 2014, an amount of RM69,071,819.46 was re-invested in the DRP and as disclosed in Note 9, the paid up share capital of the Company was increased to RM1,374,149,854 by the issuance of 9,553,502 shares of RM1 each under DRP.

b) Proposed Acquisition

On 20 October 2014, MAHB had incorporated its wholly-owned subsidiary, Malaysia Airports Cities Sdn Bhd ("MA Cities").

On 23 October 2014, MAHB had announced that it has, via MA Cities exercised the rights of first refusal, pursuant to the shareholders' agreement in relation to ISG dated 19 March 2008 and the shareholders' agreement in relation to LGM dated 4 January 2010 to acquire the remaining 40% equity stake in each of ISG and LGM from Limak and Limak Yatirim for a cash consideration of EUR285.0 million (or the equivalent of approximately RM1,179.8 million).

26. BORROWINGS AND DEBT/EQUITY SECURITIES

	As at 30.09.2014 RM'000 unaudited	As at 31.12.2013 RM'000 audited
Short term borrowings		
Unsecured:		
Term loans	450,000	200,000
Long term borrowings		
Unsecured:		
Islamic Medium Term Notes ("IMTN")	3,600,000	3,600,000

27. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 1 November 2014.

28. CHANGES IN MATERIAL LITIGATION

There was no material suit against the Group and its subsidiaries since 31 December 2013.

29. DIVIDEND PAYABLE

Final dividend in respect of financial year ended 31 December 2013 had been paid as per note 10. There were no other dividends paid or declared and paid during the current quarter and financial period-to-date 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 financial period-to-date.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000
(Loss)/Profit from continuing operations attributable to owners of the parent	1,632	112,882	85,669	341,231
Loss from discontinued operation attributable to equity holders of the Company	(54)	-	(54)	(96)
Profit attributable to equity holders of the Company	1,579	112,882	85,615	341,135
Weighted average number of ordinary shares in issue ('000)	1,336,580	1,224,418	1,336,580	1,224,418
Basic earning per share for (sen):				
Profit from continuing operations	0.12	9.22	6.41	27.87
Loss from discontinued operation	(0.00)	-	(0.00)	(0.01)
Basic earnings per share (sen)	0.12	9.21	6.41	27.86

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 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	3,723,624	3,691,829
- Unrealised	112,228	73,595
	3,835,852	3,765,424
Total share of retained earnings/(accumulated losses) from associate companies:		
- Realised	72,152	(270,991)
- Unrealised	(2,869)	73,376
	69,283	(197,615)
Total share of retained earnings from jointly controlled entities:		
- Realised	(349,404)	2,803
- Unrealised	85,941	631
	(263,463)	3,434
Less: Consolidation Adjustments	(1,597,472)	(1,533,812)
Total retained earnings as per financial statements	2,044,199	2,037,431

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
2 November 2014