

**Passenger Traffic Snapshot('000), March 2015**

Total	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	Mar			1st Qtr			LTM		
KLIA	4,223	4,234	-0.3%	11,975	12,333	-2.9%	48,572	49,240	-1.4%
MASB Airports	3,020	2,925	3.2%	8,373	8,316	0.7%	34,475	33,574	2.7%
<b>Total</b>	<b>7,243</b>	<b>7,159</b>	<b>1.2%</b>	<b>20,348</b>	<b>20,649</b>	<b>-1.5%</b>	<b>83,047</b>	<b>82,814</b>	<b>0.3%</b>
Istanbul SGIA <sup>2</sup>	1,967	1,662	18.4%	5,608	4,805	16.7%	24,435	20,196	21.0%
<b>Total MAHB System</b>	<b>9,210</b>	<b>8,821</b>	<b>4.4%</b>	<b>25,955</b>	<b>25,454</b>	<b>2.0%</b>	<b>107,481</b>	<b>103,010</b>	<b>4.3%</b>

International	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	Mar			1st Qtr			LTM		
KLIA	2,976	3,002	-0.9%	8,583	8,776	-2.2%	34,603	34,157	1.3%
MASB Airports	398	475	-16.1%	1,207	1,392	-13.3%	5,168	5,446	-5.1%
<b>Total</b>	<b>3,374</b>	<b>3,476</b>	<b>-2.9%</b>	<b>9,789</b>	<b>10,168</b>	<b>-3.7%</b>	<b>39,771</b>	<b>39,603</b>	<b>0.4%</b>
Istanbul SGIA	693	613	13.0%	1,945	1,697	14.6%	8,851	7,323	20.9%
<b>Total MAHB System</b>	<b>4,067</b>	<b>4,169</b>	<b>-0.6%</b>	<b>11,734</b>	<b>10,865</b>	<b>-1.1%</b>	<b>48,622</b>	<b>46,926</b>	<b>3.6%</b>

Domestic	2015	2014	% YOY	2015	2014	%YOY	2015	2014	%YOY
	Mar			1st Qtr			LTM		
KLIA	1,246	1,232	1.2%	3,392	3,557	-4.6%	13,969	15,083	-7.4%
MASB Airports	2,622	2,451	7.0%	7,167	6,924	3.5%	29,307	28,128	4.2%
<b>Total</b>	<b>3,868</b>	<b>3,683</b>	<b>5.0%</b>	<b>10,559</b>	<b>10,481</b>	<b>0.7%</b>	<b>43,276</b>	<b>43,211</b>	<b>0.2%</b>
Istanbul SGIA	1,274	1,049	21.5%	3,663	3,108	17.9%	15,583	12,873	21.0%
<b>Total MAHB System</b>	<b>5,143</b>	<b>4,731</b>	<b>8.7%</b>	<b>14,221</b>	<b>13,589</b>	<b>4.7%</b>	<b>58,859</b>	<b>56,084</b>	<b>4.9%</b>

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

<sup>1</sup>LTM refers to the last twelve months, up to and including the month in question

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

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

Airport	2015		2014 % YOY	2015		2014 %YOY	2015		2014	%YOY
	Mar			1st Qtr			LTM			
<b>KLIA Main</b>										
<b>Total</b>	<b>2,101</b>	<b>2,142</b>	<b>-1.9%</b>	<b>5,946</b>	<b>6,220</b>	<b>-4.4%</b>	<b>24,090</b>	<b>25,478</b>	<b>-5.4%</b>	
International	1,620	1,644	-1.5%	4,628	4,809	-3.8%	18,514	19,371	-4.4%	
Domestic	481	497	-3.3%	1,317	1,411	-6.6%	5,576	6,107	-8.7%	
<b>LCCT/klia2</b>										
<b>Total</b>	<b>2,122</b>	<b>2,092</b>	<b>1.4%</b>	<b>6,029</b>	<b>6,113</b>	<b>-1.4%</b>	<b>24,482</b>	<b>23,761</b>	<b>3.0%</b>	
International	1,356	1,358	-0.1%	3,954	3,967	-0.3%	16,089	14,786	8.8%	
Domestic	766	735	4.2%	2,075	2,147	-3.3%	8,393	8,976	-6.5%	

