



FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016

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Chief Financial Officer
28 July 2016**

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Key Highlights

Strong growth in revenue and EBITDA for 1H16 driven by resilient pax growth and commercial performance

Revenue and normalised EBITDA ↑11.1% and ↑28.1% to RM2.0bil and RM870.2mil respectively*

- revenue for Malaysia ↑10.1% , while ISG ↑14.6% due to solid growth in both aero and non-aero operations
- normalised* EBITDA for Malaysia ↑35.9%, ISG EBITDA ↑17.7%, leading to overall improvement in profitability achieving **50.7%** of Headline KPI so far

1H16 passenger traffic up by 4.2% to 56.3 million despite geopolitical challenges

- Malaysia ↑1.8% , KLIA ↑3.2% notwithstanding continued capacity cuts by Malaysia Airlines up to 1Q16
- ISG ↑12.0% in spite of recent developments in Turkey

Non-aeronautical revenue in Malaysia ↑11.4%, in line with growth in North and South East Asia pax movements

- overall non-aeronautical revenue contributions 44.5%, or **50.6%** when combined with non-airport segment
- retail revenue ↑12.8% to **RM356.2mil**, rental and commercial revenue ↑9.9% to **RM327.4mil**

Overall improvements in capacity for Malaysia

- new airlines include **VietJet & Shaheen** (KLIA), **Jeju Air & Lucky Air** (Kota Kinabalu) and **Hong Kong Airlines** (Kuching)
- Average load factor ↑2.5ppt in 1H16 with airlines' seat capacity offerings expected to **swing to positive range** in 2H16

Headline KPI

	FY15 Actual		1H15 Actual	1H16 Actual	FY16 Target
	Actual Excl. EI & Adj. ²	Actual Incl. EI & Adj. ²	Excl. EI & Adj. ²	Actual	Target
Profitability (EBITDA) ¹	RM1,573.0mil (103.3%)	RM1,679.1mil (110.3%)	RM675.7mil (42.9%)	RM870.2mil (50.7%)	RM1,716.0mil
Malaysia	RM880.1mil (99.9%)	RM978.6mil (111.2%)	RM388.8mil (44.2%)	RM528.2mil (58.6%)	RM902.1mil
ISG & LGM	RM692.9mil (107.9%)	RM700.5mil (109.1%)	RM290.6mil (45.3%)	RM342.0mil (42.0%)	EUR180.9/ RM813.9mil
Airport Service Quality (ASQ)	> 40 mppa: KLIA Ranking Top 8		> 40 mppa: KLIA Ranking Top 7	> 40 mppa: KLIA Ranking Top 9*	> 40 mppa: KLIA Ranking Top 10

*ASQ Official Results for 2Q16 as at 22 July 2016

¹ % represents percentage of target achieved for the financial year

² Exceptional items; ISG PPA adjustment

Quarterly & Preceding Quarter Executive Summary



2Qv2Q

2Qv1Q

Revenue

RM763.3mil +5.9% (-4.0%)

Airport Operations

RM707.9mil +8.5% (-3.4%)

Non-Airport
Operations

RM55.4mil (-19.6%) (-10.5%)

EBITDA

RM244.0mil +39.5%* (-14.2%)

Net Assets

Passengers

21.0mil +0.3% (-0.4%)

Aircrafts

195,794 (-4.5%) (-1.6%)



2Qv2Q

2Qv1Q

RM234.3mil +7.0% +4.3%

RM231.7mil +7.2% +4.5%

RM2.6mil (-6.1%) (-10.5%)

RM173.7mil +5.5% +3.2%

7.5mil +6.0% +11.2%

56,350 +9.7% +11.2%



2Qv2Q

2Qv1Q

RM997.6mil +6.1% (-2.1%)

RM939.7mil +8.2% (-1.6%)

RM57.9mil (-19.1%) (-10.5%)

RM417.7mil +23.0%* (-7.7%)

RM8,603.2mil (-0.6%) (-0.7%)

28.5mil +1.8% +2.4%

252,324 (-1.6%) +1.0%

Malaysia Operations Performance

Turkey Operations Performance (comprising of ISG & LGM)

Group Performance

*Excluding the impact of one-off gains in 1H15

Revenue

Airport Operations

Non-Airport
Operations

EBITDA

Net Assets

Passengers

Aircrafts



1H16v1H15
RM1,558.2mil +10.1%

RM1,440.9mil +11.3%

RM117.2mil (-3.2%)

RM528.2mil +35.9%*

42.1mil +1.8%

394,702 (-3.5%)



1H16v1H15
RM458.9mil +14.6%

RM453.4mil +14.8%

RM5.5mil (-2.3%)

RM342.0mil +17.7%

14.2mil +12.0%

107,372 +16.0%



1H16v1H15
RM2,017.1mil +11.1%

RM1,894.3mil +12.1%

RM122.7mil (-3.2%)

RM870.2mil +28.1%*

RM8,603.2mil (-0.6%)

56.3mil +4.2%

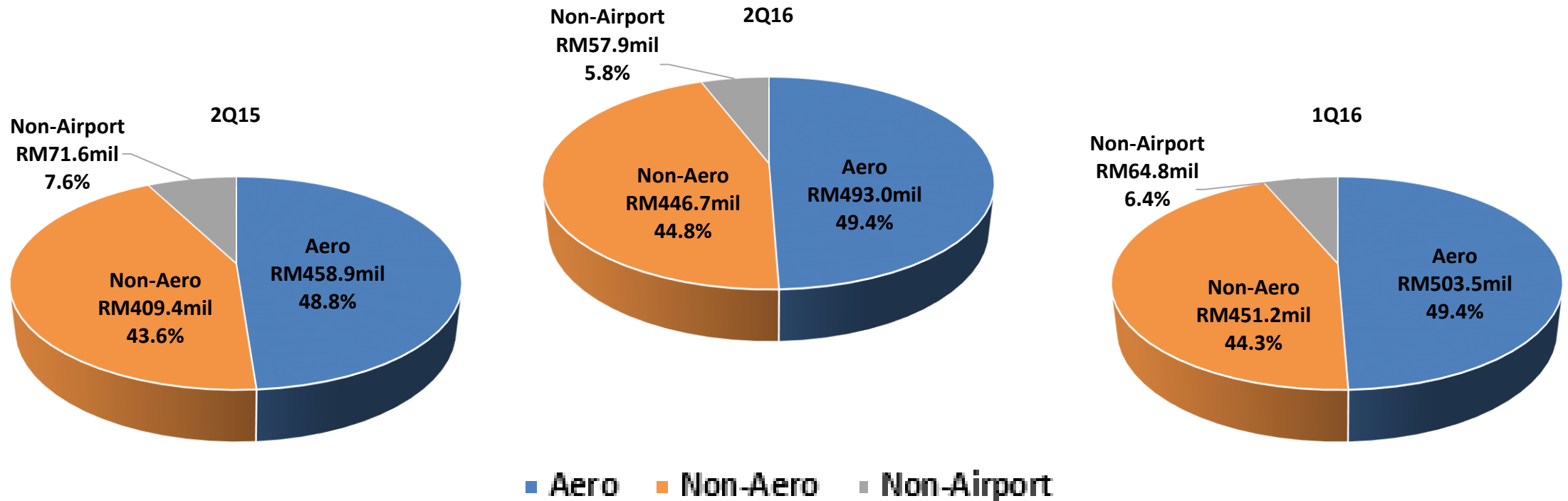
502,074 +0.1%

Malaysia Operations Performance

Turkey Operations Performance (comprising of ISG & LGM)

Group Performance

*Excluding the impact of one-off gains in 1H15



In 2Q16, more than half (50.6%) of Malaysia Airports' revenue is derived from non-aeronautical and non-airports business segments collectively, when compared to aeronautical revenue



Group Financial Review

Malaysia



- 29/07/15: Official opening of Mitsui Outlet Park KLIA
- 30/07/15: Declared single-tier interim dividend of 4.0 sen per ordinary share
- 16/09/15: Official opening of T1 Kota Kinabalu International Airport ('KKIA')
- 20/11/15: Malaysia Airports granted land lease extension of 60 years for land at KLIA and other airports
- 01/12/15: AirAsia's operations moved to T1 KKIA
- 17/12/15: RAM reaffirmed Malaysia Airports' AAA rating
- 11/01/16: Moody's reaffirmed Malaysia Airports' A3 rating
- 03/03/16: Launch of inaugural Eraman Shopping Extravaganza
- 15/03/16: Malindo Air and Lion Air shifted its operations to KLIA from klia2
- 22/04/16: Shaheen Air began flying four times a week to KLIA
- 25/04/16: Malaysia Airports announced its five-year business plan, Runway to Success 2020 (RtS2020)
- 27/04/16: Malaysia Airports' 17th Annual General Meeting
- 27/04/16: Declared final single-tier dividend of 4.5 sen per ordinary share
- 24/05/16: Launch of KLIA Aeropolis
- 01/06/16: VietJet Air began its daily flights to KLIA
- 29/06/16: KLIA 18th year anniversary

Istanbul Sabiha Gokcen Airport



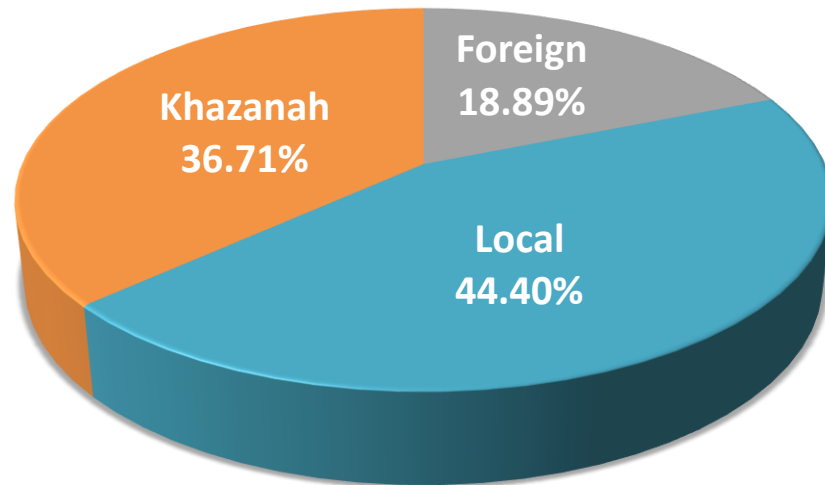
- 02/01/15: Increased stake from 60% to 100%
- 08/04/15: Completion of EUR Syndicated Term Loan Facility
- 20/04/15: Establishment of ISG Steering Committee
- 06/02/16: ISG announced as Europe's fastest growing airport for the year 2015
- 24/03/16: Etihad announced that it will commence its four times weekly flights to ISG on 1 July 2016
- 27/03/16: Emirates upgraded its fleet from A330-200 to B777-300 for DBX-ISG-DBX route
- 13/04/16: Prime Minister Dato' Sri Mohd Najib officiated the opening of the new Premium Lounge and unveiled the model for the boarding hall expansion

