

Traffic snapshot

- Total MAHB network of airports (including Istanbul SGIA) registered a 7.3% growth for June 2019 over June 2018 with 12.1million passenger movements. This is the second highest passenger movements handled by the Group for a month, the highest being in the peak month of December 2018.
- International and domestic passenger movements registered a record high growth of 8.3% and 6.5% with 5.6million and 6.5million passengers respectively for the year.
- 1H19 passenger movements registered 4.4% growth with 67.9million passengers. International and domestic sectors grew by 4.8% and 4.0% respectively.
- On the last-twelve-month basis, 136.0million passenger movements were recorded for the MAHB network of airports, the highest passenger movements recorded on the last-twelve-month basis.
- Malaysia passenger movements in June 2019 surpassed the 9.0million mark, recording a growth of 6.7% over June 2018. The previous 9.0million mark record was for the peak month of December 2018. International passengers grew by 3.4% while the domestic sector registered a 9.9% growth.
- KLIA passenger movements recorded a 4.6% growth over June 2018 with 5.2million passengers while other airports operated by MAHB in Malaysia registered a 9.7% growth with 3.8million passengers.
- Istanbul SGIA total passenger movements recorded the highest passenger volume for the year at 3.1million passengers with a growth of 9.2%. International passenger movements grew by 31.0% while domestic passenger movements declined by 1.3% for the month of June 2019.

Passenger Traffic Snapshot ('000), June 2019

Total	2019			2018			2019			2018		
	June		% YOY	Year- to-date		%YOY	¹ LTM		%YOY		%YOY	
KLIA	5,252	5,023	4.6%	30,374	29,750	2.1%	60,613	59,834	1.3%			
<i>International</i>	3,673	3,553	3.4%	21,877	21,648	1.1%	43,836	43,656	0.4%			
<i>ASEAN</i>	1,834	1,774	3.4%	10,540	10,295	2.4%	20,956	20,641	1.5%			
<i>Non-ASEAN</i>	1,840	1,779	3.4%	11,336	11,353	-0.1%	22,880	23,015	-0.6%			
<i>Domestic</i>	1,579	1,470	7.4%	8,497	8,102	4.9%	16,777	16,178	3.7%			
MASB Airports	3,755	3,422	9.7%	20,751	19,069	8.8%	40,796	38,295	6.5%			
<i>International</i>	719	695	3.5%	4,108	3,934	4.4%	8,275	7,641	8.3%			
<i>ASEAN</i>	440	424	3.6%	2,411	2,300	4.9%	4,920	4,524	8.7%			
<i>Non-ASEAN</i>	280	271	3.3%	1,696	1,634	3.8%	3,356	3,116	7.7%			
<i>Domestic</i>	3,036	2,727	11.3%	16,644	15,135	10.0%	32,520	30,654	6.1%			
Total MAHB	9,007	8,446	6.7%	51,125	48,819	4.7%	101,408	98,128	3.3%			
Istanbul SGIA²	3,061	2,803	9.2%	16,745	16,202	3.4%	34,603	33,106	4.5%			
Total MAHB System	12,069	11,249	7.3%	67,871	65,020	4.4%	136,011	131,234	3.6%			

International	2019	2018	% YOY	2019	2018	%YOY	2019	2018	%YOY
	June			Year- to-date			LTM		
KLIA	3,673	3,553	3.4%	21,877	21,648	1.1%	43,836	43,656	0.4%
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Non-ASEAN	280	271	3.3%	1,696	1,634	3.8%	3,356	3,116	7.7%
Total KLIA & MASB	4,393	4,248	3.4%	25,984	25,581	1.6%	52,111	51,296	1.6%
ASEAN	2,274	2,199	3.4%	12,952	12,595	2.8%	25,875	25,165	2.8%
Non-ASEAN	2,119	2,050	3.4%	13,033	12,987	0.4%	26,236	26,131	0.4%
Istanbul SGIA	1,194	912	31.0%	6,347	5,255	20.8%	12,764	10,923	16.9%
Total MAHB System	5,587	5,160	8.3%	32,332	30,836	4.8%	64,875	62,219	4.3%

Domestic	2019	2018	% YOY	2019	2018	%YOY	2019	2018	%YOY
	June			Year- to-date			LTM		
KLIA	1,579	1,470	7.4%	8,497	8,102	4.9%	16,777	16,178	3.7%
MASB Airports	3,036	2,727	11.3%	16,644	15,135	10.0%	32,520	30,654	6.1%
Total	4,615	4,197	9.9%	25,141	23,237	8.2%	49,297	46,832	5.3%
Istanbul SGIA	1,867	1,891	-1.3%	10,398	10,947	-5.0%	21,838	22,182	-1.6%
Total MAHB System	6,482	6,089	6.5%	35,539	34,184	4.0%	71,136	69,014	3.1%

