# FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

Raja Azmi Raja Nazuddin
Acting Group Chief Executive Officer
21st November 2018

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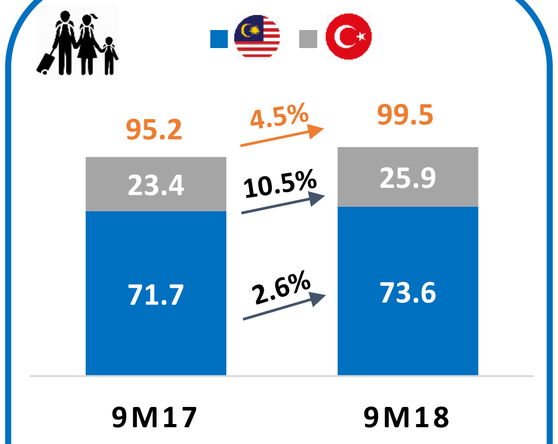
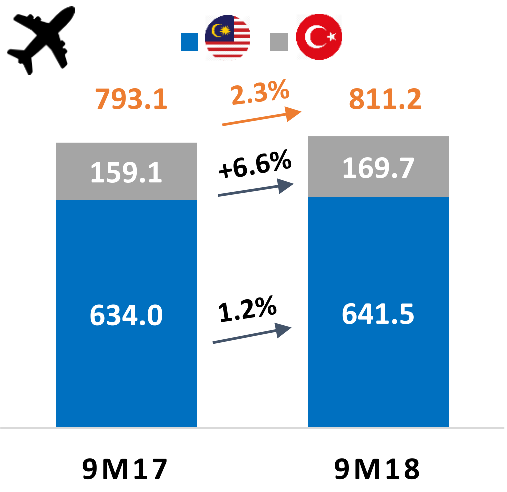
The financial results should be read in conjunction with the audited Financial Statements for the year ended 31 December 2017 and the Interim Financial Statements for the quarter ended 30 September 2018.

# Key Highlights

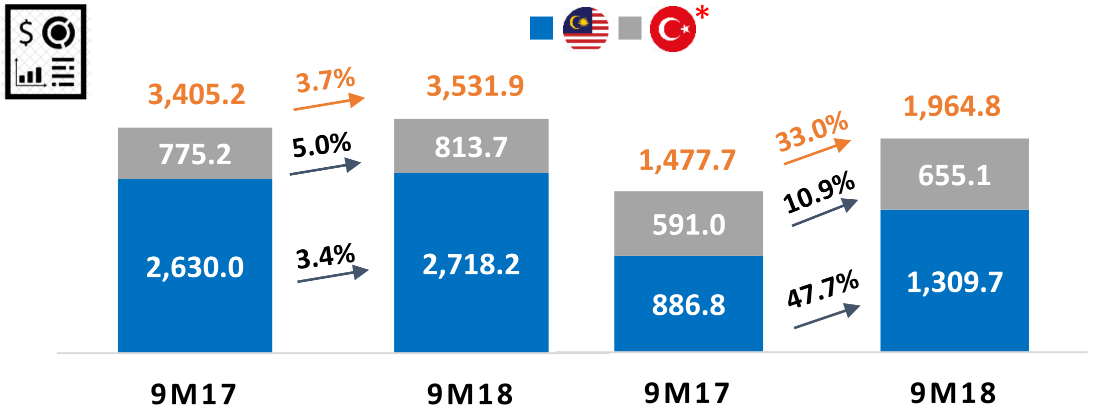
# 9M18 Key Highlights



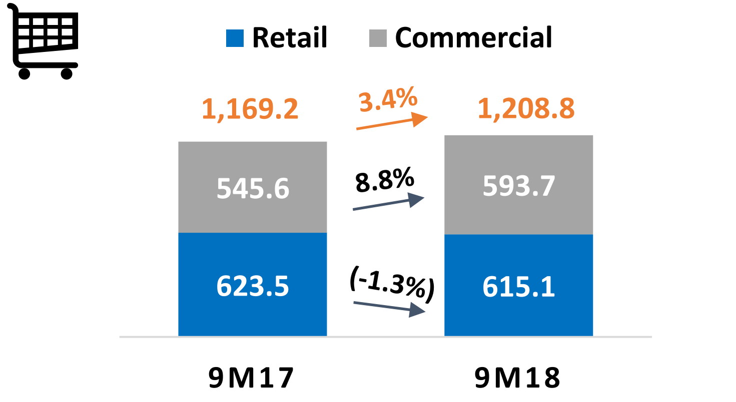

Passenger Movements ('mil)




Aircraft Movements ('000)




Revenue (RM 'mil) EBITDA (RM 'mil)




Malaysia Non-Aeronautical Revenue (RM 'mil)

## Key Highlights

***Group EBITDA increased from RM1,477.7mil to RM1,964.8mil, 33.0% higher compared to 9M17***

- Increase in Group EBITDA is largely due to the unrealised gain on the fair value of investment in GMR Hyderabad Int'l Airport (RM258.4 mil), strong revenue growth and gain on disposal of GMR Male Int'l Airport (RM28.2 mil)
- Excluding the unrealised gain on fair value and disposal, Group EBITDA rose by 13.6% to RM1,678.2, mainly due to the 6.9% overall growth in group international passenger movements
- Group's PBT (↑167.6%% to RM753.1 mil) and PAT (↑236.0% to RM699.2 mil)

***Group passenger growth and aircraft movement ↑4.5% and ↑2.3% respectively***

- Traffic growth in Malaysia and Turkey ↑2.6% and ↑10.5% respectively
- International traffic growth higher for Malaysia (↑5.9%) and Turkey (↑12.0%)

***Malaysia non-aeronautical revenue continues to grow by ↑3.4% to RM1,208.8 million***

- Mainly driven by improved commercial revenues (↑8.8%) in Malaysia

**Excluding Construction Revenue and Construction Cost in relation to IC interpretation 12: Service Concession Arrangement (IC12)*

*Note: Prior period financials have been restated to reflect the changes in accounting policy as a result of the transition to the Malaysian Financial Reporting Standards, as disclosed in Notes 1 & 2 to the Interim Financial Statements for the quarter ended 30 September 2018*

# Headline Key Performance Indicator (KPI)

| | 9M17 Restated | 9M18 Actual Excl. NCI* | 9M18 Actual Incl. NCI* | FY18 Target |
|---|---|---|---|---|
| EBITDA (%) | RM1,477.7mil (82.2%)[1] | RM1,678.2mil (80.2%) | RM1,964.8mil | RM2,092.0mil |
| MY[2] Operations EBITDA | RM886.8mil (88.5%) | RM1,023.1mil (84.5%) | RM1,309.7mil | RM1,211.1mil |
| TR[3] Operations EBITDA | RM591.0mil (74.3%) | RM655.1mil (74.4%) | RM655.1mil | RM880.9mil |
| Airport Service Quality (ASQ) | > 40 mppa: KLIA Ranking Top 11 | > 40 mppa: KLIA Ranking Top 12 | > 40 mppa: KLIA Ranking Top 12 | > 40 mppa: KLIA Ranking Top 10 |

[1] % represents percentage of KPI achieved for the financial year

[2] MY represents results from the Malaysian operation and overseas project and repair maintenance segment in Qatar

[3] TR represents consolidated results from ISG & LGM in Turkey

*Non-core items (NCI) represents the unrealised gain on fair value of investment in GMR Hyderabad International Airport Limited (GHIAL-RM258.4mil) and gain on disposal of investment in GMR Malé International Airport (GMIAL-RM28.2mil)

# Quarter-on-Quarter & Preceding Quarter Summary

| | MY | | | TR | | | MAHB GROUP | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 3Qv3Q | 3Qv2Q | | 3Qv3Q | 3Qv2Q | | 3Qv3Q | 3Qv2Q |
| Revenue incl. IC12 | RM920.3mil | +2.7% | +7.7% | RM309.2mil | (-2.0%) | +3.1% | RM1,229.5mil | +1.5% | +6.5% |
| Revenue excl. IC12 | RM920.3mil | +2.7% | +7.7% | RM309.2mil | (-2.0%) | +20.1% | RM1,229.5mil | +1.5% | +10.5% |
| Airport Operations | RM848.5mil | +3.1% | +7.5% | RM306.8mil | (-2.0%) | +20.1% | RM1,155.4mil | +1.7% | +10.6% |
| Non-Airport Operations | RM71.8mil | (-1.9%) | +10.1% | RM2.4mil | (-4.4%) | +16.1% | RM74.2mil | (-1.9%) | +10.3% |
| EBITDA | RM324.5mil | +22.0% | +6.3% | RM265.3mil | +5.6% | +31.5% | RM589.8mil | +14.0% | +16.3% |
| Net Assets | | | | | | | RM9,162.5mil | +4.1% | +1.5% |
| Passengers | 24.8mil | +1.8% | +2.2% | 9.7mil | +7.5% | +15.6% | 34.6mil | +3.4% | +5.6% |
| Aircraft | 216,677 | +0.6% | +1.7% | 62,156 | +5.9% | +11.0% | 278,833 | +1.7% | +3.7% |

# Year-to-date Summary

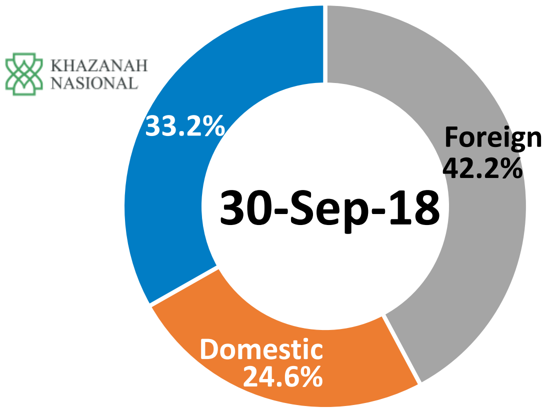
| | MY | 9M18v9M17 | TR | 9M18v9M17 | MAHB GROUP | 9M18v9M17 |
|---|---|---|---|---|---|---|
| **Revenue** incl. IC12 | RM2,718.2mil | +3.4% | RM881.8mil | +13.8% | RM3,600.0mil | +5.7% |
| **Revenue** excl. IC12 | RM2,718.2mil | +3.4% | RM813.7mil | +5.0% | RM3,531.9mil | +3.7% |
| Airport Operations | RM2,510.6mil | +3.9% | RM807.1mil | +4.9% | RM3,317.7mil | +4.2% |
| Non-Airport Operations | RM207.6mil | (-3.0%) | RM6.6mil | +6.8% | RM214.2mil | (-2.7%) |
| **EBITDA** incl. NCI | RM1,309.7mil | +47.7% | RM655.1mil | +10.9% | RM1,964.8mil | +33.0% |
| **EBITDA** excl. NCI | RM1,023.1mil | +15.4% | RM655.1mil | +10.9% | RM1,678.2mil | +13.6% |
| **Net Assets** | | | | | RM9,162.5mil | +4.1% |
| **Passengers** | 73.6mil | +2.6% | 25.9mil | +10.5% | 99.5mil | +4.5% |
| **Aircraft** | 641,494 | +1.2% | 169,680 | +6.6% | 811,174 | +2.3% |

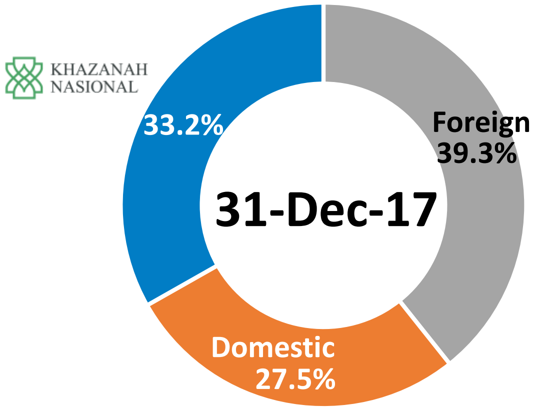
Non-core items (NCI) represents the unrealised gain on fair value of investment in GMR Hyderabad International Airport Limited (GHIAL-RM258.4mil) and gain on disposal of investment in GMR Malé International Airport (GMIAL-RM28.2mil)