Delhi & Hyderabad Airports

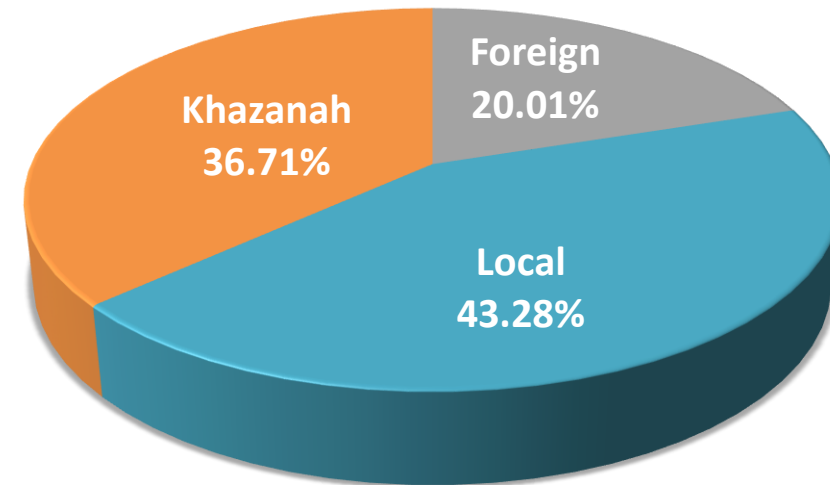


- 25/5/15: Completion of disposal of the 10% stake in Delhi Airport for USD80 mil to GMR Airports Limited

As at 31/12/15



As at 30/06/16



- Foreign shareholdings still ~20%
- Dividend Payout Ratio is at least 50% of Net Profit*
- RAM AAA ratings reaffirmed on 17 December 2015
- Moody's A3 ratings reaffirmed on 27 July 2016

*The dividend payout ratio is based on adjusted net core profit of the Group

Financial Year	Dividend Reinvestment Plan Subscription Rate		Dividend Payment Per Share (sen)		Dividend Payout Ratio*
	Interim	Final	Interim	Final	Total
2012	46.2%	85.0%	6.00	7.63	50.0%
2013	88.4%	87.6%	6.00	5.78	50.0%
2014	53.4%	74.1%	2.00	3.60	61.2%
2015	N/A	N/A	4.00	4.50	58.1%

EBITDA and PBT Reconciliation

		1H16			1H15			Variance		
		MAHB RM'mil	ISG & LGM RM'mil	Total RM'mil	MAHB RM'mil	ISG & LGM RM'mil	Total RM'mil	MAHB %	ISG & LGM %	Total %
EBITDA* excluding exceptional items/adjustments		528.2	337.7	865.9	388.8	287.0	675.7	35.9%	17.7%	28.1%
EI	+ Other Income - Gain on DIAL disposal	-	-	-	81.2	-	81.2			
EI	+ Other Income - FX gain on bridging loan settlement	-	-	-	63.5	-	63.5			
Adj	+ Other Income - ISG PPA interest income	-	4.4	4.4	-	3.6	3.6			
EBITDA including exceptional items/adjustments		528.2	342.0	870.2	533.5	290.6	824.0	-1.0%	17.7%	5.6%
Adj	- Depreciation and amortisation	(255.7)	(140.2)	(396.0)	(241.8)	(92.0)	(333.8)			
	- Amortisation - ISG PPA concession rights fair value	-	(104.5)	(104.5)	-	(78.9)	(78.9)			
	- Finance costs	(92.9)	(215.3)	(308.2)	(94.9)	(202.6)	(297.5)			
Adj	- Finance costs - ISG PPA interest expense	-	(15.2)	(15.2)	-	(15.3)	(15.3)			
EI	- Finance costs - Premium on DIAL debentures	-	-	-	(59.2)	-	(59.2)			
	+ Share of associate and jointly controlled entities	9.3	-	9.3	1.7	-	1.7			
PBT		188.9	(133.2)	55.7	139.2	(98.2)	41.0	35.7%	-35.6%	36.0%
	- Taxation and zakat	(37.1)	6.5	(30.6)	(37.0)	7.9	(29.1)			
PAT		151.8	(126.7)	25.1	102.2	(90.3)	11.9	48.6%	-40.4%	111.1%

*Excluding the impact of one-off gains in 1H15

Group 2Q16 Results (vs 2Q15)

Description (RM'mil)	2Q16			2Q15			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	763.3	234.3	997.6	721.0	218.9	940.0	▲	5.9	▲	7.0	▲	6.1
EBITDA	244.0	173.7	417.7	256.1	164.7	420.8	▼	(4.7)	▲	5.5	▼	(0.7)
Depreciation & Amortisation	(129.7)	(121.2)	(250.9)	(121.7)	(85.7)	(207.4)	▼	(6.6)	▼	(41.3)	▼	(20.9)
Finance Cost	(46.1)	(108.5)	(154.6)	(105.6)	(106.5)	(212.1)	▲	56.4	▼	(1.9)	▲	27.1
PBT	73.5	(56.0)	17.5	29.2	(27.6)	1.7	▲	151.3	▼	(103.0)	▲	944.2
Taxation	(7.5)	(1.5)	(8.9)	(23.1)	1.4	(21.8)	▲	67.8	▼	(207.9)	▲	59.1
Net Earnings	66.0	(57.4)	8.6	6.1	(26.2)	(20.1)	▲	982.2	▼	(119.1)	▲	142.7
EBITDA Margin (%)	32.0%	74.1%	41.9%	35.5%	75.2%	44.8%	▼	(3.6) ppt	▼	(1.1) ppt	▼	(2.9) ppt
PBT Margin (%)	9.6%	-23.9%	1.8%	4.1%	-12.6%	0.2%	▲	5.6 ppt	▼	(11.3) ppt	▲	1.6 ppt

Exchange rate used in profit and loss for 2Q16 : RM4.51/EUR

Exchange rate used in profit and loss for 2Q15 : RM4.07/EUR

Group 2Q16 Results (vs 2Q15)

Description (RM'mil)	2Q16			2Q15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	763.3	234.3	997.6	721.0	218.9	940.0	▲ 5.9	▲ 7.0	▲ 6.1

Revenue grew by 6.1%

- Airport operations: RM939.7mil (+8.2%)
 - Aeronautical: RM493.0mil (+7.4%) mainly due to higher PSC revenue at ISG and Malaysia by RM9.7mil and RM16.5mil respectively due to stronger passenger growth, as well as higher MARCS ERL by RM5.5mil
 - Non-Aeronautical: RM446.7mil (+9.1%) mainly due to higher rental revenue at ISG by RM4.2mil, higher Malaysia's rental and retail revenue by RM9.8mil and RM15.6mil respectively
- Non-airport operations: RM57.9mil (-19.1%)
 - Projects and repair & maintenance: RM31.1mil (-31.4%)
 - Hotel: RM19.8mil (+12.5%)
 - Agriculture & horticulture: RM7.0mil (-19.1%)

Group 2Q16 Results (vs 2Q15)

Description (RM'mil)	2Q16			2Q15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
EBITDA	244.0	173.7	417.7	256.1	164.7	420.8	▼ (4.7)	▲ 5.5	▼ (0.7)
PBT	73.5	(56.0)	17.5	29.2	(27.6)	1.7	▲ 151.3	▼ (103.0)	▲ 944.2

Normalised EBITDA* improved by 23.0% ¹

- Malaysia operations: Normalised EBITDA up by 39.5% or RM69.1mil, in line with higher revenue and lower staff costs due to lower bonus provision
- Turkey operations: Higher EBITDA contributions by 5.5% or RM9.0mil due to higher revenue

Normalised PBT** improved by 38.0% ²

- Malaysia operations: Due to higher PBT due to improved EBITDA contributions. Normalised PBT up by RM66.4mil or 9.3x
- Turkey operations: Recorded a lower PBT by RM16.3mil (2Q16: RM1.7mil; 2Q15: RM18.0mil) due to weaker international traffic in 2Q16, prior to taking into account a loss of RM57.7mil (2Q15: RM45.5mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

*Excluding the impact of one-off gains in 1H15

**Excluding the impact of one-off gains and associated finance cost in 1H15

Group 2Q16 Results (vs 1Q16)

Description (RM'mil)	2Q16			1Q16			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	763.3	234.3	997.6	794.9	224.6	1,019.5	▼	(4.0)	▲	4.3	▼	(2.1)
EBITDA	244.0	173.7	417.7	284.2	168.4	452.6	▼	(14.2)	▲	3.2	▼	(7.7)
Depreciation & Amortisation	(129.7)	(121.2)	(250.9)	(126.0)	(123.6)	(249.6)	▼	(2.9)	▲	2.0	▼	(0.5)
Finance Cost	(46.1)	(108.5)	(154.6)	(46.8)	(122.0)	(168.8)	▲	1.4	▲	11.1	▲	8.4
PBT	73.5	(56.0)	17.5	115.4	(77.2)	38.2	▼	(36.4)	▲	27.5	▼	(54.2)
Taxation	(7.5)	(1.5)	(8.9)	(29.6)	7.9	(21.7)	▲	74.8	▼	(118.5)	▲	58.9
Net Earnings	66.0	(57.4)	8.6	85.8	(69.3)	16.5	▼	(23.1)	▲	17.1	▼	(47.9)
EBITDA Margin (%)	32.0%	74.1%	41.9%	35.8%	75.0%	44.4%	▼	(3.8) ppt	▼	(0.8) ppt	▼	(2.5) ppt
PBT Margin (%)	9.6%	-23.9%	1.8%	14.5%	-34.4%	3.7%	▼	(4.9) ppt	▲	10.5 ppt	▼	(2.0) ppt

Exchange rate used in profit and loss for 2Q16 : RM4.51/EUR

Exchange rate used in profit and loss for 1Q16 : RM4.52/EUR

Group 2Q16 Results (vs 1Q16)

Description (RM'mil)	2Q16			1Q16			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	763.3	234.3	997.6	794.9	224.6	1,019.5	▼ (4.0)	▲ 4.3	▼ (2.1)

Revenue decreased by 2.1%

- Airport operations: RM939.7mil (-1.6%)
 - Aeronautical: RM493.0mil (-2.1%) as a result of lower MARCS ERL by RM5.4mil and lower MARCS PSC by RM3.2mil offset against higher PSC revenue at ISG by RM4.3mil
 - Non-Aeronautical: RM446.7mil (-1.0%) due to lower retail and rental revenue in Malaysia by RM10.8mil and RM3.9mil respectively, mitigated against higher rental at ISG by RM7.5mil
- Non-airport operations: RM57.9mil (-10.5%)
 - Projects and repair & maintenance: RM31.1mil (-13.8%)
 - Hotel: RM19.8mil (-9.6%)
 - Agriculture & horticulture: RM7.0mil (+3.6%)

Group 2Q16 Results (vs 1Q16)

Description (RM'mil)	2Q16			1Q16			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
EBITDA	244.0	173.7	417.7	284.2	168.4	452.6	▼ (14.2)	▲ 3.2	▼ (7.7)
PBT	73.5	(56.0)	17.5	115.4	(77.2)	38.2	▼ (36.4)	▲ 27.5	▼ (54.2)

EBITDA declined by 7.7%

- Malaysia operations: Lower EBITDA of RM40.2mil mainly due to lower revenue by 4.0% or RM31.6mil in 2Q16 as well annual bonus and salary adjustments in May resulting in higher staff costs by RM12.5mil
- Turkey operations: Higher EBITDA contributions by 3.2% or RM5.3mil due to higher revenue

PBT declined by 54.2%

- Malaysia operations: Lower PBT of RM41.9mil in line with lower EBITDA contributions
- Turkey operations: Recorded a higher PBT by RM21.2mil (2Q16: RM1.7mil; 1Q16: LBT of RM19.5mil) due to higher EBITDA by RM5.3mil and lower finance costs by RM13.5mil in 2Q16, prior to taking into account a loss of RM57.7mil (2Q15: RM57.8mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

