

Passenger Traffic Snapshot, June 2015

Total	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			¹ LTM		
KLIA	3,998	4,181	-4.4%	24,051	24,451	-1.6%	48,530	49,655	-2.3%
MASB Airports	2,993	3,077	-2.7%	17,285	16,882	2.4%	34,820	34,280	1.6%
Total	6,991	7,258	-3.7%	41,335	41,333	0.0%	83,350	83,935	-0.7%
Istanbul SGIA ²	2,451	2,186	12.1%	12,644	10,845	16.6%	25,431	21,555	18.0%
Total MAHB System	9,443	9,444	-0.01%	53,979	52,178	3.5%	108,780	105,490	3.1%

International	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			LTM		
KLIA	2,826	2,893	-2.3%	17,109	17,321	-1.2%	34,585	34,642	-0.2%
MASB Airports	457	468	-2.4%	2,533	2,702	-6.2%	5,184	5,505	-5.8%
Total KLIA & MASB	3,283	3,361	-2.3%	19,642	20,023	-1.9%	39,769	40,148	-0.9%
Istanbul SGIA	813	782	4.0%	4,353	3,895	11.8%	9,062	7,811	16.0%
Total MAHB System	4,096	4,143	-1.1%	23,996	23,918	0.3%	48,831	47,959	1.8%

Domestic	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			LTM		
KLIA	1,173	1,289	-9.0%	6,941	7,130	-2.7%	13,945	15,012	-7.1%
MASB Airports	2,536	2,608	-2.8%	14,751	14,180	4.0%	29,636	28,775	3.0%
Total	3,708	3,897	-4.8%	21,693	21,310	1.8%	43,581	43,787	-0.5%
Istanbul SGIA	1,638	1,404	16.7%	8,291	6,950	19.3%	16,369	13,743	19.1%
Total MAHB System	5,346	5,301	0.9%	29,983	28,261	6.1%	59,949	57,531	4.2%

* June is preliminary, where main variations if any lie largely from the non-scheduled or charter flights at domestic airports

¹LTM refers to the last twelve months, up to and including the month in question

²Istanbul SGIA is Istanbul Sabiha Gokcen International Airport with the SAW three-letter International Air Transport Association (IATA) code

KLIA Main & klia2 Passenger Traffic Snapshot ('000), June 2015

Airport	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			LTM		
KLIA Main									
Total	1,882	2,075	-9.3%	11,734	12,747	-8.0%	23,890	26,580	-10.1%
International	1,465	1,554	-5.7%	9,112	9,676	-5.8%	18,423	19,834	-7.1%
Domestic	417	521	-20.0%	2,622	3,072	-14.6%	5,467	6,746	-19.0%
LCCT/klia2									
Total	2,117	2,106	0.5%	12,317	11,704	5.2%	24,639	23,075	6.8%
International	1,361	1,339	1.7%	7,998	7,646	4.6%	16,161	14,809	9.1%
Domestic	756	767	-1.5%	4,319	4,058	6.4%	8,478	8,266	2.6%

Aircraft Traffic Snapshot, June 2015

Total	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			LTM		
KLIA	28,512	27,717	2.9%	176,806	167,673	5.4%	348,783	337,989	3.2%
MASB Airports	37,717	37,478	0.6%	232,371	217,397	6.9%	466,886	434,405	7.5%
Total	66,229	65,195	1.6%	409,177	385,070	6.3%	815,669	772,394	5.6%
Istanbul SGIA	17,974	15,376	16.9%	92,566	79,112	17.0%	186,262	156,623	18.9%
Total MAHB System	84,203	80,571	4.5%	501,743	464,182	8.1%	1,001,931	929,017	7.8%

International	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			LTM		
KLIA	19,559	18,476	5.9%	119,545	111,844	6.9%	235,154	221,941	6.0%
MASB Airports	4,736	5,110	-7.3%	29,139	30,428	-4.2%	59,151	61,435	-3.7%
Total	24,295	23,586	3.0%	148,684	142,272	4.5%	294,305	283,376	3.9%
Istanbul SGIA	6,537	5,932	10.2%	34,425	30,776	11.9%	70,640	61,008	15.8%
Total MAHB System	30,832	29,518	4.5%	183,109	173,048	5.8%	364,945	344,384	6.0%

Domestic	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	June			Year- to-date			LTM		
KLIA	8,953	9,241	-3.1%	57,261	55,829	2.6%	113,629	116,048	-2.1%
MASB Airports	32,981	32,368	1.9%	203,232	186,969	8.7%	407,735	372,970	9.3%
Total	41,934	41,609	0.8%	260,493	242,798	7.3%	521,364	489,018	6.6%
Istanbul SGIA	11,437	9,444	21.1%	58,141	48,336	20.3%	115,622	95,615	20.9%
Total MAHB System	53,371	51,053	4.5%	318,634	291,134	9.4%	636,986	584,633	9.0%

MAHB system's traffic performance

Total MAHB system of airports (including Istanbul SGIA) for June 2015 recorded 9.4million passengers, 0.01% lower than June 2014. Domestic traffic registered 5.3million passengers, an increase of 0.9%, while international traffic recorded 4.1million, a reduction of 1.1% over the same corresponding period.