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

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

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 2019

Airport	2019	2018	% YOY	2019	2018	%YOY	2019	2018	%YOY
	June			Year- to-date			LTM		
KLIA Main Total	2,391	2,371	0.8%	13,914	13,775	1.0%	28,260	28,129	0.5%
International	1,890	1,848	2.3%	11,200	11,117	0.7%	22,954	22,649	1.3%
ASEAN	774	787	-1.6%	4,345	4,386	-0.9%	8,840	8,789	0.6%
Non-ASEAN	1,116	1,060	5.2%	6,855	6,731	1.8%	14,114	13,860	1.8%
Domestic	501	524	-4.4%	2,713	2,658	2.1%	5,307	5,480	-3.2%
klia2 Total	2,862	2,652	7.9%	16,460	15,975	3.0%	32,352	31,705	2.0%
International	1,784	1,706	4.6%	10,676	10,531	1.4%	20,882	21,007	-0.6%
ASEAN	1,060	987	7.3%	6,195	5,909	4.8%	12,115	11,852	2.2%
Non-ASEAN	724	718	0.8%	4,482	4,622	-3.0%	8,767	9,155	-4.2%
Domestic	1,078	947	13.9%	5,784	5,444	6.2%	11,470	10,698	7.2%

Aircraft Traffic Snapshot, June 2019

Total	2019	2018	% YOY	2019	2018	%YOY	2019	2018	%YOY
	June			Year- to-date			LTM		
KLIA	34,083	33,039	3.2%	199,422	196,983	1.2%	401,191	395,505	1.4%
MASB Airports	40,493	37,597	7.7%	233,389	227,617	2.5%	470,974	458,686	2.7%
Total	74,576	70,636	5.6%	432,811	424,600	1.9%	872,165	854,191	2.1%
Istanbul SGIA	20,251	19,185	5.6%	110,322	107,524	2.6%	227,544	217,988	4.4%
Total MAHB System	94,827	89,821	5.6%	543,133	532,124	2.1%	1,099,709	1,072,179	2.6%

International	2019	2018	% YOY	2019	2018	%YOY	2019	2018	%YOY
	June			Year- to-date			LTM		
KLIA	22,534	22,612	-0.3%	135,542	136,568	-0.8%	273,931	276,023	-0.8%
MASB Airports	6,193	5,953	4.0%	35,846	35,931	-0.2%	73,903	69,602	6.2%
Total	28,727	28,565	0.6%	171,388	172,499	-0.6%	347,834	345,625	0.6%
Istanbul SGIA	8,531	6,971	22.4%	45,534	38,458	18.4%	90,279	78,713	14.7%
Total MAHB System	37,258	35,536	4.8%	216,922	210,957	2.8%	438,113	424,338	3.2%

Domestic	2019	2018	% YOY	2019	2018	%YOY	2019	2018	%YOY
	June			Year- to-date			LTM		
KLIA	11,549	10,427	10.8%	63,880	60,415	5.7%	127,260	119,482	6.5%
MASB Airports	34,300	31,644	8.4%	197,543	191,686	3.1%	397,071	389,084	2.1%
Total	45,849	42,071	9.0%	261,423	252,101	3.7%	524,331	508,566	3.1%
Istanbul SGIA	11,720	12,214	-4.0%	64,788	69,066	-6.2%	137,265	139,275	-1.4%
Total MAHB System	57,569	54,285	6.0%	326,211	321,167	1.6%	661,596	647,841	2.1%

Traffic performance for Malaysia Airports Holdings Berhad's (MAHB) network of airports

MAHB's network of airports (including Istanbul SGIA) recorded 12.1million passenger movements in June 2019, a growth of 7.3% over June 2018. International passenger movements recorded 5.6million passengers with a year-on-year growth of 8.3% while domestic passenger movements grew by 6.5%, recording a 6.5million passengers compared to the same period a year ago. On a last-twelve-month basis, MAHB network of airports registered 3.6% growth with 136.0million passenger movements. Overall aircraft movements grew by 5.6% with international movements registering an increase of 4.8% while the domestic movements grew by 6.0% over June 2018.

MAHB airports in Malaysia registered 9.0million passengers in June 2019, a growth of 6.7% year-on-year over June 2018. This is the second highest traffic handled by MAHB for a month, the highest being during December peak in 2018. International and domestic sectors recorded 4.4million and 4.6million passenger movements with a growth of 3.4% and 9.9% respectively. International passenger movements for both ASEAN and non-ASEAN destinations grew by 3.4% respectively with 2.3million and 2.1million passengers. Overall aircraft movements increased by 5.6%. International and domestic aircraft movements grew by 0.6% and 9.0% over June 2018. Average load factor decreased by 1.0 percentage point to 75.8% in June 2019 over June 2018.

