



FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2017

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Chief Financial Officer
28 April 2017

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Key Highlights

1Q17 Key Highlights

1Q17 EBITDA increased by 9.9% to RM497.5 million on the back of a 7.5% increase in Group passenger traffic

EBITDA of RM497.5 million represented 27.7% of Headline KPI

- Group earnings up for profit before tax (↑161.5% to RM99.9 million) and net profit after tax (↑281.9% to RM63.0 million)
- Improved earnings down to stronger revenue and EBITDA growth for Malaysia, in line with higher passenger traffic and lower amortization & finance costs

Passenger traffic for Malaysia ahead of 6.5% forecast

- Passenger growth ↑10.5%, aircraft movement ↑3.5%
- International and domestic pax mix at 50% each, the first since 1Q13 when MH joined oneworld
- KUL passenger traffic ↑12.7%, growing faster than SIN, HKG, BKK

Turkey operations remain stable, positive traffic in March 2017

- EBITDA for 1Q17 ↓2.3% despite challenging environment
- Positive developments in Turkey, resulting in encouraging outlook for ISG's growth

Key events in 1Q17 in line with RtS2020 plan

- MoU signed with Cainiao Network to develop regional e-Commerce network and logistics hub
- Several new TAE initiatives launched including KUL VIP Access
- Increased partnerships with state tourism agencies to promote traffic growth under KUL Hub

Headline Key Performance Indicator (KPI)

	FY17 Target	1Q17 Actual	1Q16 Actual	FY16 Actual
Profitability (EBITDA)¹	RM1,796.6mil	RM497.5mil (27.7%)	RM452.6mil (26.4%)	RM1,709.9mil
Malaysia Operations EBITDA ²	RM1,001.6mil	RM333.0mil (33.2%)	RM284.2mil (31.5%)	RM990.9mil
Turkey Operations EBITDA	RM795.0mil	RM164.5mil (20.7%)	RM168.4mil (20.7%)	RM719.1mil
Airport Service Quality (ASQ)	> 40 mppa: KLIA Ranking Top 12	> 40 mppa: KLIA Ranking Top 11*	> 40 mppa: KLIA Ranking Top 10*	> 40 mppa: KLIA Ranking Top 9*

¹ % represents percentage of target achieved for the financial year

² Including project repair & maintenance segment in Qatar

* ASQ Official ranking for 1Q17 as at 20 April 2017

Quarterly & Preceding Quarter Executive Summary



1Qv1Q

1Qv4Q

Revenue

RM870.6mil

+9.5%

+2.6%

Airport Operations

RM797.2mil

+8.8%

+1.4%

Non-Airport
Operations

RM73.2mil

+18.3%

+17.0%

EBITDA

RM333.0mil

+17.2%

+66.2%

Net Assets

Passengers

23.4mil

+10.5%

(-1.6%)

Aircrafts

206,594

+3.5%

(-2.2%)



1Qv1Q

1Qv4Q

RM223.0mil

(-0.7%)

(-3.5%)

RM221.3mil

(-0.2%)

(-3.4%)

RM1.8mil

(-37.9%)

(-14.2%)

RM164.5mil

(-2.3%)

(-4.5%)

6.6mil

(-1.9%)

(-7.5%)

47,440

(-7.0%)

(-9.2%)



1Qv1Q

1Qv4Q

RM1,093.6mil

+7.3%

+1.3%

RM1,018.5mil

+6.7%

+0.3%

RM75.1mil

+15.9%

+15.7%

RM497.5mil

+9.9%

+33.5%

RM8,751.1mil

+1.1%

+0.6%

30.0mil

+7.5%

(-3.0%)

254,034

+1.3%

(-3.5%)



Malaysia Operations Performance (comprising of Malaysia & Qatar operations)

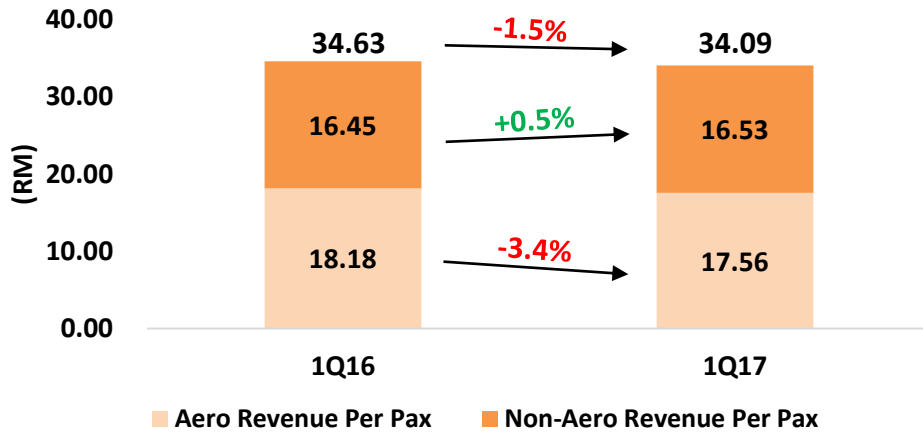


Turkey Operations Performance (comprising of ISG & LGM operations)

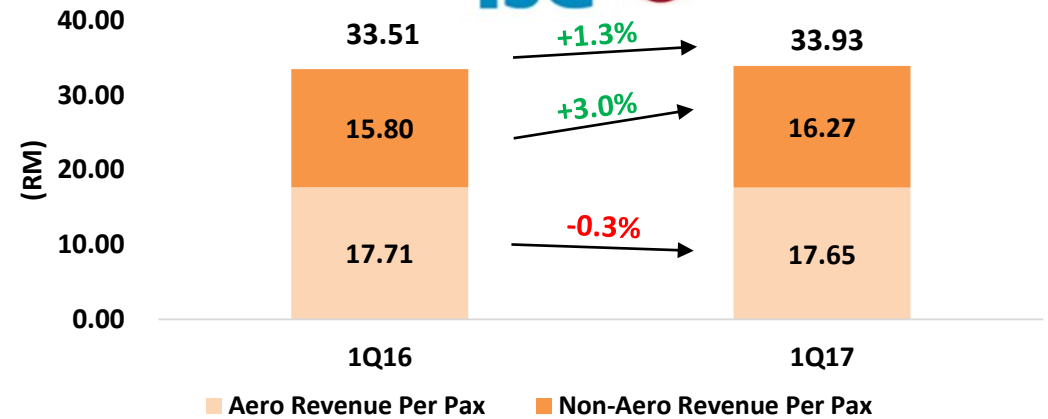
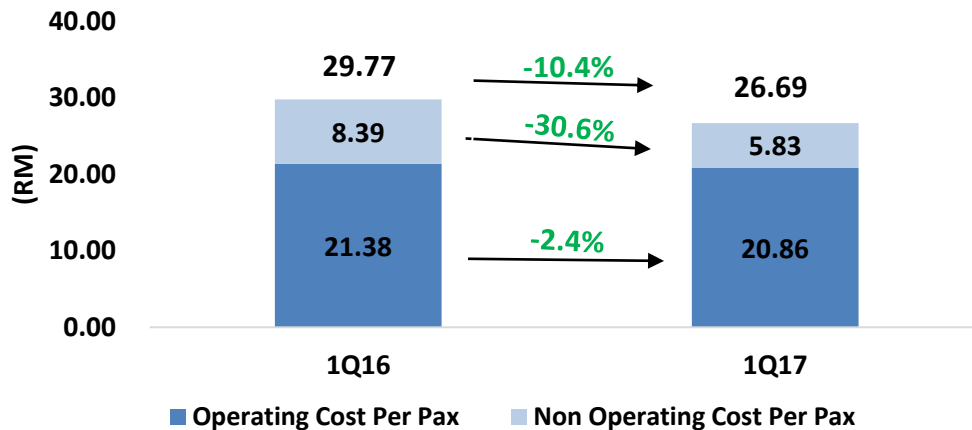


Group Performance

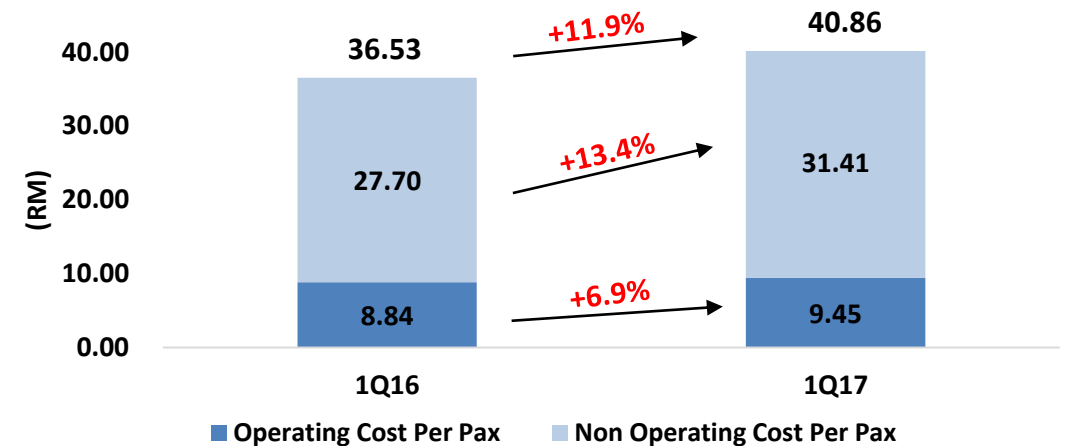
Year-to-Date Airport Operations Executive Summary



Revenue per airport ops staff **↑11.4%**
(1Q17: RM107,190; 1Q16: RM96,247)



Revenue per airport ops staff **↓8.0%**
(1Q17: RM149,999; 1Q16: RM163,104)





Group Financial Review

Malaysia



- 08/12/16: Shenzhen Air commenced its daily Shenzhen service to KLIA
- 16/12/16: RAM Ratings reaffirmed Malaysia Airports' A3 rating
- 21/12/16: Malaysia Airports granted an extension of additional 35 years for its Operating Agreements with GoM
- 22/12/16: Lucky Air commenced its 2x weekly Kunming service to PIA
- 09/01/17: Xiamen Airlines commenced its 3x weekly Fuzhou service to KKIA
- 10/01/17: Malaysia Airports signs MoU with VADS LYFE for smart services deployment in KLIA Aeropolis
- 23/01/17: Lucky Air commenced its 4x weekly Kunming service to KLIA
- 10/02/17: Himalaya Air commenced its 5x weekly Kathmandu service to KLIA
- 14/02/17: Malaysia Airports kicked off its 25th Anniversary celebration with a remarkable milestone
- 07/03/17: Langkawi International Airport voted top 3 for 2016 ASQ awards – best airport by size (2-5MPPA)
- 15/03/17: Malaysia Airports reaffirmed its commitment in enhancing airport security by signing an MOU with CyberSecurity Malaysia
- 15/03/17: Malaysia Airports makes VIP travel available to international passengers through KUL VIP access
- 23/03/17: Malaysia Airports signs MoU with Invest Selangor & partnership agreement with TCR Solution
- 23/03/17: Malaysia Airports signs MoU with Cainiao Network to explore the development of a regional e-commerce and logistics hub

