



FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

27 October 2016

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Key Highlights

Robust revenue and EBITDA growth on the back of stronger Malaysian operations

Revenue and normalised EBITDA ↑9.1% and ↑16.6% to RM3.1bil and RM1,337.3mil respectively*

- revenue for Malaysia ↑10.0% , while ISG ↑6.5% due to solid growth in both aero and non-aero operations
- achieved 77.9% of Headline EBITDA KPI to date, normalised* EBITDA for Malaysia ↑26.4%, ISG ↑4.7%,

9M16 passenger traffic up by 4.8% to 87.7 million, Malaysia traffic exceeding expectations

- Malaysia ↑4.4% , KLIA ↑5.9% year-to-date with 10 airports registering double-digit growth in September alone
- ISG ↑5.9% driven by resilient domestic demand, current average daily traffic exceeding pre-attempted coup levels

Overall non-aeronautical revenue ↑9.6%, with Malaysia operations growing by 10.8%

- overall non-aeronautical revenue contributions 50.6% when combined with non-airport segment
- Malaysian retail and rental revenue ↑11.3% to RM533.0mil and ↑10.2% to RM493.7mil respectively

MH, AA Group, Malindo and 21 other airlines grew by more than 10% in September, 4Q16 traffic outlook positive

- all regions other than Europe recorded growth between 9% and 29%
- average September load factor ↑5.9ppt to 74.7% with airlines' seat capacity offerings expected to swing to positive range in 4Q16

Headline KPI

				FY15	
	FY16 Target	9M16 Actual	9M15 Actual Excl. EI & Adj. ²	Actual Excl. EI & Adj. ²	Actual Incl. EI & Adj. ²
Profitability (EBITDA) ¹	RM1,716.0mil	RM1,337.3mil (77.9%)	RM1,291.6mil (84.8%)	RM1,573.0mil (103.3%)	RM1,679.1mil (110.3%)
Malaysia Operations EBITDA	RM902.1mil	RM790.5mil (87.6%)	RM770.2mil (87.5%)	RM880.1mil (99.9%)	RM978.6mil (111.2%)
Turkey Operations EBITDA	EUR180.9/ RM813.9mil	RM546.8mil (67.2%)	RM521.4mil (81.2%)	RM692.9mil (107.9%)	RM700.5mil (109.1%)
Airport Service Quality (ASQ)	> 40 mppa: KLIA Ranking Top 10	> 40 mppa: KLIA Ranking Top 8*	> 40 mppa: KLIA Ranking Top 8	> 40 mppa: KLIA Ranking Top 8	

¹ % represents percentage of target achieved for the financial year

² One-off gains; ISG PPA adjustment

* ASQ Official ranking for 3Q16 as at 21 October 2016

Quarterly & Preceding Quarter Executive Summary



3Qv3Q

3Qv2Q

Revenue

RM806.9mil **+9.8%** **+5.7%**

Airport Operations

RM736.8mil **+9.8%** **+4.1%**

Non-Airport
Operations

RM70.1mil **+9.5%** **+26.6%**

EBITDA

RM262.3mil **+10.8%** **+7.5%**

Net Assets

Passengers

23.0mil **+9.5%** **+9.9%**

Aircrafts

204,253 **+0.1%** **+4.8%**



3Qv3Q

3Qv2Q

RM268.8mil **(-5.0%)** **+14.7%**

RM266.4mil **(-4.6%)** **+15.0%**

RM2.3mil **(-31.6%)** **(-9.9%)**

RM204.7mil **(-11.3%)** **+17.9%**

8.4mil **(-3.1%)** **+12.3%**

60,687 **(-1.0%)** **+7.7%**



3Qv3Q

3Qv2Q

RM1,075.7mil **+5.7%** **+7.8%**

RM1,003.2mil **+5.5%** **+6.8%**

RM72.4mil **+7.5%** **+25.0%**

RM467.1mil **(-0.1%)** **+11.8%**

RM8,617.9mil **(-5.7%)** **+0.2%**

31.4mil **+5.8%** **+10.5%**

264,940 **(-0.1%)** **+5.5%**

Malaysia Operations Performance

Turkey Operations Performance (comprising of ISG & LGM)

Group Performance

Revenue

Airport Operations

Non-Airport
Operations

EBITDA

Net Assets

Passengers

Aircrafts



RM2,365.1mil +10.0%

RM2,177.7mil +10.8%

RM187.3mil +1.2%

RM790.5mil +26.4%*

65.1mil +4.4%

597,896 (-2.5%)



RM727.7mil +6.5%

RM719.9mil +6.7%

RM7.8mil (-13.4%)

RM546.8mil +4.7%*

22.5mil +5.9%

168,059 +9.2%



RM3,092.7mil +9.1%

RM2,897.6mil +9.8%

RM195.1mil +0.5%

RM1,337.3mil +16.6%*

RM8,617.9mil (-5.7%)

87.7mil +4.8%

765,955 (-0.2%)

Malaysia Operations Performance

Turkey Operations Performance (comprising of ISG & LGM)

Group Performance

*Excluding the impact of one-off gains in 9M15



Group Financial Review

Malaysia



- 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
- 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 commenced its 4x weekly Peshawar and Karachi service 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 for FY2015
- 24/05/16: Launch of KLIA Aeropolis
- 01/06/16: VietJet Air commenced its daily Ho Chi Minh service to KLIA
- 06/07/16: Lucky Air commenced its 3x weekly Kunming service to Kota Kinabalu
- 12/07/16: KLIA Aeropolis collaboration with GTA, RUAG, GE and APEA Management at Farnborough Airshow
- 20/07/16: Jeju Air commenced its daily Incheon service to Kota Kinabalu
- 27/07/16: Moody's reaffirmed Malaysia Airports' A3 rating
- 28/07/16: Declared single-tier interim dividend of 4.0 sen per ordinary share for FY16
- 24/08/16: MACS ME secured a QAR163.9mil (~RM180.8mil) 3 year extension of contract for facilities management services at the Hamad International Airport
- 29/08/16: Launch of #ProudlyMalaysian campaign
- 29/09/16: China Southern commenced its Guangzhou charter service to Melaka

Istanbul Sabiha Gokcen Airport

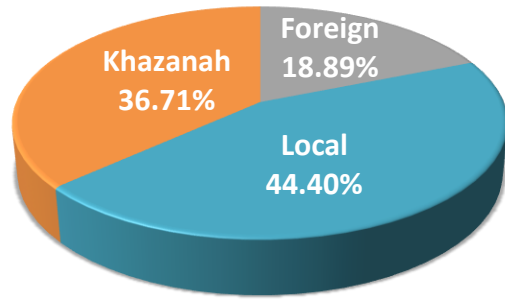


- 13/04/16: Prime Minister Dato' Sri Mohd Najib officiated the opening of the new Premium Lounge and unveiled the model for the boarding hall expansion
- 01/07/16: Etihad commenced its 4x weekly Abu Dhabi service to ISG

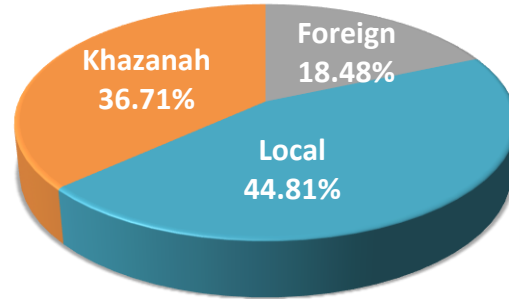
Shareholding & Borrowings Profile

Shareholding Profile

As at 31/12/15



As at 30/09/16

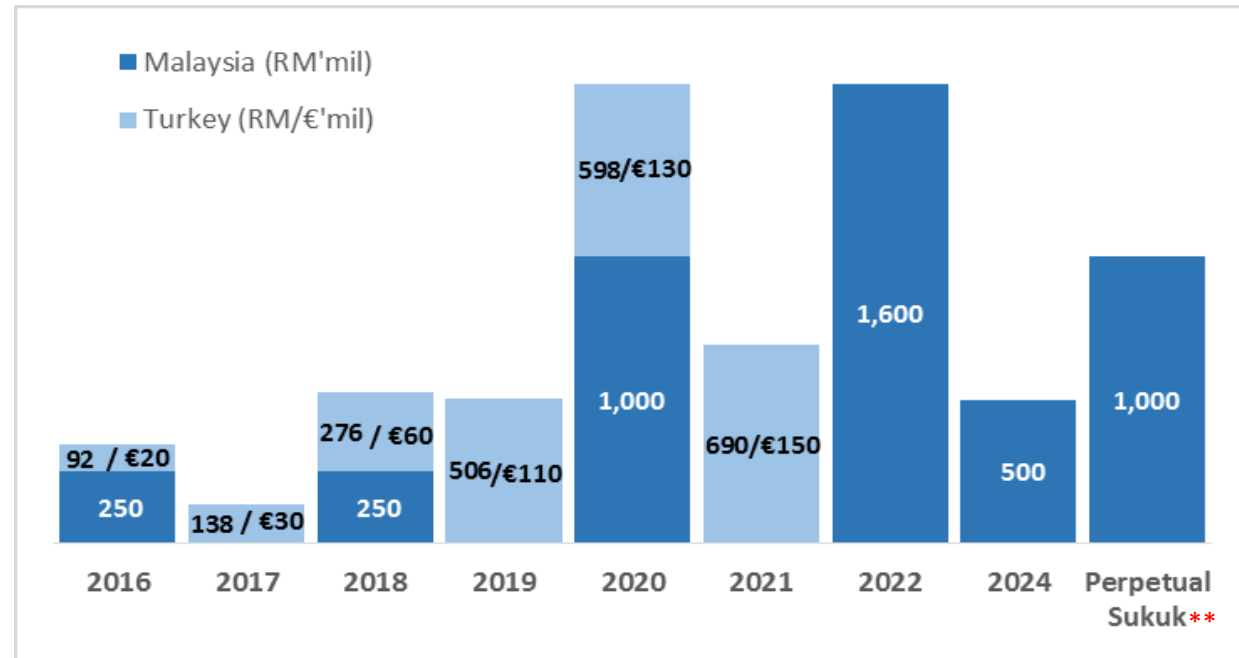


No. of paid-up share capital: 1,659,191,829

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%
2016	N/A	N/A	4.00	-	50.0%

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

Borrowings Repayment Profile



(RM'000)	30/9/2016	31/12/2015
Net debt	4,352,622	4,322,752
Share of fixed-rate debt	100% *	100% *
Weighted average maturity	5.85	6.14
Weighted average cost	4.00%	3.99%
Gross gearing ratio	0.65	0.67

