

Travel Catering Research Centre Quarterly Report

Asia Pacific

January - March 2006 Forecast



Passenger Numbers by Route (millions)

	Oct-Dec '05	Oct-Dec '04	% change	Jan-Mar '05	Forecast
Domestic	17.36	17.78	-2.37%	16.83	16.43
Intercontinental	21.07	21.18	-0.49%	20.07	19.97
Total	38.43	38.36	-1.35%	36.90	36.40

The trend of the intercontinental market shows a continued small growth while the domestic market continues to show a small decline. The tourist market shows a continued gain in confidence to visit Asia following the events of December 2004.

Passenger Numbers by Seat Class (millions)

	Oct-Dec '05	Oct-Dec '04	% change	Jan-Mar '05	Forecast
First	2.51	2.58	-2.52%	2.42	2.36
Business	4.11	4.20	-2.22%	3.92	3.83
Coach	31.81	32.18	-1.14%	30.55	30.20

When compared to the previous quarter no significant changes have been noted. Again, while the European and North American markets show slight growth of 5% and 8% respectively for the same period of time in the 3rd quarter.

Estimated Complimentary Meal Numbers by Route (millions)

	Oct-Dec '05	Oct-Dec '04	% change	Jan-Mar '05	Forecast
Domestic	8.68	8.89	-2.37%	8.41	8.21
Intercontinental	31.71	31.76	-0.18%	30.10	30.04
Total	40.39	40.66	-0.66%	38.51	38.26

Forecast meals on domestic flights has increased compared with last year. This is because the Expert Panel has revised upwards its assessment of the proportion of airline offering complimentary meals on these routes. This estimate is greatly affected by the actions of one or two airlines that have strong domestic traffic (such as Qantas)

Passenger Numbers by Carrier (millions)

	Oct-Dec '05	Oct-Dec '04	% change	Jan-Mar '05	Forecast
Cathay Pacific	3.97	3.63	9.35%	3.63	3.97
Japan Airlines	14.53	15.08	-3.68%	14.60	14.07
Malaysia Air	4.61	4.66	-1.09%	4.36	4.31
Qantas	6.23	6.37	-2.30%	6.08	5.94
Singapore Airways	4.37	4.20	3.90%	3.90	4.04
Thai Air	4.73	5.01	-5.51%	4.37	4.10

Cathay Pacific, Malaysia Air and Singapore Airways have shown slight growth in this quarter compared to the same period last year. Japan Airlines has declined nearly 2%.

Travel Catering Research Centre Quarterly Report

Headlines

Emirates

Emirates will launch thrice-weekly service to Addis Ababa from March 27, 2006 aboard A330-200s, increasing to daily on Dec. 1. The airline its 777-200 fleet refurbishment is near completion. The project includes new seats in first and business classes, economy class enhancements, in-seat laptop power and personal entertainment and information systems.

<http://www.atwonline.com/news/topic.html>, 31/01/06

Singapore Airlines

Singapore Airlines plans to increase capacity on some existing routes when the Northern Summer schedule comes into effect on March 26, 2006. The Airline will fly daily to the South Australian city of Adelaide, up from the current five a week services. An additional daily frequency will be added to Taipei; with this increase, the Taiwanese city will be served three times daily. Three more weekly frequencies will be operated to Guangzhou and Hong Kong bringing the total number of weekly services to these two destinations to 10 and 38 respectively. In South East Asia, the Airline will add another frequency to Ho Chi Minh City in Vietnam, resulting in 13 weekly flights. Frequency to the Malaysian city of Penang will be increased to triple daily, from the existing 18 flights per week. Frequency to Athens will be increased from two to three times weekly for the summer season. Among new routes, Singapore Airlines announced that it will commence its three times weekly services to Karachi and Lahore in Pakistan from February 1, and launch a thrice-weekly service to the Russian capital Moscow on March 1, 2006, and thrice-weekly services to Abu Dhabi in the United Arab Emirates also on March 1, 2006.

Korean Air

An enhanced economy class service, Korean Air introduced an inflight amenity kit for economy passengers on long-haul routes including a soft eyeshade, knitted socks and dental set.

<http://www.atwonline.com/news/topic.html> 14/02/06

Explanations

Travel Catering Research Centre Quarterly Report

Passenger Numbers by Route

The data in this table is derived from the area's major individual carrier's websites. These carriers include Cathay Pacific, Japan Airlines, Korean Airlines, Malaysia Air, Qantas, Singapore Airways and Thai Air.

% change - This compares the last full quarter of this year with the same quarter in the previous year.

Forecast - The forecast is based on the trend derived from the equivalent quarter of the previous year and the percentage change in the last full quarter.

Passenger Numbers by Seat Class

The data in this table is derived from data found on Euromonitor's web pages. The seat class data is defined by country and is then applied to the major carrier for that country. Two countries are not reported on and the average seat class ratio is applied to these.

Estimated Complimentary Meal Numbers and Type by Route

The data in this table is calculated by taking the total passenger numbers by route and applying a multiplier to provide an estimate of the total meals provided to passengers. The multipliers used are based upon consensus meal values agreed upon by a panel of experts and are subject to change on a monthly basis.

% change – Please see above.

Forecast – Please see above.

Passenger Numbers by Carrier

The data in this table is derived from the individual carrier's websites. The Association of Asia Pacific Airlines (AAPA) data is derived from Monthly International Statistics as found on their website.

% change – Please see above.

Forecast – Please see above.