Group 1H16 Results (vs 1H15)

Description (RM'mil)	1H16			1H15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	1,558.2	458.9	2,017.1	1,415.6	400.6	1,816.1	▲ 10.1	▲ 14.6	▲ 11.1
EBITDA	528.2	342.0	870.2	533.5	290.6	824.0	▼ (1.0)	▲ 17.7	▲ 5.6
Depreciation & Amortisation	(255.7)	(244.8)	(500.5)	(241.7)	(171.0)	(412.7)	▼ (5.8)	▼ (43.2)	▼ (21.3)
Finance Cost	(92.9)	(230.5)	(323.3)	(154.2)	(217.9)	(372.0)	▲ 39.8	▼ (5.8)	▲ 13.1
PBT	188.9	(133.2)	55.7	139.2	(98.2)	41.0	▲ 35.7	▼ (35.6)	▲ 36.0
Taxation	(37.1)	6.5	(30.6)	(37.0)	7.9	(29.1)	▼ (0.2)	▼ (18.5)	▼ (5.3)
Net Earnings	151.8	(126.7)	25.1	102.2	(90.3)	11.9	▲ 48.6	▼ (40.4)	▲ 111.1
EBITDA Margin (%)	33.9%	74.5%	43.1%	37.7%	72.5%	45.4%	▼ (3.8) ppt	▲ 2.0 ppt	▼ (2.2) ppt
PBT Margin (%)	12.1%	-29.0%	2.8%	9.8%	-24.5%	2.3%	▲ 2.3 ppt	▼ (4.5) ppt	▲ 0.5 ppt
Gearing (%)			67.5%			65.0%			▼ (2.5) ppt
Net Asset per Share			5.19			5.24			▼ (1.1)

Group 1H16 Results (vs 1H15)

Description (RM'mil)	1H16			1H15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	1,558.2	458.9	2,017.1	1,415.6	400.6	1,816.1	▲ 10.1	▲ 14.6	▲ 11.1

Revenue grew by 11.1%

- Airport operations: RM1,894.3mil (+12.1%)
 - Aeronautical: RM996.5mil (+13.2%) mainly due to higher PSC revenue in Malaysia and ISG by RM40.4mil and RM31.6mil respectively due to stronger passenger growth, as well as higher MARCS ERL by RM23.8mil
 - Non-Aeronautical: RM897.9mil (+11.0%) mainly due to higher retail and rental revenue in Malaysia by RM40.5mil and RM29.5mil respectively, and ISG's commercial revenue by RM18.9mil
- Non-airport operations: RM122.7mil (-3.2%)
 - Projects and repair & maintenance: RM72.7mil (-7.6%)
 - Hotel: RM39.5mil (+5.8%)
 - Agriculture & horticulture: RM14.5mil (-5.1%)

Group 1H16 Results (vs 1H15)

Description (RM'mil)	1H16			1H15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
EBITDA	528.2	342.0	870.2	533.5	290.6	824.0	▼ (1.0)	▲ 17.7	▲ 5.6
PBT	188.9	(133.2)	55.7	139.2	(98.2)	41.0	▲ 35.7	▼ (35.6)	▲ 36.0

Normalised EBITDA* up by 28.1%

- Malaysia operations: Higher EBITDA contributions by 35.9% or RM139.4mil, in line with higher revenue and lower staff costs due to lower bonus provision
- ISG & LGM: Higher EBITDA contributions by 17.7% or RM51.4mil due to higher revenue

Normalised PBT** increased by 225.1%

- Malaysia operations: Higher normalised PBT due to improved EBITDA contributions
- ISG & LGM: Recorded an increase in LBT by RM10.3mil (2Q16: -RM17.8mil; 2Q15: -RM7.85mil) due to higher amortisation charges due to increase in pax movements, prior to taking into account a loss of RM115.74mil (1H15: RM90.7mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

*Excluding the impact of one-off gains in 1H15

**Excluding the impact of one-off gains and associated finance cost in 1H15

Group Segmental Revenue

Aeronautical (RM 'mil)

1H2016: RM996.5(+13.2%)

1H2015: RM880.4

1H2016: RM757.5(+11.2%) excluding ISG & LGM

1H2015: RM681.0 excluding ISG & LGM

Non-Aeronautical (RM 'mil)

1H2016: RM897.9(+11.0%)

1H2015: RM809.0

1H2016: RM683.5(+11.4%) excluding ISG & LGM

1H2015: RM613.5 excluding ISG & LGM

Non-Airport Operations (RM 'mil)

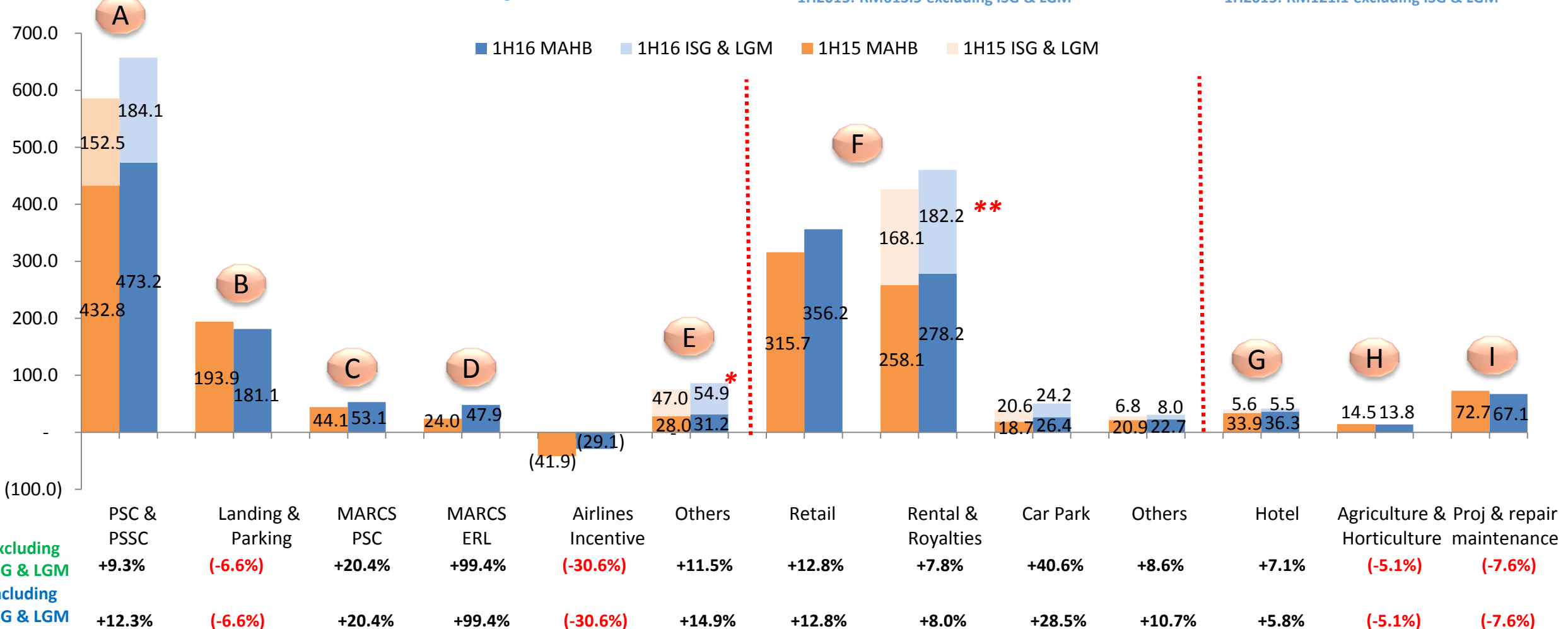
1H2016: RM122.7(-3.2%)

1H2015: RM126.7

1H2016: RM117.2(-3.2%) excluding ISG & LGM

1H2015: RM121.1 excluding ISG & LGM

(RM 'mil)



*Included in ISG & LGM's aeronautical revenue is ISG's jet fuel farm rental income of EUR4.8mil (RM21.5mil)

**Included in ISG & LGM's rental and royalties revenue is revenue generated from ISG's duty free business with Setur of EUR24.1mil (RM109.0mil)

A

PSC and PSSC

The increase in PSC and PSSC is in line with the higher quality growth in pax movements for Malaysia and ISG respectively

B

Landing & Parking

Contraction in landing & parking revenue in Malaysia is in line with the decline in aircraft movements. Landing & parking revenue at ISG is collected by the Government

C

MARCS PSC

Higher MARCS PSC is attributed to relocation of Malindo operations to KLIA, consolidation of operations at KKIA and increase in point-to-point travel. The 2nd Tariff Cycle (current) benchmark PSC rate is as below:

- Full Service (International: RM65 to RM71; Domestic: RM9 to RM10)
- Low Cost (International: RM32 to RM 35; Domestic: RM6 to RM7)

D

MARCS ERL

MARCS ERL was recognised for payment remitted to ERL upon collection of PSC from the airlines. The increase is due to higher cash remitted to ERL during the period as a result of higher PSC collection

E

Aeronautical Others

Included in others is revenue from ISG's rental of fuel farm of RM21.5mil. ISG changed its business from fuel supply services to rental of its fuel farm in September 2014

F

Retail, Rental & Royalties

The increase was aided by improved contributions from higher retail, rental and royalty revenue from KLIA and klia2, attributed to stronger spending from North Asia and ASEAN pax as well as revenue generated from ISG's duty free business with Setur of RM109.0mil

G

Hotel

Excluding LGM, increase in room revenue at Sama-Sama Hotel was contributed by:
Higher average room rate (1H16: RM396.48; 1H15: RM385.34), against the backdrop of lower occupancy rate (1H16: 65.3%; 1H15: 65.8%)

H

Agriculture & Horticulture

Revenue from the segment was weakened by the lower production of FFB despite higher price attained per FFB
(1H16: RM540.45/25,095MT; 1H15: RM461.53/31,320MT)