# Equity Profile

## Shareholding Profile

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



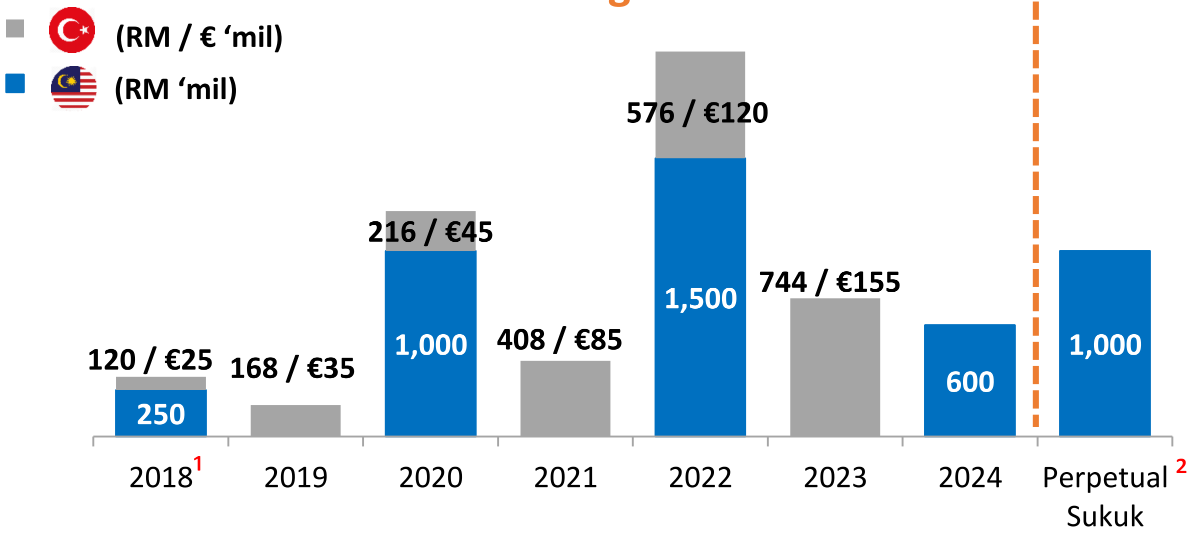




## Dividend Profile

| Financial Year | Dividend Reinvestment Plan Subscription Rate | | Dividend Payment per Share (sen) | | | Total Amount Paid (RM' mil) | | | Dividend Payout Ratio* |
|---|---|---|---|---|---|---|---|---|---|
| | Interim | Final | Interim | Final | Total | Interim | Final | Total | Total |
| 2012 | 46.2% | 85.0% | 6.00 | 7.63 | 13.63 | 72.60 | 92.86 | 165.46 | 50.0% |
| 2013 | 88.4% | 87.6% | 6.00 | 5.78 | 11.78 | 73.95 | 78.87 | 152.82 | 50.0% |
| 2014 | 53.4% | 74.1% | 2.00 | 3.60 | 5.60 | 27.48 | 59.47 | 86.95 | 61.2% |
| 2015 | N/A | N/A | 4.00 | 4.50 | 8.50 | 66.37 | 74.66 | 141.03 | 58.1% |
| 2016 | N/A | N/A | 4.00 | 6.00 | 10.00 | 66.37 | 99.55 | 165.92 | 55.5% |
| 2017 | N/A | N/A | 5.00 | 7.00 | 12.00 | 82.96 | 116.14 | 199.10 | 51.0% |
| 2018 | N/A | N/A | 5.00 | 0.00 | 5.00 | 82.96 | 0.00 | 82.96 | 50.0% |

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

## Borrowing Profile




| | 3Q18 | FY17 |
|---|---|---|
| Net debt (RM 'mil) | 2,850.6 | 2,977.8 |
| Share of fixed-rate debt | 100%[3] | 100%[3] |
| Weighted average maturity (years) | 4.71 | 5.28 |
| Weighted average cost | 4.03% | 4.02% |
| Gross gearing ratio (times) | 0.57x | 0.63x |

| Credit Rating / Outlook | |
|---|---|
| RAM (Reaffirmed on 12/12/17) | AAA / Stable |
| Moody's (Reaffirmed on 15/01/18) | A3 / Stable |

[1] RM250 mil was paid in September 2018, €10mil was paid in June 2018

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

[3] After ISG's floating rate swap

# Significant Events

## Malaysia Operations

- 02/02/18: Proposed disposal by Malaysia Airports of its entire 11% equity interest in GHIAL
- 07/02/18: Malaysia Airports concluded two partnership agreements and two MOUs at the Singapore Airshow
- 13/03/18: Malaysia Airports collaborated with Axis REIT and Senior Aerospace as part of an initiative to revitalise Subang Aerospace Park
- 22/03/18: KLIA won Routes Asia 2018 Marketing Award
- 27/03/18: Proposed disposal by Malaysia Airports of its entire 23% equity interest in GMIAL
- 04/06/18: MAHB launched MyAirports App, a new mobile app which provides a comprehensive airport travel guide
- 22/06/18: Malaysia Airports bid farewell to Datuk Badlisham Ghazali, Raja Azmi Raja Nazuddin to serve as Acting Group Chief Executive Officer
- 29/06/18: KLIA celebrated 20 years of service excellence and joyful memories as an aspiring global aviation hub
- 13/07/18: MAHB inked a MoU with the MIDA to collaborate in the promotion and facilitation of activities relating to the KLIA Aeropolis
- 18/07/18: MAHB signs MoUs with 4 aviation players at the Farnborough International Airshow (FIA) to position Malaysia as a global hub
- 01/09/18: Langkawi International Airport expansion project completed with capacity increasing from 1.5mppa to 4.0mppa

## Turkey Operations

- 04/04/17: Commissioning of new rapid taxiways at ISG
- 05/06/17: Commencement of boarding hall extension works to add 8 million passenger capacity
- 20/10/17: Extension of ISG Concession Agreement by 2 years to a total of 22 years ending 27 August 2032
- 31/07/18: ISG opened its new domestic boarding hall increasing the terminal capacity from 33 mppa to 41 mppa

*mppa - million passengers per annum

# Group Financial Review

# Group 3Q18 Results (vs 3Q17)

| (RM 'mil) | 3Q18 | | | 3Q17 (Restated) | | | Variance % | Variance % | Variance % |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports |
| **Revenue incl. IC12** | **920.3** | **309.2** | **1,229.5** | **896.2** | **315.6** | **1,211.9** | **2.7** | **(2.0)** | **1.5** |
| **Revenue excl. IC12** | **920.3** | **309.2** | **1,229.5** | **896.2** | **315.6** | **1,211.9** | **2.7** | **(2.0)** | **1.5** |
| Other Income | 67.1 | 8.0 | 75.1 | 43.4 | 5.1 | 48.6 | 54.5 | 55.3 | 54.6 |
| Direct Cost | (176.1) | - | (176.1) | (191.0) | - | (191.0) | 7.8 | - | 7.8 |
| Operating Expenditure | (486.8) | (52.0) | (538.7) | (482.5) | (69.6) | (552.1) | (0.9) | 25.3 | 2.4 |
| Construction Cost | - | - | - | - | - | - | - | - | - |
| **EBITDA** | **324.5** | **265.3** | **589.8** | **266.1** | **251.2** | **517.3** | **22.0** | **5.6** | **14.0** |
| Depreciation & Amortisation | (93.5) | (131.5) | (225.1) | (87.0) | (158.4) | (245.4) | (7.5) | 17.0 | 8.3 |
| Finance Costs | (41.6) | (172.1) | (213.7) | (43.9) | (140.1) | (184.0) | 5.3 | (22.8) | (16.1) |
| Share of Assoc. & JV Profit | 3.7 | - | 3.7 | 4.5 | - | 4.5 | (16.9) | - | (16.9) |
| **PBT** | **193.2** | **(38.4)** | **154.8** | **139.7** | **(47.3)** | **92.3** | **38.3** | **18.9** | **67.6** |
| Taxation & Zakat | 3.4 | 10.3 | 13.7 | (22.0) | 10.6 | (11.4) | 115.4 | (3.1) | 220.0 |
| **Net Earnings** | **196.6** | **(28.1)** | **168.5** | **117.6** | **(36.7)** | **80.9** | **67.1** | **23.5** | **108.2** |
| **EBITDA Margin (%) (excl. IC12)** | **35.3%** | **85.8%** | **48.0%** | **29.7%** | **79.6%** | **42.7%** | **5.6ppt** | **6.2ppt** | **5.3ppt** |
| **PBT Margin (%) (excl. IC12)** | **21.0%** | **(12.4%)** | **12.6%** | **15.6%** | **(15.0%)** | **7.6%** | **5.4ppt** | **2.6ppt** | **5.0ppt** |

*Exchange rate used in profit and loss for 3Q18 : RM4.79/EUR*
*Exchange rate used in profit and loss for 3Q17 : RM5.04/EUR*

# Group 3Q18 Results (vs 3Q17)

| (RM 'mil) | 3Q18 | | | 3Q17 (Restated) | | | Variance % (Malaysia) | Variance % (Turkey) | Variance % (Malaysia Airports) |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | | | |
| **Revenue incl. IC12** | **920.3** | **309.2** | **1,229.5** | **896.2** | **315.6** | **1,211.9** | ▲ **2.7** | ▼ **(2.0)** | ▲ **1.5** |
| **Revenue excl. IC12** | **920.3** | **309.2** | **1,229.5** | **896.2** | **315.6** | **1,211.9** | ▲ **2.7** | ▼ **(2.0)** | ▲ **1.5** |

**Group revenue grew by 1.5%***

- Airport operations: RM1,155.4mil (+1.7%)
  - Aeronautical: RM632.4 (+4.5%) mainly due to higher international passengers in Malaysia and Turkey by 2.8% and 11.2% respectively
  - Non-Aeronautical: RM523.0mil (-1.6%) caused by weaker EUR/MYR foreign exchange rate
- Non-airport operations: RM74.2mil (-1.9%)
  - Project and repair maintenance: RM40.1mil (+5.0%)
  - Hotel: RM24.7mil (-9.4%)
  - Agriculture & horticulture: RM9.3mil (-9.2%)

*Excluding Construction Revenue in relation to IC interpretation 12: Service Concession Arrangement (IC12)*

# Group 3Q18 Results (vs 3Q17)

| (RM 'mil) | 3Q18 | | | 3Q17 (Restated) | | | Variance % (Malaysia) | Variance % (Turkey) | Variance % (Malaysia Airports) |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | | | |
| EBITDA | 324.5 | 265.3 | 589.8 | 266.1 | 251.2 | 517.3 | ▲ 22.0 | ▲ 5.6 | ▲ 14.0 |
| PBT | 193.2 | (38.4) | 154.8 | 139.7 | (47.3) | 92.3 | ▲ 38.3 | ▲ 18.9 | ▲ 67.6 |

**Group EBITDA increased by 14.0%**

- Malaysia operations: EBITDA grew by 22.0%% in tandem with higher aeronautical revenue and other income
- Turkey operations: EBITDA up by 5.6% arising from higher international passenger growth for the quarter by 11.2% compared to 3Q17, despite the weaker EUR/MYR exchange rate

**Group PBT increased by 67.6%**

- Malaysia operations: Higher PBT by 38.3% was largely attributed to higher EBITDA and lower finance costs
- Turkey operations: Recorded PBT of RM16.3mil (3Q17: PBT of RM21.8mil) prior to taking into account a loss of RM55.1mil (3Q17: RM69.0mil) primarily owing to the amortization of fair value of the concession rights

# Group 3Q18 Results (vs 2Q18)

| (RM 'mil) | 3Q18 | | | 2Q18 | | | Variance % (Malaysia) | Variance % (Turkey) | Variance % (Malaysia Airports) |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | | | |
| **Revenue incl. IC12** | **920.3** | **309.2** | **1,229.5** | **854.8** | **299.9** | **1,154.7** | **7.7** | **3.1** | **6.5** |
| **Revenue excl. IC12** | **920.3** | **309.2** | **1,229.5** | **854.8** | **257.5** | **1,112.3** | **7.7** | **20.1** | **10.5** |
| Other Income | 67.1 | 8.0 | 75.1 | 51.5 | 5.2 | 56.7 | 30.3 | 52.3 | 32.3 |
| Direct Cost | (176.1) | - | (176.1) | (175.2) | - | (175.2) | (0.5) | - | (0.5) |
| Operating Expenditure | (486.8) | (52.0) | (538.7) | (425.7) | (61.1) | (486.8) | (14.3) | 14.9 | (10.7) |
| Construction Cost | - | - | - | - | (42.4) | (42.4) | - | 100.0 | 100.0 |
| **EBITDA** | **324.5** | **265.3** | **589.8** | **305.4** | **201.7** | **507.1** | **6.3** | **31.5** | **16.3** |
| Depreciation & Amortisation | (93.5) | (131.5) | (225.1) | (87.8) | (123.2) | (211.0) | (6.5) | (6.7) | (6.7) |
| Finance Costs | (41.6) | (172.1) | (213.7) | (45.4) | (135.8) | (181.2) | 8.4 | (26.7) | (17.9) |
| Share of Assoc. & JV Profit | 3.7 | - | 3.7 | 10.8 | - | 10.8 | (65.2) | - | (65.2) |
| **PBT** | **193.2** | **(38.4)** | **154.8** | **183.0** | **(57.3)** | **125.6** | **5.6** | **33.1** | **23.2** |
| Taxation & Zakat | 3.4 | 10.3 | 13.7 | (51.4) | 11.9 | (39.5) | 106.6 | (13.7) | 134.7 |
| **Net Earnings** | **196.6** | **(28.1)** | **168.5** | **131.5** | **(45.4)** | **86.1** | **49.5** | **38.2** | **95.7** |
| **EBITDA Margin (%) (excl. IC12)** | **35.3%** | **85.8%** | **48.0%** | **35.7%** | **78.3%** | **45.6%** | **(0.5)ppt** | **7.5ppt** | **2.4ppt** |
| **PBT Margin (%) (excl. IC12)** | **21.0%** | **(12.4%)** | **12.6%** | **21.4%** | **(22.3%)** | **11.3%** | **(0.4)ppt** | **9.9ppt** | **1.3ppt** |