Credit Rating / Outlook		
RAM	AAA / Stable	AAA / Stable
Moody's	A3 / Negative	A3 / Stable

* After ISG's floating rate swap

** Non-call 10 year, fixed initial periodic distribution rate of 5.75%, recognised in equity

EBITDA and PBT Reconciliation

9M16				9M15			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	790.5	540.3	1,330.8	625.5	515.8	1,141.3	26.4%	4.7%	16.6%
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	-	6.5	6.5	-	5.6	5.6			
EBITDA including exceptional items/adjustments	790.5	546.8	1,337.3	770.2	521.4	1,291.6	2.6%	4.9%	3.5%
Adj - Depreciation and amortisation	(390.6)	(218.9)	(609.5)	(363.6)	(145.8)	(509.4)			
Adj - Amortisation - ISG PPA concession rights fair value	-	(148.5)	(148.5)	-	(124.1)	(124.1)			
- Finance costs - interest on borrowing and misc.	(138.8)	(57.5)	(196.3)	(141.9)	(78.7)	(220.6)			
- Finance costs - ISG utilization fee expense	-	(275.2)	(275.2)	-	(260.6)	(260.6)			
Adj - Finance costs - ISG PPA interest expense	-	(22.9)	(22.9)	-	(24.0)	(24.0)			
EI - Finance costs - Premium on DIAL debenture	-	-	-	(59.2)	-	(59.2)			
+ Share of associate and jointly controlled entities	13.8	-	13.8	6.0	-	6.0			
PBT including exceptional items/adjustments	274.9	(176.2)	98.7	211.5	(111.8)	99.8	29.9%	-57.6%	-1.1%
- Taxation and zakat	(47.4)	(15.3)	(62.7)	(32.9)	13.5	(19.4)			
PAT including exceptional items/adjustments	227.5	(191.4)	36.0	178.6	(98.3)	80.4	27.4%	-94.8%	-55.2%

Group 3Q16 Results (vs 3Q15)

Description (RM'mil)	3Q16			3Q15			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	806.9	268.8	1,075.7	735.1	282.8	1,017.9	▲	9.8	▼	(5.0)	▲	5.7
EBITDA	262.3	204.7	467.1	236.7	230.8	467.6	▲	10.8	▼	(11.3)	▼	(0.1)
Depreciation & Amortisation	(134.8)	(122.6)	(257.5)	(121.9)	(98.9)	(220.8)	▼	(10.6)	▼	(24.0)	▼	(16.6)
Finance Cost	(46.0)	(125.1)	(171.0)	(46.9)	(145.4)	(192.3)	▲	1.9	▲	14.0	▲	11.1
Share of Assoc. & JCE Profit	4.4	-	4.4	4.4	-	4.4	▬	-	▬	-	▬	-
PBT	86.0	(43.0)	43.0	72.3	(13.5)	58.8	▲	18.8	▼	(217.3)	▼	(26.9)
Taxation	(10.3)	(21.7)	(32.0)	4.1	5.6	9.7	▼	(351.0)	▼	(488.0)	▼	(430.0)
Net Earnings	75.6	(64.7)	11.0	76.4	(7.9)	68.5	▼	(1.0)	▼	(713.8)	▼	(84.0)
EBITDA Margin (%)	32.5%	76.2%	43.4%	32.2%	81.6%	45.9%	▲	0.3 ppt	▼	(5.4) ppt	▼	(2.5) ppt
PBT Margin (%)	10.7%	-16.0%	4.0%	9.8%	-4.8%	5.8%	▲	0.8 ppt	▼	(11.2) ppt	▼	(1.8) ppt

Exchange rate used in profit and loss for 3Q16 : RM4.56/EUR

Exchange rate used in profit and loss for 3Q15 : RM4.62/EUR

Group 3Q16 Results (vs 3Q15)

Description (RM'mil)	3Q16			3Q15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	806.9	268.8	1,075.7	735.1	282.8	1,017.9	▲ 9.8	▼ (5.0)	▲ 5.7

Revenue grew by 5.7%

- Airport operations: RM1,003.2mil (+5.5%)
 - Aeronautical: RM531.8mil (+4.2%) mainly due to higher PSC revenue at Malaysia by RM39.8mil due to stronger passenger growth
 - Non-Aeronautical: RM471.4mil (+7.1%) mainly due to higher rental and retail revenue in Malaysia by RM16.2mil and RM13.7mil respectively
- Non-airport operations: RM72.4mil (+7.5%)
 - Projects and repair & maintenance: RM38.6mil (+5.2%)
 - Hotel: RM24.5mil (+12.7%)
 - Agriculture & horticulture: RM9.4mil (+3.8%)

Group 3Q16 Results (vs 3Q15)

Description (RM'mil)	3Q16			3Q15			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
EBITDA	262.3	204.7	467.1	236.7	230.8	467.6	▲	10.8	▼	(11.3)	▼	(0.1)
PBT	86.0	(43.0)	43.0	72.3	(13.5)	58.8	▲	18.8	▼	(217.3)	▼	(26.9)

EBITDA slightly lower by 0.1% due to Turkey operations

- Turkey operations: Lower EBITDA contributions by 11.3% or RM26.1mil due to weaker international traffic, generating lower PSCs and commercial revenue
- Malaysia operations: EBITDA up by 10.8% or RM25.6mil, in line with higher revenue by RM71.8mil which was mitigated by the absence of the RM34.9mil write back of doubtful debts in 3Q15

PBT decreased by 26.9% arising from Turkey operations

- Turkey operations: Recorded a lower PBT by RM31.6mil (3Q16: RM6.5mil; 3Q15: RM38.1mil) due to weaker international traffic in 3Q16, prior to taking into account a loss of RM49.5mil (3Q15: RM51.7mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition
- Malaysia operations: Higher PBT due to improved EBITDA contributions offset against higher depreciation and amortisation which was in line with pax growth

Group 3Q16 Results (vs 2Q16)

Description (RM'mil)	3Q16			2Q16			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	806.9	268.8	1,075.7	763.3	234.3	997.6	▲	5.7	▲	14.7	▲	7.8
EBITDA	262.3	204.7	467.1	244.0	173.7	417.7	▲	7.5	▲	17.9	▲	11.8
Depreciation & Amortisation	(134.8)	(122.6)	(257.5)	(129.7)	(121.2)	(250.9)	▼	(4.0)	▼	(1.2)	▼	(2.6)
Finance Cost	(46.0)	(125.1)	(171.0)	(46.1)	(108.5)	(154.6)	▲	0.3	▼	(15.3)	▼	(10.6)
Share of Assoc. & JCE Profit	4.4	-	4.4	5.3	-	5.3	▼	(16.1)	▬	-	▼	(16.1)
PBT	86.0	(43.0)	43.0	73.5	(56.0)	17.5	▲	17.0	▲	23.2	▲	145.4
Taxation	(10.3)	(21.7)	(32.0)	(7.5)	(1.5)	(8.9)	▼	(38.4)	▼	(1,383.7)	▼	(259.1)
Net Earnings	75.6	(64.7)	11.0	66.0	(57.4)	8.6	▲	14.6	▼	(12.6)	▲	27.4
EBITDA Margin (%)	32.5%	76.2%	43.4%	32.0%	74.1%	41.9%	▲	0.5 ppt	▲	2.1 ppt	▲	1.6 ppt
PBT Margin (%)	10.7%	-16.0%	4.0%	9.6%	-23.9%	1.8%	▲	1.0 ppt	▲	7.9 ppt	▲	2.2 ppt

Exchange rate used in profit and loss for 3Q16 : RM4.56/EUR

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

Group 3Q16 Results (vs 2Q16)

Description (RM'mil)	3Q16			2Q16			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	806.9	268.8	1,075.7	763.3	234.3	997.6	▲	5.7	▲	14.7	▲	7.8

Revenue increased by 7.8%

- Airport operations: RM1,003.2mil (+6.8%)
 - Aeronautical: RM531.8mil (+7.9%) as a result of higher PSC revenue in Malaysia and at ISG by RM22.0mil and RM16.2mil respectively
 - Non-Aeronautical: RM471.4mil (+5.5%) due to higher commercial revenue at ISG by RM16.7mil as well as higher retail and rental revenue in Malaysia by RM4.1mil and RM3.9mil respectively
- Non-airport operations: RM72.4mil (+25.0%)
 - Projects and repair & maintenance: RM38.6mil (+24.1%)
 - Hotel: RM24.5mil (+23.4%)
 - Agriculture & horticulture: RM9.4mil (+33.4%)

Group 3Q16 Results (vs 2Q16)

Description (RM'mil)	3Q16			2Q16			Var % (MAHB)		Var % (ISG & LGM)		Var % (MAHB Group)	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
EBITDA	262.3	204.7	467.1	244.0	173.7	417.7	▲	7.5	▲	17.9	▲	11.8
PBT	86.0	(43.0)	43.0	73.5	(56.0)	17.5	▲	17.0	▲	23.2	▲	145.4

EBITDA increased by 11.8% driven by Turkey operations

- Turkey operations: Higher EBITDA contributions by 17.9% or RM31.0mil due to higher international traffic in 3Q16, contributing to higher PSCs and commercial revenues
- Malaysia operations: Higher EBITDA of RM18.3mil mainly due to higher revenue by 5.7% or RM43.6mil in 3Q16 netted against higher user fee and direct costs

PBT increased by 145.4%

- Malaysia operations: Higher PBT of RM12.5mil is in line with higher EBITDA contributions
- Turkey operations: Recorded a higher PBT by RM4.8mil (3Q16: RM6.5mil; 3Q15: RM1.7mil) due to stronger international traffic in 3Q16, prior to taking into account a loss of RM49.5mil (2Q16: RM57.7) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

Group 9M16 Results (vs 9M15)