I

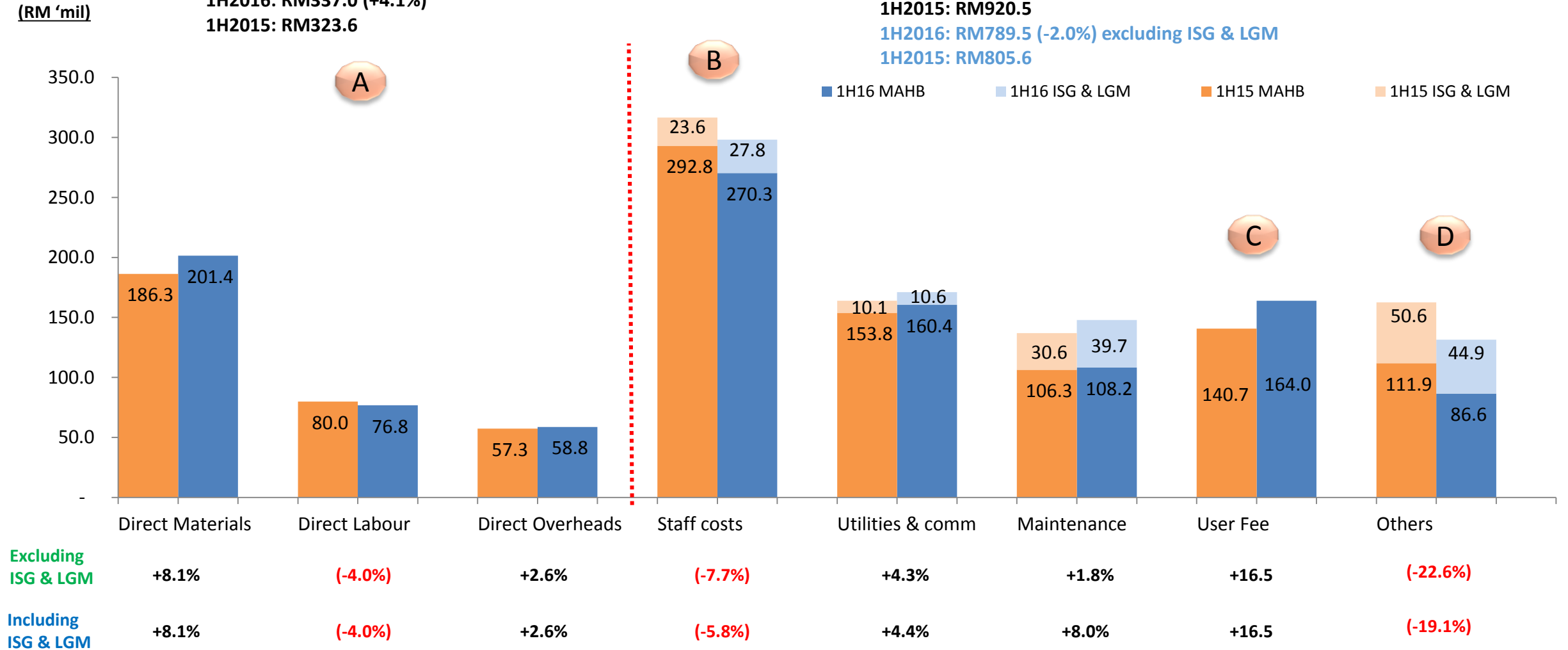
Projects and Repair & Maintenance

Decrease in revenue from the segment mainly coming from the lower revenue recorded from MACS Middle East LLC which provides facilities maintenance services at Hamad International Airport

Group Operating Cost Analysis

Direct Costs (RM 'mil)
 1H2016: RM337.0 (+4.1%)
 1H2015: RM323.6

Operating Costs (RM 'mil)
 1H2016: RM912.5 (-0.9%)
 1H2015: RM920.5
 1H2016: RM789.5 (-2.0%) excluding ISG & LGM
 1H2015: RM805.6



A

Direct Costs

Direct costs rose about 4.1% attributed to higher sales generated from the retail business

B

Staff Costs

Decrease in staff costs in Malaysia mainly due to lower provision for bonus by RM30.4mil but negated by total salaries and wages increment by 3.0% or RM5.4mil due to annual increment and higher average salary per staff by RM3.9mil (1H16: RM 3,469; 1H15: RM3,305)

C

User Fee

The increase is mainly due to improvement in airport operations revenue and higher user fee rate (2Q16: 10.99%; 2Q15: 10.61%) as stipulated in the Operating Agreements

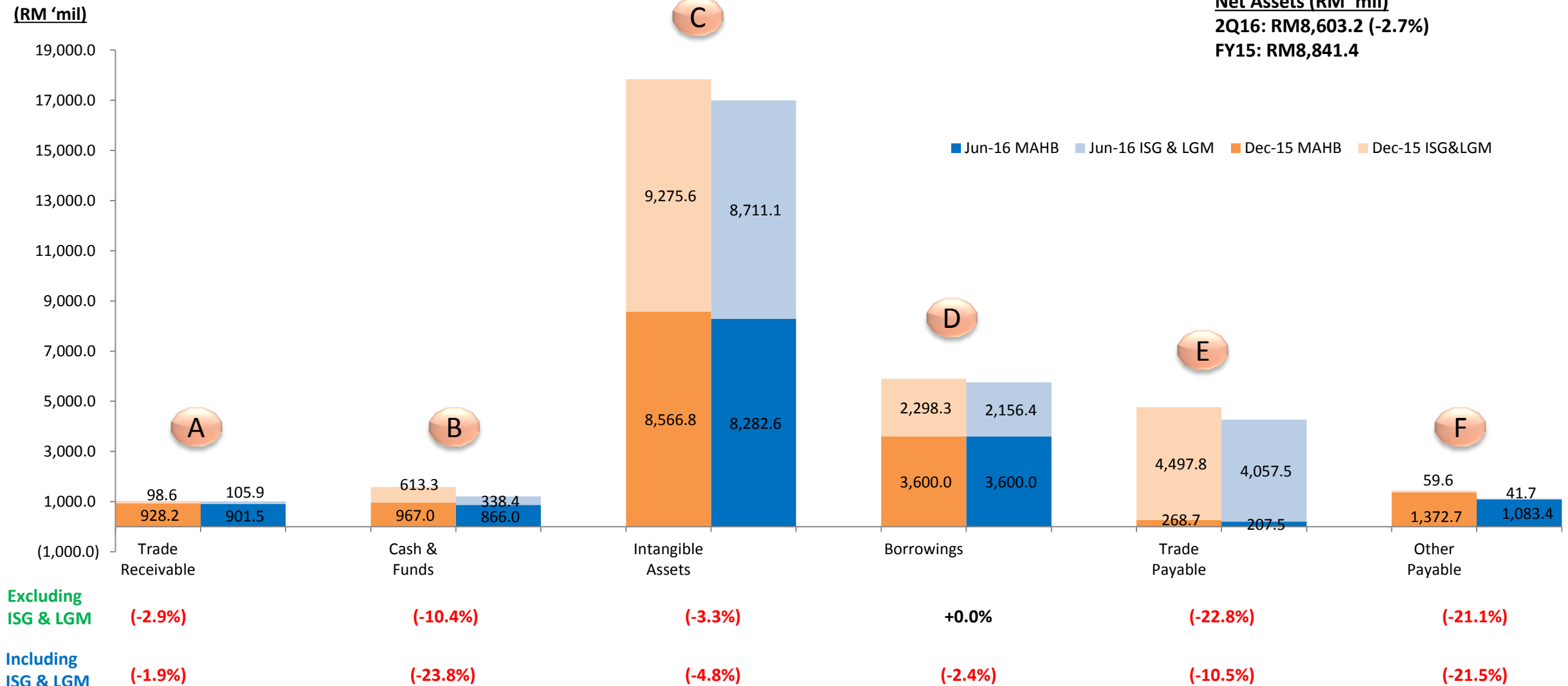
D

Others

Excluding ISG & LGM, the 22.6% favourable improvement in other costs is largely attributed to decrease in professional fees mainly due to lower commission paid to IATA by RM6.3mil

Group Balance Sheet Analysis

Net Assets (RM 'mil)
2Q16: RM8,603.2 (-2.7%)
FY15: RM8,841.4



Exchange rate used in balance sheet for 1H16: RM4.48/EUR

Exchange rate used in balance sheet for FY15: RM4.69/EUR

Group Explanatory Notes

A

Trade Receivable

The decrease is primarily due to improved collections of third party receivables in Malaysia

B

Cash and Funds

Lower cash and funds for the period for MAHB is mainly due to dividend payments made in June 2016

C

Intangible Assets

Decrease for ISG is mainly due to amortisation charges for the concession rights and the impact of forex translation from RM4.69/EUR on 31 December 2015 to RM4.48/EUR as at 30 June 2016

D

Borrowings

The decrease in ISG's borrowing is primarily due to the repayment of the senior term facility by RM44.8mil (EUR10.0mil) and due to the impact of forex translation from RM4.69/EUR on 31 December 2015 to RM4.48/EUR as at 30 June 2016

- RAM reaffirmed MAHB's AAA Rating as at 17 December 2015
- Moody's reaffirmed MAHB's A3 Rating as at 27 July 2016
- MAHB's RM250mil Senior Sukuk to be repaid in September 2016
- Next repayment of EUR10mil in December 2016 (EUR30mil repayment in 2017)

E

Trade Payable

The decrease in ISG's trade payables is mainly due to settlement of the utilization fee liability of EUR95.6mil

F

Other Payable

Other payables for MAHB reduced due to settlement of non-trade payables and payment of 2015 bonus. Balances for ISG & LGM had reduced following settlement of taxes and duties payables and lower accrual recorded



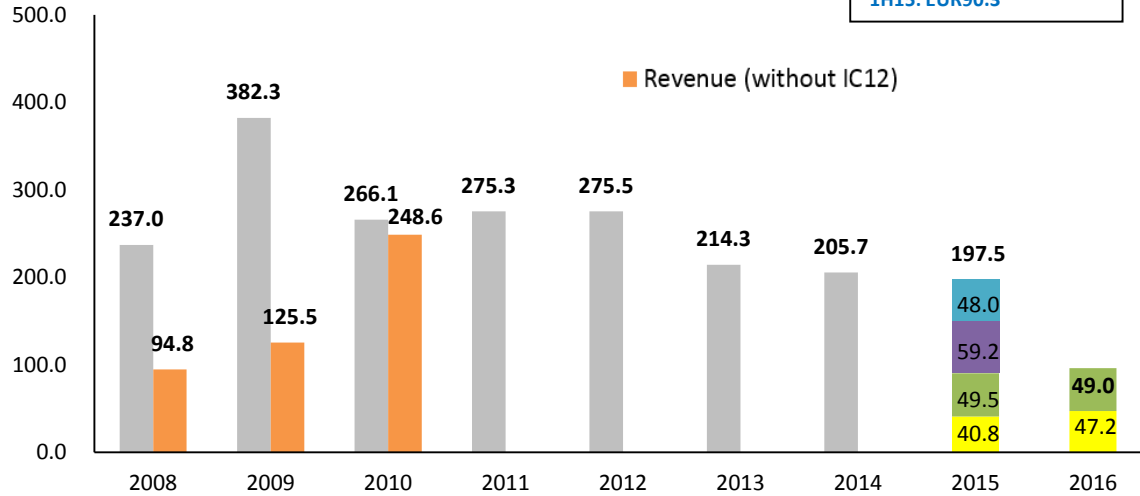
ISG & LGM Financial Performance

ISG Financial Summary - Income Statement Highlights

(EUR 'mil)

Revenue

1H16: EUR96.2 (+6.9%)
1H15: EUR90.3

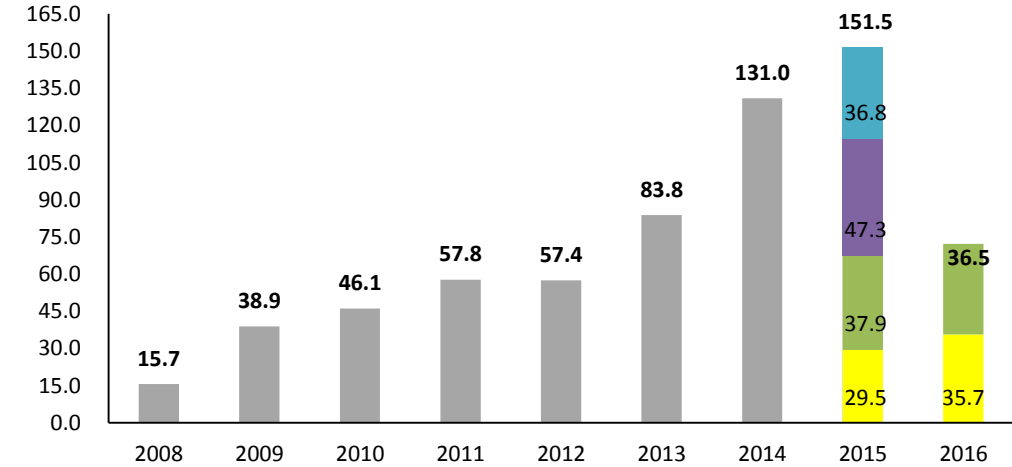


Q1 Q2 Q3 Q4

(EUR 'mil)

