Travel Catering Research Centre Quarterly Report

Asia

January – March 2005

Passenger Numbers by Route

	Jan-Mar '05	Jan-Mar '04	% change	Apr-June '04	Forecast
Domestic	-	6,610,000	-	15,758,613	-
Intercontinental	4,012,784	16,143,220	-75%	18,294,786	4,547,607
Total	4,012,784	22,753,220	-82%	34,053,399	6,005,697

Although figures from this area are not yet fully available, the World Travel and Tourism Council has said that Asia will represent one of the largest growth areas over the coming year, most likely exceeding the expected worldwide growth of 5.1%.

Estimated Complimentary Meal Numbers by Route

	Jan-Mar '05	Jan-Mar '04	% change	Apr-June '04	Forecast
Domestic	-	3,305,000	-	7,879,307	-
Intercontinental	6,019,176	24,214,830	-75%	27,442,179	6,821,411
Total	6,109,176	27,519,830	-78%	35,321,486	7,725,565

Meal numbers reflect trends in passenger numbers. Both the Chinese and Indian markets are set to expand over the course of 2005 and the development of these markets will affect the take up of complimentary and Buy on Board products offered to full service airlines and expanding LCC's by local and global flight caterers.

Passenger Numbers by Carrier

	Jan-Mar '05	Jan-Mar '04	% change	Apr-June '04	Forecast
Cathay Pacific	1,206,784	3,098,220	-61%	3,306,044	1,287,733
Malaysia Air	-	4,130,000	-	4,135,000	-
Qantas	-	6,607,000	-	4,440,000	-
Singapore Airways	1,354,000	3,826,000	-65%	3,800,000	1,344,799
Thai Air	1,452,000	5,092,000	-71%	4,567,000	1,302,395
AAPA	10,072,000	28,981,000	-65%	34,053,399	11,834,852

Passenger numbers for this area are not yet fully available, therefore the forecast currently only reflects predicted figures for the first month of the second quarter of 2005.

Headlines

India
LSG Sky Chef are planning to open a flight kitchen in Hyderabad, India. They want their growth to mirror the growth in air travel and customer demand and their Bangkok-based Manager said they are also considering partnering with an Indian company to step into the catering business in Mumbai and Delhi.

Travel Catering Research Centre Quarterly Report

Domestic and international flight operators are looking for suitable caterers at Calcutta's 'Netaji Subhas Chandra Bose' International Airport. Most airlines have been getting on-board lunches, dinners and snacks from one local supplier but the industry doubts that a single player will be able to handle this market. Local hotels feel they do not have the infrastructure to make venturing into this market profitable, especially in this low margin, highly competitive area and foreign carriers on shorter distances have been opting for return catering.

Air Sahara is expanding operations by launching a new hub at Hyderabad. In Phase 1, they will operate 126 flights a week, increasing to 140 flights a week by Phase II (mid 2005). They intend to increase their international links from 2 to 4 and are looking to further expand further by late summer 2005.

Malaysia
Malaysia have delayed plans to build a new US$1.05 billion passenger terminal at Kuala Lumpur International Airport. This decision has been taken as the government have just given the go ahead to build a new dedicated low cost carrier terminal (designed to handle between 10 and 12 million passengers) at KLIA airport in a bid to raise its status as a regional hub rivalling Singapore and Bangkok. Singapore have already started building a dedicated low cost terminal – offering the similar no-frills style of service as the airlines.

China
On January 21, 2005, the UK and Chinese governments signed a Memorandum of Understanding where the Chinese government recognised the UK's Approved Destination Status. This means that the Chinese government will allow selected Chinese tour operators to sell UK leisure tours to Chinese citizens.

British Airways are looking to start flying up to 5 times a day from this summer to Shanghai from Heathrow.

Australia
A new Australian airline is looking to capture the domestic business market by the middle of 2005. OzJet, based out of Adelaide and serving the Sydney, Adelaide, Melbourne and Canberra markets, are planning an assault on this premium market currently controlled by Qantas. This airline, originally planned to be a low-cost operation until frustrated by the introduction of Qantas's JetStar in May 2004, will use four 737-200's and two BAe146s. It aims to offer a whole new domestic travel experience and will seat 60 passengers in the spacious 737 cabin.

Qantas
Qantas have upgraded their in-flight catering to international standards on Domestic Business flights between Perth and Sydney, Melbourne or Brisbane. They have also upgraded their Domestic Economy in-flight service to international standard on flights between Perth and Sydney, Melbourne or Brisbane.

Singapore Airlines
Singapore Airlines will increase capacity by 5.1% from late March 2005. They will offer increased frequency to cities in their global network where demand is high. The cities include Hanoi (+1 flight per week), Shenzen (+2 flights per week), Fukuoka (+2 flights per week), Mumbai (+2 flights per week), Brisbane (+3 flights per week), Melbourne (+3 flights per week), Christchurch (+2 flights per week), and Athens (+1 flight per week).

Travel Catering Research Centre Quarterly Report

Explanations

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.

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.