Istanbul Sabiha Gokcen Airport

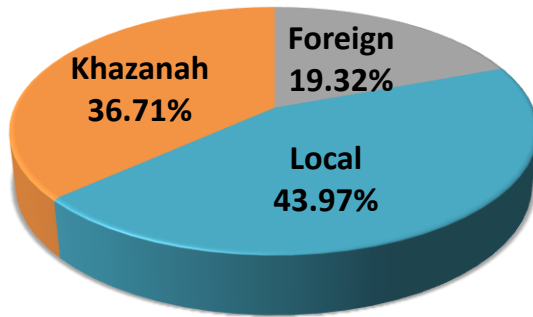


- 01/03/17: Malaysia Airports announces future plans for ISG and changes in leadership

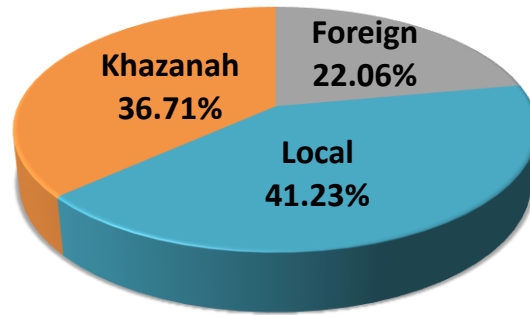
Shareholding & Borrowings Profile

Shareholding Profile

As at 31/3/16



As at 31/3/17



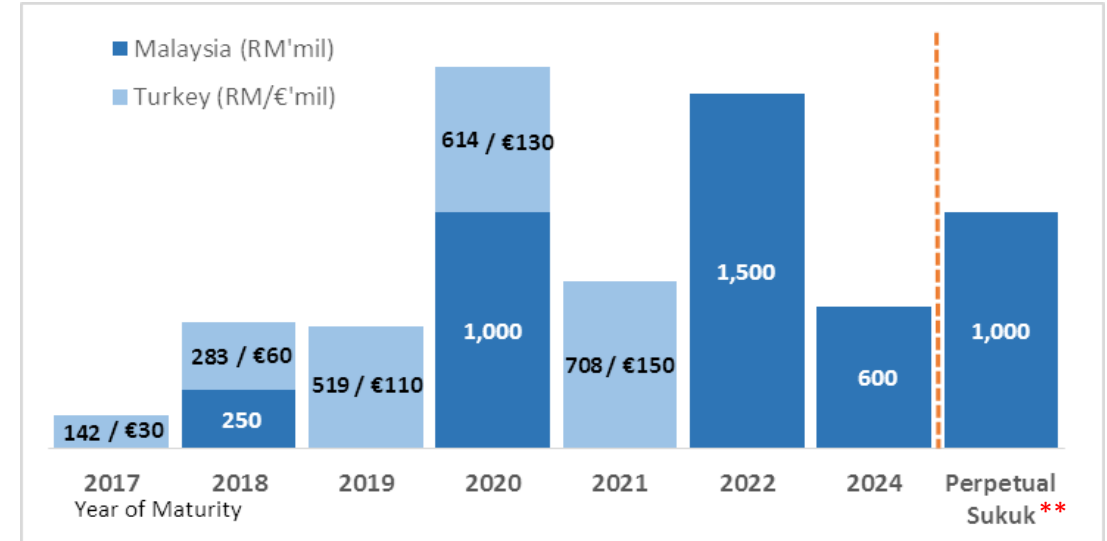
No. of paid-up share capital: 1,659,191,828

Financial Year	Dividend Reinvestment Plan Subscription Rate		Dividend Payment Per Share (sen)		Dividend Payout Ratio*
	Interim	Final	Interim	Final	
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	** 6.00	55.5%

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

**Subject to shareholders' approval

Borrowings Profile



(RM'000)	31/3/2017	31/12/2016
Net debt	4,011,198	3,821,797
Share of fixed-rate debt	100%*	100%*
Weighted average maturity	5.17	5.61
Weighted average cost	4.01%	4.02%
Gross gearing ratio	0.64	0.65

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

* After ISG's floating rate swap

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

Group 1Q17 Results (vs 1Q16)

Description (RM'mil)	1Q17			1Q16			MAHB Variance %		ISG & LGM Variance %		MAHB Group Variance %	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	870.6	223.0	1,093.6	794.9	224.6	1,019.5	▲	9.5	▼	(0.7)	▲	7.3
EBITDA	333.0	164.5	497.5	284.2	168.4	452.6	▲	17.2	▼	(2.3)	▲	9.9
Depreciation & Amortisation	(87.8)	(140.0)	(227.9)	(126.0)	(123.6)	(249.6)	▲	30.3	▼	(13.3)	▲	8.7
Finance Costs	(44.0)	(130.4)	(174.5)	(46.8)	(122.0)	(168.8)	▲	5.9	▼	(6.9)	▼	(3.4)
Share of Assoc. & JV Profit	4.8	-	4.8	4.0	-	4.0	▲	18.6	▬	-	▲	18.6
PBT	205.9	(106.0)	99.9	115.4	(77.2)	38.2	▲	78.3	▼	(37.2)	▲	161.5
Taxation & Zakat	(54.0)	17.1	(36.9)	(29.6)	7.9	(21.7)	▼	(82.2)	▲	115.8	▼	(70.0)
Net Earnings	151.9	(88.9)	63.0	85.8	(69.3)	16.5	▲	77.0	▼	(28.2)	▲	281.9
EBITDA Margin (%)	38.2%	73.7%	45.5%	35.8%	75.0%	44.4%	▲	2.5 ppt	▼	(1.2) ppt	▲	1.1 ppt
PBT Margin (%)	23.7%	-47.5%	9.1%	14.5%	-34.4%	3.7%	▲	9.1 ppt	▼	(13.1) ppt	▲	5.4 ppt

Exchange rate used in profit and loss for 1Q17 : RM4.72/EUR

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

Group 1Q17 Results (vs 1Q16)

Description (RM'mil)	1Q17			1Q16			MAHB Variance %	ISG & LGM Variance %	MAHB Group Variance %
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	870.6	223.0	1,093.6	794.9	224.6	1,019.5	▲ 9.5	▼ (0.7)	▲ 7.3

Revenue grew by 7.3%

- Airport operations: RM1,018.5mil (+6.7%)
 - Aeronautical: RM526.8mil (+4.6%) mainly due to better than expected passenger growth in Malaysia leading to higher PSC revenue
 - Non-Aeronautical: RM491.7mil (+9.0%) mainly due to higher retail and rental revenue in Malaysia by RM21.2mil and RM17.2mil respectively
- Non-airport operations: RM75.1mil (+15.9%)
 - Project and repair & maintenance: RM39.6mil (+9.8%)
 - Hotel: RM25.0mil (+13.8%)
 - Agriculture & horticulture: RM10.5mil (+54.7%)

Group 1Q17 Results (vs 1Q16)

Description (RM'mil)	1Q17			1Q16			MAHB Variance %		ISG & LGM Variance %		MAHB Group Variance %	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
EBITDA	333.0	164.5	497.5	284.2	168.4	452.6	▲	17.2	▼	(2.3)	▲	9.9
PBT	205.9	(106.0)	99.9	115.4	(77.2)	38.2	▲	78.3	▼	(37.3)	▲	161.5

EBITDA increased by 9.9%

- Malaysia operations: EBITDA up by 17.2% or RM48.8mil in line with solid passenger growth
- Turkey operations: Lower EBITDA contributions by 2.3% or RM3.9mil due to weaker international passenger traffic

PBT increased by 161.5%

- Malaysia operations: Higher PBT due to improved EBITDA and lower amortisation cost arising from the OA extension
- Turkey operations: Recorded a higher LBT of RM44.5mil (1Q16: LBT of RM19.5mil) due to weaker international traffic in 1Q17, prior to taking into account a loss of RM61.5mil (1Q16: RM57.8mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

Group 1Q17 Results (vs 4Q16)

Description (RM'mil)	1Q17			4Q16			MAHB Variance %		ISG & LGM Variance %		MAHB Group Variance %	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
Revenue	870.6	223.0	1,093.6	848.9	231.1	1,080.0	▲	2.6	▼	(3.5)	▲	1.3
EBITDA	333.0	164.5	497.5	200.3	172.3	372.6	▲	66.2	▼	(4.5)	▲	33.5
Depreciation & Amortisation	(87.8)	(140.0)	(227.9)	50.4	(144.9)	(94.5)	▼	(274.3)	▲	3.4	▼	(141.0)
Finance Costs	(44.0)	(130.4)	(174.5)	(61.0)	(134.3)	(195.4)	▲	27.9	▲	2.9	▲	10.7
Share of Assoc. & JV Profit	4.8	-	4.8	2.0	-	2.0	▲	144.8	▬	-	▲	144.8
PBT	205.9	(106.0)	99.9	191.6	(107.0)	84.6	▲	7.5	▲	0.9	▲	18.1
Taxation & Zakat	(54.0)	17.1	(36.9)	(40.0)	(7.5)	(47.5)	▼	(34.9)	▲	329.0	▲	22.3
Net Earnings	151.9	(88.9)	63.0	151.6	(114.5)	37.1	▲	0.2	▲	22.4	▲	69.7
EBITDA Margin (%)	38.2%	73.7%	45.5%	23.6%	74.5%	34.5%	▲	14.6 ppt	▼	(0.8) ppt	▲	11.0 ppt
PBT Margin (%)	23.7%	-47.5%	9.1%	22.6%	-46.3%	7.8%	▲	1.1 ppt	▼	(1.2) ppt	▲	1.3 ppt

Exchange rate used in profit and loss for 1Q17 : RM4.72/EUR

Exchange rate used in profit and loss for 4Q16 : RM4.69/EUR

Group 1Q17 Results (vs 4Q16)

Description (RM'mil)	1Q17			4Q16			MAHB Variance %	ISG & LGM Variance %	MAHB Group Variance %
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total			
Revenue	870.6	223.0	1,093.6	848.9	231.1	1,080.0	▲ 2.6	▼ (3.5)	▲ 1.3