EBITDA

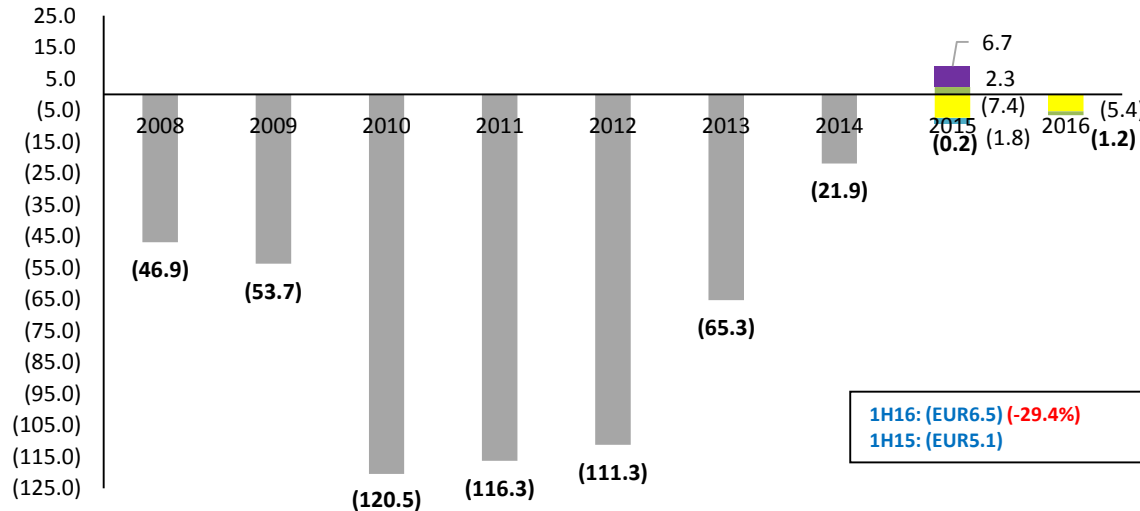
1H16: EUR72.2 (+7.0%)
1H15: EUR67.5



(EUR 'mil)

Profit Before Tax

6.7
2.3
(7.4)
(0.2)
(1.8)
(5.4)
(1.2)

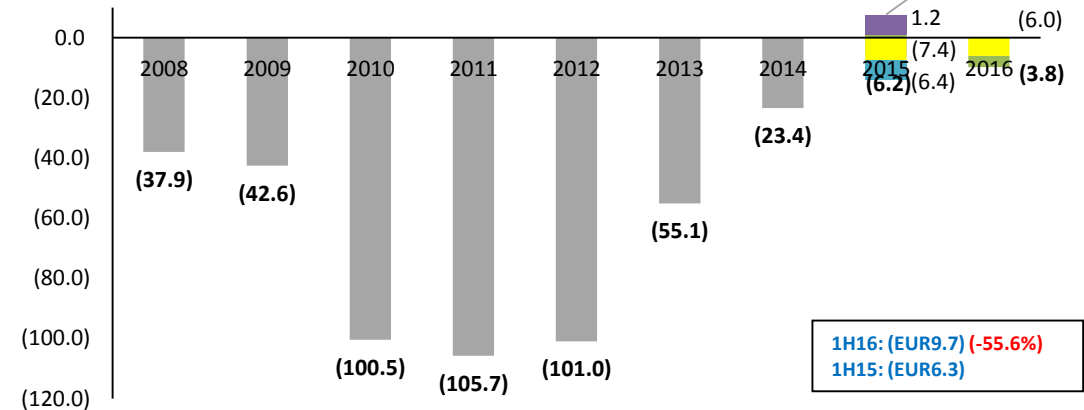


1H16: (EUR6.5) (-29.4%)
1H15: (EUR5.1)

(EUR 'mil)

Net Earnings

6.5
1.2
(7.4)
(6.2)
(6.4)
(3.8)



1H16: (EUR9.7) (-55.6%)
1H15: (EUR6.3)

(a) Change of business in 2013 from supply of fuel to airlines to provision of fuel farm services to the fuel supplier

(b) In relation to IC interpretation 12: Service Concession Arrangement whereby ISG recognised the construction revenues and costs by reference to the stage of completion of Sabiha Airport construction works

ISG Revenue Analysis

(EUR 'mil)

Aeronautical (EUR 'mil)

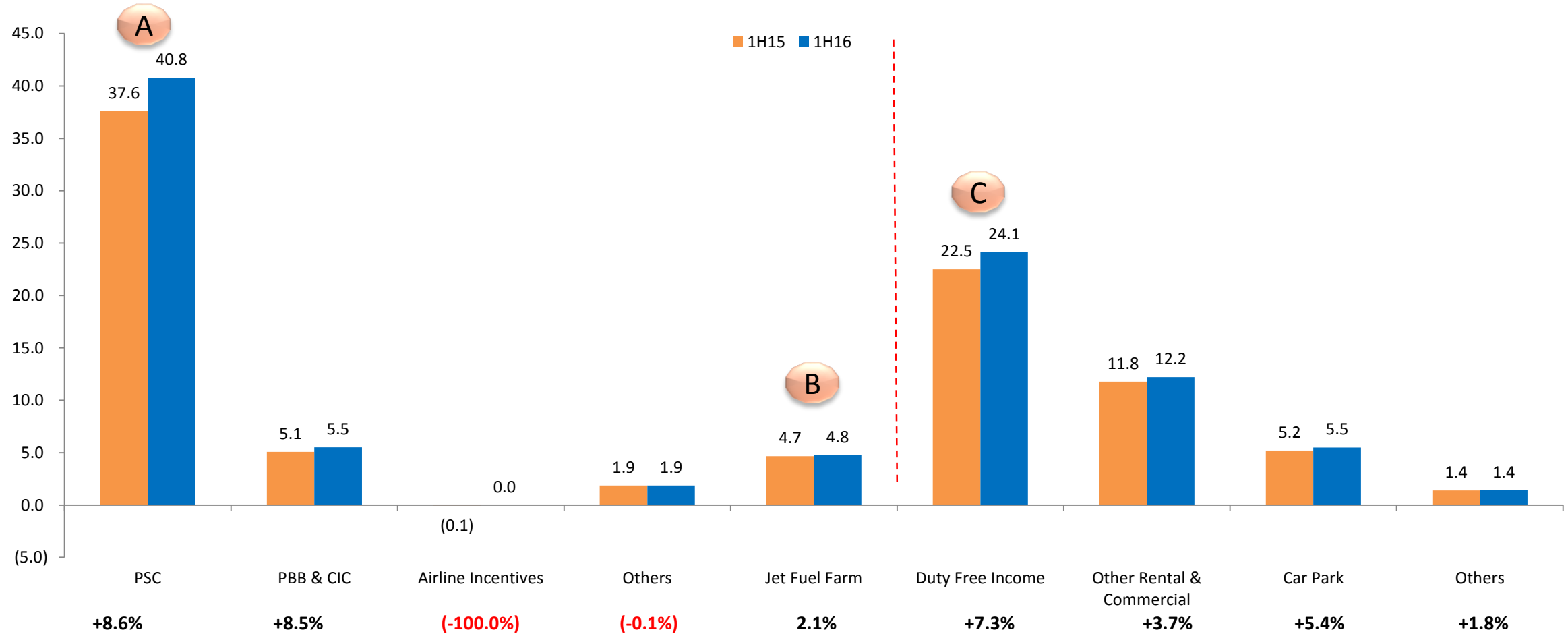
1H16: €52.9 (+7.7%)

1H15: €49.2

Non-Aeronautical (EUR 'mil)

1H16: €43.2 (+5.8%)

1H15: €40.9



A

Passenger Service Charge (“PSC”)

8.6% increase in tandem with the 12.0% growth in passenger traffic

- International traffic registered growth of 3.5%, while domestic passengers grew 16.5%
- International PSC: EUR15; Domestic PSC: EUR3; International Transit PSC: EUR5; Domestic Transit PSC: EUR1 (from 1 March 2016)

B

Jet Fuel Farm Rental

With effect from Sept 2014, ISG changed its business from fuel supply services to rental of its fuel farm in the form of variable rent (tariff) per ton of fuel supplied to the airlines. In 2Q16, there was a reduction in the tariff by the airport authority, leading to a lower overall increase in revenue

C

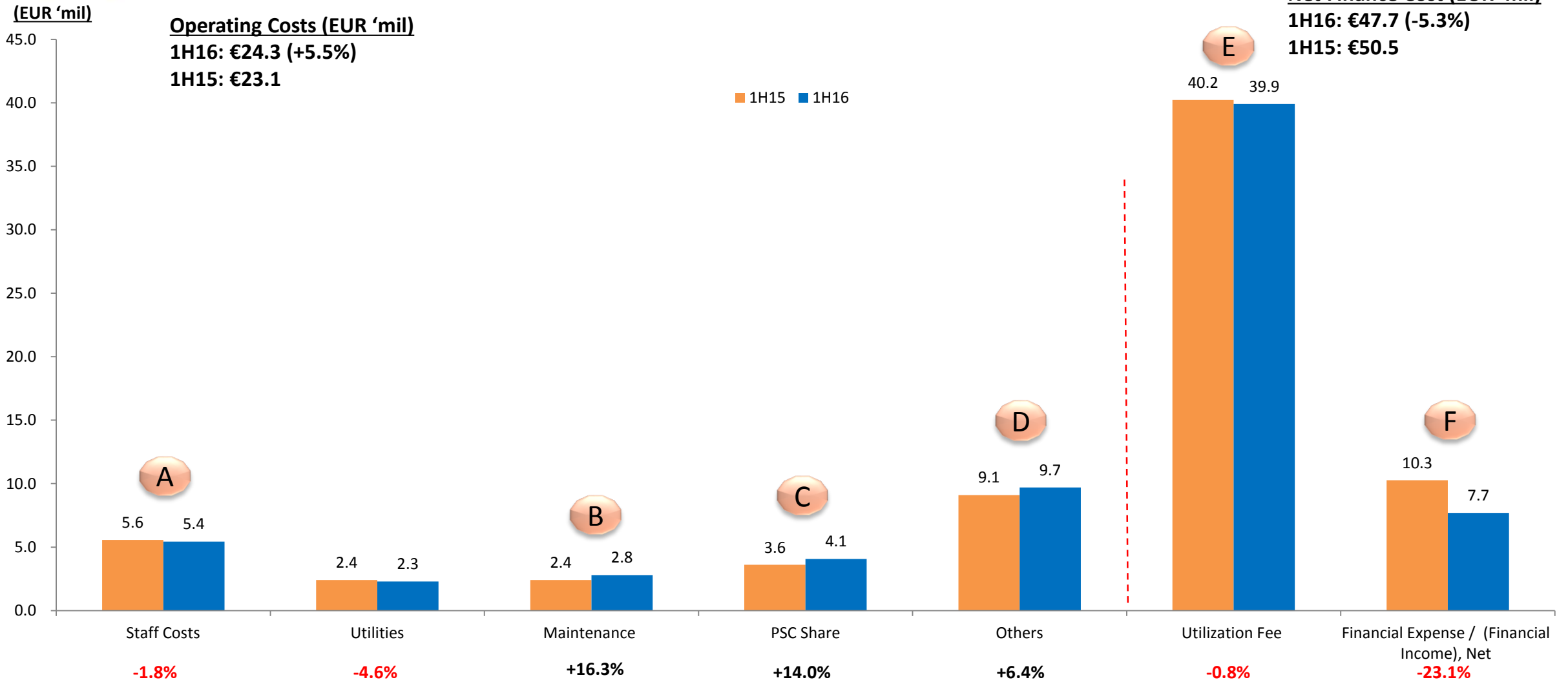
Duty Free

7.3% increase in revenue in tandem with the international passenger growth.