*Exchange rate used in profit and loss for 3Q18 : RM4.79/EUR*
*Exchange rate used in profit and loss for 2Q18 : RM4.70/EUR*

# Group 3Q18 Results (vs 2Q18)

| (RM 'mil) | 3Q18 | | | 2Q18 | | | Variance % | Variance % | MALAYSIA AIRPORTS Variance % |
|---|---|---|---|---|---|---|---|---|---|
| | | | MALAYSIA AIRPORTS | | | MALAYSIA AIRPORTS | | | |
| **Revenue incl. IC12** | 920.3 | 309.2 | 1,229.5 | 854.8 | 299.9 | 1,154.7 | ▲ 7.7 | ▲ 3.1 | ▲ 6.5 |
| **Revenue excl. IC12** | 920.3 | 309.2 | 1,229.5 | 854.8 | 257.5 | 1,112.3 | ▲ 7.7 | ▲ 20.1 | ▲ 10.5 |

**Group revenue increased by 10.5%***

- Airport operations: RM1,155.4mil (+10.6%)
  - Aeronautical: RM623.4mil (+17.5%) mainly due to higher international passenger both in Malaysia and Turkey
  - Non-Aeronautical: RM523.0mil (+3.2%) mainly due to higher commercial revenue in Turkey by 13.1% in tandem with higher international passenger growth

- Non-airport operations: RM67.3mil (+10.3%)
  - Project and repair maintenance: RM40.1mil (+7.7%)
  - Hotel: RM24.7mil (+9.8%)
  - Agriculture & horticulture: RM9.3mil (+24.2%)

**Excluding Construction Revenue in relation to IC interpretation 12: Service Concession Arrangement (IC12)*

# Group 3Q18 Results (vs 2Q18)

| (RM 'mil) | 3Q18 | | | 2Q18 | | | Variance % (Malaysia) | Variance % (Turkey) | Variance % (Malaysia Airports) |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | | | |
| EBITDA | 324.5 | 265.3 | 589.8 | 305.4 | 201.7 | 507.1 | ▲ 6.3 | ▲ 31.5 | ▲ 16.3 |
| PBT | 193.2 | (38.4) | 154.8 | 183.0 | (57.3) | 125.6 | ▲ 5.6 | ▲ 33.1 | ▲ 23.2 |

## Group EBITDA increased by 16.3%

- Malaysia operations: Higher EBITDA by 6.3% mainly due to higher aeronautical revenue
- Turkey operations: Higher EBITDA contributions by 31.5% due to higher international passenger movement by 26.2%

## Group PBT increased by 23.2%

- Malaysia operations: Higher PBT by 5.6% largely attributable to higher EBITDA
- Turkey operations: Recorded PBT of RM16.3mil (2Q18: RM2.8mil), prior to taking into account a loss of RM55.1mil (2Q18: RM54.0mil) primarily owing to the amortization of fair value of the concession rights

# Group 9M18 Results (vs 9M17)

| (RM 'mil) | 9M18 | | | 9M17 (Restated) | | | Variance % | Variance % | Variance % |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports |
| **Revenue incl. IC12** | **2,718.2** | **881.8** | **3,600.0** | **2,630.0** | **775.2** | **3,405.2** | ▲ **3.4** | ▲ **13.8** | ▲ **5.7** |
| **Revenue excl. IC12** | **2,718.2** | **813.7** | **3,531.9** | **2,630.0** | **775.2** | **3,405.2** | ▲ **3.4** | ▲ **5.0** | ▲ **3.7** |
| Other Income | 455.7 | 17.9 | 473.6 | 144.5 | 12.5 | 157.0 | ▲ 215.3 | ▲ 43.9 | ▲ 201.7 |
| Direct Cost | (536.7) | - | (536.7) | (568.1) | - | (568.1) | ▲ 5.5 | - | ▲ 5.5 |
| Operating Expenditure | (1,327.5) | (176.5) | (1,504.0) | (1,319.6) | (196.7) | (1,516.3) | ▼ (0.6) | ▲ 10.3 | ▲ 0.8 |
| Construction Cost | - | (68.1) | (68.1) | - | - | - | - | - | - |
| **EBITDA** | **1,309.7** | **655.1** | **1,964.8** | **886.8** | **591.0** | **1,477.7** | ▲ **47.7** | ▲ **10.9** | ▲ **33.0** |
| Depreciation & Amortisation | (271.0) | (383.1) | (654.1) | (261.9) | (426.1) | (688.1) | ▼ (3.5) | ▲ 10.1 | ▲ 4.9 |
| Finance Costs | (130.4) | (444.2) | (574.6) | (133.0) | (390.6) | (523.6) | ▲ 2.0 | ▼ (13.7) | ▼ (9.7) |
| Share of Assoc. & JV Profit | 17.0 | - | 17.0 | 15.4 | - | 15.4 | ▲ 10.5 | - | ▲ 10.5 |
| **PBT** | **925.4** | **(172.2)** | **753.1** | **507.3** | **(225.8)** | **281.4** | ▲ **82.4** | ▲ **23.7** | ▲ **167.6** |
| Taxation | (87.3) | 33.4 | (53.9) | (117.3) | 44.0 | (73.3) | ▲ 25.6 | ▼ (24.1) | ▲ 26.5 |
| **Net Earnings** | **838.1** | **(138.9)** | **699.2** | **389.9** | **(181.9)** | **208.1** | ▲ **114.9** | ▲ **23.6** | ▲ **236.0** |
| EBITDA Margin (%) (excl. IC12) | **48.2%** | **80.5%** | **55.6%** | **33.7%** | **76.2%** | **43.4%** | ▲ **14.5ppt** | ▲ **4.3ppt** | ▲ **12.2ppt** |
| PBT Margin (%) (excl. IC12) | **34.0%** | **(21.2%)** | **21.3%** | **19.3%** | **(29.1%)** | **8.3%** | ▲ **14.8ppt** | ▲ **8.0ppt** | ▲ **13.1ppt** |
| Net Asset per Share (RM) | | | **5.43** | | | **5.24** | | | ▲ **3.60** |

# Group 9M18 Results (vs 9M17)

| (RM 'mil) | 9M18 | | | 9M17 (Restated) | | | Malaysia Variance % | Turkey Variance % | Malaysia Airports Variance % |
|---|---|---|---|---|---|---|---|---|---|
| | Malaysia | Turkey | Malaysia Airports | Malaysia | Turkey | Malaysia Airports | | | |
| Revenue incl. IC12 | 2,718.2 | 881.8 | 3,600.0 | 2,630.0 | 775.2 | 3,405.2 | ▲ 3.4 | ▲ 13.8 | ▲ 5.7 |
| Revenue excl. IC12 | 2,718.2 | 813.7 | 3,531.9 | 2,630.0 | 775.2 | 3,405.2 | ▲ 3.4 | ▲ 5.0 | ▲ 3.7 |

## Group revenue grew by 3.7%*

- Airport operations: RM3,317.7mil (+4.2%)
  - Aeronautical: RM1,759.1mil (+5.2%) mainly due to higher international passenger growth in Malaysia and Turkey by 5.9% and 12.0% respectively, leading to higher PSC revenue
  - Non-Aeronautical: RM1,558.7mil (+3.1%) mainly due to higher commercial revenue in Malaysia by 8.8%

- Non-airport operations: RM214.2mil (-2.7%)
  - Project and repair maintenance: RM116.1mil (+0.4%)
  - Hotel: RM73.4mil (-3.4%)
  - Agriculture & horticulture: RM24.6mil (-14.1%)

*Excluding Construction Revenue in relation to IC interpretation 12: Service Concession Arrangement (IC12)

# Group 9M18 Results (vs 9M17)

| (RM 'mil) | 9M18 | | | 9M17 (Restated) | | | Variance % | Variance % | MALAYSIA AIRPORTS Variance % |
|---|---|---|---|---|---|---|---|---|---|
| | | | MALAYSIA AIRPORTS | | | MALAYSIA AIRPORTS | | | |
| **EBITDA** | 1,309.7 | 655.1 | 1,964.8 | 886.8 | 591.0 | 1,477.7 | 47.7 | 10.9 | 33.0 |
| **PBT** | 925.4 | (172.2) | 753.1 | 507.3 | (225.8) | 281.4 | 82.4 | 23.7 | 167.5 |

## Group EBITDA increased by 33.0%

- Malaysia operations: EBITDA grew by 47.7% mainly due to gain on non-core items of RM286.6mil
- Malaysia operations: EBITDA excluding non-core items, EBITDA grew by 15.4% in tandem with higher aeronautical and non-aeronautical revenue
- Turkey operations: EBITDA up by 10.9% in line with higher international passenger growth by 12.0%

## Group PBT increased by 167.5%

- Malaysia operations: Higher PBT by 82.4% was largely attributed to gain on non-core items
- Malaysia operations: PBT excluding non-core items grew 25.9% attributed to higher EBITDA
- Turkey operations: Recorded LBT of RM7.1mil (9M17: LBT of RM36.1mil) prior to taking into account a loss of RM165.1mil (9M17: RM189.7mil) primarily owing to the amortization of fair value of the concession right.

# 9M18 EBITDA and PBT Reconciliation

| | (RM 'mil) | 9M18 Malaysia | 9M18 Turkey | 9M18 Malaysia Airports | 9M17 (Restated) Malaysia | 9M17 (Restated) Turkey | 9M17 (Restated) Malaysia Airports | Variance (%) Malaysia | Variance (%) Turkey | Variance (%) Malaysia Airports |
|---|---|---|---|---|---|---|---|---|---|---|
| | **EBITDA excluding adjustments & non-core items** | **1,023.1** | **646.8** | **1,669.9** | **886.8** | **583.4** | **1,470.1** | **15.4%** | **10.9%** | **13.6%** |
| NCI | + Other Income - Gain on disposal of GMIAL | 28.2 | 0.0 | 28.2 | - | - | - | | | |
| NCI | + Other Income - FV gain on investment in GHIAL | 258.4 | 0.0 | 258.4 | - | - | - | | | |
| Adj* | + Other Income - ISG PPA interest income | - | 8.3 | 8.3 | - | 7.6 | 7.6 | | | |
| | **EBITDA including adjustments & non-core items** | **1,309.7** | **655.1** | **1,964.8** | **886.8** | **591.0** | **1,477.7** | **47.7%** | **10.9%** | **33.0%** |
| | - Depreciation and Amortisation | (271.0) | (233.1) | (504.1) | (261.9) | (252.2) | (514.2) | | | |
| Adj* | - Amortisation - ISG&LGM PPA concession rights fair value | - | (150.0) | (150.0) | - | (173.9) | (173.9) | | | |
| | - Finance Costs - interest on borrowing and misc. | (130.4) | (107.7) | (238.1) | (133.0) | (77.7) | (210.7) | | | |
| | - Finance Costs - ISG utilization fee expense | - | (313.0) | (313.0) | - | (289.5) | (289.5) | | | |
| Adj* | - Finance Costs - ISG&LGM PPA interest expense | - | (23.5) | (23.5) | - | (23.4) | (23.4) | | | |
| | + Share of Assoc. & JV Profit | 17.0 | - | 17.0 | 15.4 | - | 15.4 | | | |
| | **PBT including adjustments & non-core items** | **925.4** | **(172.2)** | **753.1** | **507.3** | **(225.8)** | **281.4** | **82.4%** | **23.7%** | **167.6%** |
| | - Taxation and zakat | (87.3) | 33.4 | (53.9) | (117.3) | 44.0 | (73.3) | | | |
| | **PAT including adjustments & non-core items** | **838.1** | **(138.9)** | **699.2** | **389.9** | **(181.9)** | **208.1** | **114.9%** | **23.6%** | **236.0%** |

Note: Included within current period retained earnings is a distribution to the perpetual sukuk holders amounting to RM43.0million (9M17: RM43.0million)

*PPA (Purchase Price Allocation): Non-cash adjustments in respect of the fair valuation exercise on the Turkish operations under FRS3: Business Combination (9M18: RM165.1mil; 9M17: RM189.7mil)

