

**MALAYSIA AIRPORTS HOLDINGS BERHAD (MAHB OR THE GROUP)  
HEADLINE KEY PERFORMANCE INDICATORS (KPIs)  
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 (FY2018)**

The Headline KPIs are targets or aspirations meant to drive Malaysia Airports' performance in 2018. These Headline KPIs are disclosed publicly on a voluntary basis, signalling Malaysia Airports' commitment towards transparent performance measures and good corporate governance.

These Headline KPIs shall not be construed as forecasts, projections, estimates or representations of any future performance, occurrence or matter as the Headline KPIs are merely a set of well-intended targets and positive aspirations of future performance aligned to Malaysia Airports' strategy, mission and objectives.

The Headline KPIs are set based on the assumption that there will be no significant changes in the prevailing economic and political conditions, present legislation and/or government regulations, as well as with the expectation that business will continue to grow as expected.

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

Airports in Malaysia operated by MAHB registered a record of 96.6 million passenger movements, a growth of 8.7% over 2016, surpassing the 90 million mark for the first time. The passenger traffic was mainly driven by the international sector. International sector recorded 49.5 million movements, an increase of 14.6% over 2016. Domestic traffic on the other hand recorded 47.1 million passenger movements, an increase of 3.1% over the same period in 2016. KLIA recorded 58.6 million passengers in 2017, a double-digit growth of 11.4% over 2016. KLIA Main handled 28.3 million passengers, 11.0% higher than 2016. klia2 handled 30.3 million passengers, a growth of 11.8% over 2016. KLIA and Kota Kinabalu were among the airports that registered a double-digit growth in passenger movements. Other airports that also registered positive growth were Penang, Kuching, Langkawi, Kota Bharu, Melaka, Tawau and Bintulu. International passengers recorded a double-digit growth for South Asia, South East Asia and North East Asia.

Overall aircraft movements for airports in Malaysia increased by 4.5% in 2017. International movements increased by 11.0% while domestic sector increased by 0.7%. Overall average load factor for 2017 was 76.0%, the highest achieved since 2012. Despite the high increase in the international aircraft movements, average load factor for international sector was an all-time high of 77.0%. Overall cargo movements increased by 7.9% in 2017 to 955,936 metric tonnes, the first positive growth since 2014.

Istanbul Sabiha Gokcen Airport total passengers surpassed the 30 million mark for the first time in 2017, registering 31.3 million passengers, an increase of 5.7% over 2016. International passengers increased by 8.4% while domestic passengers increased by 4.5%. Istanbul SGIA's passenger traffic has picked up momentum after February 2017. The international sector recorded monthly double-digit growth from June 2017 onwards.

### **Outlook 2018**

The 2018 GDP growth for Malaysia is expected to be in the range of 5.0% and 5.5%, while IMF had revised the global economy forecast for 2018 in October 2017 to a higher 3.7%. Generally Malaysia and global economies for 2018 are seen to be stable by economists. IATA meanwhile, has forecasted global scheduled passenger traffic growth (in terms of RPKs) for 2018 to be in the range of 6.0% in 2018. ACI's global forecast which is based on airport passenger movements, is slightly higher at 6.1%. The Asia Pacific region growth forecast is expected to be higher.

Based on prevailing economic conditions and the additional airlines seat capacity offered, Malaysia passenger traffic in 2018 is expected to register 103.7 million passenger movements over the 96.6 million recorded in 2017. The international and domestic passenger traffic is expected to register 53.9 million and 49.8 million movements respectively.

It is expected that fuel cost (single largest airline cost at 20% to 40%) will remain close to current prices. Malaysia would continue to benefit from visa relaxation for Chinese and Indian tourists. The 2018 traffic numbers are expected to be mainly contributed by China, India and South East Asia sectors which currently make up 75% of the international traffic. With higher international traffic, the current portion of 20% transfers at KLIA will likely increase but marginally. The growing travelling local population, the impending elections combined with increase in the per capita income will further support air travel growth. There is also likely additional travel from relaxed Umrah visa initiatives introduced by the Saudi Government and Malaysia Airlines Umrah Charter operations.

Istanbul SGIA in 2018 is expected to register 34 million movements with 12 million international and 22 million domestic movements. While the Turkish economic growth is expected to record a stable 4% growth, passenger growth is expected to remain moderate resulting from runway capacity constraints.

## FY2018 Headline KPIs

Malaysia Airports' Headline KPIs for FY2018 are as follows:-

		<b>2018 Headline KPI</b>	<b>Actual 2017 (Unaudited)</b>
<b>i.</b>	<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>RM2,092.0 million</b>	<b>RM1,900.5 million</b>
	Malaysia Operations	<b>RM1,189.3 million</b>	<b>RM1,116.1 million</b>
	Overseas business: Turkey Operations	<b>EUR179.4 million (RM880.9 million - constant currency*)</b>	<b>EUR158.1 million (RM770.7 million - actual currency)</b>
	Qatar Operations	<b>QAR19.8 million (RM21.8 million - constant currency*)</b>	<b>QAR10.3 million (RM13.7 million - actual currency)</b>
<b>ii.</b>	<b>Airport Service Quality Awards</b>	Above 40 mppa category: <b>KLIA Ranking top 10</b>	Above 40 mppa category: <b>KLIA Ranking at no. 12</b>

\* Exchange Rate: EUR:MYR - 4.91; QAR:MYR – 1.10

The Group's EBITDA KPI target for the financial year ending 2018 is RM2,092.0 million. The increase in the Group EBITDA will be in tandem with the expected growth in passenger traffic, both in Malaysia and Turkey.

2018 holds the promise of being another exciting year for Malaysia Airports. The Group remains committed in delivering high quality services to our stakeholders by embedding a customer-centric culture in airport operations to provide an innovative and digitalised airport experience for passengers, airlines and retailers. This is in line with the Total Airport Experience initiative under Runway to Success 2020 in enhancing the airport experience across all touchpoints for our stakeholders.