Description (RM'mil)	9M16			9M15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	2,365.1	727.7	3,092.7	2,150.7	683.4	2,834.1	▲ 10.0	▲ 6.5	▲ 9.1
EBITDA	790.5	546.8	1,337.3	770.2	521.4	1,291.6	▲ 2.6	▲ 4.9	▲ 3.5
Depreciation & Amortisation	(390.6)	(367.4)	(758.0)	(363.6)	(269.9)	(633.5)	▼ (7.4)	▼ (36.1)	▼ (19.6)
Finance Cost	(138.8)	(355.5)	(494.4)	(201.0)	(363.3)	(564.3)	▲ 30.9	▲ 2.1	▲ 12.4
Share of Assoc. & JCE Profit	13.8	-	13.8	6.0	-	6.0	▲ 129.6	= -	▲ 129.6
PBT	274.9	(176.2)	98.7	211.5	(111.8)	99.8	▲ 29.9	▼ (57.6)	▼ (1.1)
Taxation	(47.4)	(15.3)	(62.7)	(32.9)	13.5	(19.4)	▼ (44.0)	▼ (212.7)	▼ (223.3)
Net Earnings	227.5	(191.4)	36.0	178.6	(98.3)	80.4	▲ 27.4	▼ (94.8)	▼ (55.2)
EBITDA Margin (%)	33.4%	75.1%	43.2%	35.8%	76.3%	45.6%	▼ (2.4) ppt	▼ (1.2) ppt	▼ (2.3) ppt
PBT Margin (%)	11.6%	-24.2%	3.2%	9.8%	-16.4%	3.5%	▲ 1.8 ppt	▼ (7.9) ppt	▼ (0.3) ppt
Net Asset per Share			5.19			5.51			▼ (5.9)

Group 9M16 Results (vs 9M15)

Description (RM'mil)	9M16			9M15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	2,365.1	727.7	3,092.7	2,150.7	683.4	2,834.1	▲ 10.0	▲ 6.5	▲ 9.1

Revenue grew by 9.1%

- Airport operations: RM2,897.6mil (+9.8%)
 - Aeronautical: RM1,528.3mil (+9.9%) mainly due to higher PSC revenue in Malaysia and ISG by RM80.2mil and RM22.7mil respectively due to stronger passenger growth, as well as higher MARCS ERL by RM34.0mil
 - Non-Aeronautical: RM1,369.3mil (+9.6%) mainly due to higher retail and rental revenue in Malaysia by RM54.1mil and RM45.7mil respectively, and ISG's commercial revenue by RM20.1mil
- Non-airport operations: RM195.2mil (+0.5%)
 - Projects and repair & maintenance: RM105.7mil (-3.3%)
 - Hotel: RM66.3mil (+8.2%)
 - Agriculture & horticulture: RM23.2mil (-1.7%)

Group 9M16 Results (vs 9M15)

Description (RM'mil)	9M16			9M15			Var % (MAHB)	Var % (ISG & LGM)	Var % (MAHB Group)
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
EBITDA	790.5	546.8	1,337.3	770.2	521.4	1,291.6	▲ 2.6	▲ 4.9	▲ 3.5
PBT	274.9	(176.2)	98.7	211.5	(111.8)	99.8	▲ 29.9	▼ (57.6)	▼ (1.1)

Normalised EBITDA* up by 16.6%

- Malaysia operations: Improved normalized EBITDA contributions by 26.4% or RM165.0mil, in line with higher revenue, netted against higher user fee and direct costs
- ISG & LGM: Higher EBITDA contributions by 4.7% or RM24.5mil due to higher revenue

Normalised PBT** increased by 225.1%

- Malaysia operations: Higher normalised PBT due to improved EBITDA contributions
- ISG & LGM: Recorded a loss before tax by RM11.3mil (9M15: PBT RM30.6mil) due to higher amortisation charges arising from the increase in pax movements, prior to taking into account a loss of RM164.9mil (9M15: RM142.4mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

*Excluding the impact of one-off gains in 9M15

**Excluding the impact of one-off gains and associated finance cost in 9M15

Group Segmental Revenue

Aeronautical (RM 'mil)

9M2016: RM1,528.3(+9.9%)

9M2015: RM1,390.6

9M2016: RM1,151.0(+10.8%) excluding ISG & LGM

9M2015: RM1,038.7 excluding ISG & LGM

Non-Aeronautical (RM 'mil)

9M2016: RM1,369.3(+9.6%)

9M2015: RM1,249.3

9M2016: RM1,026.7(+10.8%) excluding ISG & LGM

9M2015: RM926.9 excluding ISG & LGM

Non-Airport Operations (RM 'mil)

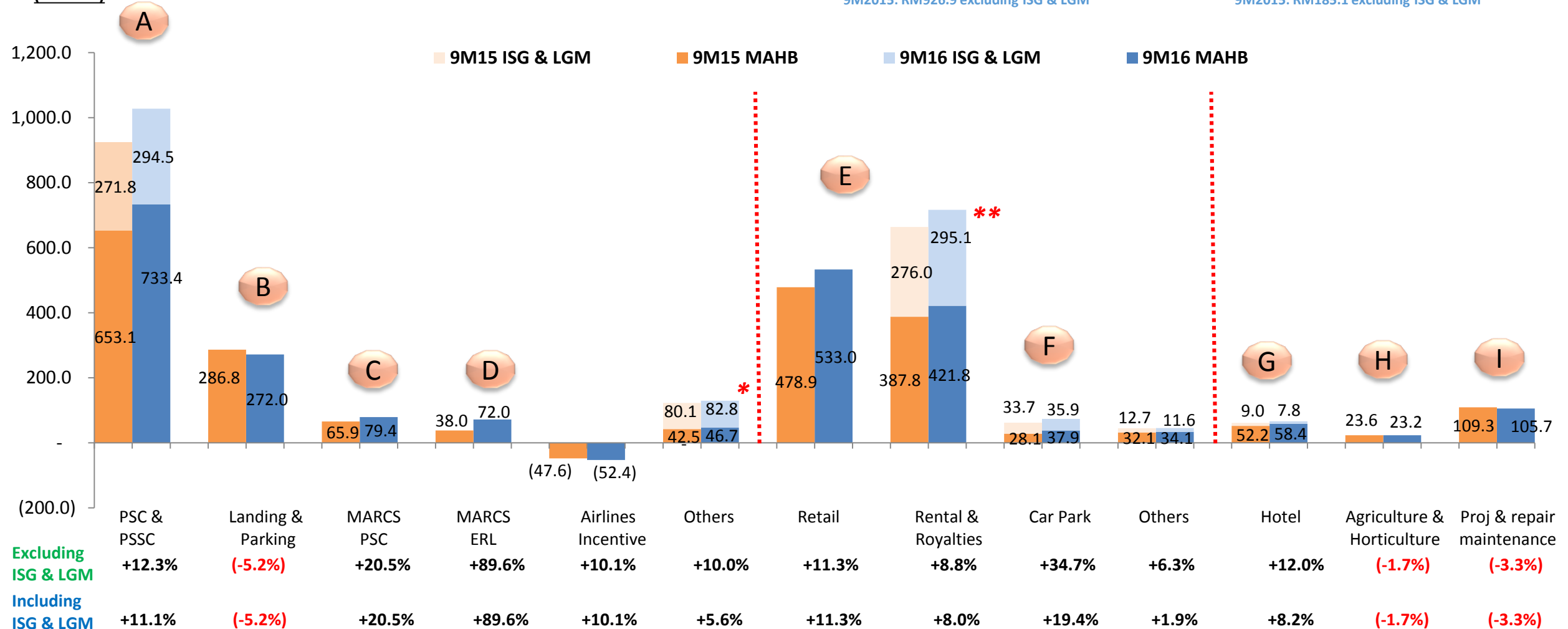
9M2016: RM195.2(+0.5%)

9M2015: RM194.1

9M2016: RM187.3(+1.2%) excluding ISG & LGM

9M2015: RM185.1 excluding ISG & LGM

(RM 'mil)



*Included in ISG & LGM's aeronautical revenue is ISG's jet fuel farm rental income of EUR6.8mil (RM40.0mil)

**Included in ISG & LGM's rental and royalties revenue is revenue generated from ISG's duty free business with Setur of EUR39.3mil (RM178.1mil)

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 drop in wide-body 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 MTB, consolidation of operations at KKIA and increase in point-to-point travel. The 2nd Tariff Cycle (current) benchmark PSC rates are as below:

- klia2 (International: RM32 to RM 35; Domestic: RM6 to RM7)
- KLIA MTB and others (International: RM65 to RM71; Domestic: RM9 to RM10)

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 arising from an improvement in PSC collections

E 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 RM178.1mil

F Car Park

Revenue from car parks operations in Malaysia rose by 34.7% due to self-managed car park initiative at several MASB airports commencing in FY16

G

Hotel

Excluding LGM, increase in room revenue at Sama-Sama Hotel was contributed by:

Higher average room rate (9M16: RM394.94; 9M15: RM379.26) and higher occupancy rate (9M16: 71%; 9M15: 68%)

H

Agriculture & Horticulture

Revenue from the segment dipped slightly due to the lower production of FFB despite the higher price attained per FFB (9M16: RM554.20/40,920MT; 9M15: RM444.46/53,147MT)

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)

9M2016: RM519.1 (+3.8%)

9M2015: RM500.2

Operating Costs (RM 'mil)