Revenue increased by 1.3%

- Airport operations: RM1,018.5mil (+0.3%)
 - Aeronautical: RM526.8mil (-1.4%) largely due to lower passenger movements in Turkey and Malaysia arising from shorter holidays in 1Q against 4Q
 - Non-Aeronautical: RM491.7mil (+2.2%) due to higher rental revenue in Malaysia due to escalation in rental rates
- Non-airport operations: RM75.1mil (+15.7%)
 - Project and repair & maintenance: RM39.6mil (+46.3%)
 - Hotel: RM25.0mil (-6.0%)
 - Agriculture & horticulture: RM10.5mil (-6.1%)

Group 1Q17 Results (vs 4Q16)

Description (RM'mil)	1Q17			4Q16			MAHB Variance %		ISG & LGM Variance %		MAHB Group Variance %	
	MAHB	ISG & LGM	MAHB Group Total	MAHB	ISG & LGM	MAHB Group Total						
EBITDA	333.0	164.5	497.5	200.3	172.3	372.6	▲	66.2	▼	(4.5)	▲	33.5
PBT	205.9	(106.0)	99.9	191.6	(107.0)	84.6	▲	7.5	▲	0.9	▲	18.1

EBITDA increased by 33.5%

- Malaysia operations: Higher EBITDA by RM132.7mil mainly due to lower operating costs including salaries, maintenance and user fee
- Turkey operations: Lower EBITDA contributions by 4.5% or RM7.8mil due to lower traffic in 1Q17, contributing to lower PSCs and commercial revenues

PBT increased by 17.9%

- Malaysia operations: Higher PBT of RM14.2mil was largely attributed to the lower operating costs mitigated against the higher amortisation charges in 1Q17
- Turkey operations: Recorded a lower LBT of RM44.5mil (4Q16: LBT of RM45.4mil), prior to taking into account a loss of RM61.5mil (4Q16: RM60.9mil) primarily owing to the amortization of fair value of the concession rights subsequent to the acquisition

1Q17 EBITDA and PBT Reconciliation

		1Q17			1Q16			Variance		
		MAHB	ISG & LGM	Total	MAHB	ISG & LGM	Total	MAHB %	ISG & LGM %	Total %
		RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil			
EBITDA excluding adjustments		333.0	162.0	495.0	284.2	166.2	450.4	17.2%	-2.5%	10.0%
Adj	+ Other Income - ISG PPA interest income	-	2.5	2.5	-	2.2	2.2			
EBITDA including adjustments		333.0	164.5	497.5	284.2	168.4	452.6	17.2%	-2.3%	9.9%
Adj	- Depreciation and Amortisation	(87.8)	(83.6)	(171.5)	(126.0)	(71.3)	(197.3)			
	- Amortisation - ISG PPA concession rights fair value	-	(56.4)	(56.4)	-	(52.3)	(52.3)			
	- Finance Costs - interest on borrowing and misc.	(44.0)	(25.3)	(69.4)	(46.8)	(24.2)	(71.0)			
	- Finance Costs - ISG utilization fee expense	-	(97.5)	(97.5)	-	(90.2)	(90.2)			
Adj	- Finance Costs - ISG PPA interest expense	-	(7.6)	(7.6)	-	(7.6)	(7.6)			
+ Share of Assoc. & JV Profit		4.8	-	4.8	4.0	-	4.0			
PBT including adjustments		205.9	(106.0)	99.9	115.4	(77.2)	38.2	78.5%	-37.3%	161.5%
- Taxation and zakat		(54.0)	17.1	(36.9)	(29.6)	7.9	(21.7)			
PAT including adjustments		151.9	(88.9)	63.0	85.8	(69.3)	16.5	76.9%	-28.2%	281.3%

Group Segmental Revenue

Aeronautical (RM 'mil)

1Q17: RM526.8 (+4.6%)

1Q16: RM503.5

1Q17: RM410.7 (+6.7%) excluding ISG & LGM

1Q16: RM384.8 excluding ISG & LGM

Non-Aeronautical (RM 'mil)

1Q17: RM491.7 (+9.0%)

1Q16: RM451.2

1Q17: RM386.6 (+11.0%) excluding ISG & LGM

1Q16: RM348.2 excluding ISG & LGM

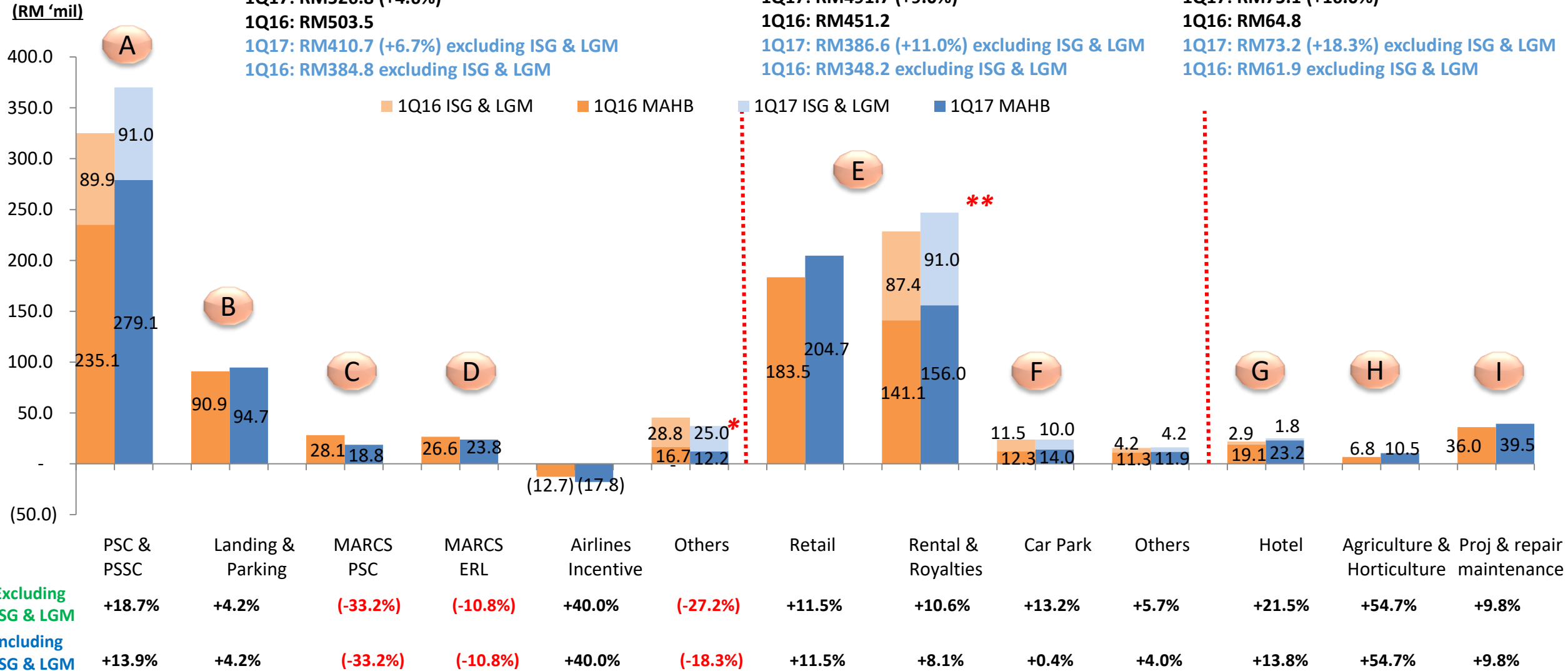
Non-Airport Operations (RM 'mil)

1Q17: RM75.1 (+16.0%)

1Q16: RM64.8

1Q17: RM73.2 (+18.3%) excluding ISG & LGM

1Q16: RM61.9 excluding ISG & LGM



*Included in ISG & LGM's aeronautical revenue is ISG's jet fuel farm rental income of EUR1.8mil / RM8.6mil (1Q16: EUR2.8mil / RM12.6mil)

**Included in ISG & LGM's rental and royalties revenue is revenue generated from ISG's duty free business with Setur of EUR11.6mil / RM54.8mil (1Q16: EUR11.7mil / RM53.0mil)

A

PSC and PSSC

The increase in PSC and PSSC is in line with the higher pax movements in Malaysia by 10.5% driven by visa relaxation measures for Chinese tourists, currency advantage and increased tourism promotion

B

Landing & Parking

Landing & parking revenue in Malaysia had increased due to higher aircraft movements by 3.5%. Landing & parking revenue at ISG is collected by the Government

C

MARCS PSC

MARCS PSC was accrued based on the net impact of the revised PSC against the benchmark PSC. MARCS PSC is lower for the period as several PSC rate categories were revised upwards against the benchmark PSC.

D

MARCS ERL

MARCS ERL was recognised for payment remitted to ERL upon collection of PSC from the airlines. The decrease is due to slower collections of PSC from airlines during the period

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 and escalation in rental rates

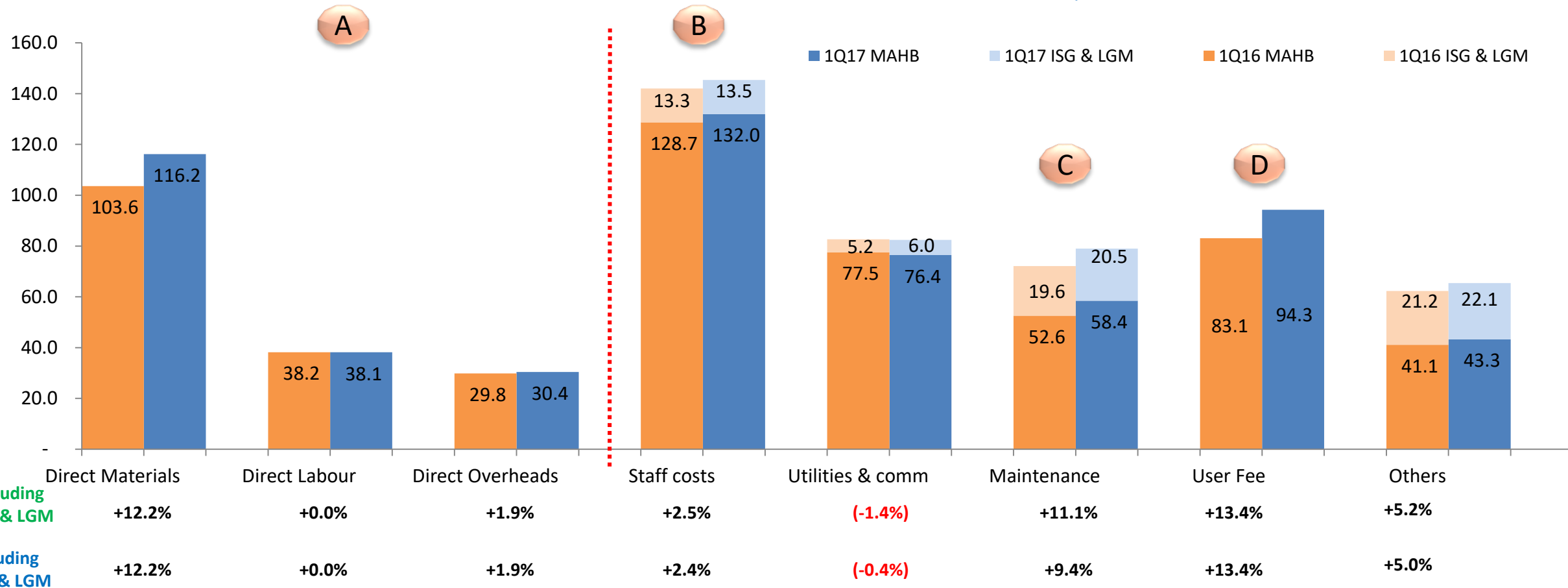
- F** **Car Park**
Revenue from car parks operations in Malaysia rose by 13.2% due to the self-managed car park initiative at several MASB airports against outsourced contract in 1Q16.
- G** **Hotel**
Excluding LGM, increase in room revenue at Sama-Sama Hotel was contributed by:
Higher average room rate (1Q17: RM416.1; 1Q16: RM413.8) and higher occupancy rate (1Q17: 84%; 1Q16: 67%)
- H** **Agriculture & Horticulture**
Revenue from the segment increased due to the higher price attained per FFB and higher production of FFB (1Q17: RM708.1/14,656MT; 1Q16: RM513.9/12,908MT)
- I** **Project and Repair & Maintenance**
Increase in revenue from the segment mainly comes from the higher contract value at MACS Middle East LLC which provides facilities maintenance services at Hamad International Airport