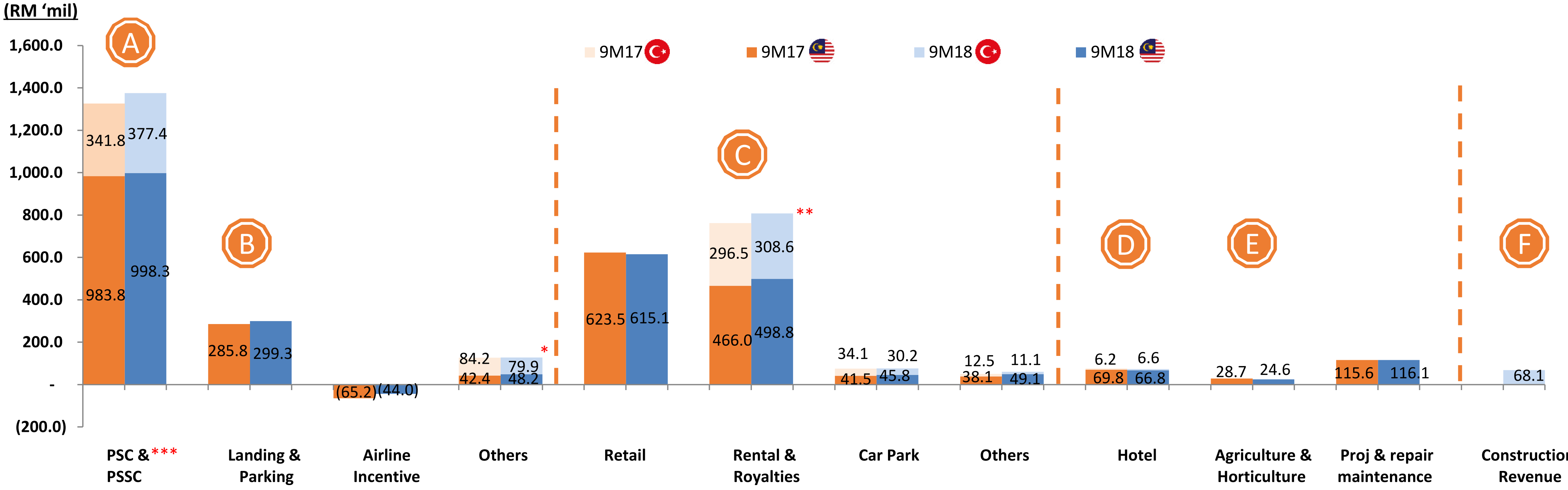
# Group Segmental Revenue

**Aeronautical (RM 'mil)**
**9M18: RM1,759.1 (+5.2%)**
**9M17: RM1,672.8**
**9M18: RM1,301.8 (+4.4%) excluding ISG & LGM**
**9M17: RM1,246.8 excluding ISG & LGM**

**Non-Aeronautical (RM 'mil)**
**9M18: RM1,558.7 (+3.1%)**
**9M17: RM1,512.2**
**9M18: RM1,208.8 (+3.4%) excluding ISG & LGM**
**9M17: RM1,169.2 excluding ISG & LGM**

**Non-Airport Operations (RM 'mil)**
**9M18: RM214.2 (-2.7%)**
**9M17: RM220.2**
**9M18: RM207.6 (-3.0%) excluding ISG & LGM**
**9M17: RM214.0 excluding ISG & LGM**

**Construction Revenue (RM 'mil)**




| | PSC & PSSC | Landing & Parking | Airline Incentive | Others | Retail | Rental & Royalties | Car Park | Others | Hotel | Agriculture & Horticulture | Proj & repair maintenance | Construction Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Excluding ISG & LGM | +1.5% | +4.7% | (-32.5%) | +13.8% | (-1.3%) | +7.0% | +10.3% | +28.8% | (-4.2%) | (-14.1%) | +0.4% | - |
| Including ISG & LGM | +3.8% | +4.7% | (-32.5%) | +1.2% | (-1.3%) | +5.9% | +0.5% | +18.8% | (-3.4%) | (-14.1%) | +0.4% | - |

**Included in Turkish operations' aeronautical revenue is ISG's jet fuel farm rental income of EUR5.5mil / RM26.3mil (9M17: EUR5.7mil / RM 27.8mil)*

***Included in Turkish operations' rental and royalties is revenue generated from ISG's duty free business with Setur of EUR40.1mil / RM191.0mil (9M17: EUR35.9mil/ RM174.9mil)*

****Inclusive of MARCS PSC and MARCS ERL*

# Group Explanatory Notes

**A** **PSC and PSSC (inclusive of MARCS PSC and MARCS ERL)**

The increase in PSC and PSSC is in line with the passenger movements in Malaysia and Turkey by 2.6% and 10.5% respectively. Malaysian passenger traffic increased moderately while Turkish operations showed continued strong growth momentum in passenger movements

**B** **Landing & Parking**

Landing & parking revenue in Malaysia increased due to higher international aircraft movements by 6.7%. Landing & parking revenue at ISG is collected by the Government of Turkey

**C** **Rental & Royalties**

The increase was aided by improved contributions from higher rental and royalty revenue attributed to:

- stronger spending per passenger in KLIA
- escalation of rental rates; and
- MYR currency advantage

# Group Explanatory Notes

D **Hotel**

The decrease in room revenue at Sama-Sama Hotel was contributed by: lower occupancy rate (9M18 : 84.0%; 9M17 : 86.1%) coupled with lower average room rate (9M18: RM301; 9M17: RM309)

E **Agriculture & Horticulture**

The decrease was due to lower average price attained per Fresh Fruit Bunches (FFB) by 26.8% (9M18 : RM489/MT; 9M17 : RM620/MT) despite higher FFB production (9M18 : 48,737 MT; 9M17 : 46,287 MT)

F **Construction Revenue (IC12: Service Concession Agreement)**

IC12 addresses the accounting for 'public-private' arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement)

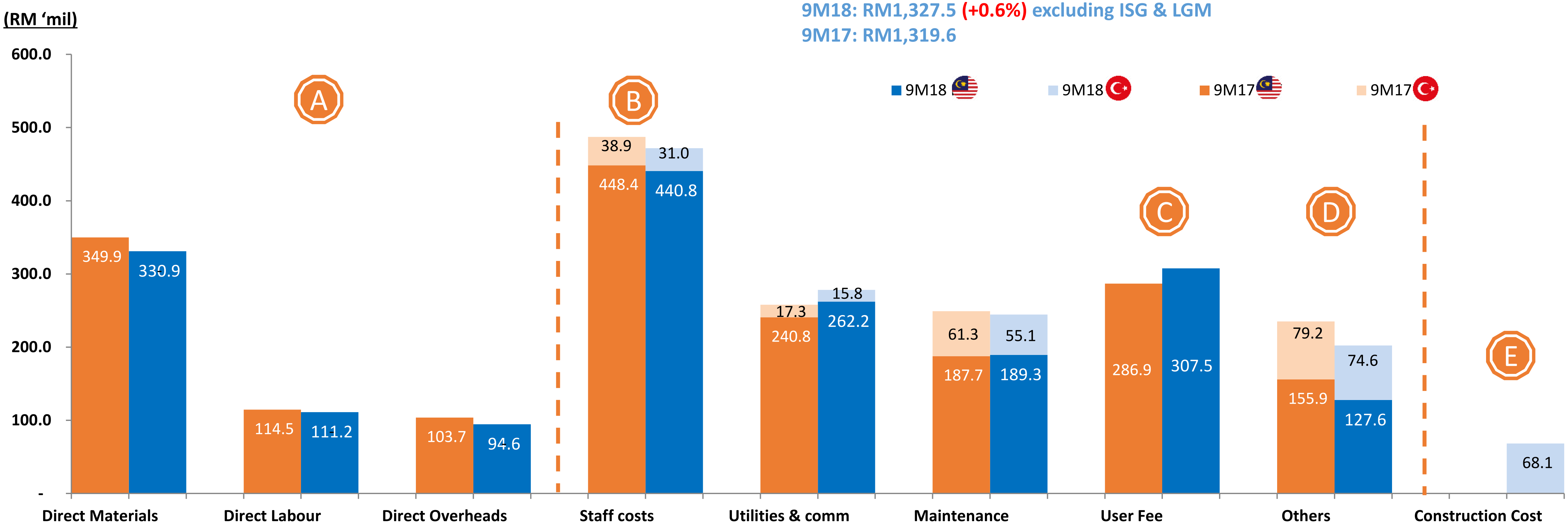
The ISG boarding hall expansion was completed in July 2018

# Group Operating Cost Analysis

**Direct Costs (RM 'mil)**
**9M18: RM536.7 (-5.5%)**
**9M17: RM568.1**

**Operating Costs (RM 'mil)**
**9M18: RM1,504.0**
**9M17: RM1,516.3 (-0.8%)**
**9M18: RM1,327.5 (+0.6%) excluding ISG & LGM**
**9M17: RM1,319.6**

**Construction Cost (RM 'mil)**




| | Direct Materials | Direct Labour | Direct Overheads | Staff costs | Utilities & comm | Maintenance | User Fee | Others | Construction Cost |
|---|---|---|---|---|---|---|---|---|---|
| Excluding ISG & LGM | (-5.4%) | (-2.9%) | (-8.8%) | (-1.7%) | +8.9% | +0.8% | +7.2% | (-18.2%) | - |
| Including ISG & LGM | (-5.4%) | (-2.9%) | (-8.8%) | (-3.2%) | +7.8% | (-1.9%) | +7.2% | (-14.0%) | - |

# Group Explanatory Notes

A

**Direct Costs**

Direct costs decreased mainly due to cost savings from direct labour and direct overheads coupled up with lower retail sales

B

**Staff Costs**

Decrease in staff costs in Malaysia is mainly due to writeback of bonus provision of RM21.0mil which was offset against annual salary increment

C

**User Fee**

The increase is mainly due to higher revenue for airport operations revenue and annual escalation of user fee rate (9M18: 11.81%; 9M17: 11.46%)

D

**Others**

The decrease in Malaysia is mainly due to a write back on provision for doubtful debt (PDD) by RM26.5mil as a result of improved collections

E

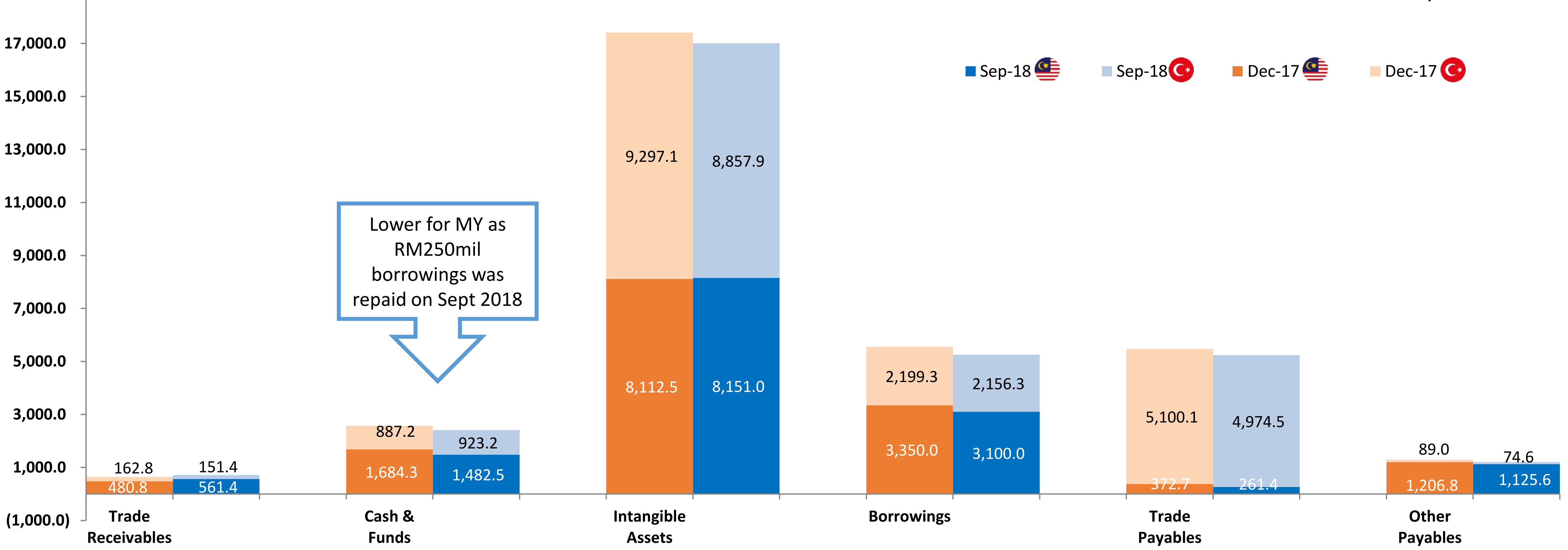
**Construction Cost (IC12: Service Concession Agreement)**

IC12 addresses the accounting for 'public-private' arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement).