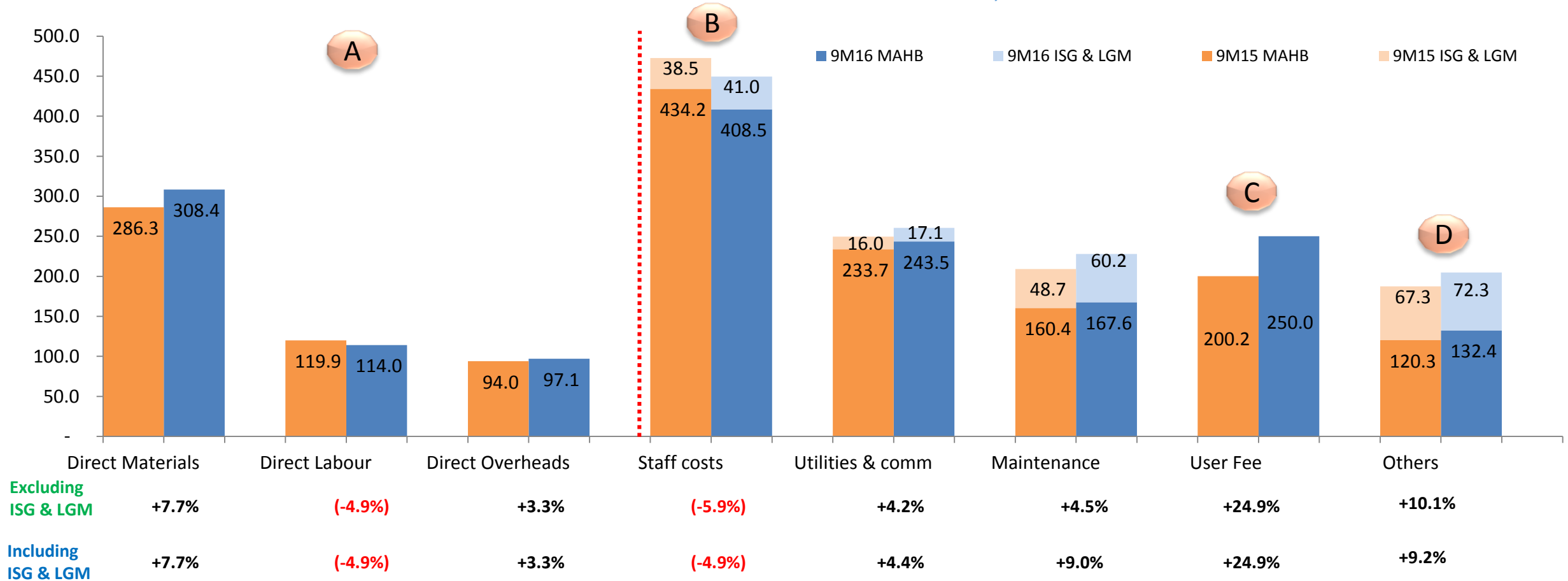
9M2016: RM1,392.6 (+5.6%)

9M2015: RM1,319.2

9M2016: RM1,202.0 (+4.6%) excluding ISG & LGM

9M2015: RM1,148.8

(RM 'mil)



A

Direct Costs

Direct costs rose by 3.8% mainly due 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 RM35.4mil offset against by total salaries and wages increment by 2.4% or RM7.2mil due to annual increment and higher average salary per staff (9M16: RM 3,387; 9M15: RM3,259)

C

User Fee

The increase is mainly due to improvement in airport operations revenue and higher user fee rate (3Q16: 11.08%; 3Q15: 10.70%) as stipulated in the Operating Agreements

D

Others

Excluding ISG & LGM, the 10.1% rise in other costs is mainly due to :

- included in 9M15 was a write-back of RM34.9mil in provision for doubtful debts expense causing a swing in provision for doubtful debts (9M16: RM13.4mil; 9M15: write-back of RM8.7mil)
- intangible assets written off totaling RM7.0mil mainly arising from the demolished LCCT Food Garden

This was mitigated by:

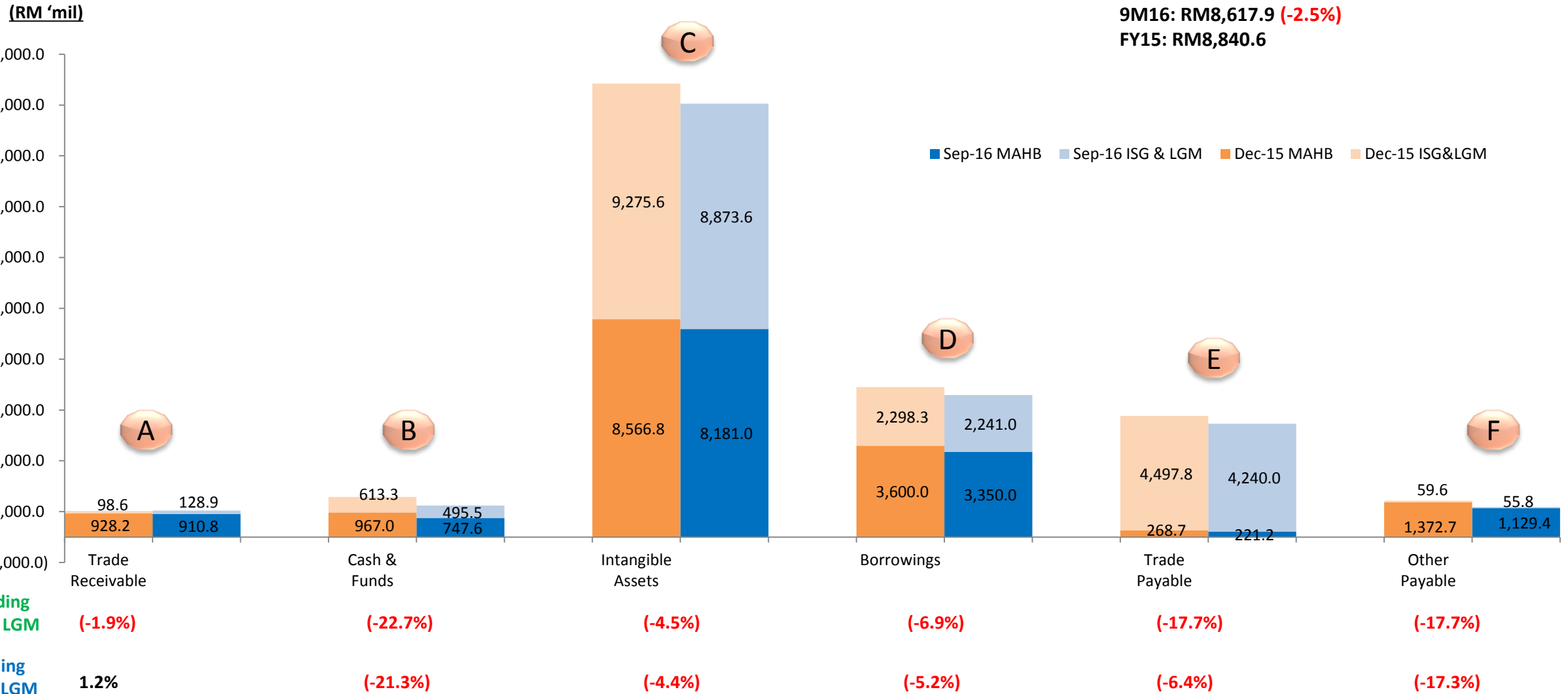
- decrease in professional fees mainly due to lower fees to IATA by RM6.7mil

Group Balance Sheet Analysis

Net Assets (RM 'mil)

9M16: RM8,617.9 (-2.5%)

FY15: RM8,840.6



Exchange rate used in balance sheet for 9M16: RM4.62/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 repayment of RM250.0mil Senior Sukuk in September 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 RM4.62/EUR as at 30 September 2016

D Borrowings

The reduction in Malaysia borrowings is due to the first tranche of Senior Sukuk repayment (RM250.0mil). 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 RM4.62/EUR as at 30 September 2016

- RAM reaffirmed MAHB's AAA Rating as at 17 December 2015
- Moody's reaffirmed MAHB's A3 Rating as at 27 July 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

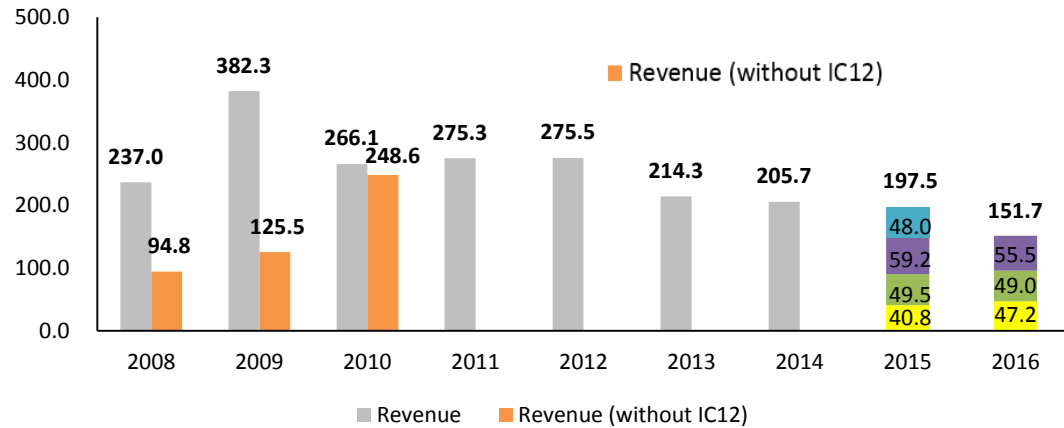


ISG & LGM Financial Performance

ISG Financial Summary - Income Statement Highlights

(EUR 'mil)

Revenue

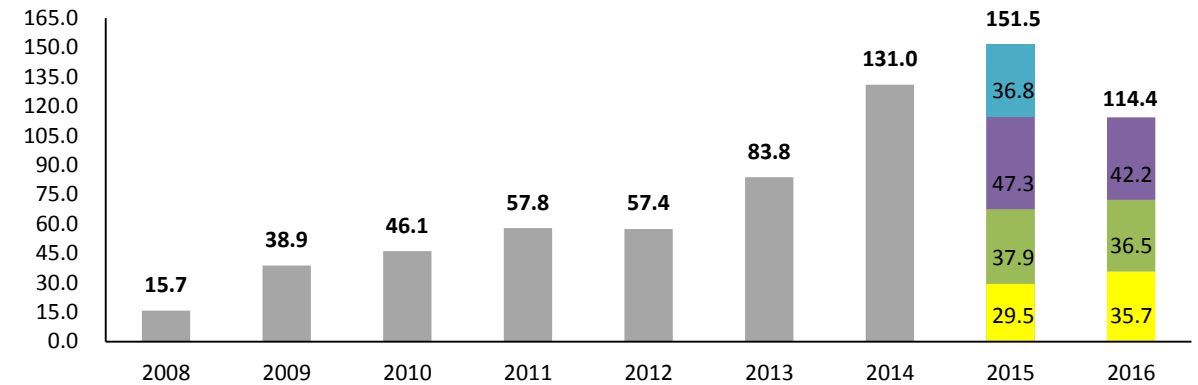


9M16: EUR151.7 (+1.5%)
9M15: EUR149.5

Q1 Q2 Q3 Q4
(EUR 'mil)

