

## Traffic snapshot

- Total MAHB network of airports (including Istanbul SGIA) registered 11.9% growth for June 2017 with 10.2million passenger traffic.
- International passengers registered a 16.1% growth with 4.6million passengers in June, while domestic passengers grew by 8.6% with 5.5million passengers.
- On a twelve month basis, the 124.0million passengers recorded is the highest for the network.
- 1H17 passenger traffic registered 9.5% growth with 61.7million passengers. International traffic grew by 13.0% while domestic grew by 6.8%.
- Malaysia passenger traffic grew by 13.5% in June 2017. International traffic grew by 17.2% while domestic traffic grew by 10.0%.
- ASEAN and non-ASEAN traffic registered growth of 15.2% and 19.2% respectively in June 2017.
- KLIA Main Terminal and klia2 both registered double digit growth with 11.0% and 19.1% respectively over June 2016 passenger numbers.
- Istanbul SGIA passenger traffic registered 7.5% growth in June 2017 with a double digit growth for international.

Passenger Traffic Snapshot ('000), June 2017

Total	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June	June		Year- to-date	Year- to-date		'LTM	'LTM	
<b>KLIA</b>									
<b>Total</b>	<b>4,499</b>	<b>3,910</b>	<b>15.1%</b>	<b>28,429</b>	<b>24,822</b>	<b>14.5%</b>	<b>56,250</b>	<b>49,710</b>	<b>13.2%</b>
<i>International</i>	<i>3,253</i>	<i>2,760</i>	<i>17.9%</i>	<i>20,401</i>	<i>17,623</i>	<i>15.8%</i>	<i>39,960</i>	<i>35,272</i>	<i>13.3%</i>
- ASEAN	1,568	1,324	18.4%	9,626	8,349	15.3%	18,635	16,657	11.9%
- Non-ASEAN	1,685	1,436	17.4%	10,774	9,273	16.2%	21,325	18,615	14.6%
<i>Domestic</i>	<i>1,246</i>	<i>1,150</i>	<i>8.3%</i>	<i>8,028</i>	<i>7,200</i>	<i>11.5%</i>	<i>16,290</i>	<i>14,437</i>	<i>12.8%</i>
<b>MASB Airports</b>									
<b>Total</b>	<b>3,081</b>	<b>2,769</b>	<b>11.3%</b>	<b>18,828</b>	<b>17,313</b>	<b>8.8%</b>	<b>37,849</b>	<b>34,912</b>	<b>8.4%</b>
<i>International</i>	<i>570</i>	<i>503</i>	<i>13.2%</i>	<i>3,270</i>	<i>2,944</i>	<i>11.1%</i>	<i>6,437</i>	<i>5,692</i>	<i>13.1%</i>
- ASEAN	334	327	2.1%	1,948	1,920	1.5%	3,923	3,788	3.6%
- Non-ASEAN	236	177	33.9%	1,322	1,024	29.0%	2,514	1,904	32.0%
<i>Domestic</i>	<i>2,511</i>	<i>2,266</i>	<i>10.8%</i>	<i>15,558</i>	<i>14,369</i>	<i>8.3%</i>	<i>31,412</i>	<i>29,220</i>	<i>7.5%</i>
<b>Total MAHB</b>	<b>7,581</b>	<b>6,679</b>	<b>13.5%</b>	<b>47,257</b>	<b>42,135</b>	<b>12.2%</b>	<b>94,099</b>	<b>84,622</b>	<b>11.2%</b>
<b>Istanbul SGIA<sup>2</sup></b>	<b>2,580</b>	<b>2,399</b>	<b>7.5%</b>	<b>14,416</b>	<b>14,163</b>	<b>1.8%</b>	<b>29,905</b>	<b>29,802</b>	<b>0.3%</b>
<b>Total MAHB System</b>	<b>10,160</b>	<b>9,078</b>	<b>11.9%</b>	<b>61,673</b>	<b>56,298</b>	<b>9.5%</b>	<b>124,004</b>	<b>114,424</b>	<b>8.4%</b>