\*\* March comparison is on same airline basis

**Aircraft Traffic Snapshot, March 2015**

Total	2015		2014 % YOY	2015		2014 %YOY	2015		2014	%YOY
	Mar			1st Qtr			LTM			
KLIA	30,933	28,603	8.1%	88,680	83,798	5.8%	344,532	334,409	3.0%	
MASB Airports	40,161	36,763	9.2%	115,547	106,460	8.5%	460,999	424,681	8.6%	
<b>Total</b>	<b>71,094</b>	<b>65,366</b>	<b>8.8%</b>	<b>204,227</b>	<b>190,258</b>	<b>7.3%</b>	<b>805,531</b>	<b>759,090</b>	<b>6.1%</b>	
Istanbul SGIA	14,586	12,310	18.5%	41,031	35,382	15.9%	178,457	142,309	25.4%	
<b>Total MAHB System</b>	<b>85,680</b>	<b>77,676</b>	<b>10.3%</b>	<b>245,258</b>	<b>225,640</b>	<b>8.7%</b>	<b>983,988</b>	<b>895,160</b>	<b>8.7%</b>	

International	2015		2014 % YOY	2015		2014 %YOY	2015		2014	%YOY
	Mar			1st Qtr			LTM			
KLIA	20,738	19,236	7.8%	59,938	55,808	7.4%	231,583	217,218	6.6%	
MASB Airports	5,037	5,190	-2.9%	14,734	15,325	-3.9%	59,849	61,538	-2.7%	
<b>Total</b>	<b>25,775</b>	<b>24,426</b>	<b>5.5%</b>	<b>74,672</b>	<b>71,133</b>	<b>5.0%</b>	<b>291,432</b>	<b>278,756</b>	<b>4.5%</b>	
Istanbul SGIA	5,434	4,796	13.3%	15,333	13,622	12.6%	68,702	52,943	29.8%	
<b>Total MAHB System</b>	<b>31,209</b>	<b>29,222</b>	<b>6.8%</b>	<b>90,005</b>	<b>84,755</b>	<b>6.2%</b>	<b>360,134</b>	<b>331,699</b>	<b>8.6%</b>	

Domestic	2015		2014 % YOY	2015		2014 %YOY	2015		2014	%YOY
	Mar			1st Qtr			LTM			
KLIA	10,195	9,367	8.8%	28,742	27,990	2.7%	112,949	117,191	-3.6%	
MASB Airports	35,124	31,573	11.2%	100,813	91,135	10.6%	401,150	363,143	10.5%	
<b>Total</b>	<b>45,319</b>	<b>40,940</b>	<b>10.7%</b>	<b>129,555</b>	<b>119,125</b>	<b>8.8%</b>	<b>514,099</b>	<b>480,334</b>	<b>7.0%</b>	
Istanbul SGIA	9,152	7,514	21.5%	25,698	21,760	18.1%	109,755	89,366	22.8%	
<b>Total MAHB System</b>	<b>54,471</b>	<b>48,454</b>	<b>12.4%</b>	<b>155,253</b>	<b>140,885</b>	<b>10.2%</b>	<b>623,854</b>	<b>563,461</b>	<b>10.7%</b>	

### **MAHB system's traffic performance**

March 2015 passenger traffic performance was optimistic as total MAHB system of airports (including Istanbul SGIA) recorded 9.2million passengers, an increase of 4.4% over March 2014. This is the second consecutive month of positive growth recorded by the airport system. Domestic traffic recorded 5.1million passengers, an increase of 8.7%, while international traffic recorded 4.1million, a marginal decrease of 0.6% over the same corresponding period.

On a last-twelve-month basis, the total MAHB system (with Istanbul SGIA) registered 4.3% growth with 107million passengers. Overall aircraft movements for MAHB airports including Istanbul SGIA grew by 10.3% on a like-for-like basis over the same reporting period in March 2014.