KLIA passenger movements recorded a growth of 4.6% over June 2018 to 5.3million passenger movements. International and domestic sectors registered a growth of 3.4% and 7.4% to 3.7million and 1.6million passenger movements respectively. Both ASEAN and non-ASEAN destinations recorded 1.8million passenger movements with a growth of 3.4% each, respectively. KLIA Main Terminal and klia2 grew by 0.8% and 7.9% respectively in June 2019 over June 2018. The last-twelve-month passenger movements for KLIA Main Terminal recorded 28.3million passengers, an increase of 0.5% while klia2 grew by 2.0% with 32.4million over the same corresponding period last year. Overall aircraft movements at KLIA increased by 3.2% over June last year. Domestic aircraft movements at KLIA registered an increase of 10.8% while international aircraft movements decreased by 0.3%. KLIA recorded 77.7% average load factor an increase by 0.1 percentage point in June 2019 over June 2018.

Passenger movements at MASB airports grew by 9.7% year-on-year over June 2018 with 3.8million passenger movements in June 2019. International passenger movements increased by 3.5% with 0.7million passengers. ASEAN passenger movements increased by 3.6% to 0.4million passengers while non-ASEAN passenger movements increased by 3.3% to 0.3million passengers. Domestic passenger movements grew by 11.3% to 3.0million passengers in June 2019. Aircraft movements in June 2019 grew by 7.7%. International aircraft movements registered a growth of 4.0% while domestic aircraft movements grew by 8.4% over June 2018.

Istanbul SGIA passengers grew by 9.2% in June 2019 over the same period last year to 3.1million passengers. International passenger movements increased by 31.0% to 1.2million passengers while domestic passenger movements decreased by 1.3% to 1.9million passengers. Total aircraft movements increased by 5.6%. The international aircraft movements registered 22.4% growth while the domestic movements declined by 4.0% over June 2018.

1H19 Traffic

MAHB's network of airports (including Istanbul SGIA) recorded 67.9million passengers in 1H19 representing a growth of 4.4% over 1H18. Both international and domestic passenger movements grew by 4.8% with 32.3million passengers and 4.0% with 35.5million passengers respectively. Overall aircraft movements grew by 2.1% over 1H18.

Airports in Malaysia (MAHB) registered a 4.7% growth to 51.1million passenger movements. International sector registered 26.0million passengers with 1.6% growth while domestic sector grew by 8.2% with 25.1million passengers. Aircraft movements grew by 1.9% over 1H18.

KLIA passenger movements grew by 2.1% registering 30.4million passengers in 1H19. International passenger movements recorded 21.9million passengers representing a growth of 1.1% over 1H18. Domestic passenger movements registered 4.9% with 8.5million passengers. KLIA Main Terminal grew by 1.0% to 13.9million passengers. International and domestic passenger movements recorded a 0.7% and 2.1% growth respectively. Passenger movements at klia2 grew by 3.0% to 16.5million passengers. International and domestic passenger movements increased by 1.4% and 6.2% respectively.