The ISG boarding hall expansion was completed in July 2018

# Group Balance Sheet Analysis

**Net Assets (RM 'mil)**
**Sep 18: RM9,162.5 (+5.1%)**
**Dec 17: RM8,715.7**




| | Trade Receivables | Cash & Funds | Intangible Assets | Borrowings | Trade Payables | Other Payables |
|---|---|---|---|---|---|---|
| Excluding ISG & LGM | +16.8% | (-12.0%) | +0.5% | (-7.5%) | (-29.9%) | (-6.7%) |
| Including ISG & LGM | +10.7% | (-6.4%) | (-2.3%) | (-5.3%) | (-4.3%) | (-7.4%) |

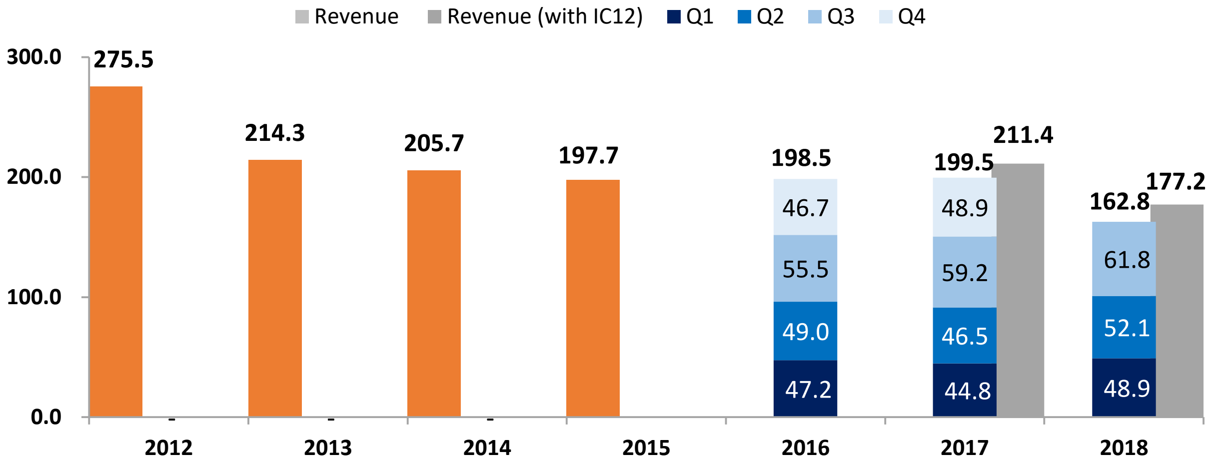
*Exchange rate used in balance sheet for 9M18: RM4.80/EUR*
*Exchange rate used in balance sheet for FY17: RM4.84/EUR*

# Turkish Operations (ISG & LGM) Financial Performance

# ISG Income Statement Summary

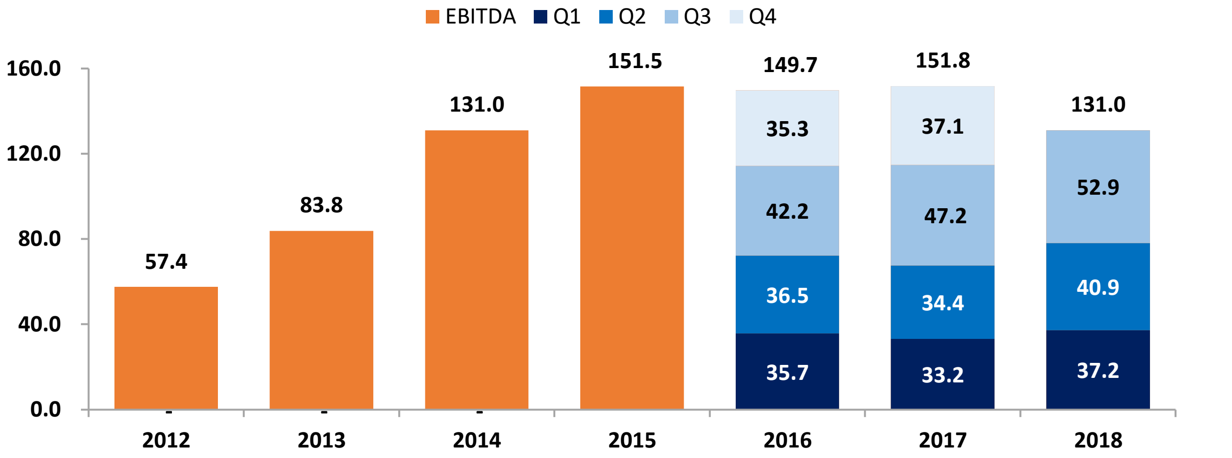
## Revenue (EUR 'mil)

9M18: EUR162.8 (+8.1%)
9M17: EUR150.6



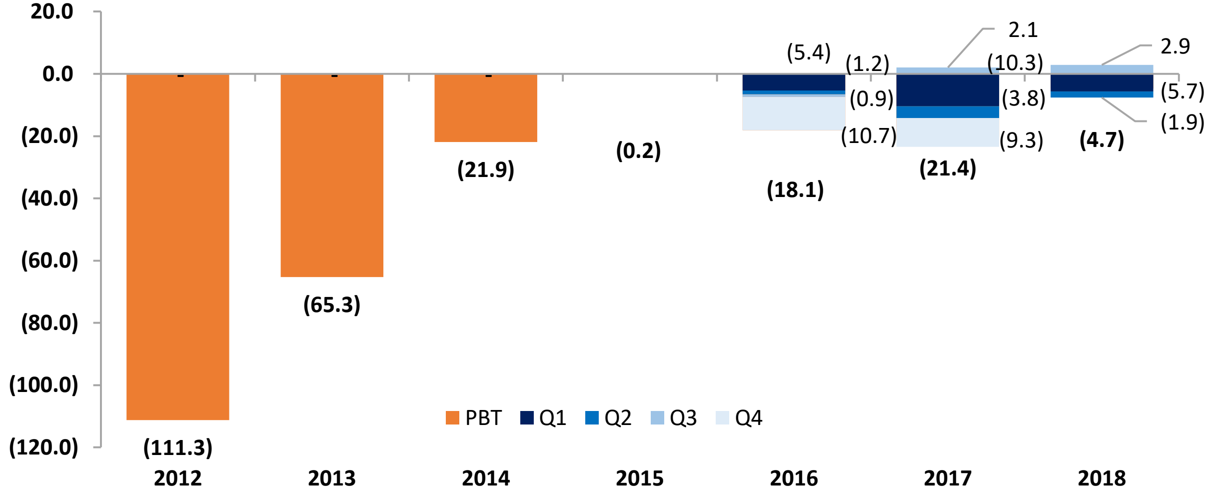

## EBITDA (EUR 'mil)

9M18: EUR131.0 (+14.2%)
9M17: EUR114.8



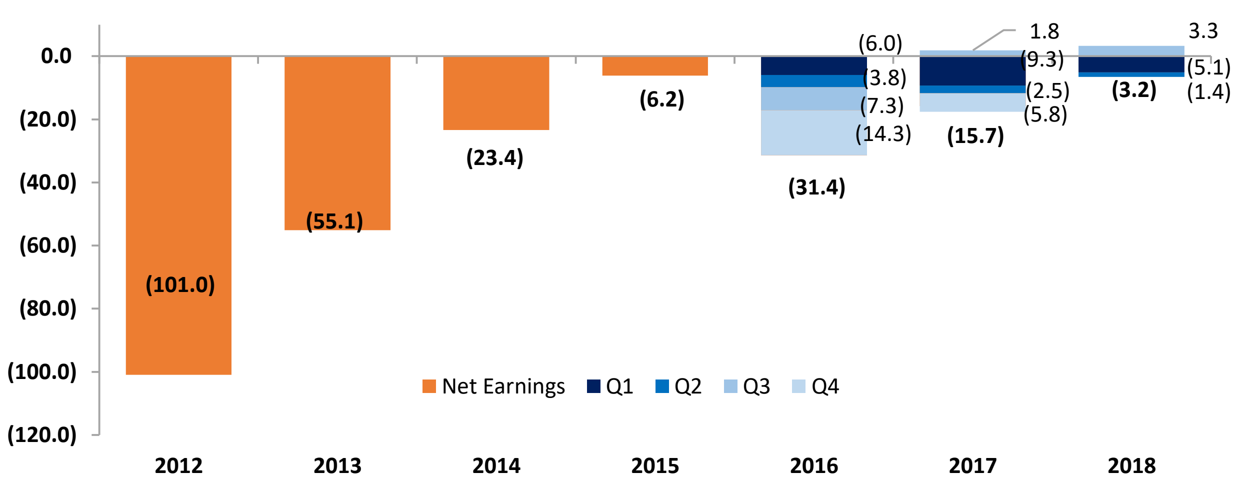

## Profit Before Tax (EUR 'mil)

9M18: (EUR4.7) (+61.2%)
9M17: (EUR12.1)




## Net Earnings (EUR 'mil)

9M18: (EUR3.2) (+67.7%)
9M17: (EUR9.9)



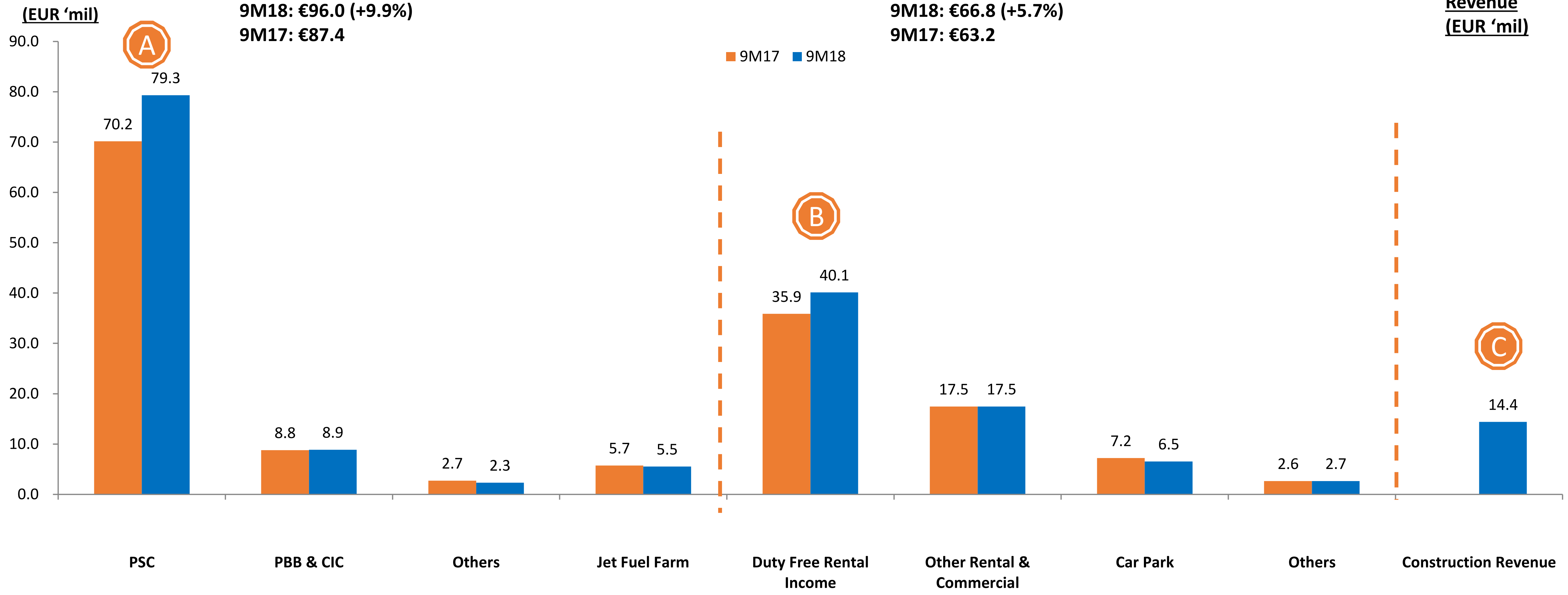

**In relation to IC interpretation 12: Service Concession Arrangement whereby ISG recognised the construction revenues and costs by reference to the stage of completion of Istanbul Sabiha Gokcen International Airport expansion works*
***Change of jet fuel supply operations in 2013 from supply of jet fuel to airlines to provision of jet fuel farm services to the jet fuel supplier . With effect from Sept 2014, ISG further changed its jet fuel farm operations to outright rental of the farm in the form of variable rent (tariff) per ton of jet fuel supplied to airlines*

# ISG Revenue Analysis

**Aeronautical (EUR ‘mil)**
**9M18: €96.0 (+9.9%)**
**9M17: €87.4**

**Non-Aeronautical (EUR ‘mil)**
**9M18: €66.8 (+5.7%)**
**9M17: €63.2**

**Construction Revenue (EUR ‘mil)**




| PSC | PBB & CIC | Others | Jet Fuel Farm | Duty Free Rental Income | Other Rental & Commercial | Car Park | Others | Construction Revenue |
|---|---|---|---|---|---|---|---|---|
| **13.1%** | **0.9%** | **(15.3%)** | **(3.8%)** | **11.9%** | **0.1%** | **(9.2%)** | **0.5%** | **-** |

# ISG Explanatory Notes

A **PSC**

The increase of 13.1% in PSC revenue is due to the 10.5% rise in passenger traffic, with international passenger movements increasing by 12.0%

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

B **Duty Free Rental Income**

The increase in duty free rental income was mainly due to the rise in international passenger traffic. ISG will receive revenue amounting to the higher of 46.0% (9M17: 46.0%) 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 (9M18: EUR8.04; 9M17: EUR8.81)
- Guaranteed spending per pax (9M18: EUR9.50; 9M17: EUR9.50)

C **Construction Revenue (IC12: Service Concession Agreement)**

IC12 addresses the accounting for ‘public-private’ arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement)

