Passenger Traffic Snapshot ('000), March 2016

Total	2016 March	2015 March	% YOY	2016 1st quarter	2015 1st quarter	%YOY	2016 LTM[1]	2015 LTM[1]	%YOY
KLIA	4,264	4,225	0.9%	12,494	11,977	4.3%	49,455	48,574	1.8%
MASB Airports	2,983	3,079	-3.1%	8,605	8,432	2.0%	35,064	34,533	1.5%
Total	**7,248**	**7,304**	**-0.8%**	**21,098**	**20,409**	**3.4%**	**84,519**	**83,108**	**1.7%**
Istanbul SGIA[2]	2,276	1,968	15.7%	6,706	5,608	19.6%	29,384	24,435	20.3%
Total MAHB System	**9,524**	**9,271**	**2.7%**	**27,804**	**26,017**	**6.9%**	**113,903**	**107,543**	**5.9%**

International	2016 March	2015 March	% YOY	2016 1st quarter	2015 1st quarter	%YOY	2016 LTM	2015 LTM	%YOY
KLIA	2,996	2,978	0.6%	8,941	8,585	4.2%	35,116	34,605	1.5%
MASB Airports	490	436	12.4%	1,473	1,244	18.4%	5,514	5,206	5.9%
Total	**3,485**	**3,414**	**2.1%**	**10,414**	**9,829**	**6.0%**	**40,630**	**39,811**	**2.1%**
Istanbul SGIA	741	693	6.9%	2,181	1,945	12.1%	9,939	8,852	12.3%
Total MAHB System	**4,226**	**4,108**	**2.9%**	**12,595**	**11,775**	**7.0%**	**50,569**	**48,663**	**3.9%**

Domestic	2016 March	2015 March	% YOY	2016 1st quarter	2015 1st quarter	%YOY	2016 LTM	2015 LTM	%YOY
KLIA	1,269	1,246	1.8%	3,553	3,392	4.7%	14,339	13,969	2.7%
MASB Airports	2,494	2,643	-5.6%	7,132	7,188	-0.8%	29,550	29,328	0.8%
Total	**3,762**	**3,889**	**-3.3%**	**10,684**	**10,580**	**1.0%**	**43,889**	**43,297**	**1.4%**
Istanbul SGIA	1,535	1,274	20.5%	4,525	3,662	23.6%	19,445	15,583	24.8%
Total MAHB System	**5,297**	**5,164**	**2.6%**	**15,210**	**14,242**	**6.8%**	**63,334**	**58,880**	**7.6%**

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

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

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

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KLIA Main & klia2 Passenger Traffic Snapshot, March 2016

Airport	2016	2015		2016	2015		2016	2015	
	March		% YOY	1st quarter		%YOY	LTM		%YOY
KLIA Main									
Total	**1,917**	**2,101**	**-8.8%**	**5,303**	**5,946**	**-10.8%**	**21,978**	**24,219**	**-9.3%**
International	1,440	1,621	-11.1%	4,074	4,629	-12.0%	17,027	18,594	-8.4%
Domestic	477	481	-0.7%	1,229	1,317	-6.7%	4,950	5,625	-12.0%
klia2									
Total	**2,347**	**2,123**	**10.5%**	**7,191**	**6,031**	**19.2%**	**27,478**	**24,355**	**12.8%**
International	1,555	1,358	14.6%	4,867	3,956	23.0%	18,088	16,011	13.0%
Domestic	791	766	3.3%	2,323	2,075	12.0%	9,389	8,344	12.5%

Aircraft Traffic Snapshot, March 2016

Total	2016	2015		2016	2015		2016	2015	
	March		% YOY	1st quarter		%YOY	LTM		%YOY
KLIA	29,949	30,667	-2.3%	87,425	88,414	-1.1%	352,281	344,266	2.3%
MASB	37,872	40,366	-6.2%	111,458	115,762	-3.7%	457,766	461,214	-0.7%
Total	**67,821**	**71,033**	**-4.5%**	**198,883**	**204,176**	**-2.6%**	**810,047**	**805,480**	**0.6%**
Istanbul SGIA	17,669	14,586	21.1%	50,842	41,031	23.9%	215,991	178,457	21.0%
Total MAHB System	**85,490**	**85,619**	**-0.2%**	**249,725**	**245,207**	**1.8%**	**1,026,038**	**983,937**	**4.3%**

International	2016	2015		2016	2015		2016	2015	
	March		% YOY	1st quarter		%YOY	LTM		%YOY
KLIA	19,939	20,530	-2.9%	58,814	59,730	-1.5%	237,428	231,375	2.6%
MASB	5,095	5,009	1.7%	14,717	14,705	0.1%	57,153	59,820	-4.5%
Total	**25,034**	**25,539**	**-2.0%**	**73,531**	**74,435**	**-1.2%**	**294,581**	**291,195**	**1.2%**
Istanbul SGIA	6,423	5,432	18.2%	18,797	15,331	22.6%	80,014	68,700	16.5%
Total MAHB System	**31,457**	**30,971**	**1.6%**	**92,328**	**89,766**	**2.9%**	**374,595**	**359,895**	**4.1%**