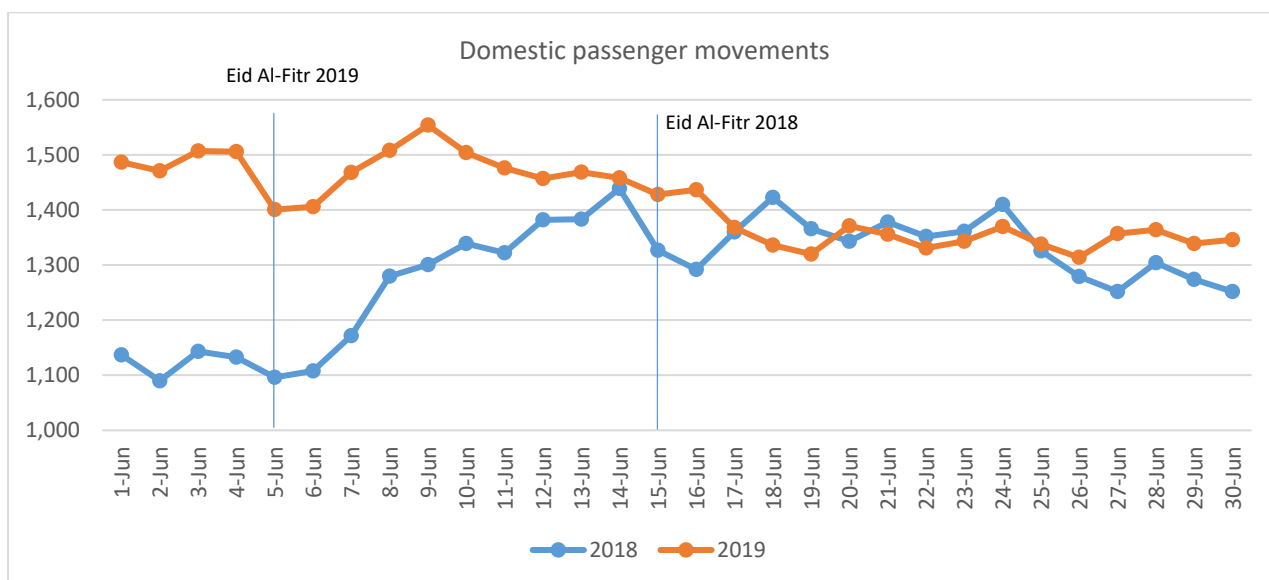
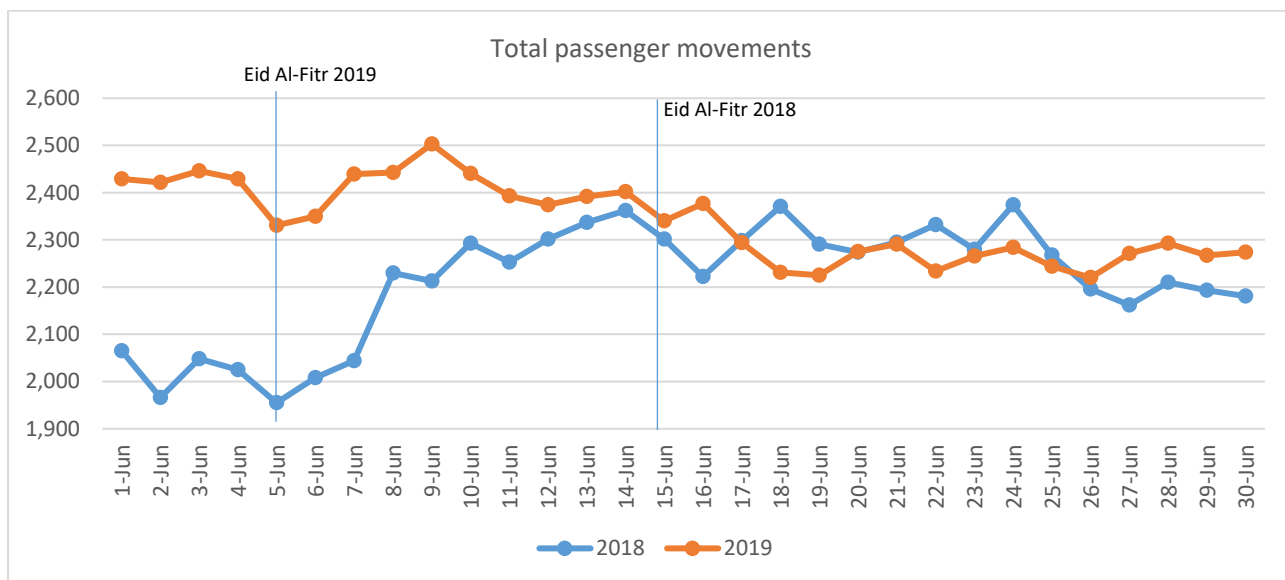
Overall passenger movements at Istanbul SGIA recorded 16.7million, a 3.4% growth over 1H18. International passenger movements increased by 20.8% while domestic sector decreased by 5.0% over the same corresponding period last year.

Overview of traffic

The high 12.1million passenger movements for MAHB network of airports with a growth of 7.3% for June 2019 is a positive development as the passenger volume recorded is comparable to December 2018, which is historically a peak month. The high growth was partly spurred by a higher demand in air travel due to the Eid Al-Fitr holidays and summer holidays that were also supported by the growth in airlines seat capacity for both Malaysia and Istanbul SGIA.