KLIA and MASB airports overall traffic was equally encouraging registering 7.2million passengers, an increase of 1.2% in March 2015 over a 13.1% growth achieved in March 2014. This is the highest monthly passenger volume handled for March, for the year and fourth highest since January 2014. Domestic sector recorded 5% growth, while the international sector declined by 2.9% over the same reporting period. Overall aircraft movements for domestic and international sectors increased by 10.7% and 5.5% respectively, with an average load factor of above 70%. Overall aircraft movements increased by 8.8%.

KLIA handled 4.2million passenger movements, a decrease of 0.3% in March 2015 compared to March 2014. Domestic traffic increased by 1.2%, while international traffic declined by 0.9%. KLIA Main terminal passengers declined by 7.9% while klia2 increased by 8.6%. Malindo Air performance in terms of international traffic saw large improvement in March 2015. On a like-to-like basis, KLIA Main terminal traffic declined by 1.9% and klia2 increased by 1.4%. The last twelve months passenger traffic for KLIA Main terminal recorded 24.1million passengers, a decline of 5.4%, while LCCT/klia2 recorded 24.5million, an increase of 3% over March 2014. Overall aircraft movements at KLIA increased by 8.1% over March 2014. Domestic and international aircraft movements increased by 8.8% and 7.8% respectively.

## **Istanbul SGIA**

Istanbul SGIA sustained to record double-digit growth for both domestic and international sector achieving an overall 18.4% growth for March 2015 over March 2014. Overall aircraft movements increased by 18.5%.

## **First quarter traffic**

The total MAHB system handled 26million passengers in the first quarter of 2015 registering a 2% growth over the same corresponding period last year. Domestic movements increased by 4.7% while international movements declined by 1.1%. Aircraft movements however, grew by 8.7% over the same period last year. Malaysia's traffic for the first quarter registered 20.3million passenger movements, a decline of 1.5% over 2014, mainly as a result of the large contractions in January and February.

## **Overview of traffic**

The contribution to March 2015 passenger traffic largely came from domestic movements at Malaysia Airports and, domestic and international movements at Istanbul Sabiha Gocken's Airport. Malaysia's favourable domestic traffic performance of 5% in March 2015 against a 16.6% growth in March 2014 is encouraging. It is noteworthy that the 3.9million passengers registered by the domestic sector in March 2015 is the third highest monthly total since January 2014. There was a significant improvement in Langkawi traffic compared to the previous months as the traffic grew by 8.6% in March 2015 over March 2014. In general the overall passenger traffic was supported by school holidays travel and also the Formula 1 event. The China sector continued to experience a double-digit decline. The current turmoil in the Middle East has caused a dent in the Middle East traffic which declined by a mid-single-digit percentage decline. Europe, South Asia and South East Asia continued to register positive growth.

## Industry Outlook

The IMF in January 2015 further revised downward the global economy forecast to 3.5% from 3.8% projected in October 2014. While lower oil prices is expected to be positive for air travel, IATA has cautioned on a dampening impact from softening business confidence.

Malaysia's 2015 GDP was revised downwards in January to grow between 4.5% to 5.5%, 1%-point below the previous forecast. ICAO and IATA have projected global passenger traffic growth of 6.3% and 7% growth for 2015. The ASEAN Open Skies policy would help improve intra-ASEAN travel further. As expected, the large negative impact from MH370 has continued into the first quarter of 2015. Beyond that we foresee some improvement in the China sector. The Europe sector initially affected by MH17 is already registering positive for the last few months.

Despite the first quarter negative, we expect 2015 passenger traffic target of 85.8million passenger movements for Malaysia to be within the achievable range. The March numbers, the third highest since January 2014 provide optimism for the next quarter and beyond. Fundamentally, we foresee the impact from GST will likely be minimal, if any. The return of British Airways in May and All Nippon Airways in September will provide the added dynamism required by the industry. Moving forward the second quarter year-on-year airlines' seat capacity growth at 4.9% over 2014 is well above our 3% target for 2015. Istanbul Sabiha Gokcen's three months' 16.7% growth performance was optimistic and we expect the double-digit growth to continue in the second quarter.