Domestic	2016	2015		2016	2015		2016	2015	
	March		% YOY	1st quarter		%YOY	LTM		%YOY
KLIA	10,010	10,137	-1.3%	28,611	28,684	-0.3%	114,853	112,891	1.7%
MASB	32,777	35,357	-7.3%	96,741	101,057	-4.3%	400,613	401,394	-0.2%
Total	**42,787**	**45,494**	**-6.0%**	**125,352**	**129,741**	**-3.4%**	**515,466**	**514,285**	**0.2%**
Istanbul SGIA	11,246	9,154	22.9%	32,045	25,700	24.7%	135,977	109,757	23.9%
Total MAHB System	**54,033**	**54,648**	**-1.1%**	**157,397**	**155,441**	**1.3%**	**651,443**	**624,042**	**4.4%**

MAHB system's airport traffic performance

Passenger movements at MAHB system of airports (including Istanbul SGIA) grew by 2.7%, registering 9.5million passenger movements in March 2016 compared to March 2015. International traffic recorded 4.2million passengers, a year-on-year increase of 2.9% while domestic traffic recorded 5.3million passengers, a year-on-year increase of 2.6% compared to the same corresponding period in 2015. On a last-twelve-month basis, the total MAHB system (with Istanbul SGIA) registered 5.9% growth with 114million passengers. Overall aircraft movements decreased marginally by 0.2%. International movements increased by 1.6% while domestic movements decreased by 1.1% over March 2015.

Airports in Malaysia registered 7.2million passengers in March 2016, a decrease of 0.8% over March 2015. International sector registered a growth of 2.1%, while the domestic sector recorded a decrease of 3.3%. Overall aircraft movements decreased by 4.5%. Domestic and international sectors decreased by 6.0% and 2.0% respectively. Overall average load factor was 73.2%, improvement by 2.9 percentage points compared to March last year.

KLIA handled 4.3million passenger movements, an increase of 0.9% in March 2016 compared to the same month last year. International and domestic passenger traffic increased by 0.6% and 1.8% respectively. KLIA Main terminal traffic declined by 8.8% whilst traffic at klia2 terminal increased by 10.5%. The last twelve months passenger traffic for KLIA Main terminal recorded 22.2million passengers, a decline of 9.3% while traffic at klia2 terminal recorded 27.5million movements, an increase of 12.8%. Overall aircraft movements at KLIA decreased by 2.3% over March 2015.

Istanbul SGIA passengers continued with its double-digit growth at 15.7% for March 2016 over March 2015. The international and domestic sectors grew by 6.9% and 20.5% respectively. Overall aircraft movements increased by 21.1%.

First quarter traffic

The total MAHB system handled 28million passengers in the first quarter of 2016 registering a 6.9% growth over the same corresponding period last year. International and domestic movements increased by 7.0% and 6.8% respectively. Aircraft movements however, grew by 1.8% over the same period last year. Malaysia's traffic for the first quarter registered 22million passenger movements, an increase of 3.4% over 2015. Istanbul SGIA passenger traffic grew by 19.6% for the first quarter.

Overview of traffic

March passenger movements were within our expectation. Istanbul SGIA's passenger traffic continued to show robust growth recording above the 2million mark for every consecutive month since September 2015. The negative 0.8% growth for airports in Malaysia was partly due to double-digit frequencies cut by Malaysia Airlines as well as the relatively high number recorded for March 2015. In addition, events such as Formula 1 which used to take place in March and contributed to the traffic numbers has been shifted to the second half of 2016. The international growth was contributed mainly by double-digit growth at Penang and Kota Kinabalu airports in main and also at Langkawi airport. Ipoh traffic grew by almost 200% with Tiger Air's operations which commenced services in the last quarter of 2015. The Middle East and North East Asia sectors grew by over 10% and 20% respectively. The Europe sector has become increasingly negative as the traffic was rerouted via Middle East. China sector which is part of North East Asia sector grew by over 20%. In the South East Asia sector Vietnam, Laos and Singapore registered double digit growth.

The first quarter's growth of 6.9% was mainly contributed by January and February traffic. For Malaysia, there was double-digit growth for Penang, Langkawi, Kota Kinabalu and Ipoh for international sector. Domestic traffic was partly affected by general frequency cuts and more direct flights to international sectors from the regional airports. The load factor remained in the range of 73%. For Istanbul SGIA, the domestic growth was contributed by large growth in 15 sectors including Denizli, Edremit, Erzincan, Erzurum, Kars, Malatya, Nevsehir and Sanliurfa which grew more than 50%. For the international sector, 32 destinations recorded double-digit growth including Bahrain, Barcelona, Brussels, Frankfurt, Dubai, London Gatwick and Doha which registered more than 50% growth.

Industry Outlook

The inherent demand for air travel continues to remain in the positive territory. The second quarter has the advantage of Malaysia Airlines' improving performance and the recently announced expanding code share with Emirates. Similarly, Malindo Air's expected codesharing and interlining agreements with other foreign carriers would help, now that they have moved back to KLIA Main terminal. Despite the double digit cut in Malaysia Airlines frequencies, 3.4% growth for the first quarter is credible. In addition, the reduced frequencies have been more than replaced by the higher load factors and other new airlines. Although the second quarter has equally lower seats offering compared to second quarter 2015, this is also similar to the initial outlook for the recent first quarter of 2016. The improving average load factor would likely stretch to second quarter as well. Elsewhere, the increase in air navigation facility charges (ANFC) is not likely to affect the demand for travel.

MAHB is optimistic its final numbers for Malaysia airports would at least meet the estimated 2.5% growth for 2016. This is a likely possible scenario considering seat capacity offerings moving to the positive range from the third quarter onwards.

Research and Planning, MAHB
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