9M16: EUR114.4 (-0.3%)
9M15: EUR114.7

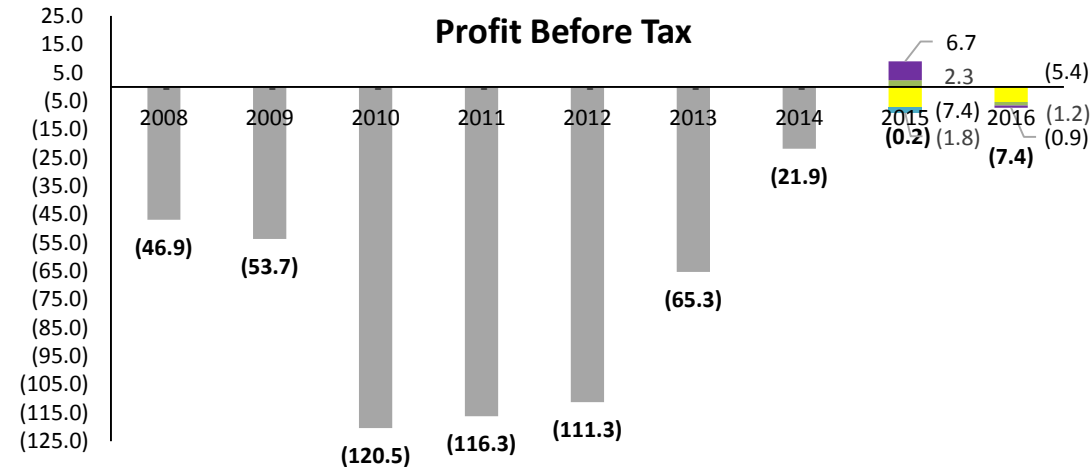
EBITDA



9M16: (EUR17.1) (-6,831.9%)
9M15: EUR0.3

(EUR 'mil)

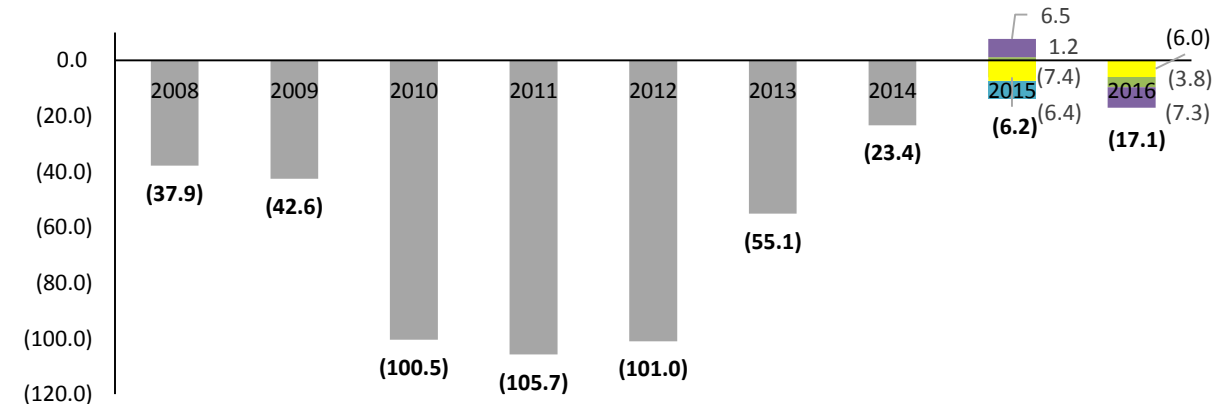
Profit Before Tax



9M16: (EUR7.4) (-555.1%)
9M15: EUR1.6

(EUR 'mil)

Net Earnings



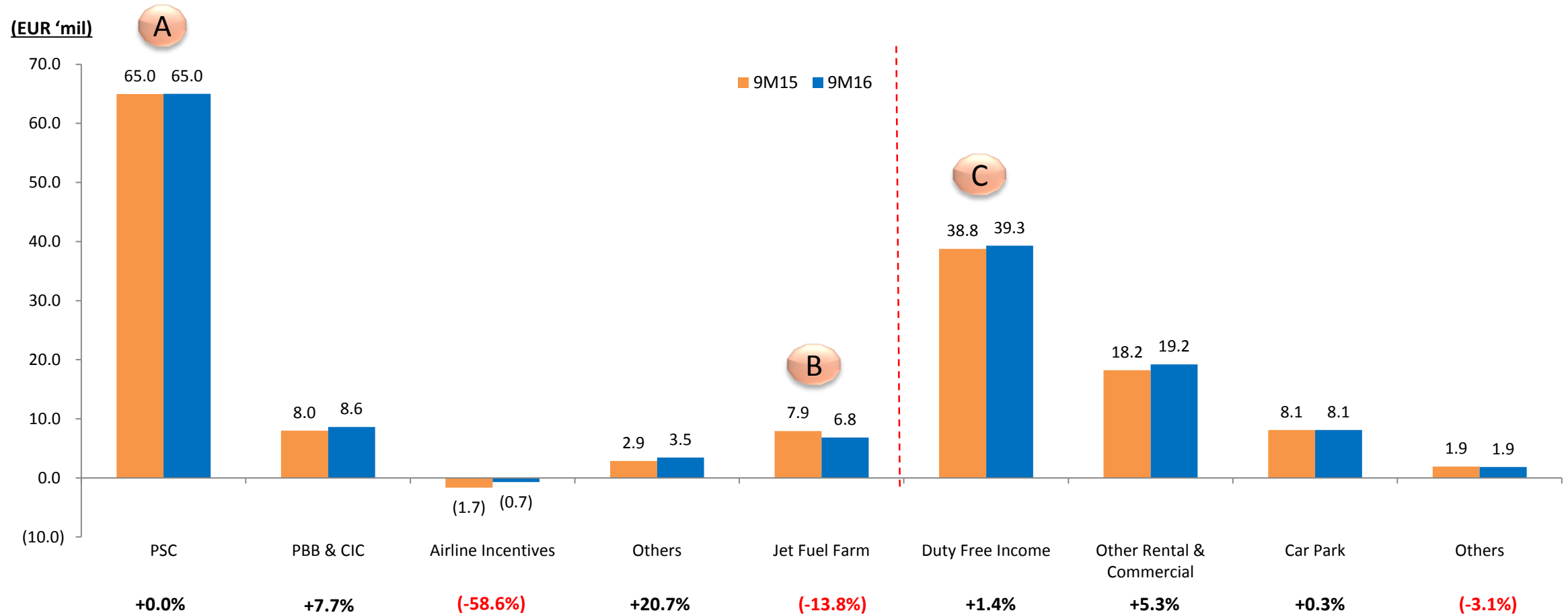
(a) Change of business in 2013 from supply of fuel to airlines to provision of fuel farm services to the fuel supplier

(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

Aeronautical (EUR 'mil)
 9M16: €83.2 (+1.3%)
 9M15: €82.1

Non-Aeronautical (EUR 'mil)
 9M16: €68.5 (+2.2%)
 9M15: €67.0



A

PSC

5.9% growth in passenger traffic which was mainly derived from domestic traffic

- 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 lower revenue despite higher hydrant volume (9M16: 421Kton; 9M15: 367Kton)

C

Duty Free

1.4% increase in revenue in tandem with the increase in guaranteed spending per pax.

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 (9M16: EUR9.39; 9M15: EUR8.86)
- Guaranteed spending per pax (3Q16: EUR13.15; 3Q15: EUR12.84)

ISG Cost Analysis

(EUR 'mil)

Operating Costs (EUR 'mil)

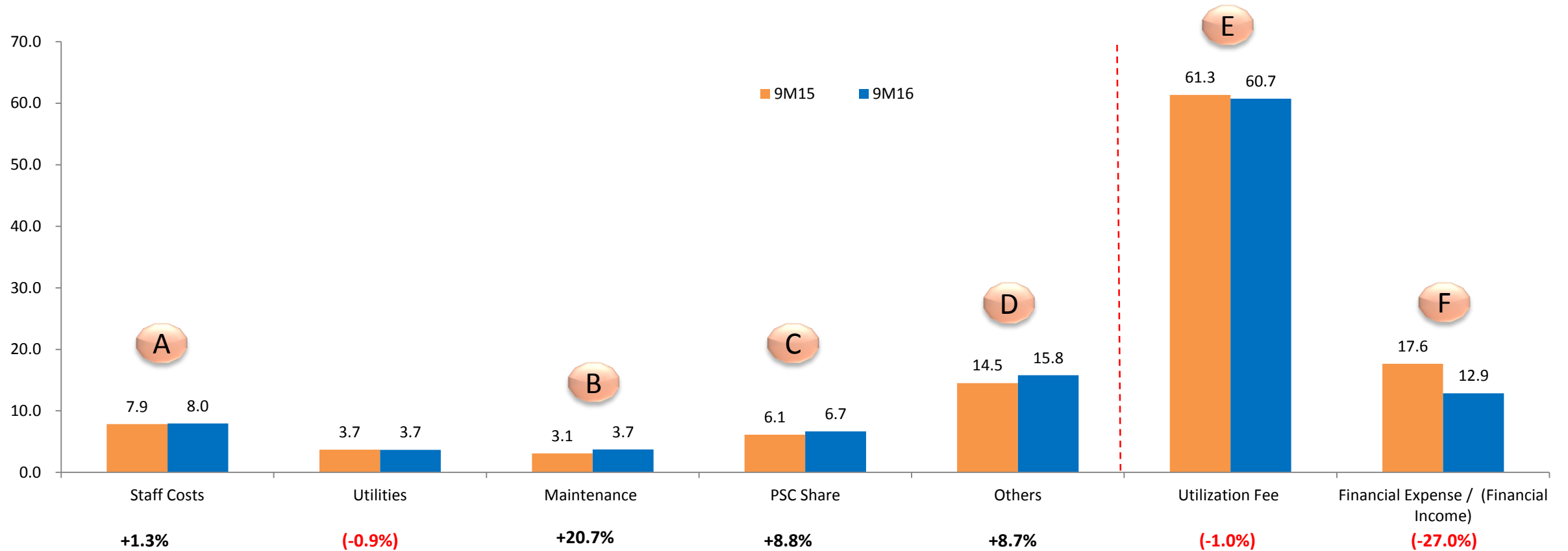
9M16: €37.8 (+7.1%)

9M15: €35.3

Finance Cost (EUR 'mil)

9M16: €73.6 (-6.8%)

9M15: €79.0



A

Staff Costs

Increase is due to higher average number of staff (9M16: 397 ; 9M15: 371). Staff costs in ISG is mainly paid in Turkish Lira (“TL”)

B

Maintenance Costs

The 20.7% increase in maintenance cost is mainly due to higher average cleaning personnel (9M16: 273; 9M15: 248) with a higher average salary (9M16: TL2,988 ; 9M15: TL2,455)

C

PSC Share

This relates to the PSC share to the Government for the increase in international and transfer passengers.