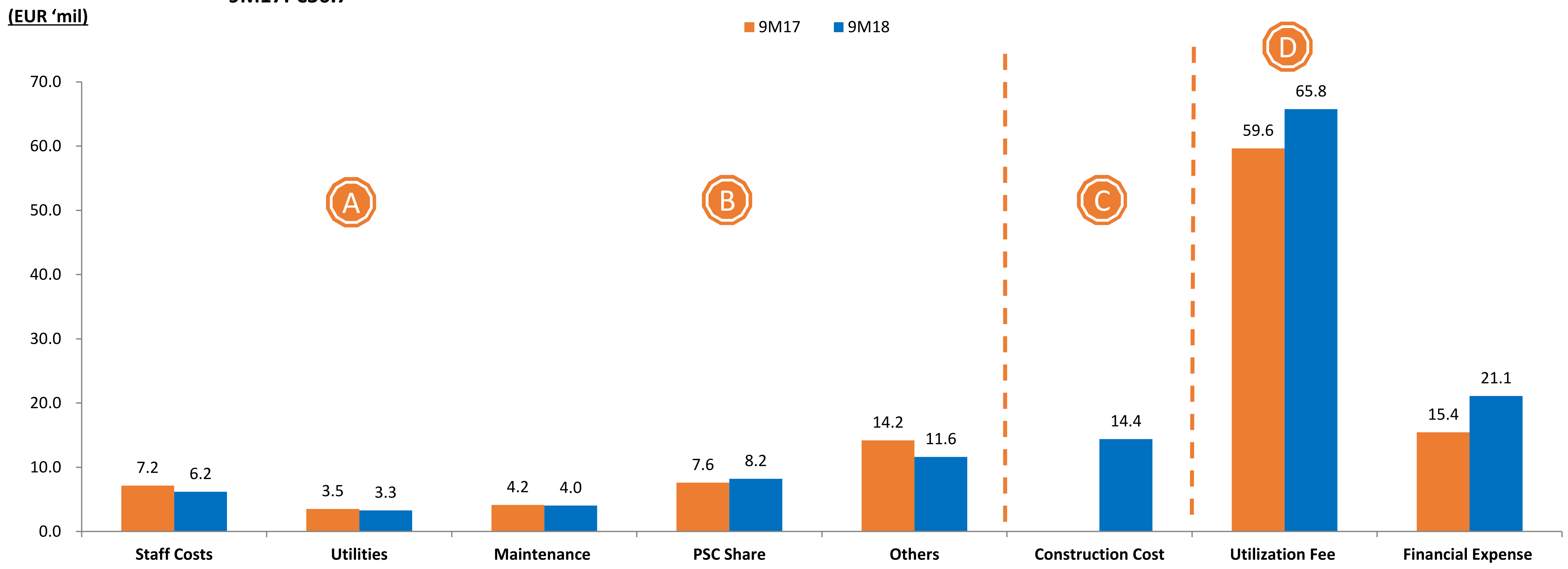
The ISG boarding hall expansion was completed in July 2018

# ISG Cost Analysis

**Operating Costs (EUR 'mil)**
**9M18: €33.4 (-8.9%)**
**9M17: €36.7**

**Construction Cost (EUR 'mil)**

**Finance Cost (EUR 'mil)**
**9M18: €86.8 (+15.7%)**
**9M17: €75.1**




| Staff Costs | Utilities | Maintenance | PSC Share | Others | Construction Cost | Utilization Fee | Financial Expense |
|---|---|---|---|---|---|---|---|
| (-13.4%) | (-6.7%) | (-2.6%) | +8.1% | (-18.1%) | - | +10.3% | +36.7% |

# ISG Explanatory Notes

A **Staff Costs, Utilities & Maintenance**

The decrease was largely attributable to the higher average exchange rate from Turkish Lira to EUR

B **PSC Share**

The increase of 8.1% is due to 10.5% increase in passenger traffic, particularly international passenger traffic which increased by 12.0%

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

C **Construction Cost (IC12: Service Concession Agreement)**

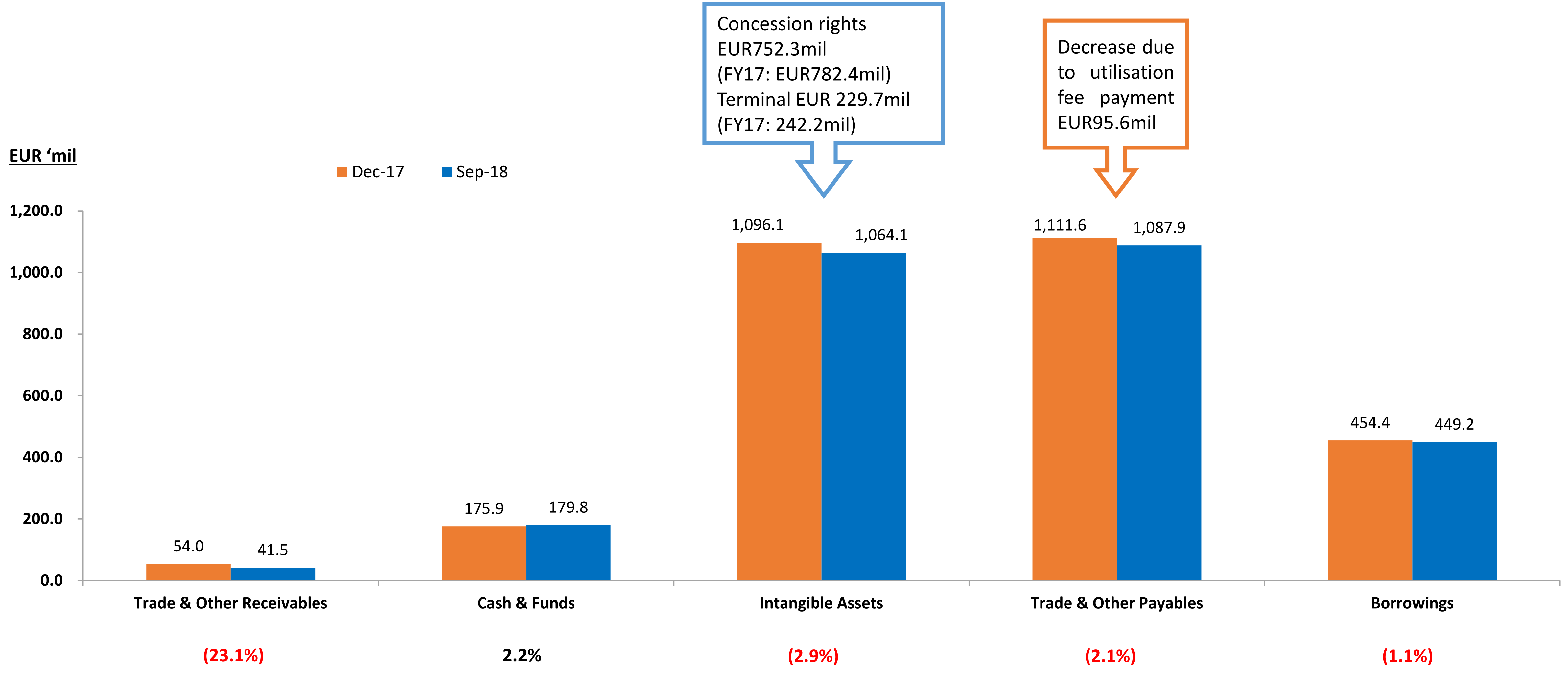
IC12 addresses the accounting for ‘public-private’ arrangements whereby a private sector operator is involved in the construction/upgrading of infrastructure assets to be used in providing public service. Under IC12, the operator may provide construction services to the grantor in exchange for an intangible asset (ie. a right to collect revenue in accordance with the concession agreement)

The ISG boarding hall expansion was completed in July 2018

D **Utilization Fee Finance Cost**

The utilization fee liability represents the present value of amounts payable to the Administration in accordance with the Implementation Agreement for the operation of ISG for 24 years. 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 for each step up. The first step up to EUR95.6 million granted in 2015 with the next step up to EUR114.8mil occurring in 2019. The utilization fee finance cost of EUR65.8mil relates to interest expense on utilization fee liability for the period. The increase in utilization fee finance cost is due to the 2 year extension to the Implementation Agreement, granted in 2017

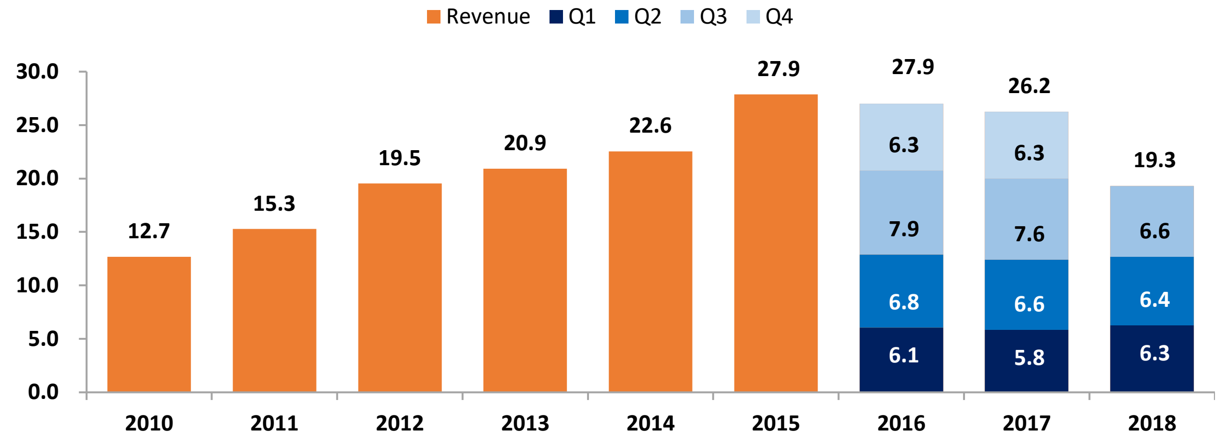
# ISG Balance Sheet Analysis



# LGM Income Statement

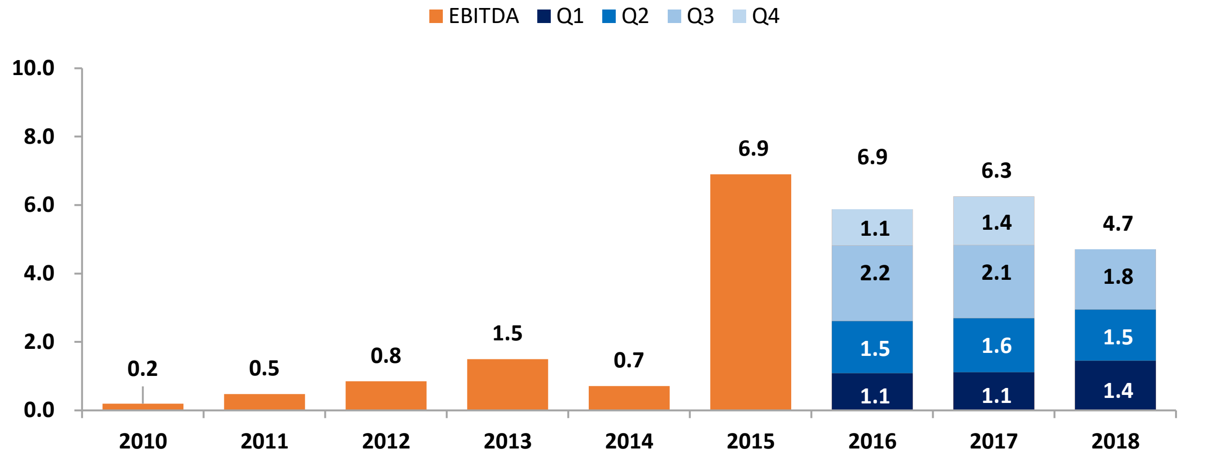
## Revenue (EUR 'mil)