International	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June	June		Year- to-date	Year- to-date		LTM	LTM	
<b>KLIA</b>	<b>3,253</b>	<b>2,760</b>	<b>17.9%</b>	<b>20,401</b>	<b>17,623</b>	<b>15.8%</b>	<b>39,960</b>	<b>35,272</b>	<b>13.3%</b>
ASEAN	1,568	1,324	18.4%	9,626	8,349	15.3%	18,636	16,657	11.9%
Non-ASEAN	1,685	1,436	17.4%	10,774	9,273	16.2%	21,325	18,615	14.6%
<b>MASB Airports</b>	<b>570</b>	<b>503</b>	<b>13.2%</b>	<b>3,270</b>	<b>2,944</b>	<b>11.1%</b>	<b>6,437</b>	<b>5,692</b>	<b>13.1%</b>
ASEAN	334	327	2.1%	1,948	1,920	1.5%	3,923	3,788	3.6%
Non-ASEAN	236	177	33.9%	1,322	1,024	29.0%	2,514	1,904	32.0%
<b>Total KLIA &amp; MASB</b>	<b>3,823</b>	<b>3,263</b>	<b>17.2%</b>	<b>23,671</b>	<b>20,567</b>	<b>15.1%</b>	<b>46,397</b>	<b>40,964</b>	<b>13.3%</b>
ASEAN	1,901	1,650	15.2%	11,575	10,269	12.7%	22,559	20,445	10.3%
Non-ASEAN	1,922	1,613	19.2%	12,096	10,298	17.5%	23,838	20,519	16.2%
<b>Istanbul SGIA</b>	<b>815</b>	<b>732</b>	<b>11.3%</b>	<b>4,668</b>	<b>4,506</b>	<b>3.6%</b>	<b>9,695</b>	<b>9,855</b>	<b>-1.6%</b>
<b>Total MAHB System</b>	<b>4,638</b>	<b>3,995</b>	<b>16.1%</b>	<b>28,339</b>	<b>25,073</b>	<b>13.0%</b>	<b>56,092</b>	<b>50,820</b>	<b>10.4%</b>

Domestic	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June	June		Year- to-date	Year- to-date		LTM	LTM	
KLIA	1,246	1,150	8.3%	8,028	7,200	11.5%	16,290	14,437	12.8%
MASB Airports	2,511	2,266	10.8%	15,558	14,369	8.3%	31,412	29,220	7.5%
<b>Total</b>	<b>3,758</b>	<b>3,416</b>	<b>10.0%</b>	<b>23,586</b>	<b>21,568</b>	<b>9.4%</b>	<b>47,702</b>	<b>43,657</b>	<b>9.3%</b>
<b>Istanbul SGIA</b>	<b>1,765</b>	<b>1,668</b>	<b>5.8%</b>	<b>9,748</b>	<b>9,656</b>	<b>0.9%</b>	<b>20,210</b>	<b>19,947</b>	<b>1.3%</b>
<b>Total MAHB System</b>	<b>5,523</b>	<b>5,084</b>	<b>8.6%</b>	<b>33,334</b>	<b>31,225</b>	<b>6.8%</b>	<b>67,911</b>	<b>63,604</b>	<b>6.8%</b>

\*June 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

<sup>3</sup>MASB Airports refers to the 38 Malaysian airports other than KLIA/KUL operated by Malaysia Airports Sdn Bhd.