ISG will receive revenue amounting to the higher of 41.5% between: 1) guaranteed spending per pax which is the contractual income guaranteed by Setur; or (2) actual duty free spending per pax

- Average Spending per pax (1H16: EUR9.87; 1H15: EUR9.23)
- Guaranteed spending per pax (1H16: EUR12.84; 1H15: EUR12.59)

ISG Cost Analysis



A

Staff Costs

Decrease is due to the lower TL/EUR exchange rate in 1H16 compared to 1H15, despite the higher average number of staff (1H16: 392 ; 1H15: 366). Staff costs in ISG is mainly paid in Turkish Lira (“TL”)

B

Maintenance Costs

The 16.3% increase in maintenance cost is mainly due to higher average cleaning personnel (1H16: 270 ; 1H15: 244) with a higher average salary (1H16: TL2,961 ; 1H15: TL2,433)

C

PSC Share

This relates to the PSC share to the Government for the international passenger and international transfer passengers. The increase is in line with the increase in international passenger

D

Others

The 6.4% increase in the other costs is mainly due to higher security charges arising from more manpower (1H16: 625 ; 1H15: 538) and higher average salary (1H16: TL3,751 ; 1H15: TL3,163)

E

Utilization Fee Finance Cost

The utilization fee liability represents the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of the Facility for 20 years plus 22 months of extension period. The actual utilization fee payment is based on a step up basis of which the first cycle is EUR76.5 million, followed by an increase of EUR19.1 million every fifth year and so forth. The first step up to EUR95.6 million happened in 2015. The utilization fee finance cost relates to interest expense on utilization fee liability

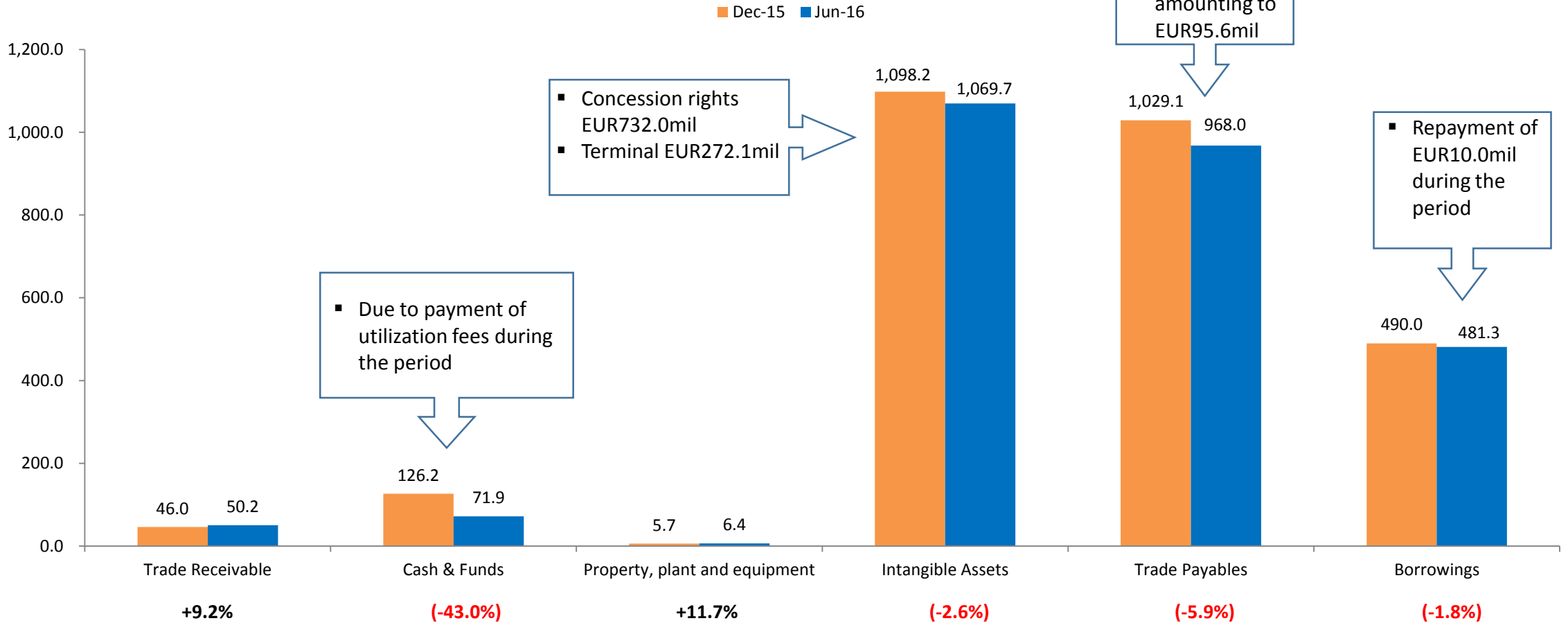
F

Financial Expenses, net

The reduction is contributed lower foreign currency loss in 1H16 and by the successful syndication of the EUR500.0 million ISG loan which has reduced the interest rate from EURIBOR+2.75% to EURIBOR+2.50% with effect from April 2015

ISG Balance Sheet Analysis

(EUR 'mil)

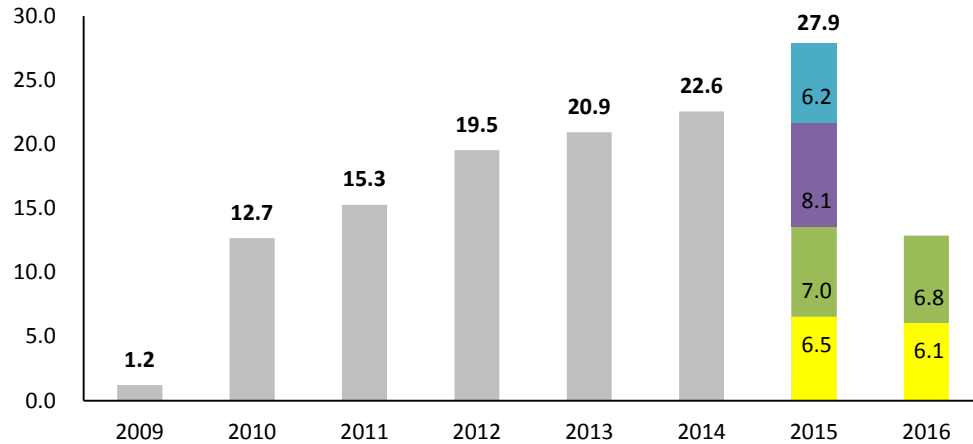


LGM Financial Summary - Income Statement Highlights

(EUR 'mil)

Revenue

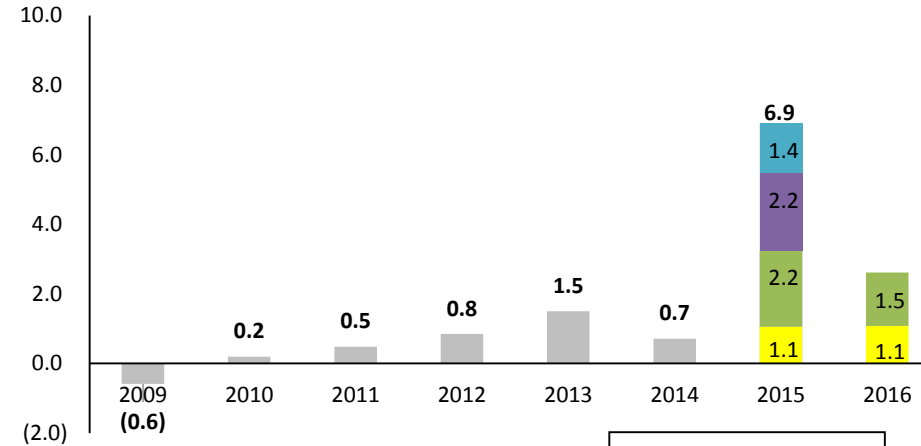
1H16: EUR12.9 (-5.1%)
1H15: EUR13.6



(EUR 'mil)

EBITDA

1H16: EUR2.6 (-19.7%)
1H15: EUR3.2

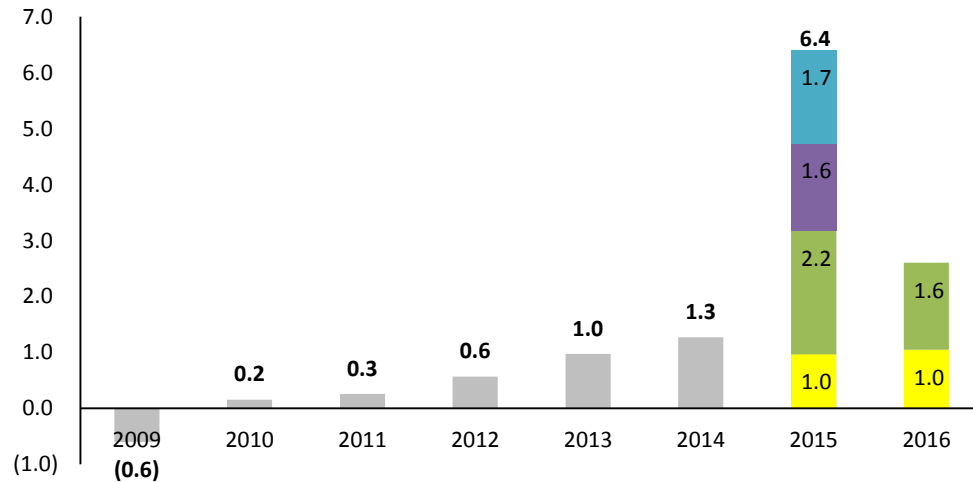


■ Q1 ■ Q2 ■ Q3 ■ Q4

(EUR 'mil)

Profit Before Tax

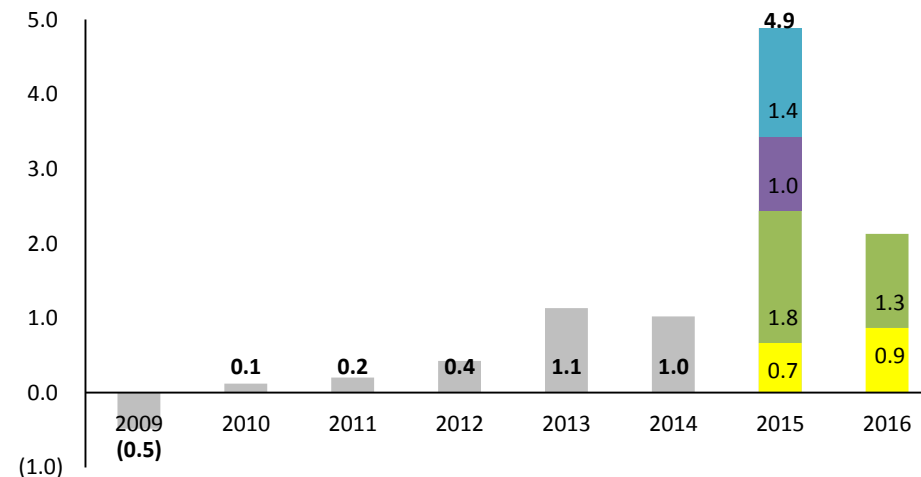
1H16: EUR2.6 (-17.7%)
1H15: EUR3.2



(EUR 'mil)

Net Earnings

1H16: EUR2.1 (-12.7%)
1H15: EUR2.4



(a) Decrease in revenue for LGM is mainly due to lower CIP rental revenue due to Akbank Lounge which was closed with effect from August 2015.