D

Others

The 8.7% increase in other costs is mainly due to higher security charges arising from more manpower (9M16: 624; 9M15: 559) and higher average salary (9M16: TL3,808 ; 9M15: TL3,182)

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 ISG 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 however relates to interest expense on utilization fee liability

F

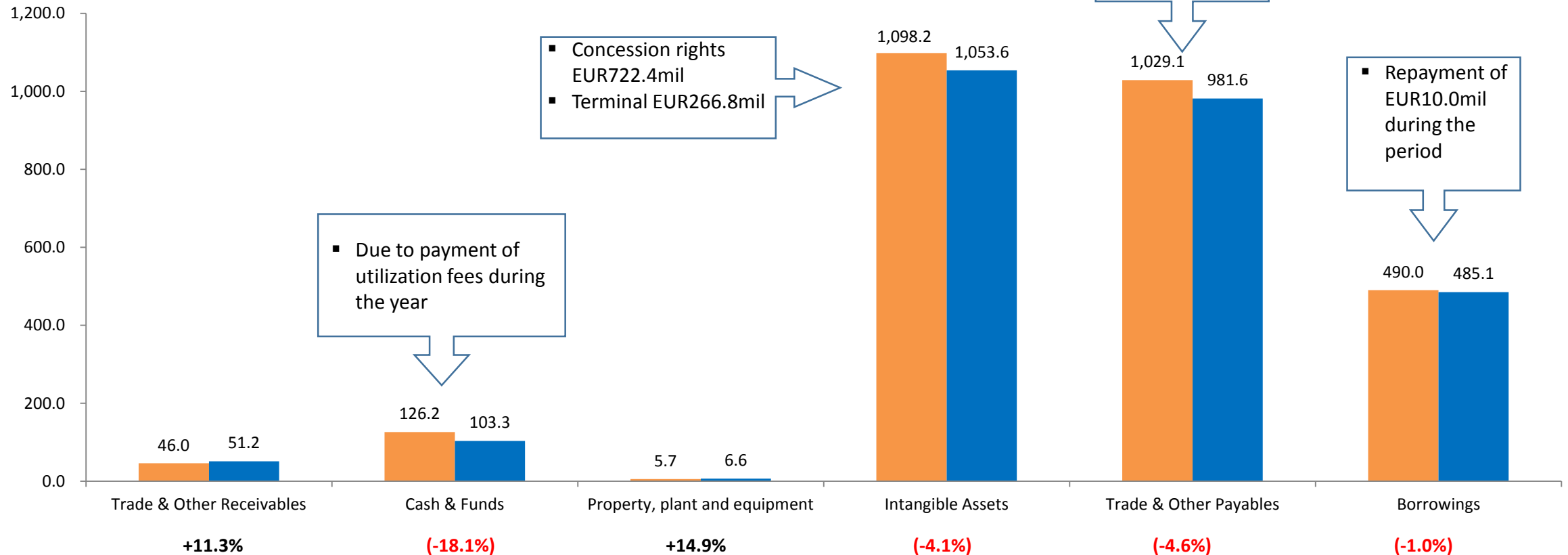
Financial Expenses, net

The reduction is contributed lower foreign currency loss in 9M16 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)

Dec-15 Sep-16

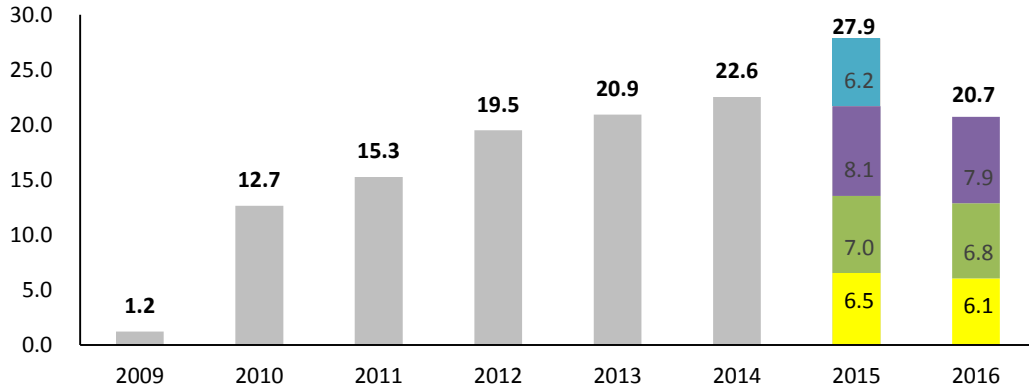


LGM Financial Summary - Income Statement Highlights

(EUR 'mil)

Revenue

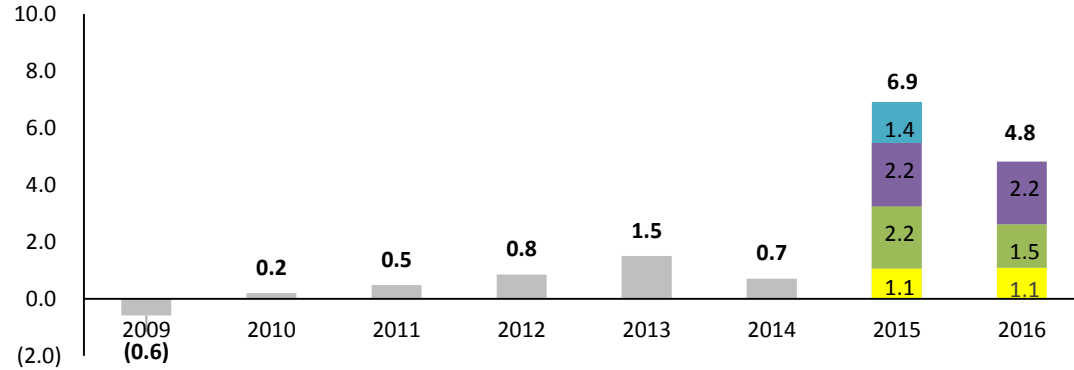
9M16: EUR20.7 (-4.5%)
9M15: EUR21.7



(EUR 'mil)

EBITDA

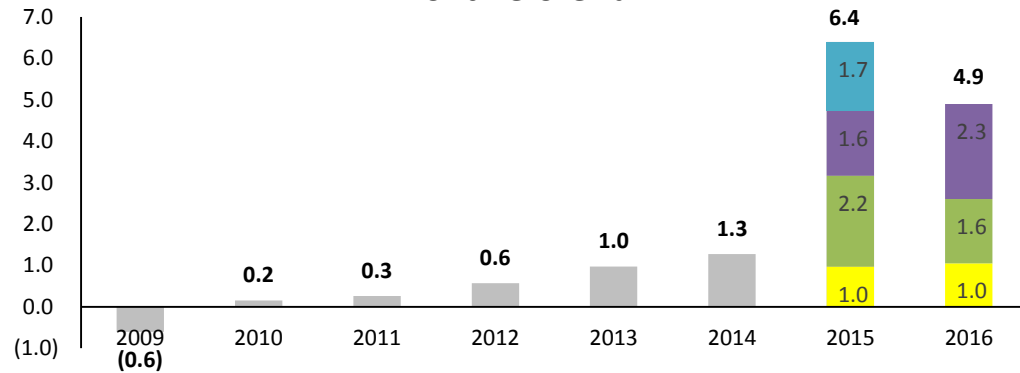
9M16: EUR4.8 (-11.9%)
9M15: EUR5.5



(EUR 'mil)

Profit Before Tax

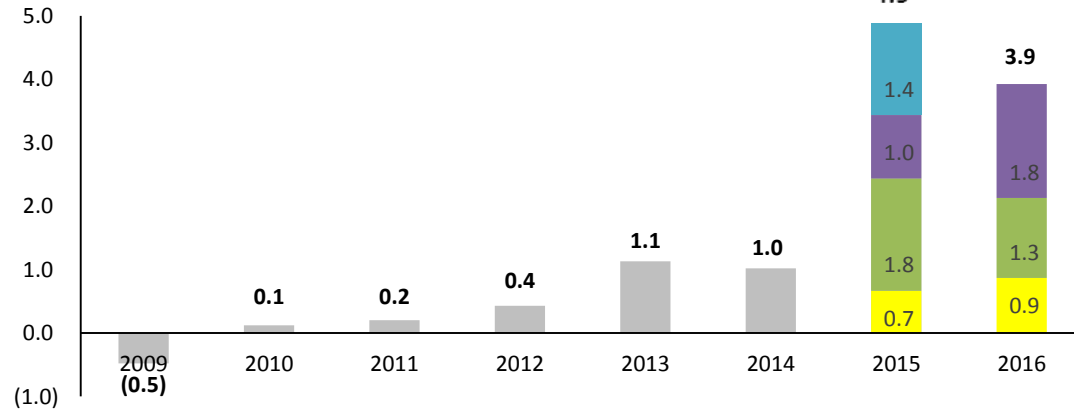
9M16: EUR4.9 (+3.4%)
9M15: EUR4.7



(EUR 'mil)

Net Earnings

9M16: EUR3.9 (+14.3%)
9M15: EUR3.4



■ Q1 ■ Q2 ■ Q3 ■ Q4

(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.