#### KLIA Main & klia2 Passenger Traffic Snapshot ('000), June 2017

Airport	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June	June		Year- to-date	Year- to-date		LTM	LTM	
<b>KLIA Main</b>									
<b>Total</b>	<b>2,142</b>	<b>1,930</b>	<b>11.0%</b>	<b>13,892</b>	<b>11,263</b>	<b>23.3%</b>	<b>28,153</b>	<b>22,148</b>	<b>27.1%</b>
<b>International</b>	<b>1,652</b>	<b>1,428</b>	<b>15.7%</b>	<b>10,563</b>	<b>8,491</b>	<b>24.4%</b>	<b>21,022</b>	<b>16,960</b>	<b>24.0%</b>
- ASEAN	665	552	20.6%	4,212	3,012	39.8%	8,039	5,719	40.6%
- Non-ASEAN	987	877	12.6%	6,351	5,479	15.9%	12,983	11,241	15.5%
<b>Domestic</b>	<b>490</b>	<b>502</b>	<b>-2.3%</b>	<b>3,329</b>	<b>2,771</b>	<b>20.1%</b>	<b>7,131</b>	<b>5,188</b>	<b>37.5%</b>
<b>klia2</b>									
<b>Total</b>	<b>2,357</b>	<b>1,980</b>	<b>19.1%</b>	<b>14,537</b>	<b>13,559</b>	<b>7.2%</b>	<b>28,097</b>	<b>27,562</b>	<b>1.9%</b>
<b>International</b>	<b>1,601</b>	<b>1,331</b>	<b>20.3%</b>	<b>9,838</b>	<b>9,131</b>	<b>7.7%</b>	<b>18,938</b>	<b>18,312</b>	<b>3.4%</b>
- ASEAN	902	772	16.9%	5,510	5,337	3.2%	10,597	10,938	-3.1%
- Non-ASEAN	699	559	24.9%	4,328	3,794	14.1%	8,341	7,375	13.1%
<b>Domestic</b>	<b>756</b>	<b>649</b>	<b>16.6%</b>	<b>4,699</b>	<b>4,428</b>	<b>6.1%</b>	<b>9,159</b>	<b>9,250</b>	<b>-1.0%</b>

**Aircraft Traffic Snapshot, June 2017**

Total	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June			Year- to-date			LTM		
KLIA	31,048	27,341	13.6%	187,444	172,561	8.6%	370,402	349,238	6.1%
MASB Airports	36,939	33,605	9.9%	230,221	222,329	3.5%	463,957	451,915	2.7%
<b>Total</b>	<b>67,987</b>	<b>60,946</b>	<b>11.6%</b>	<b>417,665</b>	<b>394,890</b>	<b>5.8%</b>	<b>834,359</b>	<b>801,153</b>	<b>4.1%</b>
Istanbul SGIA	17,803	18,679	-4.7%	100,211	107,372	-6.7%	213,129	220,986	-3.6%
<b>Total MAHB System</b>	<b>85,790</b>	<b>79,625</b>	<b>7.7%</b>	<b>517,876</b>	<b>502,262</b>	<b>3.1%</b>	<b>1,047,488</b>	<b>1,022,139</b>	<b>2.5%</b>

International	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June			Year- to-date			LTM		
KLIA	21,663	19,008	14.0%	127,382	117,099	8.8%	249,486	236,039	5.7%
MASB Airports	5,094	4,706	8.2%	30,298	28,819	5.1%	60,390	56,836	6.3%
<b>Total</b>	<b>26,757</b>	<b>23,714</b>	<b>12.8%</b>	<b>157,680</b>	<b>145,918</b>	<b>8.1%</b>	<b>309,876</b>	<b>292,875</b>	<b>5.8%</b>
Istanbul SGIA	6,184	6,572	-5.9%	35,878	39,317	-8.7%	76,543	81,440	-6.0%
<b>Total MAHB System</b>	<b>32,941</b>	<b>30,286</b>	<b>8.8%</b>	<b>193,558</b>	<b>185,235</b>	<b>4.5%</b>	<b>386,419</b>	<b>374,315</b>	<b>3.2%</b>