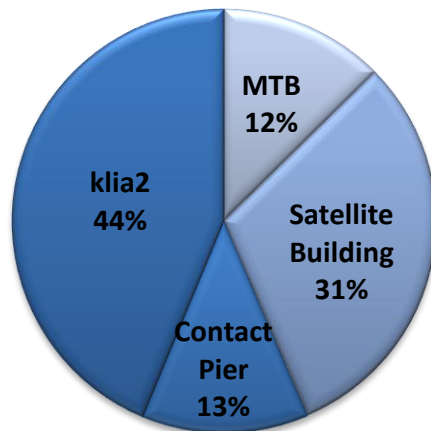


Commercial Revenue Analysis

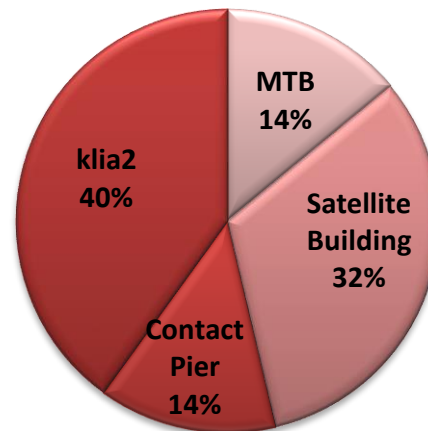
KLIA - Total Sales

<u>Description</u>	<u>1H16</u>			<u>1H15</u>			<u>Sales Per Pax</u>
	<u>Sales (RM'mil)</u>	<u>No. of Pax ('mil)</u>	<u>Sales per Pax (RM)</u>	<u>Sales (RM'mil)</u>	<u>No. of Pax ('mil)</u>	<u>Sales per Pax (RM)</u>	<u>Variance (%)</u>
Main Terminal Building	100.7			98.0			
Satellite Building	247.4			226.5			
Contact Pier	102.6			95.5			
Total KLIA	450.7	11.0	40.89	420.0	11.7	35.79	▲ 14.2
klia2	348.6	13.8	25.31	280.5	12.3	22.78	▲ 11.1
Total KLIA + klia2	799.3	24.8	32.23	700.5	24.1	29.13	▲ 10.7

Sales at KLIA 1H16



Sales at KLIA 1H15

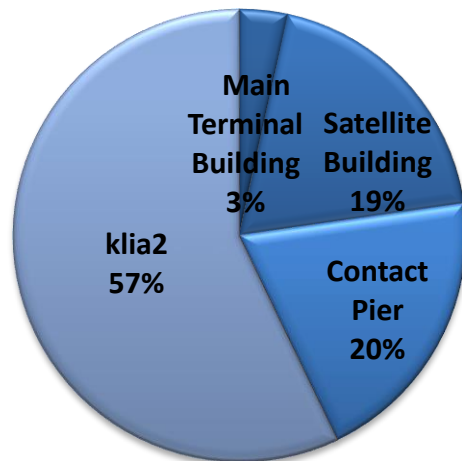


- Higher sales per pax at KLIA & klia2 is due to the return of pax from China (who are notably higher spenders) along with increase in pax from South East Asia in both terminals

KLIA - ERAMAN Retail Revenue

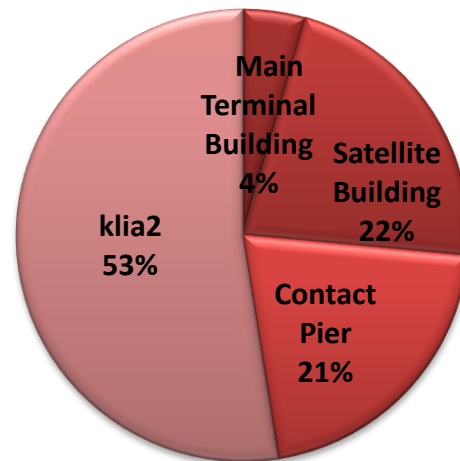
Description	1H16			1H15			Revenue Variance (%)	Revenue Per Pax Variance (%)
	Revenue (RM'mil)	No. of Pax ('mil)	Per Pax Revenue (RM)	Revenue (RM'mil)	No. of Pax ('mil)	Per Pax Revenue (RM)		
Main Terminal Building	10.7			12.3				
Satellite Building	60.4			60.3				
Contact Pier	63.0			57.7				
Total KLIA	134.0	11.0	12.16	130.3	11.7	11.11	▲ 2.9	▲ 9.5
klia2	178.5	13.8	12.96	144.1	12.3	11.70	▲ 23.9	▲ 10.8
Total KLIA	312.5	24.8	12.60	274.4	24.1	11.41	▲ 13.9	▲ 10.5

Retail Revenue 1H16



■ Main Terminal Building
 ■ Satellite Building
■ Contact Pier
 ■ klia2

Retail Revenue 1H15



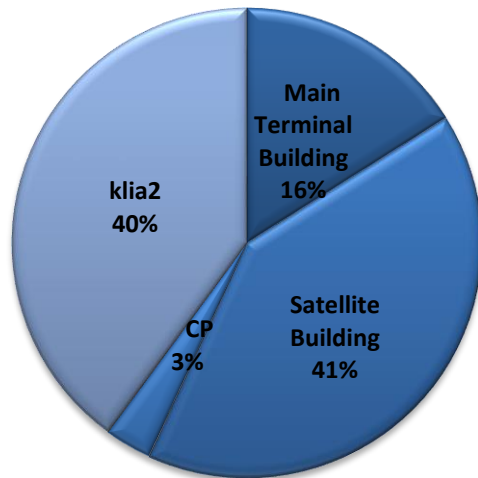
■ Main Terminal Building
 ■ Satellite Building
■ Contact Pier
 ■ klia2

- There has been an aggressive marketing campaign from Eraman that had resulted in an improvement in sales per pax at KLIA
- Eraman commands about 51.2% of total sales per pax at klia2

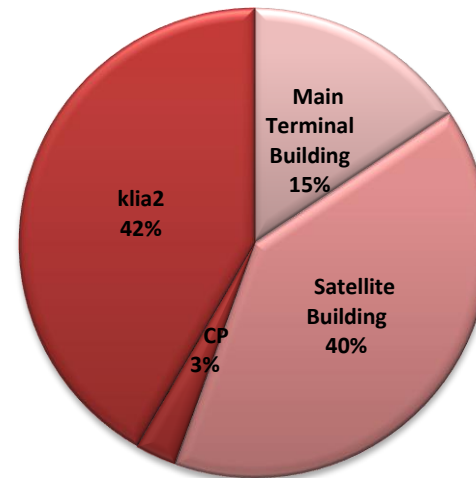
KLIA - Retail & F&B Rental

Location	1H16						1H15						Revenue Variance (%)	
	No. of Lease out	Space (Sqm)	Rental Revenue (RM'mil)		Total Rental	Rental Revenue (RM'000) per Sqm	No. of Lease out	Space (Sqm)	Rental Revenue (RM'mil)		Rental Revenue (RM'000) per Sqm			
			MGP	Royalty					MGP	Royalty				
Main Terminal Building	44	5,053	18.7	3.6	22.3	4.4	38	4,804	18.0	3.0	21.0	4.4		
Satellite Building	66	7,769	48.4	8.2	56.7	7.3	65	7,762	46.7	6.6	53.3	6.9		
Contact Pier	11	3,243	2.1	2.4	4.5	1.4	11	3,407	2.0	1.8	3.8	1.1		
Total KLIA	121	16,065	69.2	14.3	83.5	5.2	114	15,973	66.8	11.3	78.1	4.9	▲ 6.9	
klia2	84	12,984	45.7	9.8	55.5	4.3	96	14,316	51.2	4.6	55.8	3.9	▼ (0.5)	
Total KLIA + klia2	205	29,049	114.9	24.1	139.0	4.8	210	30,289	118.0	15.9	133.9	4.4	▲ 3.8	

Total Rental (%) at KLIA 1H16



Total Rental (%) at KLIA 1H15



- Despite the lower number of lease out space at klia2, the total rental revenue is still consistent compared to prior year revenue
- Number of lease out space for klia2 had reduced to pending awards for new contracts with a few tenants
- Lower revenue at klia2 in line with lower royalties from F&B tenants during Ramadhan

Note: Space is based on occupied space and excluding Eraman's retail space. Data includes permanent retail and F&B while Services & Promotion is excluded

ISG - Duty Free & Rental Analysis

ISG's Duty Free Analysis

	Unit	1H16	1H15
Total Duty Free Spending per pax	EUR/Pax	9.87	9.23
Guaranteed Spending per pax*	EUR/Pax	12.84	12.59

Description	1H16			1H15			Rental Variance (%)	Rental/Sqm Variance (%)
	Space (Sqm)	Rental (EUR'mil)	Rental/Sqm (EUR'000)	Space (Sqm)	Rental (EUR'mil)	Rental/Sqm (EUR'000)		
Setur Duty Free	5,050.0	24.1	4.8	5,050.0	22.5	4.5	▲ 7.3	▲ 7.3

ISG's Retail & F&B Rental Analysis

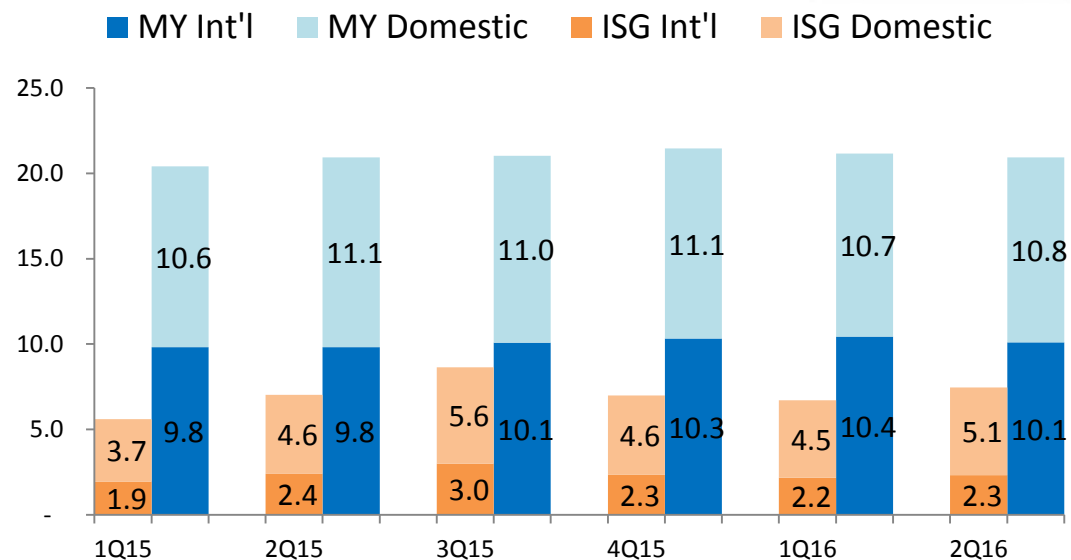
Description	1H16			1H15			Rental Variance (%)	Rental/Sqm Variance (%)
	Space (Sqm)	Total Rental (EUR'mil)	Rental/Sqm (EUR'000)	Space (Sqm)	Total Rental (EUR'mil)	Rental/Sqm (EUR'000)		
Food & Beverage	9,107.0	4.9	0.5	9,107.0	4.6	0.5	▲ 5.5	▲ 5.5
Retail	1,602.2	0.5	0.3	1,602.2	0.5	0.3	▲ 2.5	▲ 2.5
Total ISG	10,709.2	5.4	0.5	10,709.2	5.1	0.5	▲ 5.2	▲ 5.2

* ISG will receive rental revenue amounting to the higher of 41.5% between: (1) guaranteed spending per pax which is the contractual income guaranteed by Setur; or (2) duty free spending per pax.