Group Operating Cost Analysis

Direct Costs (RM 'mil)
 1Q2017: RM184.7 (+7.7%)
 1Q2016: RM171.5

Operating Costs (RM 'mil)
 1Q2017: RM466.4 (+5.5%)
 1Q2016: RM442.2
 1Q2017: RM404.3 (+5.6%) excluding ISG & LGM
 1Q2016: RM383.0

(RM 'mil)



A

Direct Costs

Direct costs rose by 7.7% mainly due to higher sales generated from the retail business thereby leading to higher direct material cost

B

Staff Costs

Increase in staff costs in Malaysia is mainly due to the annual increment of 3%-6% in Apr 2016 amounting to RM1.1m per month and higher average salary per staff (1Q17: RM3,524 ; 1Q16: RM3,325) despite the decrease in total staff from 10,116 in 1Q16 to 9,909 in 1Q17

C

Maintenance

The increase in maintenance expenditure is largely attributed to KLIA and klia2 related costs such as bussing services and baggage handling equipment

D

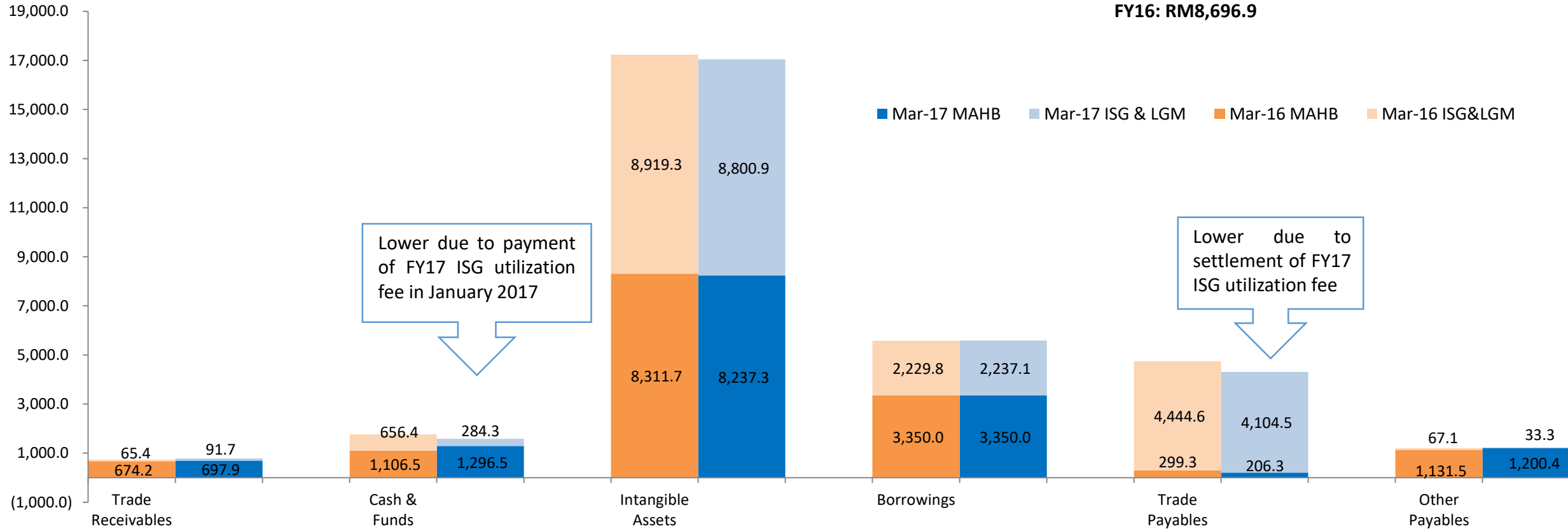
User Fee

The increase is mainly due to improvement in airport operations revenue and higher user fee rate (1Q17: 11.27%; 1Q16: 10.89%) as stipulated in the Operating Agreements

Group Balance Sheet

Net Assets (RM 'mil)
1Q17: RM8,751.1 (+0.6%)
FY16: RM8,696.9

(RM 'mil)



Excluding ISG & LGM	+3.5%	+17.2%	(-0.9%)	0.0%	(-31.1%)	+6.1%
Including ISG & LGM	+6.8%	(-10.3%)	(-1.1%)	+0.1%	(-9.1%)	+2.9%

Exchange rate used in balance sheet for 1Q17: RM4.73/EUR

Exchange rate used in balance sheet for 4Q16: RM4.72/EUR



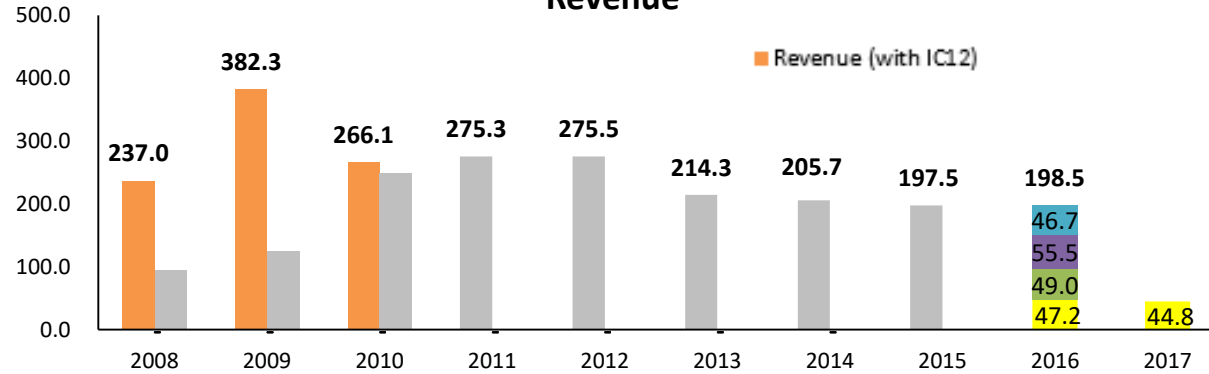
ISG & LGM Financial Performance

ISG Income Statement Summary

(EUR 'mil)

1Q17: EUR44.8 (-5.1%)
1Q16: EUR47.2

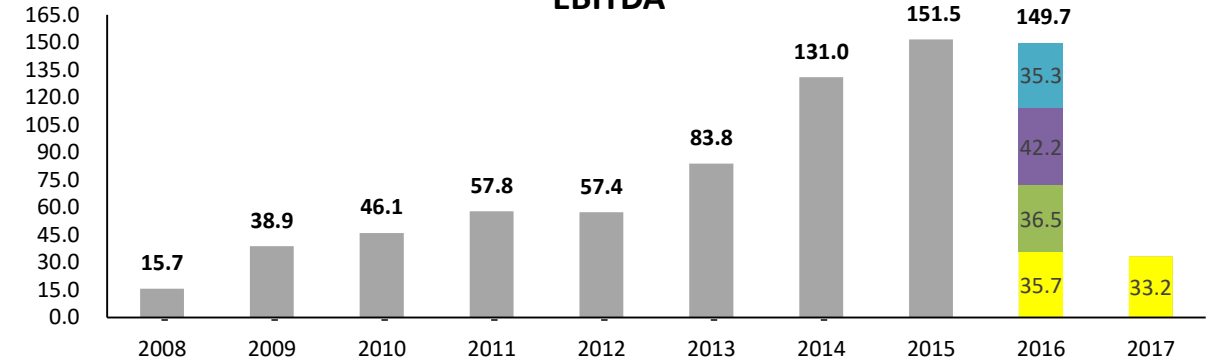
Revenue



(EUR 'mil)

1Q17: EUR33.2 (-6.9%)
1Q16: EUR35.7

EBITDA

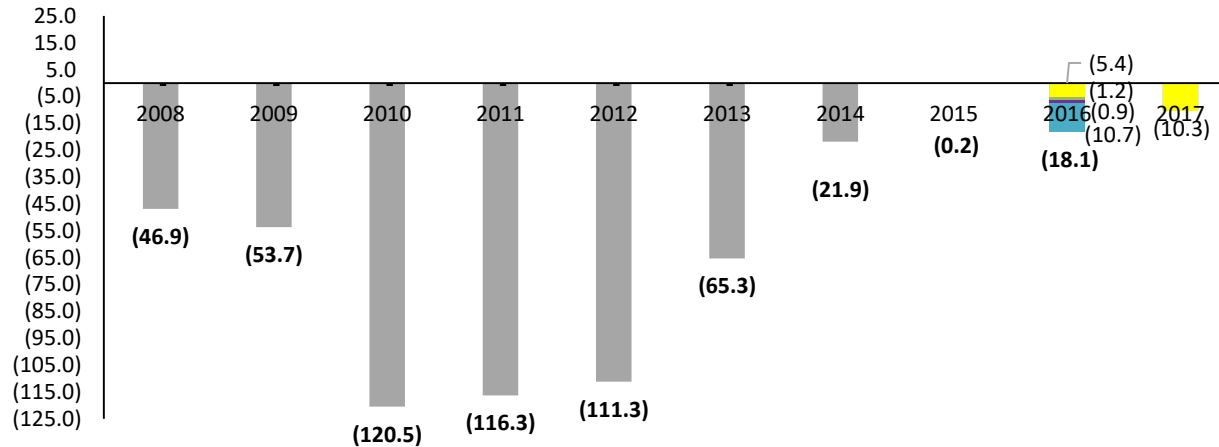


Q1 Q2 Q3 Q4

(EUR 'mil)