9M18: EUR19.3 (-3.4%)
9M17: EUR20.0



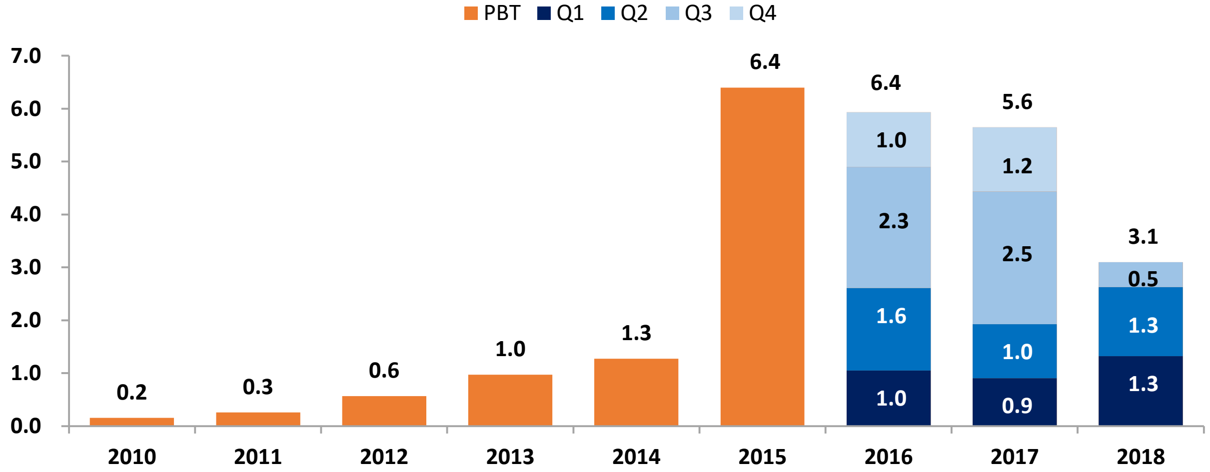

## EBITDA (EUR 'mil)

9M18: EUR4.7 (-2.5%)
9M17: EUR4.8



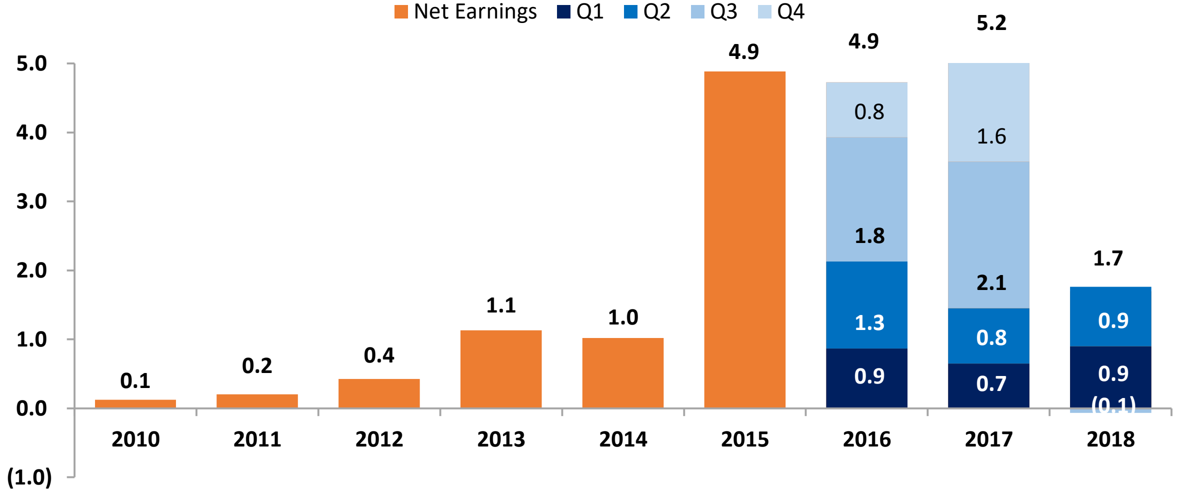

## Profit Before Tax (EUR 'mil)

9M18: EUR3.1 (-30.1%)
9M17: EUR4.4




## Net Earnings (EUR 'mil)

9M18: EUR1.7 (-52.6%)
9M17: EUR3.6



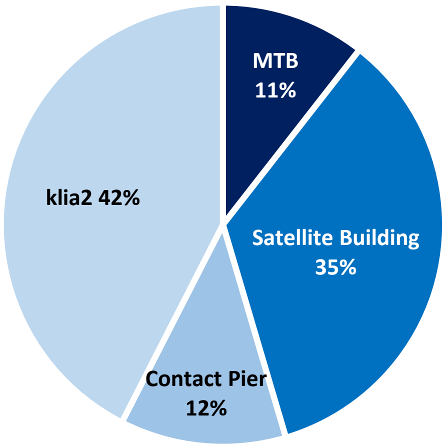

*Decrease in revenue for LGM is mainly due to lower CIP rental revenue due to Akbank Lounge which was closed with effect from August 2015

# Commercial Revenue Analysis

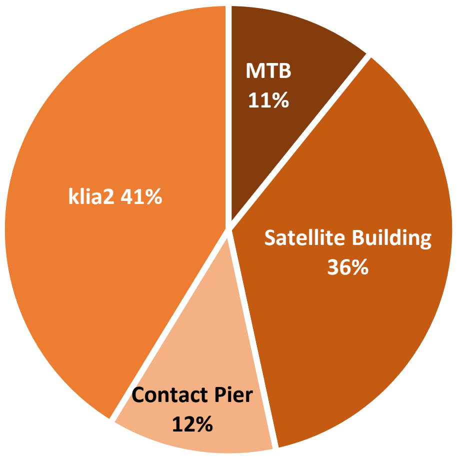
# KUL - Total Retail and F&B Sales

| Description | 9M18* | | | 9M17 | | | 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 | 168.5 | | | 166.9 | | | |
| Satellite Building | 557.2 | | | 553.9 | | | |
| Contact Pier | 193.3 | | | 187.4 | | | |
| Total KLIA Main | 919.0 | 20.9 | 43.88 | 908.1 | 21.1 | 43.07 | 1.9 |
| Total klia2 | 678.6 | 23.7 | 28.57 | 638.1 | 22.2 | 28.70 | (0.4) |
| Total KUL (KLIA Main + klia2) | 1,597.6 | 44.7 | 35.75 | 1,546.2 | 43.3 | 35.69 | 0.1 |

Sales at KUL 9M18




Sales at KUL 9M17



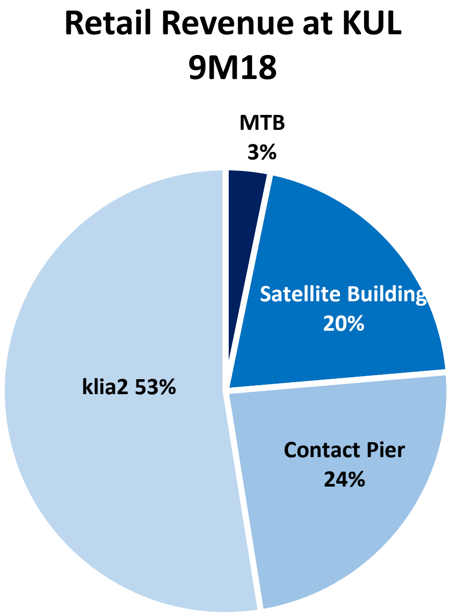

Higher sales per pax at KUL is due to increase in sector movements from China contributed by additional new routes as well as increase in pax from ASEAN and India for 9M18

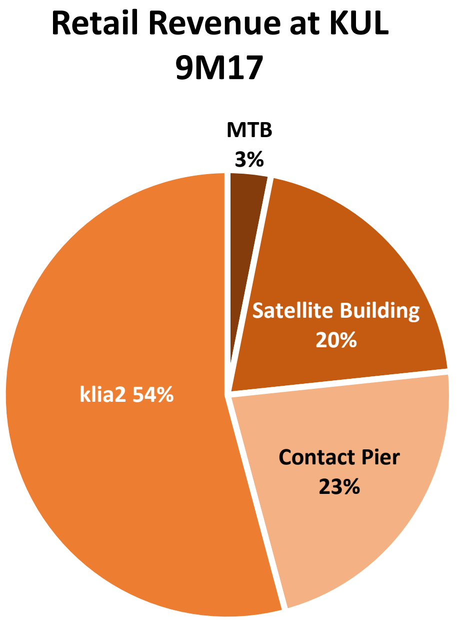
**Preliminary data*

*Note: No. of pax includes domestic passengers. Data includes permanent retail and F&B while services & promotion is excluded.*

# KUL - ERAMAN Retail Revenue

| Description | 9M18 | | | 9M17 | | | 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 | 16.7 | | | 16.8 | | | | |
| Satellite Building | 105.7 | | | 108.3 | | | | |
| Contact Pier | 123.5 | | | 120.7 | | | | |
| Total KLIA Main | 246.0 | 20.9 | 11.75 | 245.8 | 21.1 | 11.66 | ▲ 0.1 | ▲ 0.7 |
| Total klia2 | 272.2 | 23.7 | 11.46 | 290.5 | 22.2 | 13.07 | ▼ (6.3) | ▼ (12.3) |
| Total KUL (KLIA Main + klia2) | 518.2 | 44.7 | 11.59 | 536.4 | 43.3 | 12.38 | ▼ (3.4) | ▼ (6.4) |



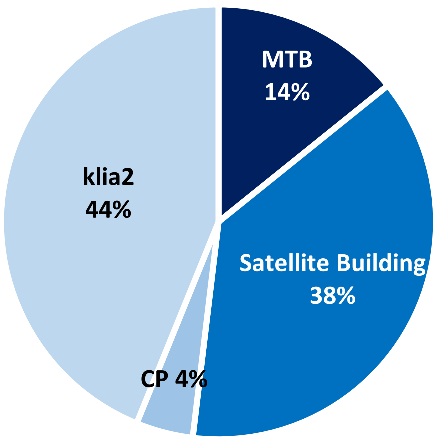

- Top selling duty free products are perfume & cosmetics, followed by tobacco & cigarettes with Chinese citizens being the top spenders per ticket followed by ASEAN passengers
- Eraman commands about 40.1% of total sales per pax at klia2

*Note: No. of pax includes domestic passengers*

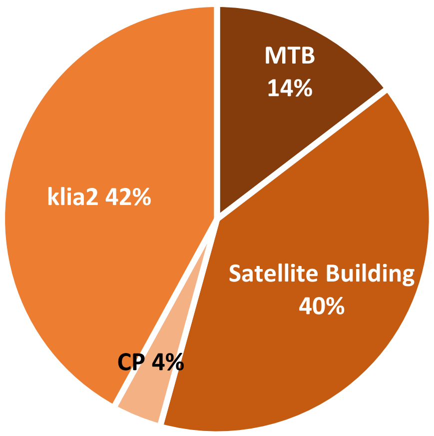
# KUL - Retail & F&B Rental

| Location | 9M18 | | | | | | 9M17 | | | | | | Revenue Variance (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. of Lease out | Space (Sqm) | Rental Revenue (RM 'mil) | | | Rental Revenue (RM '000) per Sqm | No. of Lease out | Space (Sqm) | Rental Revenue (RM 'mil) | | | Rental Revenue (RM'000) per Sqm | |
| | | | MGP | Royalty | Total Rental | | | | MGP | Royalty | Total Rental | | |
| Main Terminal Building | 34 | 4,070 | 30.8 | 8.7 | 39.5 | 9.7 | 44 | 5,044 | 29.3 | 8.4 | 37.7 | 7.5 | |
| Satellite Building | 63 | 7,017 | 77.5 | 27.2 | 104.8 | 14.9 | 68 | 7,662 | 75.9 | 26.3 | 102.2 | 13.3 | |
| Contact Pier | 10 | 3,373 | 5.7 | 6.1 | 11.8 | 3.5 | 13 | 3,499 | 3.3 | 6.3 | 9.6 | 2.7 | |
| Total KLIA Main | 107 | 14,460 | 114.0 | 42.0 | 156.0 | 10.8 | 125 | 16,205 | 108.5 | 41.0 | 149.5 | 9.2 | ▲ 4.4 |
| Total klia2 | 91 | 14,220 | 74.7 | 47.1 | 121.9 | 8.6 | 80 | 13,222 | 74.2 | 34.1 | 108.3 | 8.2 | ▲ 12.5 |
| Total KUL (KLIA Main + klia2) | 198 | 28,680 | 188.7 | 89.2 | 277.9 | 9.7 | 205 | 29,427 | 182.7 | 75.1 | 257.8 | 8.8 | ▲ 7.8 |

**Total Rental at KUL 9M18**




**Total Rental at KUL 9M17**




- klia2 rental revenue per sqm increased due to higher tenancy
- Increase in royalty was contributed by positive sales growth mainly from top tenants at klia2

*Note: Space is based on occupied space and excludes 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 | 9M18 | 9M17 |
|---|---|---|---|
| Average Duty Free spending per pax | EUR/Pax | 8.04 | 8.81 |
| Guaranteed spending per pax | EUR/Pax | 9.50 | 9.50 |

| Description | 9M18 | | | 9M17 | | | 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 | 40.1 | 8.7 | 5,050.0 | 35.9 | 7.1 | ▲ 22.3 | ▲ 22.3 |

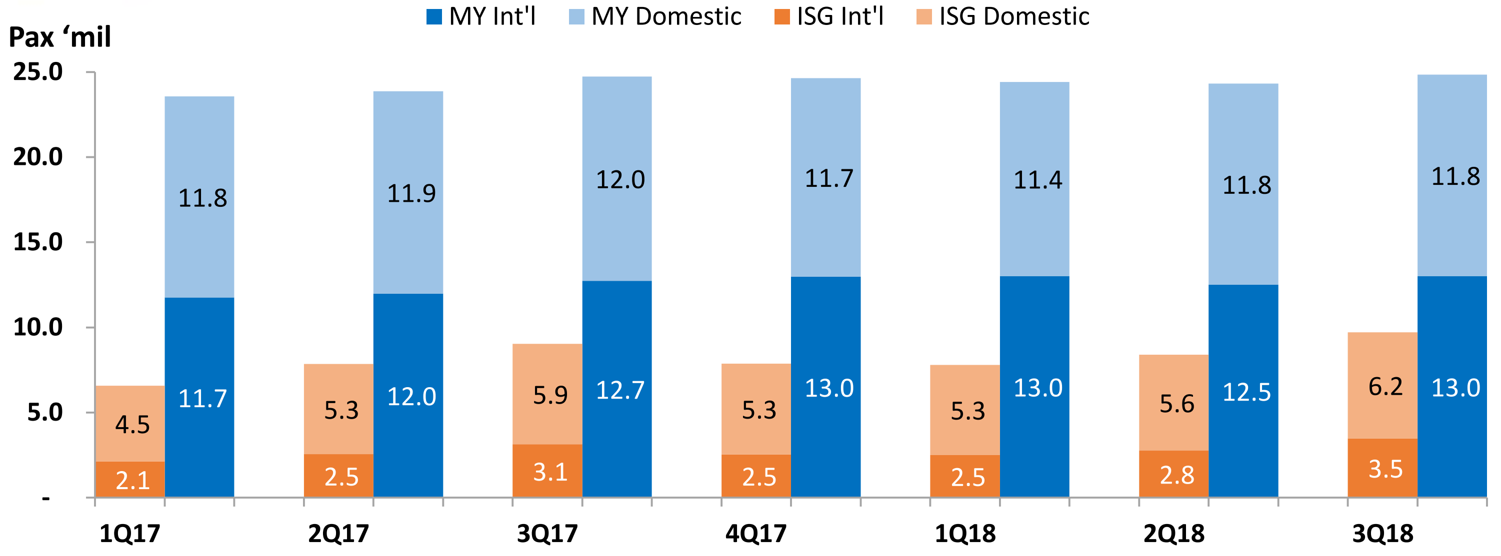
## ISG's Retail & F&B Rental Analysis

| Description | 9M18 | | | 9M17 | | | 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 | 7.5 | 0.8 | 9,107.0 | 7.5 | 0.8 | ▼ (0.8) | ▼ (0.8) |
| Retail | 3,049.5 | 1.7 | 0.5 | 1,648.9 | 1.1 | 0.7 | ▲ 46.1 | ▼ (21.0) |
| Total ISG | 12,156.5 | 9.1 | 0.8 | 10,755.9 | 8.7 | 0.8 | ▲ 5.3 | ▼ (6.8) |