On a last-twelve-month basis, the total MAHB system (with Istanbul SGIA) registered 3.1% growth with 109million passengers. Overall aircraft movements for MAHB airports including Istanbul SGIA grew by 4.5% on a like-to-like basis over the same reporting period in June 2014.

KLIA and Malaysia's other MAHB airports(MASB) overall passenger traffic recorded 7million passengers, 3.7% lower than June 2014. Domestic sector was down by 4.8% while the international sector declined by 2.3% over the same month last year. The second half of June registered a high negative compare to the same period in 2014 mainly due to less travel during Ramadhan, a trend similar to previous years. Overall aircraft movements for domestic and international sectors increased by 3.0% and 0.8% respectively. Total aircraft movements increased by 1.6% with an average overall load factor of 73%.

KLIA handled 4million passenger movements, a decrease of 4.4% in June 2015 compared to June 2014. International traffic declined by 2.3%, while domestic traffic which was directly affected by less travel during the Ramadhan month declined by 9%. KLIA Main terminal passengers declined by 9.3% while klia2 registered a marginal positive 0.5% over the same period last year. The positive growth of klia2 was mainly contributed by Malindo Air and Airasia international traffic performance. The last twelve months passenger traffic for KLIA Main terminal recorded 23.9million passengers, a decline of 10.1%, while klia2 recorded 24.6million, an increase of 6.8% over the same corresponding period in 2014. Overall aircraft movements at KLIA increased by 5.4%, with domestic and international registering 2.6% and 6.9% growth respectively.

Istanbul SGIA

Istanbul SGIA overall traffic continued to record double-digit growth for June 2015. The domestic and international sector grew by 16.7% and 4% respectively. Overall aircraft movements increased by 16.9%.

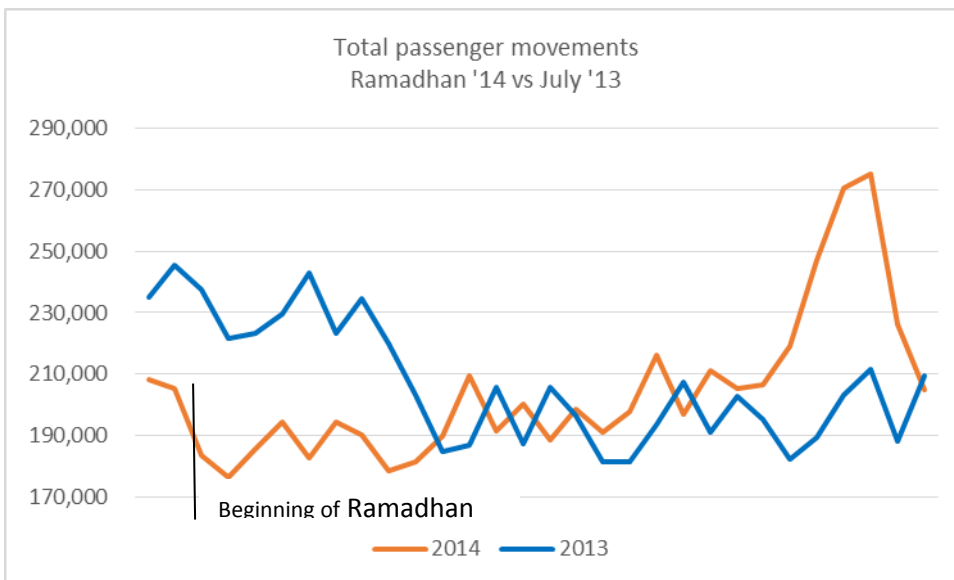
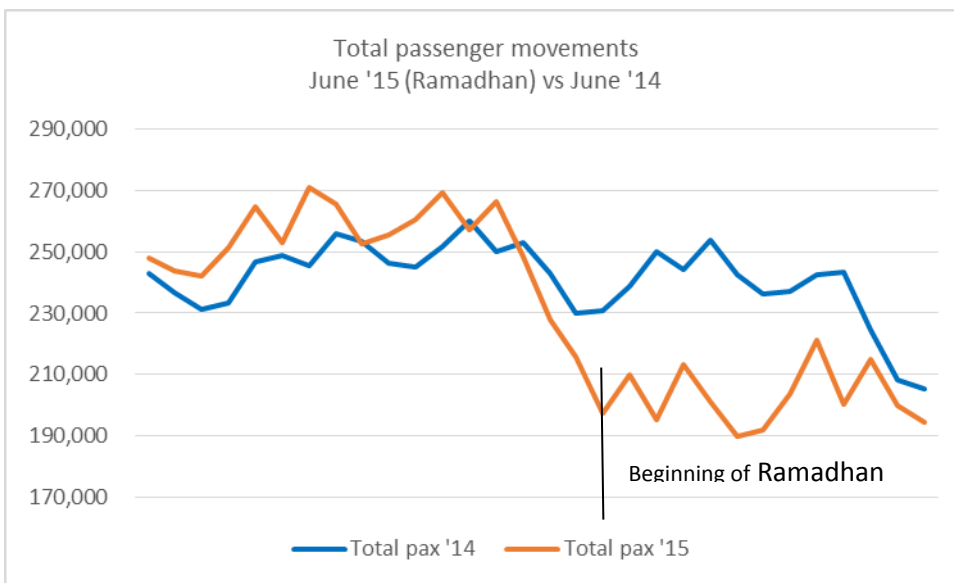
Half year traffic