Domestic	2017	2016	% YOY	2017	2016	%YOY	2017	2016	%YOY
	June			Year- to-date			LTM		
KLIA	9,385	8,333	12.6%	60,062	55,462	8.3%	120,916	113,199	6.8%
MASB Airports	31,845	28,899	10.2%	199,923	193,510	3.3%	403,567	395,079	2.1%
<b>Total</b>	<b>41,230</b>	<b>37,232</b>	<b>10.7%</b>	<b>259,985</b>	<b>248,972</b>	<b>4.4%</b>	<b>524,483</b>	<b>508,278</b>	<b>3.2%</b>
Istanbul SGIA	11,619	12,107	-4.0%	64,333	68,055	-5.5%	136,586	139,546	-2.1%
<b>Total MAHB System</b>	<b>52,849</b>	<b>49,339</b>	<b>7.1%</b>	<b>324,318</b>	<b>317,027</b>	<b>2.3%</b>	<b>661,069</b>	<b>647,824</b>	<b>2.0%</b>

**Traffic performance for MAHB's network of airports**

MAHB's network of airports (including Istanbul SGIA) recorded 10.2million passengers in June 2017, an 11.9% growth over June 2016. International traffic recorded 4.6million passengers with a year-on-year increase of 16.1% while domestic traffic improved by 8.6% recording 5.5million passengers compared to June 2016. This is the highest traffic handled in a 12-month period by the network. Overall aircraft movements increased by 7.7% with international and domestic movements registering an increase of 8.8% and 7.1% respectively over June 2016. On a last-twelve-month basis, the total MAHB network of airports (inclusive of Istanbul SGIA) registered 8.4% growth with 124.0million passengers.

On the local front, airports in Malaysia registered 7.6million passenger movements in June 2017, a 13.5% year-on-year growth over June 2016. Both the international and domestic sectors recorded 3.8million passengers, representing a growth of 17.2% and 10.0% respectively. International traffic for ASEAN countries grew 15.2% with 1.9million passengers whereas non-ASEAN traffic posted a 19.2% growth with 1.9million passengers. Overall aircraft movements increased by 11.6%. International aircraft movements grew by 12.8% while domestic movements grew by 10.7% over June 2016. Overall average load factors improved to 74.7% in June 2017, a slight increase by 0.3 percentage points compared with the same month last year.

KLIA passenger movements recorded a 15.1% increase in June 2017 registering 4.5million passenger movements over June 2016. A total of 1.6million passengers was recorded for ASEAN sector with an 18.4% growth while 1.7million passengers were recorded for non-ASEAN (17.4% growth). 1.2million passengers were recorded for domestic sector representing a growth of 8.3%. June traffic for KLIA Main Terminal grew by 11.0% while klia2 grew by 19.1%. Overall aircraft movements at KLIA increased by 13.6% over the same month last year. International aircraft movements at KLIA registered an increase of 14.0% while domestic aircraft movements registered a growth of 12.6%. The last-twelve-month passenger traffic for KLIA Main Terminal recorded 28.2million passengers which is an increase of 27.1% while klia2 recorded a growth of 1.9% at 28.1million passengers over the corresponding period last year.

Passenger traffic for MASB Airports improved by 11.3% year-on-year over June 2016 with 3.1million passengers in June 2017. International passenger movements grew by 13.2% recording 0.6million, with ASEAN and non-ASEAN traffic increasing by 2.1% and 33.9% respectively in June 2017.

Istanbul SGIA passengers increased by 7.5% with 2.6million in June 2017. International and domestic sectors improved by 11.3% (0.8million passengers) and 5.8% (1.8million passengers) respectively. Over the last twelve months, total passengers grew by 0.3% with 29.9million.

### **First Half Traffic**

MAHB's network of airports (including Istanbul SGIA) recorded 61.7million passengers in 1H17 representing a growth of 9.5% over 1H16. International traffic improved by 13.0% with 28.3million passengers while domestic passengers increased by 6.8% with 33.3million passengers. Correspondingly, aircraft movements improved by 3.1% with international and domestic increasing by 4.5% and 2.3% respectively.

