PRESS RELEASE

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Half Year 2009/ Traffic / Preliminary

AAPA Half Year 2009 Traffic Results

Kuala Lumpur, Malaysia – Preliminary figures released today by the Association of Asia Pacific Airlines (AAPA) showed that its member airlines carried a total of 9.9 million international passengers in June, 16.5% fewer than in the same month last year. International passenger traffic measured in revenue passenger kilometers (RPKs) declined by 16.0% and the average international passenger load factor for the month deteriorated by 5.7 percentage points, to 70.5%, despite a 9.2% reduction in available seat capacity.

Air cargo traffic volumes also remained depressed in June, with AAPA international freight tonne kilometers (FTKs) 17.4% below the levels seen in the same month last year. Coupled with a 15.4% reduction in cargo capacity, the average international cargo load factor for the month fell 1.6 percentage points to 66.8%.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, “Overall, for the first half of 2009, AAPA international passenger numbers were down by 11.5% compared to the same period last year. The trading environment for Asia Pacific airlines remains extremely challenging, with further recent declines in passenger demand reflecting ongoing economic weakness as well as public anxieties over government initiatives related to the widening swine flu pandemic. As a result, we still haven’t seen a floor in terms of overall passenger demand.”

Turning to the air cargo sector, Mr. Herdman said, “The air cargo market also remains depressed as a result of the sharp slowdown in international trade. For the first half of 2009, AAPA international freight traffic registered a 22.3% decline in FTK terms.

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However, unlike the passenger business, there has been a slow but steady recovery in air cargo demand from the lows seen at the end of 2008, and we are hopeful that this trend will continue in the second half of the year."

Mr. Herdman added, "Airlines have been responding to the sharp falls in demand by progressively reducing capacity, although not quickly enough to prevent falls in average load factors. Efforts to stimulate demand through highly competitive fares and discounted travel packages are having some effect, but lower yields are further undermining revenues. A number of carriers have taken steps to strengthen their balance sheets through a variety of new financing initiatives, in order to ride out the prolonged economic storm."

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of AAPA Member Airlines

International	**June 2009**	**June 2008**	**% Change**	**Jan-June 2009**	**Jan-June 2008**	**% Change**
Passengers (000)	9,878	11,834	- 16.5 %	63,800	72,075	- 11.5 %
RPK (mn.)	42,260	50,297	- 16.0 %	264,712	302,074	- 12.4 %
ASK (mn.)	59,933	66,013	- 9.2 %	370,888	397,859	- 6.8 %
Passenger Load Factor	70.5%	76.2%	- 5.7 pp	71.4%	75.9%	- 4.5 pp
FTK (mn.)	3,734	4,519	- 17.4 %	21,133	27,206	- 22.3 %
FATK (mn.)	5,594	6,610	- 15.4 %	34,043	40,648	- 16.2 %
Freight Load Factor	66.8%	68.4%	- 1.6 pp	62.1%	66.9%	- 4.8 pp

- RPK = revenue passenger kilometres
- ASK = available seat kilometres
- FTK = freight tonne kilometres
- 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 of major 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 17 AAPA member airlines carry 290 million passengers and 10 million tonnes of cargo representing approximately one-fifth of global passenger traffic and one-third of global air cargo traffic respectively, and thus play a critically important role in the ongoing development of global aviation.

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