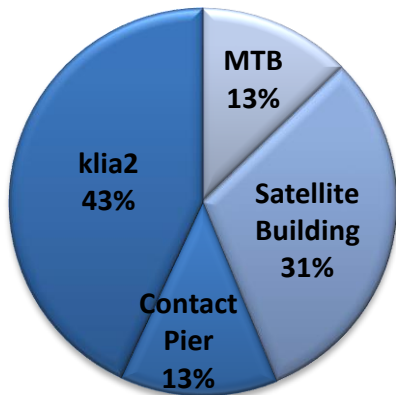


Commercial Revenue Analysis

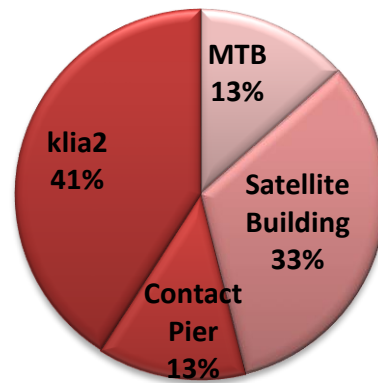
KLIA - Total Sales

Description	9M16			9M15			Sales Per Pax Variance (%)
	Sales (RM'mil)	No. of Pax ('mil)	Sales per Pax (RM)	Sales (RM'mil)	No. of Pax ('mil)	Sales per Pax (RM)	
Main Terminal Building	154.2			143.7			
Satellite Building	376.3			352.2			
Contact Pier	159.8			139.9			
Total KLIA	690.3	18.3	37.64	635.8	17.2	36.93	▲ 1.9
klia2	522.0	20.1	25.98	440.4	19.1	23.08	▲ 12.6
Total KLIA + klia2	1,212.4	38.4	31.54	1,076.1	36.3	29.64	▲ 6.4

Sales at KLIA 9M16



Sales at KLIA 9M15

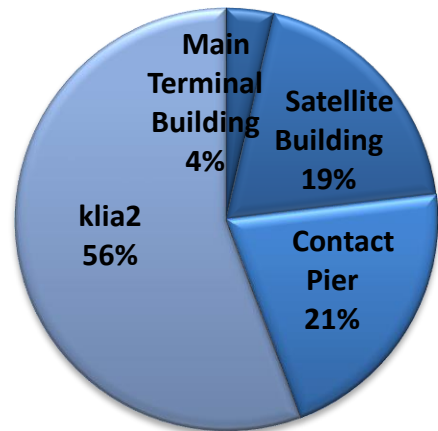


- Higher sales per pax at KLIA & klia2 is due to the return of pax from China (who are notably higher spenders) along with increase in pax from ASEAN and Middle East in both terminals

KLIA - ERAMAN Retail Revenue

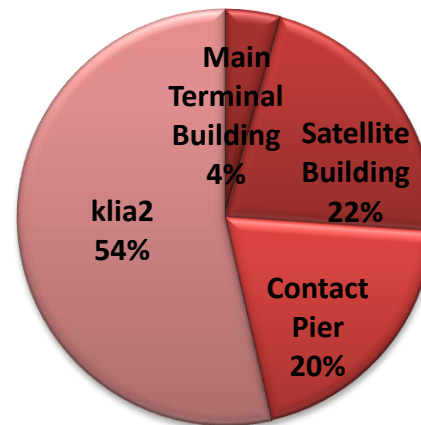
Description	9M16			9M15			Revenue Variance (%)	Revenue Per Pax Variance (%)
	Revenue (RM'mil)	No. of Pax ('mil)	Per Pax Revenue (RM)	Revenue (RM'mil)	No. of Pax ('mil)	Per Pax Revenue (RM)		
Main Terminal Building	17.0			18.0				
Satellite Building	90.8			91.2				
Contact Pier	98.7			85.1				
Total KLIA	206.5	18.3	11.26	194.3	17.2	11.29	▲ 6.3	▼ (0.2)
klia2	259.9	20.1	12.93	224.4	19.1	11.76	▲ 15.8	▲ 10.0
Total KLIA	466.4	38.4	12.14	418.7	36.3	11.53	▲ 11.4	▲ 5.2

Retail Revenue 9M16



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

Retail Revenue 9M15



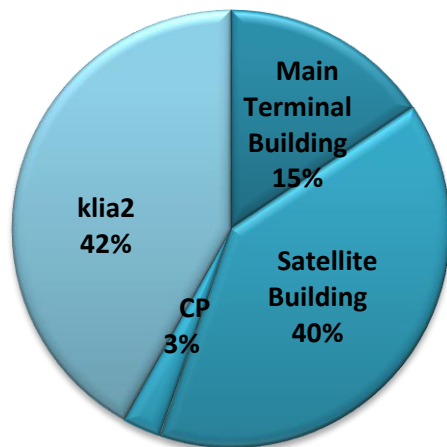
■ Main Terminal Building ■ Satellite Building
■ Contact Pier ■ klia2

- There has been an aggressive marketing campaign from Eraman that had resulted in an improvement in sales per pax at KLIA
- Eraman commands about 49.8% of total sales per pax at klia2

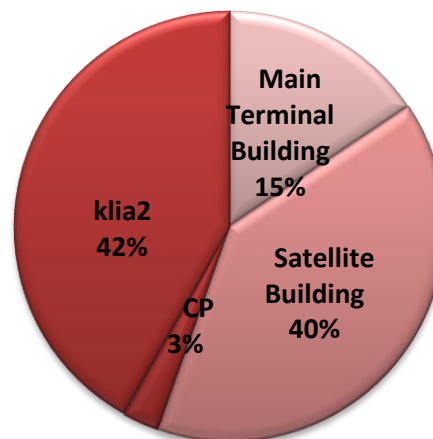
KLIA - Retail & F&B Rental

Location	9M16						9M15						Revenue Variance (%)
	No. of Lease out	Space (Sqm)	Rental Revenue (RM'mil)			Rental	No. of Lease out	Space (Sqm)	Rental Revenue (RM'mil)			Rental	
			MGP	Royalty	Total Rental	Revenue (RM'000) per Sqm			MGP	Royalty	Total Rental	Revenue (RM'000) per Sqm	
Main Terminal Building	44	5,053	28.7	5.0	33.7	6.7	37	4,779	27.0	4.3	31.3	6.6	
Satellite Building	65	7,373	74.4	11.1	85.5	11.6	59	7,481	70.1	9.8	79.9	10.7	
Contact Pier	11	3,243	3.2	2.9	6.1	1.9	10	3,197	3.0	2.5	5.5	1.7	
Total KLIA	120	15,669	106.3	19.0	125.3	8.0	106	15,457	100.1	16.6	116.7	7.6	▲ 7.3
klia2	84	12,984	75.6	14.8	90.3	7.0	89	13,374	76.0	8.1	84.1	6.3	▲ 7.4
Total KLIA + klia2	204	28,653	181.9	33.8	215.6	7.5	195	28,831	176.1	24.7	200.8	7.0	▲ 7.4

Total Rental (%) at KLIA 9M16



Total Rental (%) at KLIA 9M15



- 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

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	9M16	9M15
Total Duty Free Spending per pax	EUR/Pax	9.32	8.76
Guaranteed Spending per pax *	EUR/Pax	13.15	12.84

Description	9M16			9M15			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	39.3	7.8	5,050.0	38.8	7.7	▲ 1.4	▲ 1.4

ISG's Retail & F&B Rental Analysis

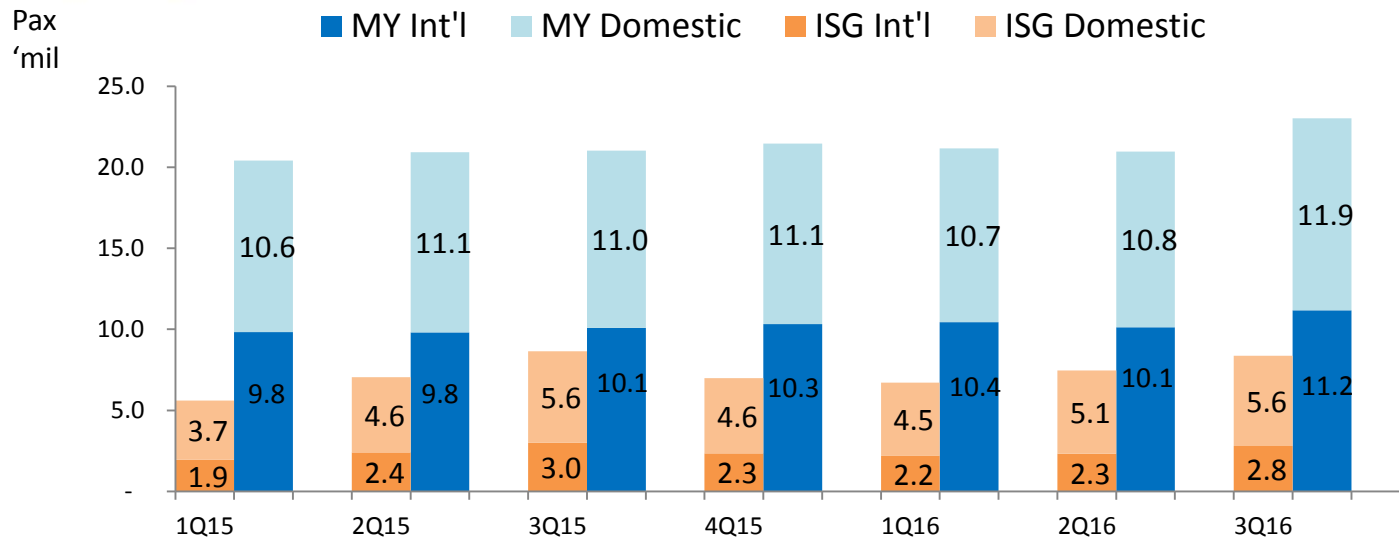
Description	9M16			9M15			Rental Variance (%)	Rental/Sqm Variance (%)
	Space (Sqm)	Total Rental (EUR'mil)	Rental/Sqm (EUR'000)	Space (Sqm)	Total Rental (EUR'mil)	Rental/Sqm (EUR'000)		
Food & Beverage	9,107.0	7.8	0.9	9,107.0	7.5	0.8	▲ 4.2	▲ 4.2
Retail	1,649.0	0.8	0.5	1,602.2	0.9	0.6	▼ (6.6)	▼ (9.3)
Total ISG	10,756.0	8.6	0.8	10,709.2	8.3	0.8	▲ 3.1	▲ 2.6

* 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.