Profit Before Tax

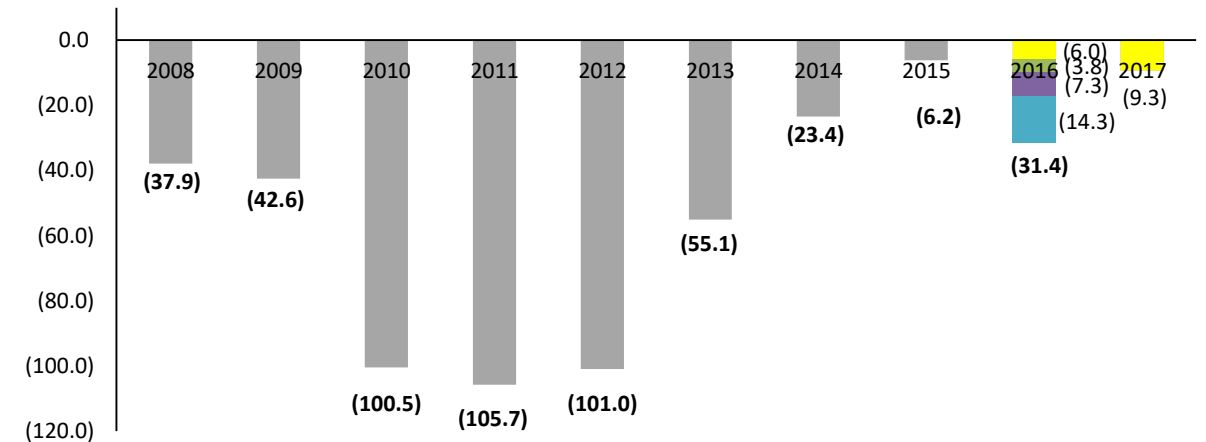
1Q17: (EUR10.3) (-92.9%)
1Q16: (EUR5.4)



(EUR 'mil)

Net Earnings

1Q17: (EUR9.3) (-54.9%)
1Q16: (EUR6.0)



- a) Change of business in 2013 from supply of fuel to airlines to provision of fuel farm services to the fuel supplier . With effect from Sept 2014, ISG further changed its fuel farm business to outright rental of the farm in the form of variable rent (tariff) per ton of fuel supplied to airlines
- 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)

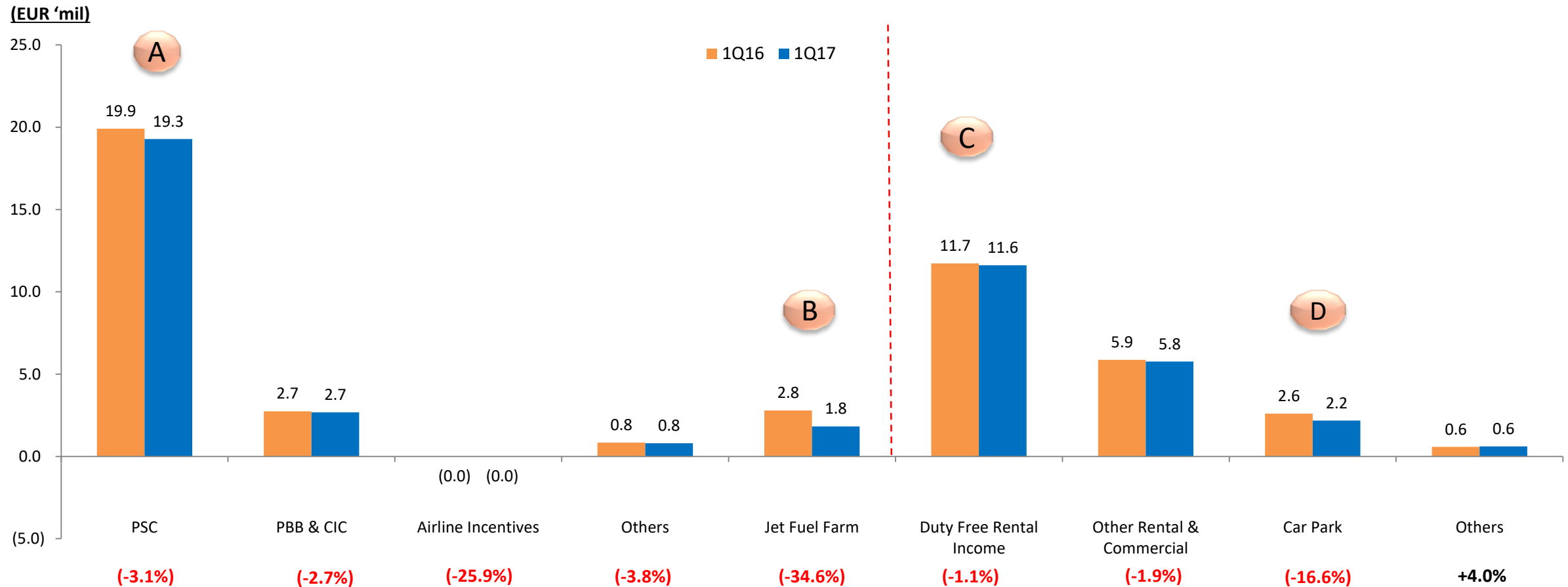
1Q17: €24.6 (-6.4%)

1Q16: €26.3

Non-Aeronautical (EUR 'mil)

1Q17: €20.1 (-3.1%)

1Q16: €20.8



A

PSC

The decrease of 3.1% is due to the 1.9% drop in passenger traffic, particularly international passenger movements

- International PSC: EUR15; Domestic PSC: EUR3; International Transfer PSC: EUR5; Domestic Transfer (from 1 March 2016) PSC: EUR1

B

Jet Fuel Farm Rental

The lower jet fuel revenue is in respect of the revision of tariff by the airport authority, leading to lower revenue (1Q17:EUR16.25ton; 1Q16:EUR21.5 ton) farm

C

Duty Free Rental Income

The higher guaranteed spending per pax from Setur had mitigated the impact from the drop in international passenger traffic, hence leading to a lower reduction in duty free rental income. 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 (1Q17: EUR9.35; 1Q16: EUR9.70)
- Guaranteed spending per pax (1Q17: EUR13.15; 1Q16: EUR12.84)

D

Car Park

Car park revenue decreased by 16.6% due to the higher average exchange rate compared to 1Q16 (1Q17: TL 3.93/EUR; 1Q16: TL 3.24/EUR) despite a 5% increase in car park tariff during the year

ISG Cost Analysis

(EUR 'mil)

Operating Costs (EUR 'mil)

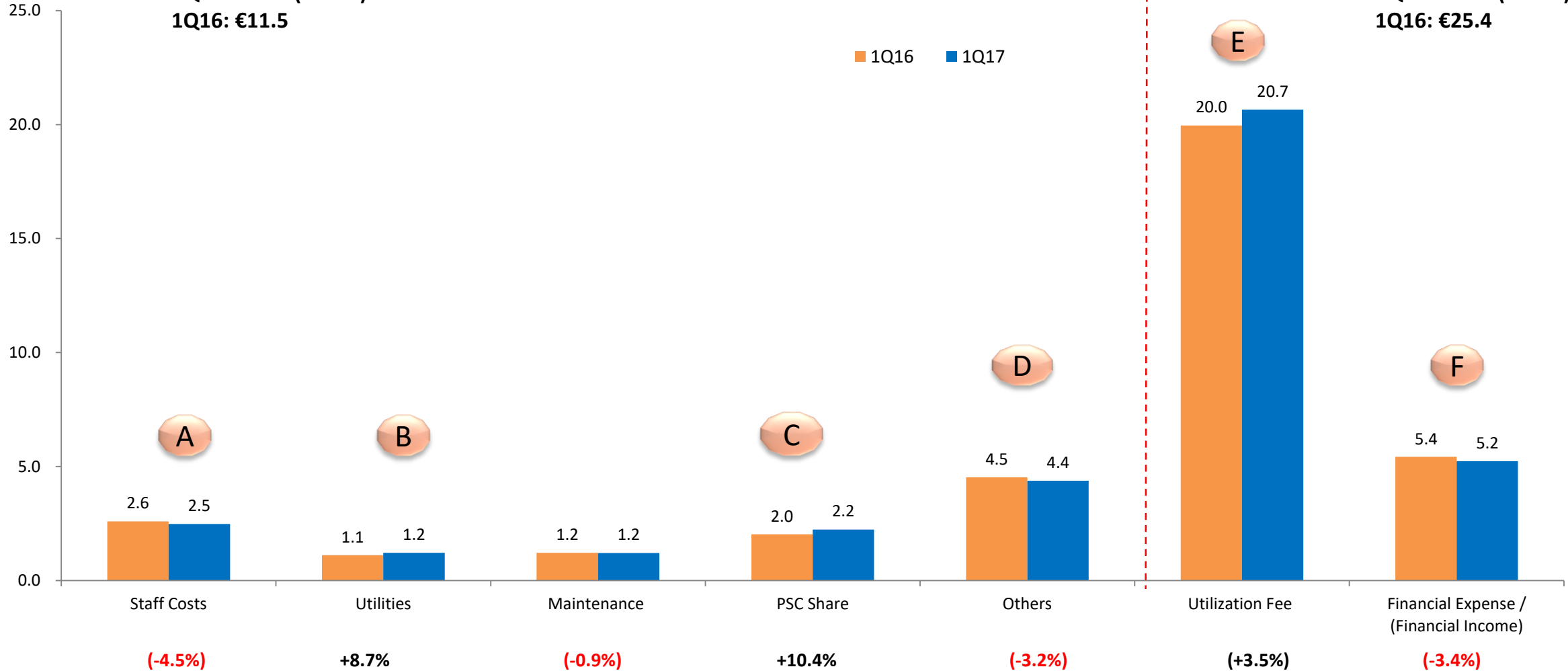
1Q17: €11.5 (+0.3%)

1Q16: €11.5

Finance Cost (EUR 'mil)

1Q17: €25.9 (+2.0%)

1Q16: €25.4



A

Staff Costs

The decrease in staff cost is largely attributable to the higher average exchange rate from Turkey Lira to EUR

B

Utilities

The increase in utilities cost compared to 1Q16 is due to higher consumption of energy used in heating the airport as a result of worsening weather conditions during the quarter.