Airports in Malaysia registered a 12.2% growth with 47.3million passenger traffic. Passenger numbers were closely matched between international and domestic with 23.7million and 23.6million passengers, representing growth of 15.1% and 9.4% respectively. Aircraft movements grew by 5.8% in 1H17 with international movements improving by 8.1% and domestic movements growing by 4.4% over 1H16. Overall average load factors improved to 76.3% in 1H17, an increase by 3.2 percentage points compared to 1H16.

Growth for airports in Malaysia was mainly contributed by KLIA with 14.5% growth (28.4million passengers) in 1H17. International traffic stood at 20.4million passengers representing a 15.8%

growth over 1H16. ASEAN sector grew by 15.3% with 9.6million passengers while non-ASEAN sector increased by 16.2% with 10.8million passengers. Domestic traffic registered 11.5% improvement with 8.0million passengers. KLIA growth in 1H17 was mainly contributed by KLIA Main Terminal which grew by 23.3% to 13.9million passengers. International traffic stood at 10.6million passengers for KLIA Main Terminal representing a 24.4% growth. ASEAN sector improved by 39.8% to 4.2million while non-ASEAN sector grew 15.9% with 6.4million. The domestic sector recorded 3.3million passengers for a 20.1% growth. Passenger traffic in klia2 grew by 7.2% to 14.5million passengers with international and domestic traffic increasing by 7.7% (9.8million passengers) and 6.1% (4.7million passengers) respectively. ASEAN traffic increased by 3.2% with 5.5million passengers while non-ASEAN increased by 14.1% with 4.3million passengers.

Passenger traffic in Istanbul SGIA improved slightly in 1H17. Total passenger traffic stood at 14.4million, a 1.8% improvement over 1H16. International traffic increased by 3.6% with 4.7million passengers while domestic increased by 0.9% with 9.7million.

## **Overview of Traffic and Outlook**

The overall increase in passengers in June was supported by growth in airline seats and an improvement in average load factors following the long weekend of Hari Raya Aidilfitri celebration at the end of June 2017. 24 airlines in June 2017 and 28 airlines in 1H17 registered double-digit growth for international passenger traffic. This includes AirAsia X, All Nippon Airways, China Airlines, Malindo Air, Saudi Arabian Airlines and also Malaysia Airlines Berhad among others. Passenger traffic to and from 19 countries registered double-digit growth in June 2017 including China, India, Indonesia, Japan, New Zealand, South Korea, Taiwan, United Kingdom and Vietnam which registered more than 20% growth.

25 countries registered double-digit passenger traffic growth in first half 2017 that include the aforementioned countries. The sectoral and nationality composition analysis indicates a new level of growth contributed by among others by visa relaxation for India and China, new additions in the local travelling population, Umrah travel, competitive fares as well as favourable exchange rate for foreign tourists. In addition, the increased demand was rightly supported by adequate increase in airlines' seat capacity.

Malaysia's first half economic growth has been optimistic and full year forecast has been expected to be better than originally expected. Apart from the local Research Houses, World Bank has also raised its growth estimate for Malaysia from 4.3% earlier to 4.9% in May 2017. The global economic growth

is also showing positive signs. IMF has increased its global forecast in April 2017 by 0.1% above the 3.4% estimated in October 2016. The airlines seat capacity supply estimates for next half remains buoyant at more than 6% above the second half of 2016. ICAO, ACI, IATA and, Boeing and Airbus recently, forecasted Asia Pacific growth well above 7% and Malaysia's growth is expected to be in line with these estimates for 2017. Based on the prevailing indications and the current growth trend, there are optimistic signs that airports in Malaysia as a group is poised to achieve a growth rate of at least 8% for 2017.

Istanbul SGIA's Q2 passenger growth for international and domestic sectors have moved to a promising higher positive category compared to Q1 over same Qs in 2016. In particular the international increase in Q2 was 9.5% as compared to Q1 which was negative 2.5%. While the conditions in the Mid-East region remain with new challenges such as the new Qatar issue, the traffic numbers for SGIA has moved to a more promising level and we expect this to continue.

Research and Planning, MAHB

10 July 2017