A large white circle is centered on a light gray background. The circle has a thick border that is orange on the left side and blue on the right side.

Traffic Statistics

Passenger Movements



Drivers

- Continued strong demand for both business and leisure travel
- ↑ confidence in China market, along with solid growth in South East Asia sector
- ISG traffic showing signs of improvement from September

Description	MTB			klia2			KLIA			Other Airports			MY Airports			ISG			MAHB Group		
	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %
International	13.7	13.5	▲ 1.6	13.5	12.3	▲ 9.3	27.2	25.8	▲ 5.3	4.5	3.9	▲ 16.0	31.7	29.7	▲ 6.7	7.3	7.4	▼ (0.6)	39.0	37.1	▲ 5.3
Domestic	4.7	3.7	▲ 24.2	6.6	6.7	▼ (2.0)	11.3	10.5	▲ 7.3	22.2	22.2	▲ 0.0	33.4	32.6	▲ 2.4	15.2	13.9	▲ 9.3	48.6	46.6	▲ 4.4
Total	18.3	17.2	▲ 6.5	20.1	19.1	▲ 5.3	38.4	36.3	▲ 5.9	26.7	26.1	▲ 2.4	65.1	62.4	▲ 4.4	22.5	21.3	▲ 5.9	87.7	83.7	▲ 4.8

New destinations for home-based carriers

Malindo Air

KUL-HCMC
KUL-Hong Kong
KUL-Lahore
KUL-Johor
KUL-Penang-Wuhan

KUL-Miri
KUL-Medan
KUL-Hanoi
KUL-Taipei

AirAsia

KUL-Shantou
BKI-Wuhan
PEN-HCMC
PEN-Yangon

LGK-Guangzhou
KUL-Changsha

AirAsia X

KUL-Gold Coast-Auckland
KUL-Tehran

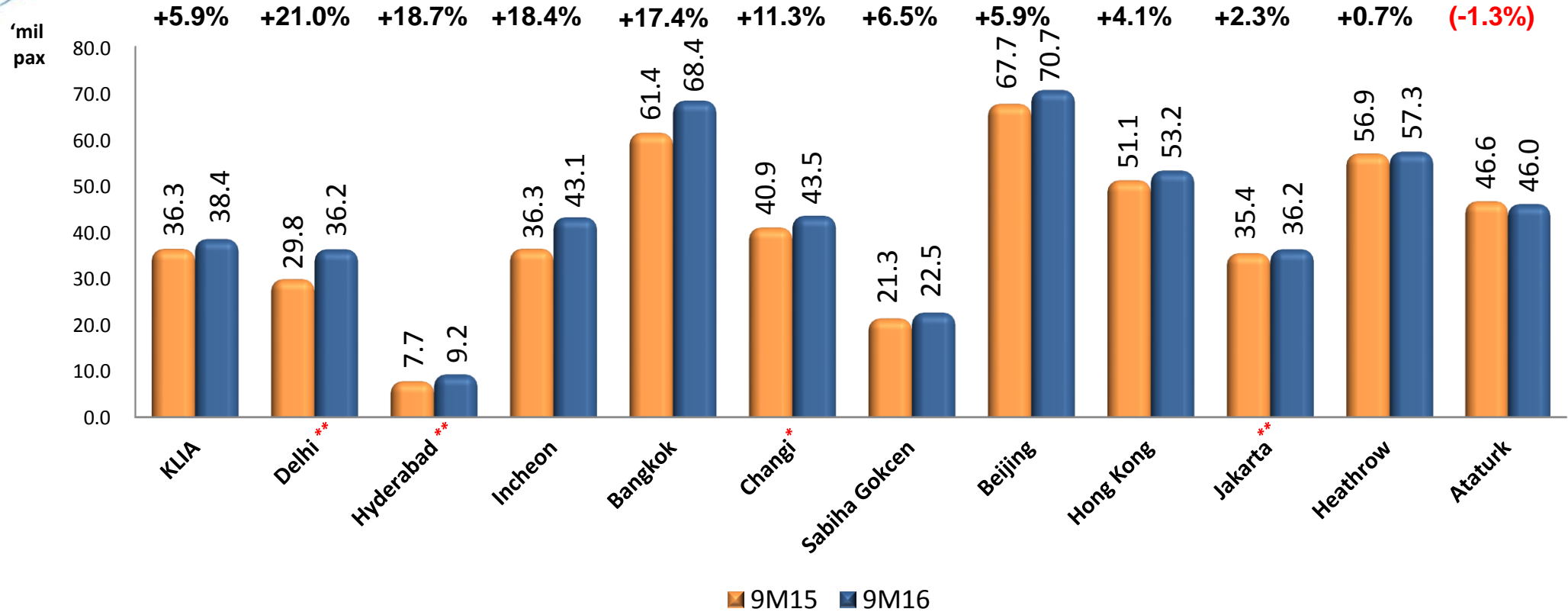
Turkish Airlines

SAW-Jeddah
SAW-Madinah
SAW-Stockholm
SAW-Copenhagen
SAW-Abu Dhabi

Pegasus

SAW-Gabala
SAW-Sulamaniyah

Airport Peers Passenger Movements



Sabiha Gokcen's pax movement market share in Istanbul had increased from 31.4% to **32.9%** year-on-year. Sabiha Gokcen was ranked as **the fastest growing European airport** in 2015.

Global Drivers

- Traffic is being affected by a range of factors, including fragile economic growth and lower airfares
- Passenger load factor remained stable at around 80% for the past six months
- Air passenger demand has continued to be supported by lower airfares due to prior falls in oil prices

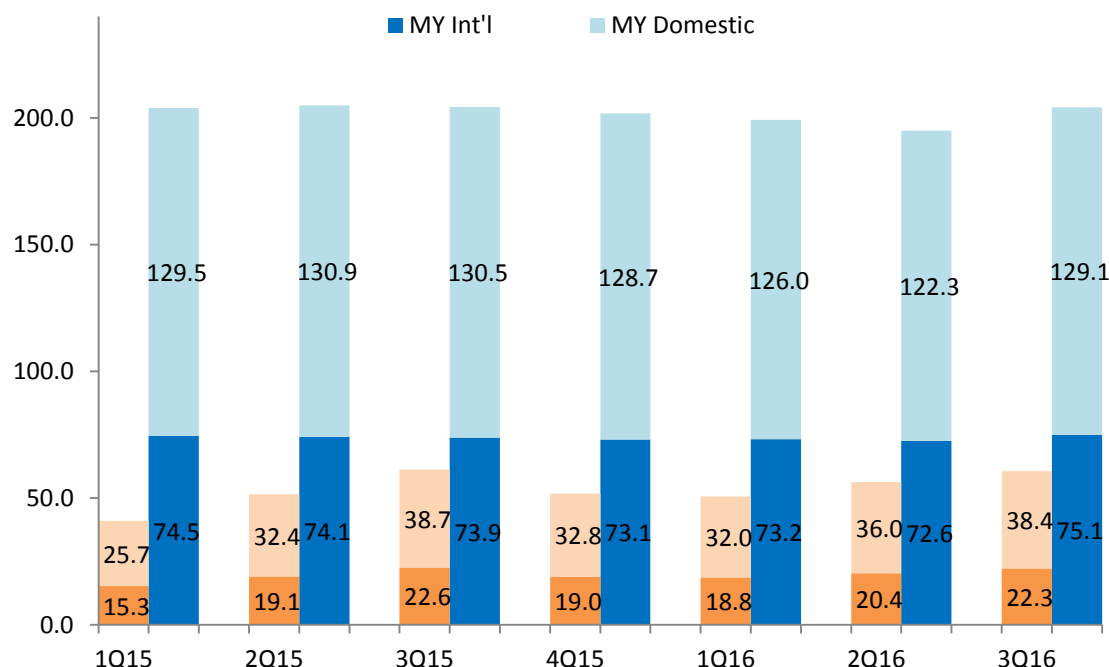
Source: IATA: Passenger Growth Slowed in August dated 6th October 2016

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

** Based on YTD Aug results

Aircraft Movements

Aircraft
'000



Type of operation	Routing	Frequency	Effective date
Tiger Airways	Taipei – BKI	4x weekly	26/3
Shaheen Air	Peshawar – KUL	2x weekly	22/4
	Karachi – KUL	2x weekly	
Hong Kong Airlines	Hong Kong – KCH	2x weekly	28/5
Vietjet Air	Ho Chi Minh City – KUL	Daily	20/6
Etihad Airways	Abu-Dhabi – SAW	4x weekly	1/7
Nile Air	Cairo – SAW	3x weekly	6/7
Lucky Air	Kunming– BKI	3x weekly	7/7
Jeju Air	Seoul – BKI	Daily	20/7
Thai AirAsia	Hatyai – KUL	Daily	20/9
Spring Airlines	Shenzen – BKI	3x weekly	27/9
Emirates	Dubai – KUL	B777 to A380 14x weekly	2/1 & 1/9
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		
	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %	9M16	9M15	Var %
International	94.6	93.1	▲ 1.6	82.5	85.8	▼ (3.8)	177.0	178.9	▼ (1.1)	43.8	43.4	▲ 0.8	220.8	222.4	▼ (0.7)	61.6	57.0	▲ 8.0	282.4	279.4	▲ 1.1
Domestic	41.1	38.3	▲ 7.3	44.0	47.5	▼ (7.2)	85.2	85.7	▼ (0.6)	291.9	305.4	▼ (4.4)	377.1	391.1	▼ (3.6)	106.5	96.8	▲ 10.0	483.6	487.9	▼ (0.9)
Total	135.7	131.4	▲ 3.3	126.6	133.3	▼ (5.0)	262.2	264.7	▼ (0.9)	335.7	348.8	▼ (3.8)	597.9	613.5	▼ (2.5)	168.1	153.8	▲ 9.2	766.0	767.3	▼ (0.2)



Notes



Notes



Thank You