C

PSC Share

This relates to the PSC share to the Government for the increase in PSC tariff

- International PSC share: EUR1.50; International Transfer PSC share: EUR2.50; Domestic Transfer PSC: EUR0.50

D

Others

The 3.2% decrease in other costs is mainly due to higher average foreign exchange rate despite the increase in security charges arising from more manpower (1Q17: 667; 1Q16: 611) and higher average salary (1Q17: TL3,897 ; 1Q16: TL3,796)

E

Utilization Fee Finance Cost

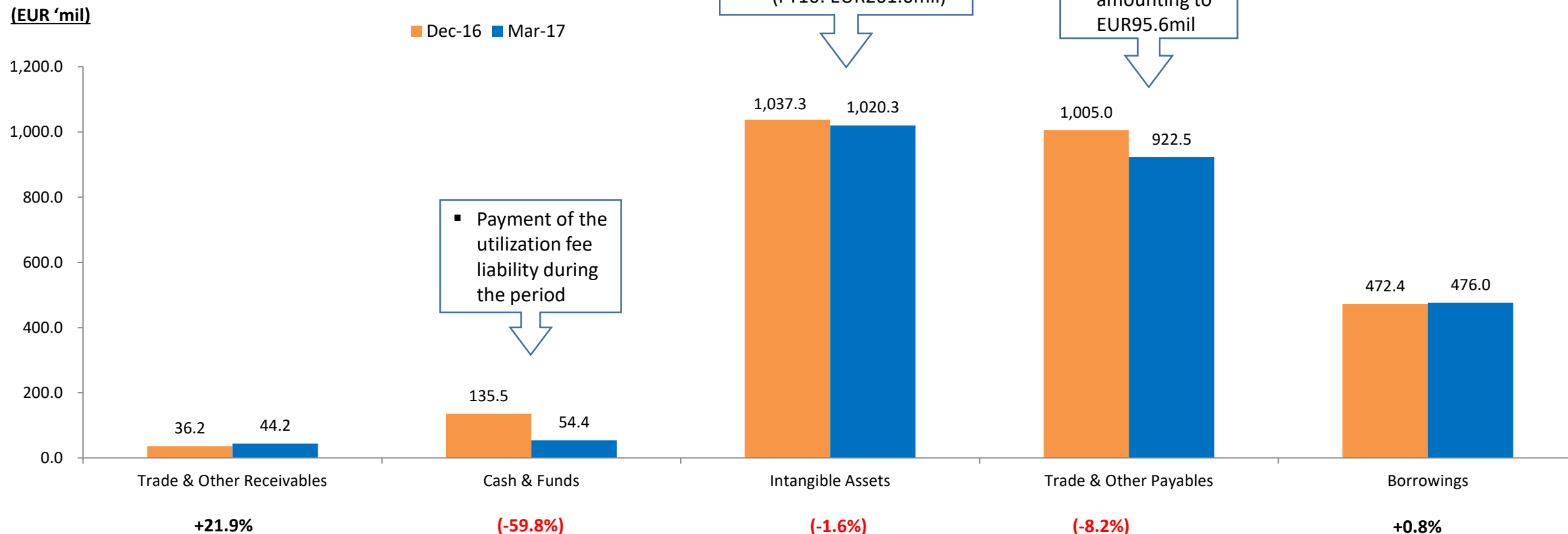
The utilization fee liability represents the present value of amounts payable to the Administration in accordance with the Concession Agreement for the operation of ISG for 20 years plus 22 months of extension period. The actual utilization fee payment is based on a step up basis of which the first cycle 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 of EUR20.7 (1Q16: EUR20.0mil) however relates to interest expense on utilization fee liability for the period

F

Financial Expenses, net

The reduction is contributed by higher foreign currency loss in 1Q17 mitigated against lower bank charges for the period

ISG Balance Sheet Analysis

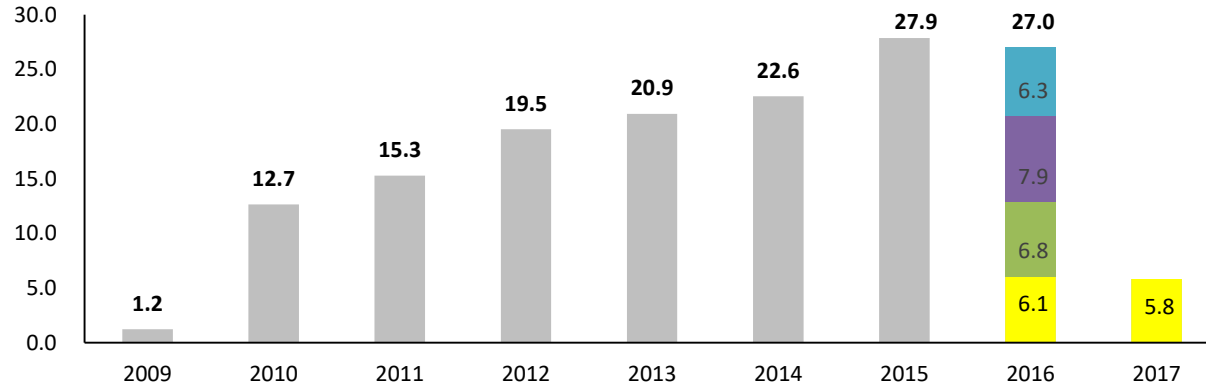


LGM Income Statement

(EUR 'mil)

Revenue

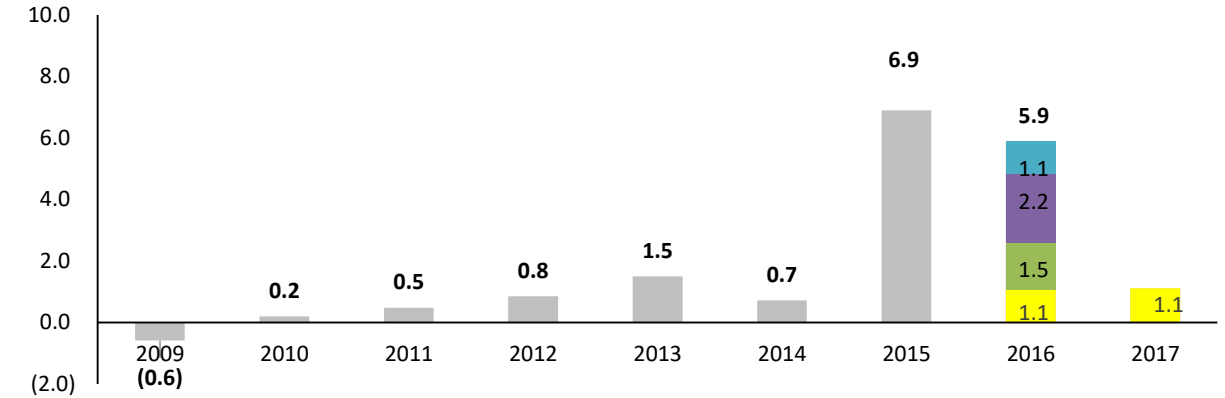
1Q17: EUR5.8 (-3.5%)
1Q16: EUR6.1



(EUR 'mil)

EBITDA

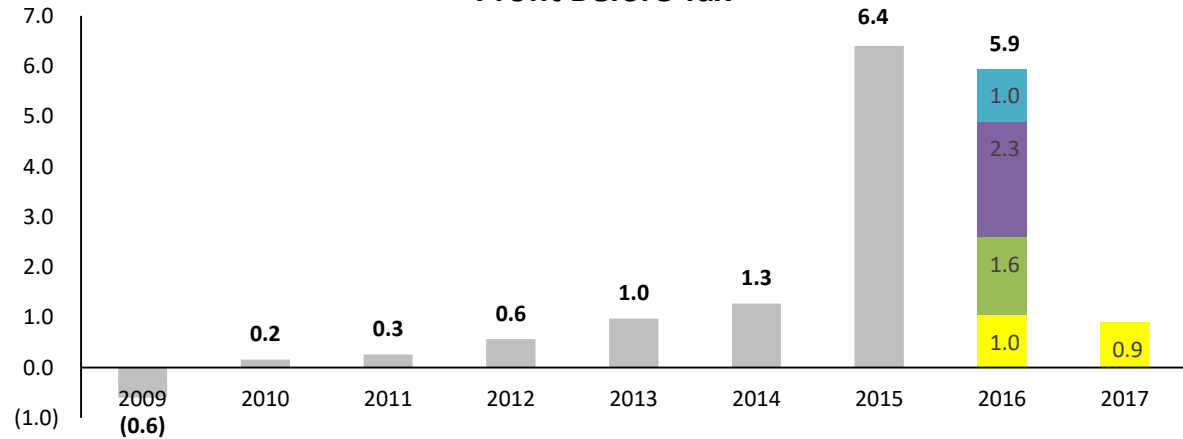
1Q17: EUR1.1 (+2.5%)
1Q16: EUR1.1



(EUR 'mil)

Profit Before Tax

1Q17: EUR0.9 (-13.6%)
1Q16: EUR1.0

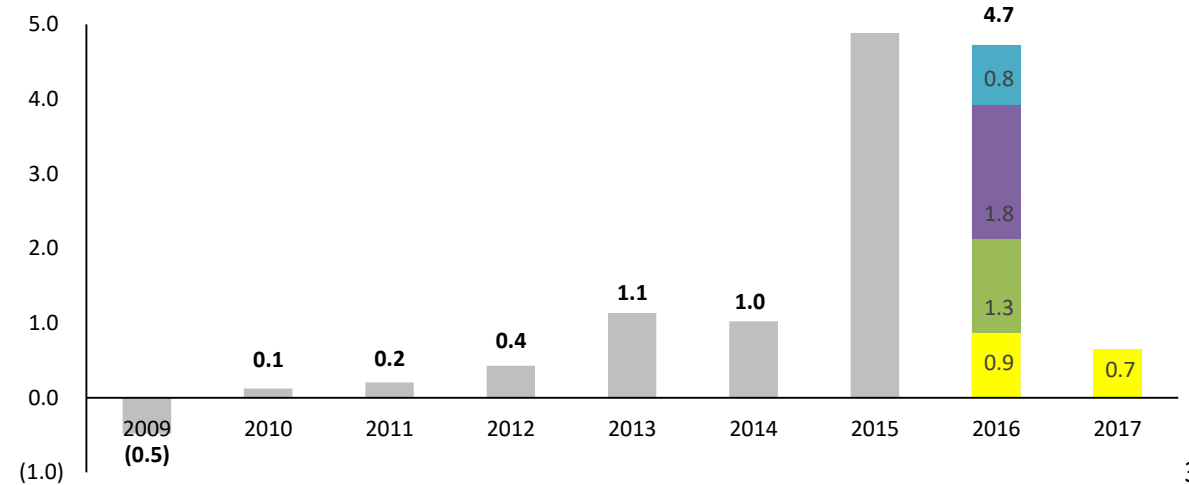


Q1 Q2 Q3 Q4

(EUR 'mil)

Net Earnings

1Q17: EUR0.7 (-25.0%)
1Q16: EUR0.9



(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.