Traffic Statistics

Pax Movement



Drivers

- Positive indication of continuing potential demand for air travel
- ↑ confidence in China market, along with solid growth in South Asia sector
- ISG traffic performance remains resilient

Description	MTB			klia2			KLIA			Other Airports			MY Airports			ISG			MAHB Group		
	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %
International	8.3	9.1	▼ (8.4)	9.3	8.0	▲ 15.8	17.6	17.1	▲ 2.9	2.9	2.5	▲ 15.5	20.5	19.6	▲ 4.5	4.5	4.4	▲ 3.5	25.0	24.0	▲ 4.4
Domestic	2.7	2.6	▲ 2.2	4.5	4.3	▲ 4.6	7.2	6.9	▲ 3.7	14.4	14.8	▼ (2.6)	21.6	21.7	▼ (0.6)	9.7	8.3	▲ 16.5	31.2	30.0	▲ 4.1
Total	11.0	11.7	▼ (6.1)	13.8	12.3	▲ 11.8	24.8	24.1	▲ 3.2	17.3	17.3	▲ 0.0	42.1	41.3	▲ 1.8	14.2	12.6	▲ 12.0	56.3	54.0	▲ 4.2

New Destination

Malindo Air
 KUL-HCMC
 KUL-Lahore
 KUL-Johor
 KUL-PEN-Wuhan

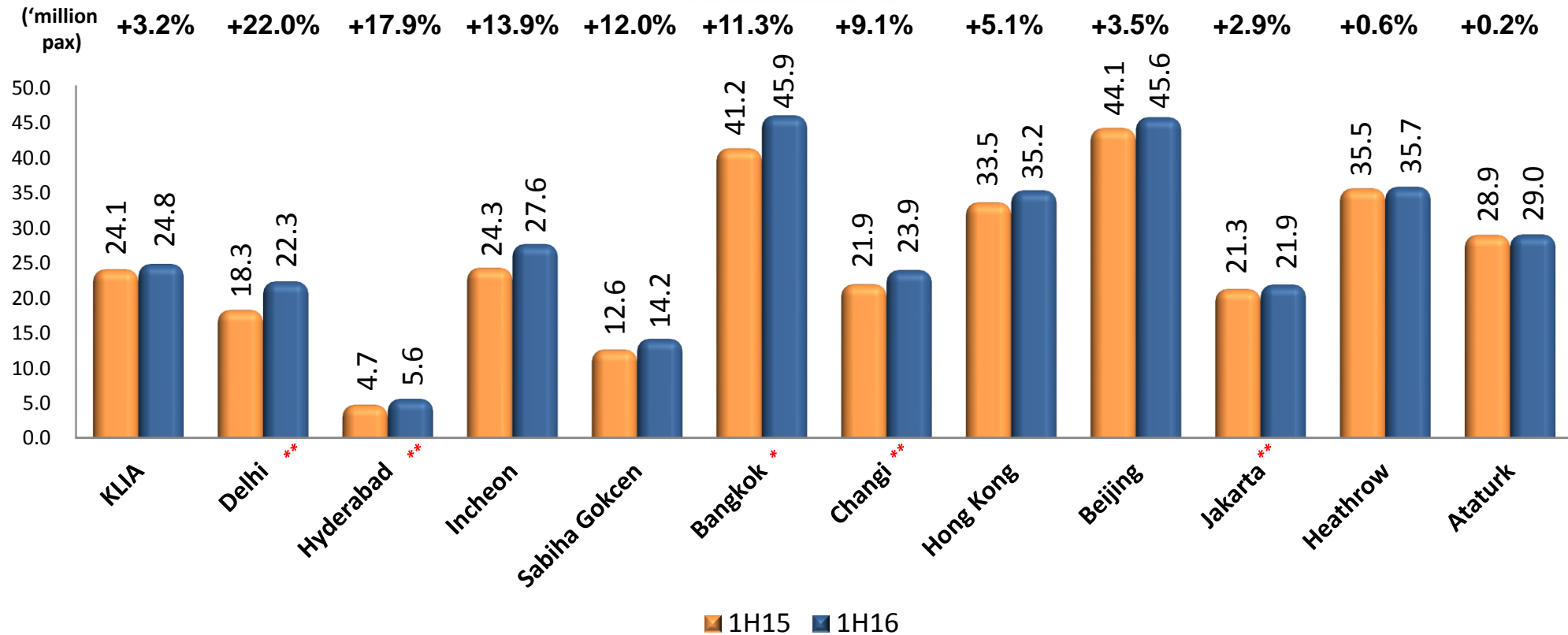
AirAsia
 KUL-Shantou
 BKI-Wuhan
 PEN-HCMC
 PEN-Yangon
 LGK-Guangzhou

AirAsia X
 KUL-Gold Coast-Auckland
 KUL-Tehran

Turkish Airlines
 SAW-Jeddah
 SAW-Riyadh
 SAW-Madinah
 SAW-Abu Dhabi
 SAW-Dubai

Pegasus Airlines
 SAW-Amman
 SAW-Gabala

Airport Peers Pax Movement



Sabiha Gokcen's pax movement market share in Istanbul had increased from 30.4% to **32.8%** year-on-year. Sabiha Gokcen was ranked as **the fastest growing European airport** in 2015.



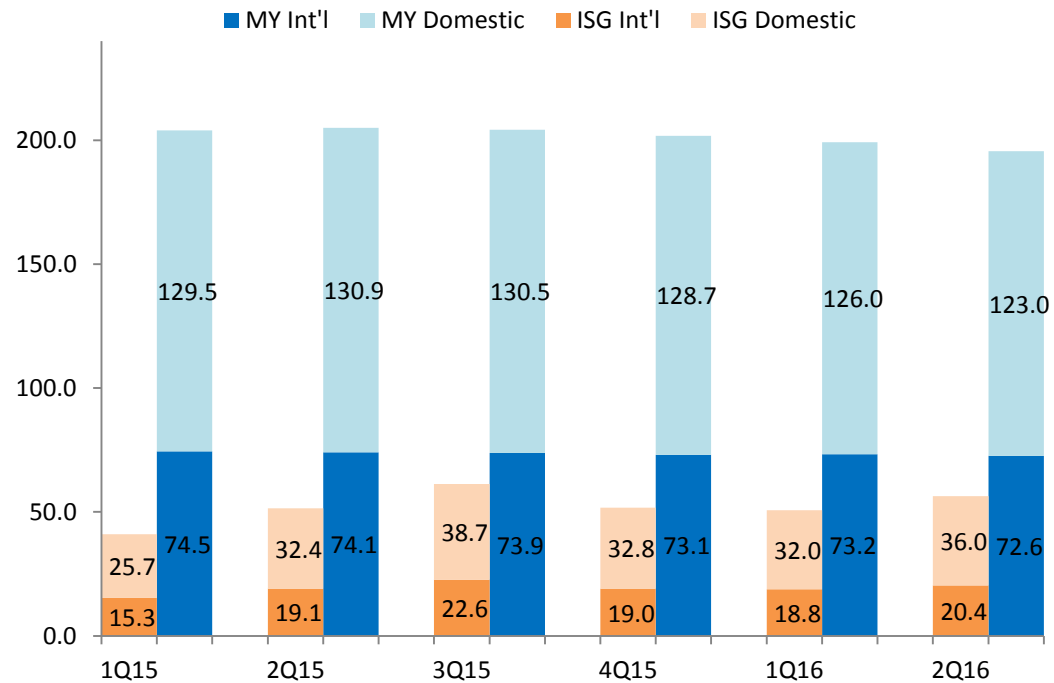
- Global passenger market has made a robust start, growing in line with its 10-year average
- Global load factor of 78.9% for YTD May 2016
- Further stimulus is likely to come through in the form of lower fares from prior falls in oil prices

Source: IATA: Moderating Demand Trend Continues dated 7th July 2016

* Bangkok's figure includes Suvarnabhumi Airport and Don Mueang International Airport and is based on YTD June results

** Based on YTD May results

Aircraft Movement



Type of operation	Routing	Frequency	Effective date
Tiger Airways	Taipei-BKI	4x weekly	26/3
Hong Kong Airlines	Hong Kong- KCH	2x weekly	28/5
Vietjet Air	Ho Chi Minh City – KUL	Daily	20/6
Jeju Air	Seoul–BKJ	Daily	20/7
Shaheen Air	Peshawar-KUL Karachi-KUL	2x weekly	22/4
Lucky Air	Kunming–BKJ	3x weekly	7/7
Emirates	Dubai-KUL	B777 to A380 Daily	2/1
Etihad	Abu Dhabi-SAW	A320, 4x weekly	1/7
Turkish Airlines	Istanbul – KUL	10x to 14x weekly	31/5
KLM	Amsterdam – KUL	7x to 10x weekly	24/6

Description	MTB			LCCT/klia2			KLIA			Other Airports			MY Airports			ISG			MAHB Group		
	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %	1H16	1H15	Var %
International	60.5	63.2	▼ (4.3)	56.6	56.2	▲ 0.8	117.1	119.4	▼ (1.9)	28.8	29.1	▼ (1.1)	145.9	148.5	▼ (1.8)	39.3	34.4	▲ 14.2	185.2	183.0	▲ 1.3
Domestic	25.6	25.4	▲ 0.9	29.9	31.8	▼ (6.1)	55.5	57.2	▼ (3.0)	193.3	203.5	▼ (5.0)	248.8	260.7	▼ (4.6)	68.1	58.1	▲ 17.1	316.8	318.8	▼ (0.6)
Total	86.1	88.6	▼ (2.9)	86.5	88.0	▼ (1.7)	172.6	176.6	▼ (2.3)	222.1	232.6	▼ (4.5)	394.7	409.2	▼ (3.5)	107.4	92.6	▲ 16.0	502.1	501.7	▲ 0.1



Notes



Notes



Thank You