

PRESS RELEASE

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Association of Asia Pacific Airlines
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Asia Pacific Airlines Traffic Results – March 2010

Kuala Lumpur, Malaysia – Preliminary figures released today by the Association of Asia Pacific Airlines (AAPA) indicate that both passenger and air cargo markets continued to show further gains in March as a result of the region's dynamic economic recovery. Overall, Asia Pacific based airlines carried 15.6 million international passengers in March 2010, a growth of 14.8% compared to the same month last year. International passenger traffic, measured in revenue passenger kilometres, rose by 14.2%. Available seat capacity grew by a relatively modest 2.0%. As a result, the average international passenger load factor reached a new high of 80.1%, 8.6 percentage points above the levels seen one year ago.

Underpinned by a surprisingly robust recovery in international trade, air cargo demand, as measured in freight tonne kilometres, recorded a 33.1% increase in March compared to the slump last year. Freight capacity grew by a more restrained 12.6%. As a result, the average international air cargo load factor for Asia Pacific carriers jumped 11.3 percentage points to reach 73.1%.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "These figures provide further confirmation that the global economic recovery is well underway, led by quicker growth in leading Asia Pacific economies, but also accompanied by welcome signs of a pickup in both business and consumer confidence in major developed markets. For the first quarter of 2010, we have seen a 13.2% growth in international passenger numbers, buoyed by increasing business and leisure related travel. The international air cargo market has bounced back strongly from last year's slump in international trade, recording a 33.8% jump in cargo volumes compared to the same period last year. Both passenger and cargo traffic volumes are close to returning to levels last achieved before the recession began to hit hard in mid-2008. Meanwhile, careful management of capacity has helped improve asset

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utilisation, and has been a key factor in steering airlines back towards profitability after two years of heavy losses.”

Commenting on the impact of the problems with volcanic ash in Europe, Mr. Herdman noted that, “The severe disruptions to air travel caused by the closure of European airspace for several days in mid-April had a major impact on all international airlines. Asia Pacific airlines were forced to cancel most services to and from Europe for a period of six days, resulting in lost revenues estimated at US\$250 million, and considerable inconvenience to the travelling public and air cargo shippers. Lessons must be learned from this painful episode, which highlighted poor decision making by various parties and a lack of proper coordination in the management of European airspace.”

Going forward, Mr Herdman said, “I am pleased to note that, following the progressive reopening of European airspace, Asia Pacific airlines moved quickly to restore services, and have been mounting additional flights to clear the backlog of stranded passengers. Provided there are no further disruptions of this kind, the impact should be contained, with normal services expected to be fully restored within the coming days. Whilst this will undoubtedly affect the reported traffic performance for April, we remain confident that the underlying positive trends for travel and tourism, in terms of a broad-based economic recovery, will be sustained in the coming months.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Mar-10	Mar-09	% Change	Jan-Mar 2010	Jan-Mar 2009	% Change
Passengers (000)	15,617	13,607	+ 14.8%	44,755	39,527	+ 13.2%
RPK (mn.)	59,187	51,848	+ 14.2%	171,614	153,680	+ 11.7%
ASK (mn.)	73,920	72,470	+ 2.0%	215,619	213,725	+ 0.9%
Passenger Load Factor	80.1%	71.5%	+ 8.6 pp	79.6%	71.9%	+ 7.7 pp
FTK (mn.)	5,569	4,185	+ 33.1%	14,646	10,943	+ 33.8%
FATK (mn.)	7,619	6,767	+ 12.6%	20,857	18,862	+ 10.6%
Freight Load Factor	73.1%	61.8%	+ 11.3 pp	70.2%	58.0%	+ 12.2 pp

- Aggregated traffic data for 23 Asia Pacific based carriers
- Previous year data adjusted for comparison purposes
- RPK = revenue passenger kilometres
- ASK = available seat kilometres
- FTK = freight tonne kilometres

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- FATK = available freight tonne kilometres
- All figures, including estimates for missing data, are provisional

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Association of Asia Pacific Airlines (AAPA)

The AAPA is the trade association for scheduled international airlines based in the Asia-Pacific region. The AAPA permanent secretariat is headquartered in Kuala Lumpur, Malaysia with international representation in Brussels and Washington, D.C. Collectively, the region's airlines carry 520 million passengers and 15 million tonnes of cargo, representing one-quarter of global passenger traffic and two-fifths of global air cargo traffic respectively, and thus play a critically important role in the ongoing development of global aviation.

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