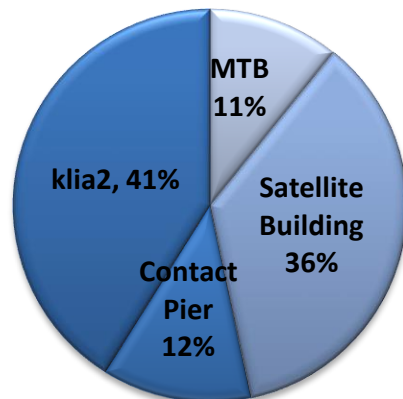


Commercial Revenue Analysis

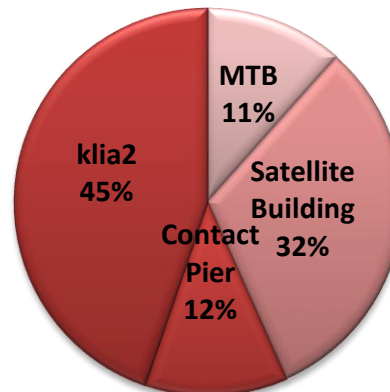
KLIA - Total Retail and F&B Sales

Description	1Q17			1Q16			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	55.1			48.2			
Satellite Building	183.5			133.0			
Contact Pier	62.9			49.7			
Total KLIA (Main)	301.5	6.9	43.48	231.0	5.3	43.46	▲ 0.0
klia2	205.0	7.2	28.58	187.2	7.2	26.01	▲ 9.9
Total KLIA + klia2	506.4	14.1	35.91	418.2	12.5	33.43	▲ 7.4

Sales at KLIA 1Q17



Sales at KLIA 1Q16



- Higher sales at klia2 is due to the return of pax from China (who are notably higher spenders) along with increase in pax from South East Region, Middle East and Australia

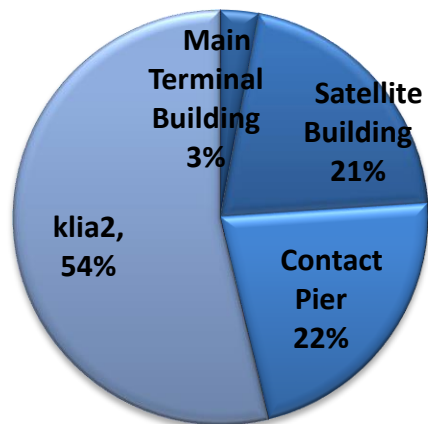
*Preliminary data

Note: Data includes permanent retail and F&B while services & promotion is excluded.

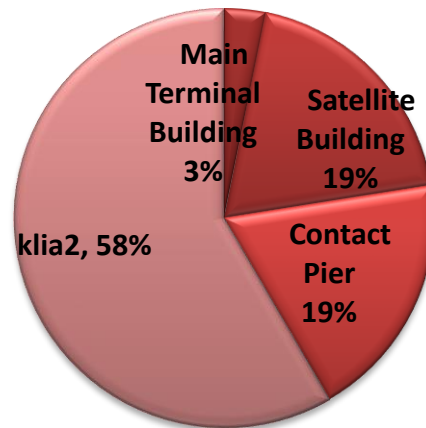
KLIA - ERAMAN Retail Revenue

Description	1Q17			1Q16			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	5.2			5.1				
Satellite Building	37.2			31.0				
Contact Pier	39.4			30.7				
Total KLIA (Main)	81.8	6.9	11.80	66.9	5.3	12.58	▲ 22.3	▼ (6.2)
klia2	95.1	7.2	13.26	93.7	7.2	13.03	▲ 1.4	▲ 1.8
Total KLIA + klia2	176.9	14.1	12.54	160.6	12.5	12.84	▲ 10.1	▼ (2.3)

Retail Revenue at KLIA
1Q17



Retail Revenue at KLIA
1Q16

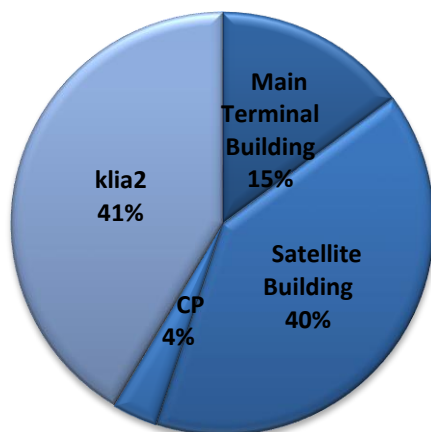


- Despite the higher KLIA MTB revenue for ERAMAN arising from higher spending pax and higher average prices of liquor and cigarette, revenue per pax had dropped due to the increase in pax upon relocation of Malindo on 15 Mar 2016
- Eraman commands about 46.4% of total sales per pax at klia2

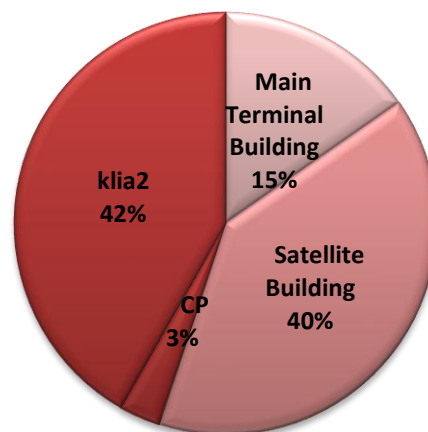
KLIA - Retail & F&B Rental

Location	1Q17						1Q16						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)		Total Rental	Rental Revenue (RM'000) per Sqm	
Main Terminal Building	44	5,044	9.8	3.0	12.8	2.5	44	5,053	9.2	1.8	11.0	2.2	
Satellite Building	67	7,582	25.5	9.1	34.5	4.6	66	7,769	23.9	4.6	28.5	3.7	
Contact Pier	12	3,453	1.1	1.9	3.0	0.9	12	3,243	1.0	1.3	2.3	0.7	
Total KLIA (Main)	123	16,079	36.4	13.9	50.3	3.1	122	16,065	34.2	7.6	41.8	2.6	▲ 20.3
klia2	85	13,922	25.8	9.8	35.6	2.6	85	13,046	23.6	6.3	30.0	2.3	▲ 18.8
Total KLIA + klia2	208	30,001	62.2	23.7	85.9	2.9	207	29,111	57.9	13.9	71.8	2.5	▲ 19.7

Total Rental (%) at KLIA 1Q17



Total Rental (%) at KLIA 1Q16



- KLIA rental revenue per sqm increased due annual increase in MGP rates at 5%
- Increase in royalty was contributed by positive sales growth mainly from top 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's Duty Free Analysis*

	Unit	1Q17	1Q16
Total Duty Free spending per pax	EUR/Pax	9.35	9.70
Guaranteed spending per pax	EUR/Pax	13.15	12.84

Description	1Q17			1Q16			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	11.6	2.3	5,050.0	11.7	2.3	▼ (1.1)	▼ (1.1)

ISG's Retail & F&B Rental Analysis

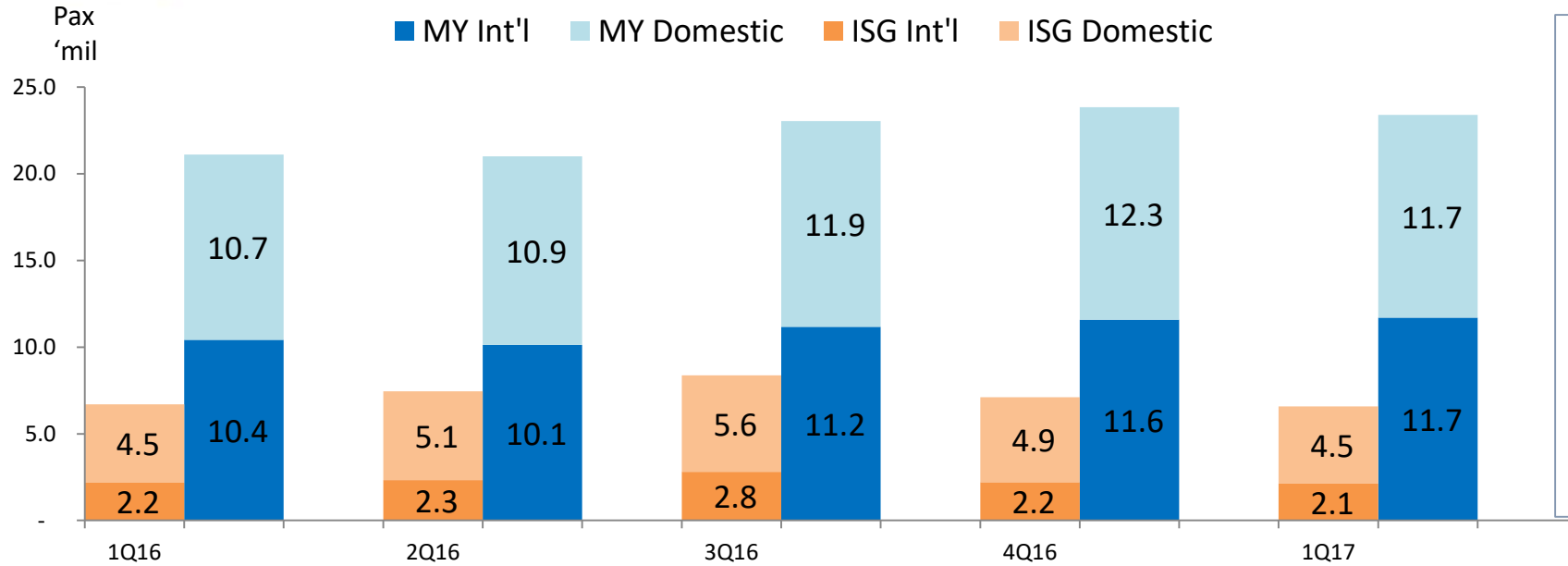
Description	1Q17			1Q16			Rental Variance (%)	Rental/Sqm Variance (%)
	Space (Sqm)	Total Rental (EUR'mil)	Rental/Sqm (EUR'000)	Space (Sqm)	Total Rental (EUR'mil)	Rental/Sqm (EUR'000)		
Food & Beverage	9,107.0	2.2	0.2	9,107.0	2.3	0.3	▼ (4.2)	▼ (4.2)
Retail	1,648.9	0.3	0.2	1,688.2	0.3	0.2	▲ 4.0	▲ 6.4
Total ISG	10,755.9	2.5	0.2	10,795.2	2.6	0.2	▼ (3.4)	▼ (3.0)

* 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

Passenger Movements



Drivers

- Average load factor increased by 2.3% to 76% as compared to 1Q16
- Increase in passenger traffic driven by visa relaxation measures for Chinese tourists, currency advantage and increased tourism promotion
- Positive development in Turkey which reflects an encouraging outlook for ISG's traffic growth