** ISG will receive rental revenue amounting to the higher of 46.0% (9M17: 46.0%) 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 (Pax)




- Total MAHB network of airports registered 4.5% growth
- There have been increasing intra-domestic passenger movements among non-KLIA airports which used to flow significantly through KLIA in the past. There have also been increasing direct international services to non-KLIA airport which has reduced some movements through KLIA
- Positive development in Turkey continued with 10.5% increase total passenger while international passenger traffic grew by 12.0%

| | KLIA Main | | | klia2 | | | KLIA (KUL) | | | MASB Airports* | | | MY Airports | | | ISG (SAW) | | | MAHB Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % |
| International | 17.0 | 16.3 | 4.1 | 15.6 | 15.0 | 4.0 | 32.5 | 31.3 | ▲ 4.0 | 6.0 | 5.1 | ▲ 16.9 | 38.5 | 36.4 | ▲ 5.9 | 8.7 | 7.8 | ▲ 12.0 | 47.3 | 44.2 | ▲ 6.9 |
| Domestic | 4.0 | 4.8 | (16.9) | 8.2 | 7.3 | 12.7 | 12.2 | 12.1 | ▲ 0.9 | 22.9 | 23.3 | ▼ (1.7) | 35.0 | 35.3 | ▼ (0.8) | 17.2 | 15.6 | ▲ 9.8 | 52.2 | 51.0 | ▲ 2.4 |
| Total | 20.9 | 21.1 | (0.7) | 23.7 | 22.2 | 6.8 | 44.7 | 43.3 | ▲ 3.2 | 28.9 | 28.4 | ▲ 1.7 | 73.6 | 71.7 | ▲ 2.6 | 25.9 | 23.4 | ▲ 10.5 | 99.4 | 95.2 | ▲ 4.5 |

## New destinations for home-based carriers in 9M18

**Malaysia Airlines**
KUL-Brisbane

**AirAsia/AirAsiaX**
KUL-Jaipur
KUL-Malé
KUL-Hua Hin
PEN-Hanoi
PEN-Phuket

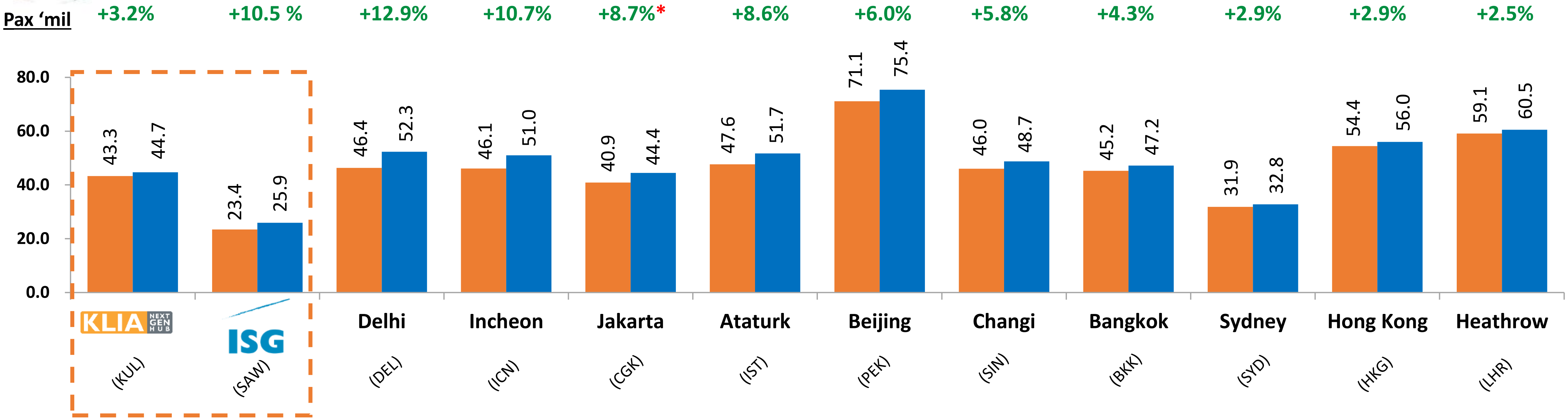
**Malindo Air**
BKI-Chengdu
BKI-Changsha
BKI-Guangzhou
BKI-Tianjin
BKI-Singapore
BKI-Nanning
LGK-Chengdu
PEN-Banda Aceh
IPH-Medan
LGK-Kunming
LGK-Guiyang
SZB-Silangit
KUL-Melbourne
KUL-Labuan
KUL-Amritsar
KBR-Surat Thani
PEN-Nanning

**Pegasus Airlines**
SAW-Erbil
SAW-Damman
SAW-Nurenberg
SAW-Muscat

**Turkish Airlines**
SAW-Damman
SAW-Bahrain

*MASB Airports refers to the 38 Malaysian airports other than KLIA/KUL operated by Malaysia Airports Sdn Bhd

# Airport Peers Passenger Movements




*Source: Various airport websites, IATA*
**Jakarta (CGK) as at August 2018*

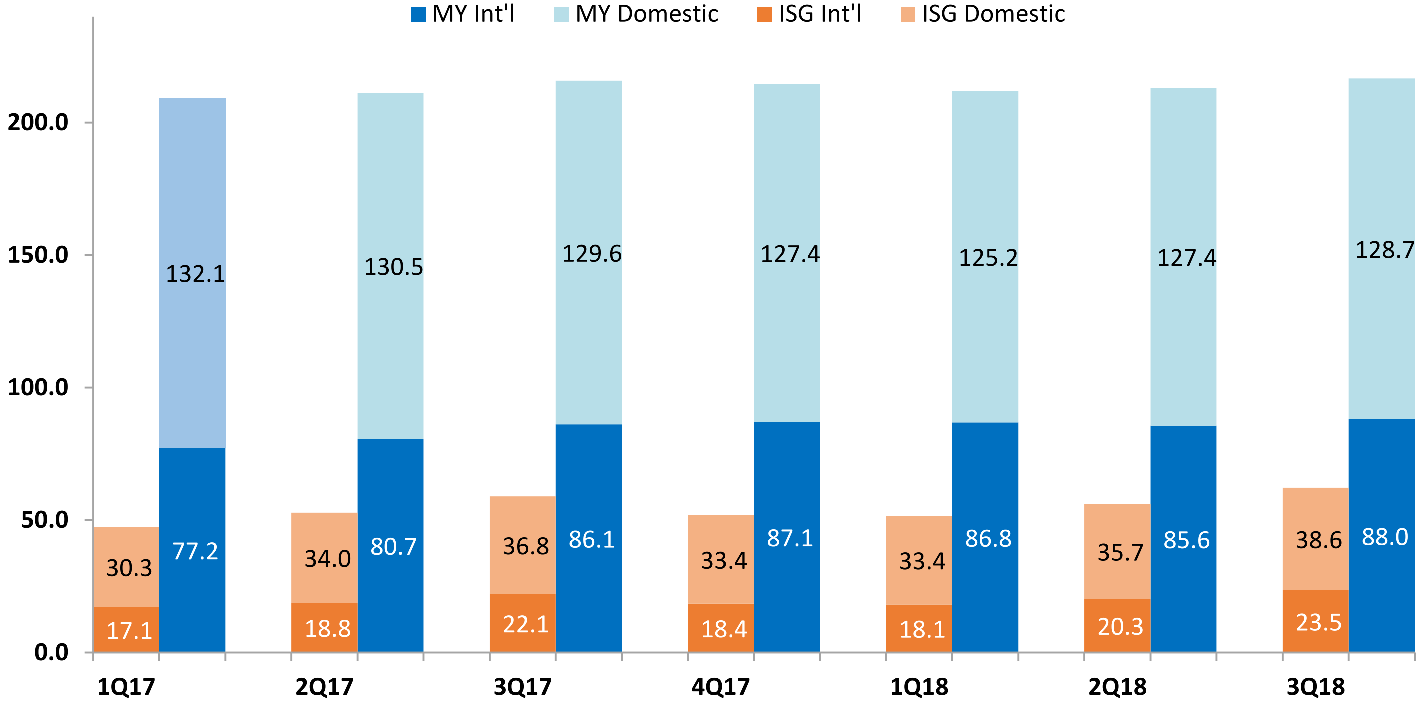
Global Drivers

- Industry-wide revenue passenger kilometers slowed to an eight-month low of 5.5% down from 6.4% in August
- It is estimated that the net impact of typhoons to have subtracted between 0.3 and 0.6 percentage point from year-on-year international revenue passenger kilometers (RPK) growth for airlines based in Asia Pacific in September
- In any case, the upward trend in passenger traffic remains very strong, supported by structural changes, including ongoing rises in living standards in the region, as well as network changes that translate into time savings and ultimately stimulate demand

*Source: IATA: 2018: Weather effects at play in Sept, but upward trend slowed in Q3 (6th November 2018)*

# Aircraft Movements (ATM)

ATM '000




**Snapshot of new services from foreign based carriers in 9M18**

| Airline | Routing | Frequency | Effective |
|---|---|---|---|
| ***New Airlines*** | | | |
| **Xiamen Air** | Beijing-BKI | Daily | 16/1 |
| **Wings Air** | Pontianak-KCH | 14x weekly | 24/1 |
| **Bassaka Air** | Phnom Penh-KUL | Daily | 31/1 |
| **Scoot** | Singapore-KUA | 3x weekly | 2/2 |
| **Qatar Airways** | Doha-PEN | 3x weekly | 6/2 |
| **Wings Air** | Pontianak-MYY | 7x weekly | 15/3 |
| **Citilink Indonesia** | Jakarta-PEN | 7x weekly | 25/3 |
| **Wings Air** | Medan - MKZ | 7x weekly | 20/4 |
| **Pobeda Airlines** | SAW-Moscow | Daily | 21/9 |
| ***New Service*** | | | |
| **Wataniya Airways** | Kuwait-SAW | Daily | 25/3 |
| **Emirates** | SAW-Dubai | 5x weekly | 8/6 |
| **Thai Airasia** | Don Mueng-BKI | 3x weekly | 16/8 |
| ***Additional Frequency*** | | | |
| **China Southern** | Guangzhou-PEN | 7x to 14x weekly | 1/6 |
| **China Airlines** | Taipei-PEN | 6x to 7x weekly | 7/6 |
| **Qatar Airways** | Doha-PEN | 3x to 4x weekly | 17/6 |

| | KLIA Main | | | klia2 | | | KLIA (KUL) | | | MASB Airports* | | | MY Airports | | | ISG (SAW) | | | MAHB Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % | 9M18 | 9M17 | Var % |
| International | 112.7 | 108.7 | 3.7 | 92.4 | 88.0 | 5.1 | 205.1 | 196.6 | ▲ 4.3 | 55.3 | 47.3 | ▲ 16.9 | 260.4 | 243.9 | ▲ 6.7 | 62.0 | 58.0 | ▲ 6.9 | 322.4 | 301.9 | ▲ 6.8 |
| Domestic | 37.0 | 42.6 | (13.0) | 54.4 | 47.0 | 15.7 | 91.4 | 89.5 | ▲ 2.1 | 290.0 | 300.4 | ▼ (3.6) | 381.1 | 390.0 | ▼ (2.3) | 107.7 | 101.2 | ▲ 6.4 | 488.8 | 491.2 | ▼ (0.5) |
| Total | 149.8 | 151.2 | (1.0) | 146.8 | 134.9 | 8.8 | 296.5 | 286.2 | ▲ 3.6 | 345.3 | 347.7 | ▼ (0.8) | 641.5 | 633.9 | ▲ 1.2 | 169.7 | 159.1 | ▲ 6.6 | 811.2 | 793.1 | ▲ 2.3 |

*MASB Airports refers to the 38 Malaysian airports other than KLIA/KUL operated by Malaysia Airports Sdn Bhd

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