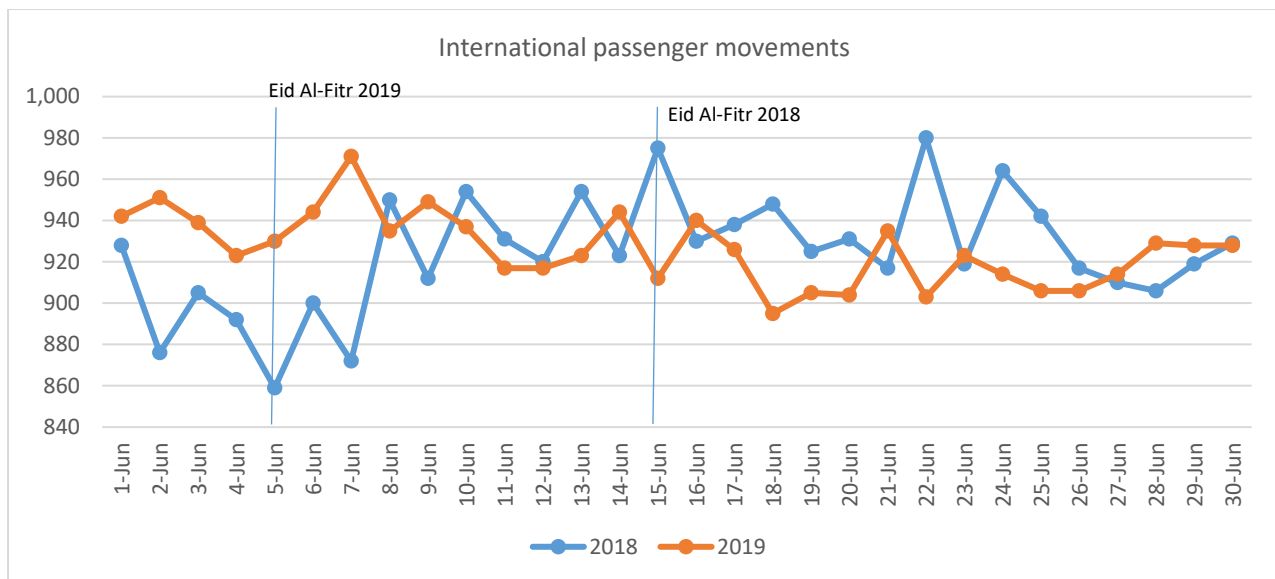
Malaysia's passenger movements of 9.0million with a 6.7% growth in June 2018 was beyond the norm. The high passenger volume due to Eid Al-Fitr holiday (5th and 6th June) that coincided with the 2nd week of the school break was evident for the first 10 days of June. Beyond the 10 days, it is encouraging to note a marginal 0.3% growth on a like-to-like comparison of the after-holiday season of June 2019 against the two-week holiday season of June 2018 which coincided with Eid Al-Fitr (15th and 16th June 2018). This was contrary to the past, where a comparison of a non-festive week over a festive week generally registered a decline in growth.

Domestic passenger movements for the first time registered a record high 4.6million passenger movements, with a 9.9% growth over June 2018. International passenger movements at all regions registered a growth in passenger movements for June 2019 except for the South West Pacific region.



Most of the airports in Malaysia registered a growth in passenger movements for June 2019 over June 2018 with the exception of Miri Airport and STOLports collectively.

Istanbul SGIA passenger movements 1H19 grew by 3.4% over the same corresponding period last year. Kuwait Airways has commenced a daily flight and Jazeera commenced 3-weekly flights from Kuwait in June. Royal Air Maroc has started daily operations from Casablanca. Pegasus has commenced new routes to Basra and Eindhoven with twice and 3-weekly flights respectively. Similar to Malaysia, Istanbul SGIA passenger movements was also stimulated by Eid Al-Fitr as in previous years.



Conclusion

IATA in its June report foresees a lower passenger growth moving forward due to economic growth weaknesses and fuel price increases. Consequently, IATA has revised downwards the forecasted 2019 global passenger growth by 1 percentage point to 5.0% and Asia Pacific by 1.2 percentage point to 6.3%. International Monetary Fund (IMF), World Bank, Malaysian Institute of Economic Research and Rating Agency Malaysia have revised the GDP growth for Malaysia to 4.5%-4.7% for 2019. IMF in April has also revised the global GDP downwards for 2019 to 3.3% from 3.9% as announced in October 2018. While Malaysia's June traffic performance is encouraging, challenges and uncertainties continue to remain with respect to airlines performance, competition in the domestic environment as well as the local and global macro-economic outlook. MAHB remains positive on the achievement of the targeted growth for 2019 with the immediate future airlines' seat capacity outlook remains optimistic especially for the domestic sector. The domestic traffic correction and consolidation is expected to continue while the international sector may see further improvement.

Istanbul SGIA recorded further consolidation in international traffic. This on-going structural change is a positive development in view of the capacity challenges at Istanbul SGIA. Indications are the airport is geared to meet its targeted growth with better performance of the international sector.

Research and Planning, MAHB

10 July 2019