Description	KLIA Main				klia2				KLIA				Other Airports				MY Airports				ISG				MAHB Group			
	1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %	
International	5.2	4.1	▲	27.9	4.9	4.9	▼	(0.3)	10.1	9.0	▲	12.6	1.6	1.5	▲	8.4	11.7	10.4	▲	12.0	2.1	2.2	▼	(2.7)	13.8	12.6	▲	9.5
Domestic	1.7	1.2	▲	38.9	2.3	2.3	▼	(0.5)	4.0	3.6	▲	13.1	7.7	7.2	▲	6.9	11.7	10.7	▲	9.0	4.5	4.5	▼	(1.6)	16.1	15.3	▲	5.9
Total	6.9	5.3	▲	30.4	7.2	7.2	▼	(0.3)	14.1	12.5	▲	12.7	9.3	8.7	▲	7.2	23.4	21.2	▲	10.5	6.6	6.7	▼	(1.9)	30.0	27.9	▲	7.5

New destinations for home-based carriers in 1Q17

Malindo Air

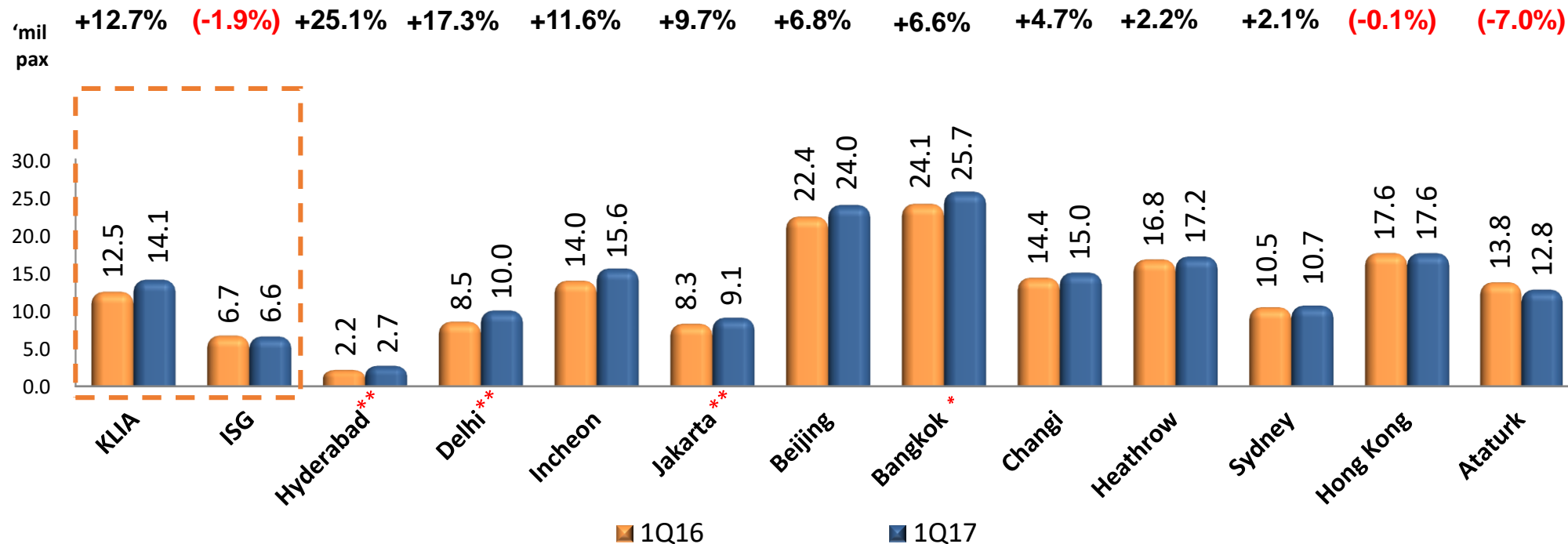
BKI-Taipei
KUL-Dhaka
KUL-Ahmedabad-Jeddah
KUL-Guangzhou

KUL-PEN-Haikou
KUL-Chittagong
KUL-Denpasar-Brisbane

Anadolu Jet

SAW-Dalaman
SAW-Merzifon

Airport Peers Passenger Movements



Global Drivers

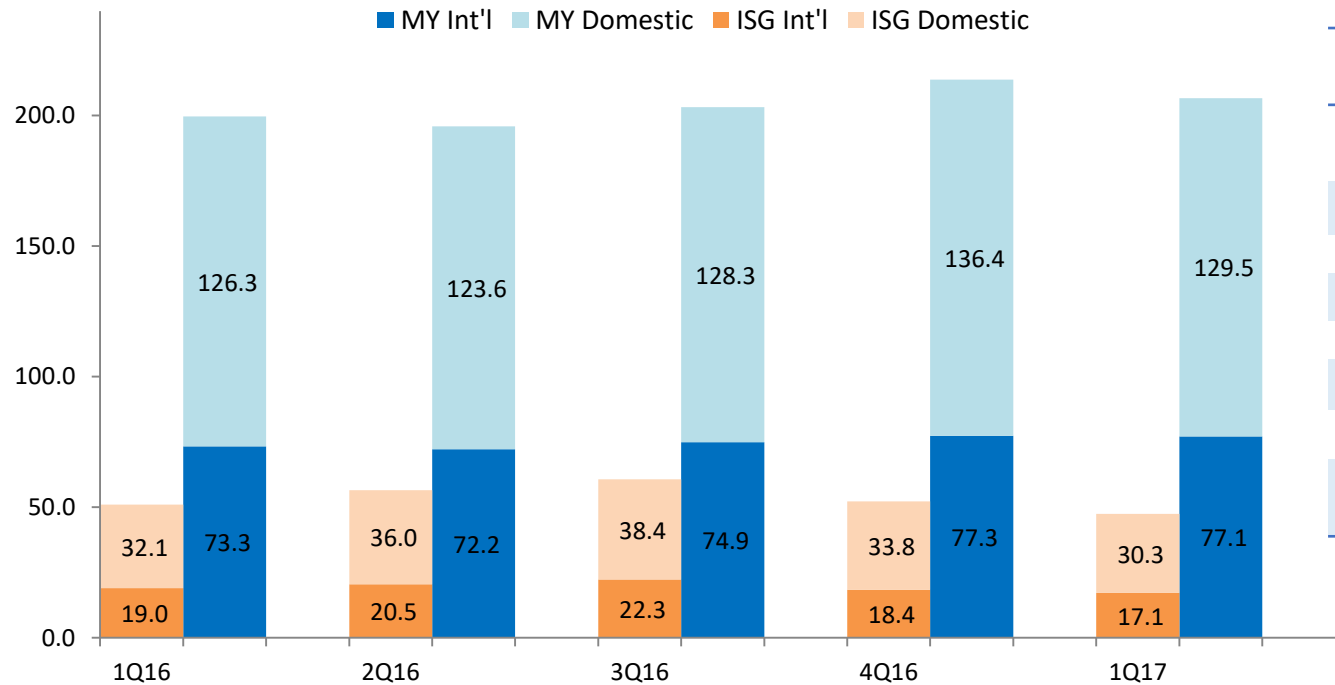
- The passenger market had made a strong start in 2017, reflecting an ongoing stimulus from lower airfares, stronger economic conditions, and a favorable annual comparison after distribution a year ago.
- Middle East airlines posted the fastest international growth, as India topped the domestic chart for the 23rd month in a row.
- Load factor posted an all time high in February at 79.5%.

Source: IATA: Leap Year Effects Distort Headline Data, But A Robust Start To 2017 dated 6th April 2017

* Bangkok's figure includes Suvarnabhumi Airport (+5.4%) and Don Mueang International Airport (+8.7%)

** Based on YTD February results

Aircraft
'000



New services from foreign based carriers in 1Q17

Airline	Routing	Frequency	Effective date
<i>New Airlines</i>			
Lucky Air	Kunming - KUL	4x weekly	16/1
Himalaya Airlines	Kathmandu – KUL	5x weekly	10/2
US-Bangla Airlines	Dhaka – KUL	5x weekly	1/3
Thai Smile	Bangkok – BKI	Daily	26/3
<i>New Service</i>			
Xiamen Airlines	Fuzhou – BKI	3x weekly	9/1
<i>Upgraded Service</i>			
Malaysia Airlines	Hong Kong – KUL (upgrade to A330)	14x weekly	1/1

Description	KLIA Main				klia2				KLIA				Other Airports				MY Airports				ISG				MAHB Group			
	1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %		1Q17	1Q16	Var %	
International	34.5	28.2	▲	22.3	27.7	30.6	▼	(9.6)	62.2	58.9	▲	5.7	14.9	14.5	▲	2.7	77.1	73.3	▲	5.1	17.1	19.0	▼	(9.6)	94.2	92.3	▲	2.1
Domestic	15.8	12.4	▲	27.4	15.1	16.1	▼	(6.5)	30.8	28.5	▲	8.2	98.7	97.8	▲	0.9	129.5	126.3	▲	2.6	30.3	32.1	▼	(5.5)	159.9	158.4	▲	0.9
Total	50.3	40.6	▲	23.8	42.8	46.8	▼	(8.5)	93.0	87.4	▲	6.5	113.5	112.3	▲	1.1	206.6	199.6	▲	3.5	47.4	51.0	▼	(7.0)	254.0	250.7	▲	1.3

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.

FY2017 KPI

FY2017 Headline KPI

Key Performance Indicators (KPIs)

Target 2017

**Profitability
(EBITDA)**

RM1,796.6mil

RM980.0mil – MAHB MY
RM795.0mil/EUR172.8mil - ISG & LGM
RM21.6mil/QAR19.4mil – MACS ME (Qatar)

**Airport
Service
Quality**

**40 mppa: KLIA Ranking
Top 12**

FY2017 Outlook

- **2017 Passenger growth:**
 - **MAHB MY: 6.5%** (Int'l: 4.7%, Dom: 8.2%)
 - **ISG: 7.2%** (Int'l: 12.7%, Dom: 4.6%)
- **Optimistic trends:**
 - GDP growth for Malaysia is estimated to be between 4% and 5% for 2017
 - IATA meanwhile has forecasted global and Asia Pacific scheduled passenger traffic growth for 2017 to be in the range of 5.1% and 7.0% respectively
 - Moderate traffic growth in Turkey for the near term
- **Tourism support from Government:**
 - Visit Asean@50 Campaign in conjunction with the 2017 KL Sea Games
 - eVisa measures continued to be rolled out for China and South Asian countries
- MAHB to benefit increase in seat capacity offered by Malindo, the AirAsia Group and Malaysia Airlines with Turkish Airlines and Pegasus reviewing their aircraft deliveries for the near term



Thank You

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