The total MAHB system handled 54million passengers in the first half of 2015 registering a 3.5% growth over the same corresponding period last year. Domestic movements increased by 6.1% while international movements increased by 0.3%. The lower negative 8% six months passenger growth for KLIA Main's passenger traffic was partly due to the higher 2014 base before the shift of Malindo Air and Lion Air to klia2. Aircraft movements increased by 8.1% over the same period last

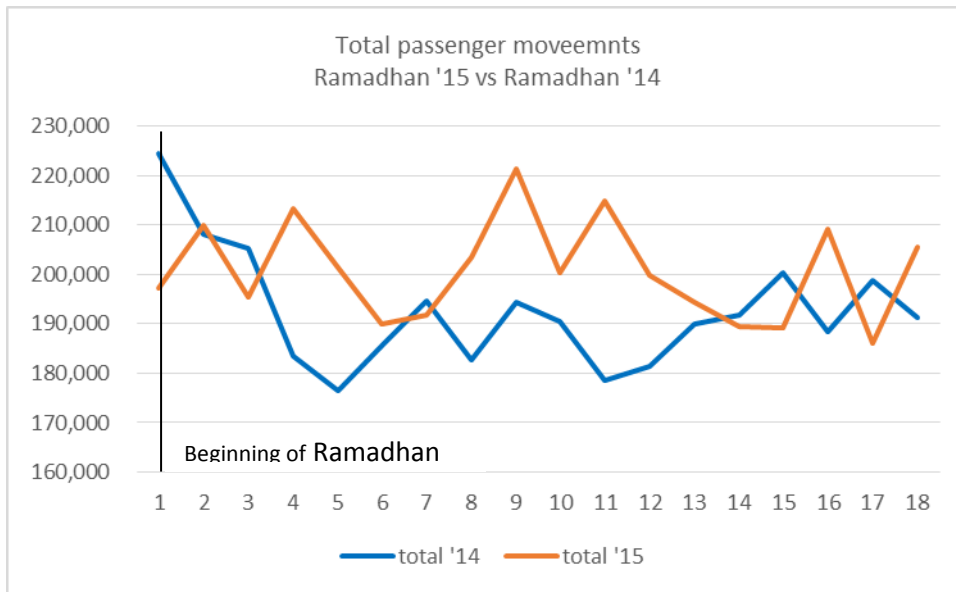
year. Malaysia's traffic for the first half registered 41.3million passenger movements, a marginal increase of 0.004% over 2014.

Overview of traffic

The June 2015 passenger traffic registered a decline mainly due to the lesser travel during the Ramadhan month, typical as previous years. There was a double digit decline in traffic from 18th to 30th June compared to the same period last year. This was similar to the decline experienced in 2014 July during Ramadhan period.



On like to like basis, comparing first 12 days of Ramadhan'15 with first 12 days of Ramadhan'14 yields a 6.6% growth, indicating existence of inherent demand for air travel.



This is indeed a positive sign despite the relatively less than favourable air travel demand environment now. This is in spite of some apprehension on Malaysia Airlines restructuring outcome as well as AirAsia X's difficulties which actually could have affected sentiments for air travel. China traffic is now registering double digit growth and this is expected to continue. Other than South Asia sector, the other international and domestic sectors generally registered negative growth for June 2015. The current turmoil in the Middle East combined with lesser travel during Ramadhan continue to cause a dent in the Middle East traffic.

Istanbul SGIA's passenger traffic was partly affected by lesser travel during the Ramadhan month. Prior to Ramadhan month in June 2015, Istanbul SGIA registered a double digit growth in the range of 20% which reduced to a low single digit growth during Ramadhan. As in the case of Malaysia, Istanbul SGIA does experience lesser travel during Ramadhan month.

Industry Outlook

The IMF in July 2015 further revised downward the global economic forecast to 3.3% from 3.5% projected in April 2015 which was already a reduction from 3.8% in October 2014. Nevertheless, ICAO and IATA have projected global passenger traffic growth of 6.7% and 7% growth for 2015.

The second quarter Malaysia's traffic was better than the first quarter. It managed to raise the six months traffic level to positive from a negative 1.2% in the first quarter. Though we foresee a positive trend moving forward, there are several issues of concern. This includes the softening global economic environment, Malaysia Airlines' restructuring outcome and the cutting of routes and frequencies and AirAsia X's deferment of expansion plan. The weakening Ringgit would help to raise tourism numbers but could affect airlines yields which may force a rise in fares. Despite that we expect 2015 passenger traffic target of 85.8million passenger movements for Malaysia to be within the achievable range. To date, Istanbul Sabiha Gokcen's has yielded very favourable passenger numbers and we foresee this will continue.

Research and Planning, MAHB

10th July 2015