

RtS2020

TO BE THE GLOBAL LEADER
IN CREATING AIRPORT CITIES

INTRODUCTION

We are now marching forward with our new five-year business plan, Runway to Success 2020 (RtS2020), which charts our business direction for 2016 to 2020. It is a follow-through from our earlier five-year business plan, Runway to Success 2010-2014, which successfully established Malaysia Airports as “A World-Class Airport Business” and it maps out our new ambition to “Be the Global Leader in Creating Airport Cities”.

* IATA code for Kuala Lumpur International Airport

RtS2020 places priority on establishing KLIA or KUL* as a preferred ASEAN hub, improving airport experience for all stakeholders, developing the Aeropolis, and expanding our presence overseas. It is aimed at shaping the Malaysian aviation industry landscape and at the same time, contributing to the nation’s wealth building efforts.



Malaysia Airports will redefine the role of airports as centres of economic and urban growth, developing them into multimodal destinations for cargo and logistics, aerospace as well as leisure and business. We will spur domestic and foreign investments, and strategically position Malaysia on the map as a global business hub for Southeast Asia, enhancing employment opportunities, stimulating the local economy and thus becoming a key economic accelerator for Malaysia.

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NOTICE TO RECIPIENTS OF THIS DOCUMENT

This document is meant for a wide variety of readers - our employees, airline partners, suppliers, passengers, the Government of Malaysia and our investors. This document is not intended nor should it be constructed in any way whatsoever as providing any suggestion, influence or guidance to investors or other interested parties and should not be used as a basis to form a decision on whether or not to acquire or dispose shares in Malaysia Airports. Malaysia Airports shall not be held liable for any consequences of whatsoever nature arising from any transactions in respect of the acquisition or disposal of shares in Malaysia Airports resulting from the application of information in this document.

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



**TAN SRI DATO' SRI DR. WAN ABDUL AZIZ
WAN ABDULLAH**
Chairman



DATUK BADLISHAM GHAZALI
Managing Director

We are extremely proud to have successfully attained the goals we had set in our previous five-year business plan 'Runway to Success 2010-2014' (RTS 2010-2014) which was to 'Be a World-Class Airport Business' by providing world-class aviation gateways, managing a cost-effective airport network and services, as well as exceeding the expectations of all our stakeholders.

Our achievements have been tremendous. During those five years, Malaysia Airports had grown to be the world's second largest airport operator group, managing a stable of 39 airports in Malaysia, with two overseas investment in Turkey and India.

We are benchmarked by global standards as amongst the top airports in the world; we have been internationally-recognised as a leading airport operator and manager; we have expanded our business and offered our expertise overseas; and we have performed exceptionally well financially, rivalling our international competitors.

We concluded our five-year journey on a high note with the successful opening in 2014 of klia2, a new terminal in KL International Airport (KLIA), which is the largest terminal in the world serving low cost carriers (LCC). Built to handle 45 million passengers a year, it is equipped with state-of-the-art facilities to cater to passenger convenience and operational efficiencies.

Combined, KLIA Main Terminal (KLIA Main) and klia2 cater to more than 60 airlines serving more than 110 direct destinations. With the opening of klia2, KLIA now is a three-runway airport system – making us the first airport in the region to have three independent runways, thus enhancing efficiencies and facilitating future growth.

The existence of a shopping mall annexe in klia2 is also an innovation meant to enhance passenger experience and serves as a boost to our non-aeronautical revenue.

In 2014, our 39 airports in Malaysia surpassed the 80 million mark for number of passengers handled despite the challenges faced by the Malaysian aviation industry at that time. Of this number, KLIA accounted for more than half, registering total passenger movements of almost 49 million. KLIA is now the 23rd busiest airports in the world, climbing from number 31 five years ago.

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

**MALAYSIA AIRPORTS' TOTAL
SHAREHOLDER RETURN
OVER THE LAST DECADE IS
MORE THAN 500%**



Our reputation as a world-class airport operator can also be seen from the success of our overseas ventures.

Since 1995, we have been involved in the management of six overseas airports - highlighting the confidence that the international community has in our abilities. Our biggest achievement was the full acquisition of Istanbul's second airport, the Istanbul Sabiha Gokcen International Airport (ISG) at the end

of 2014. ISG is one of the world's fastest-growing airports and has been Europe's fastest-growing airport for the last five years.

From a shareholders' return perspective, Malaysia Airports' total shareholder return over the last decade is more than 500%, making us the second top performing government-linked company (GLC) in this area. Our market capitalisation has also grown more than six times over the same period.

In recognition of our comprehensive efforts to enhance all aspects of operations, we continue to garner many awards. In 2014, KLIA won the Large Airport of the Year at the prestigious CAPA Awards for Excellence in Asia Pacific Aviation, acknowledging KLIA as the fastest-growing major airport in the region.

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

RtS2020 our next five-year business plan, will see Malaysia Airports strive to “Be the Global Leader in Creating Airport Cities”

We continue to welcome new airlines and add more routes. In 2015, recent additions to the KLIA family include British Airways, All Nippon Airways, and Air China.

Runway to Success 2020 (RtS2020)

Our business landscape continues to evolve and we are ever mindful of the need to stay ahead of the curve. Thus we are ready to embark on the next stage in our development and have set new targets which will see us play a far greater role in nation building and position Malaysia Airports as a key economic accelerator for Malaysia.



RtS2020 our next five-year business plan, will see Malaysia Airports strive to **‘Be the Global Leader in Creating Airport Cities’**.

RtS2020 comprises two main thrusts – one is to **strengthen our core business**; and the other to **expand and diversify** our operations. In strengthening our core business, we have identified two strategic priorities – the establishment of KUL* as a hub and improving the airport experience for all our stakeholders.

In **establishing KUL* as a preferred ASEAN hub**, we will leverage on its current strengths such as

KLIA’s highly competitive aeronautical charges and its advantageous location within the booming Asia Pacific region. We will also intensify our efforts by providing excellent connectivity and seamless transfers.

As a service provider, it is important for Malaysia Airports to be a customer-centric organisation. Our goal here would be to enhance the **total airport experience** (TAE) and uplift service quality. We believe that our customers and partners will benefit from this increased attention to service and innovation which will transform KLIA into a digitised, efficient and differentiated hub.

* IATA code for Kuala Lumpur International Airport

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

The second thrust focuses on the strategic priorities of the development of the Aeropolis; as well as focused and synergistic international investments.

Aviation is crucial to so many aspects of the economy – from trade to tourism and skills development. As airports are important links to global markets and crucial to a country's competitiveness, we will be supporting Malaysia's development agenda through the development of Aeropolis. The government's Economic Transformation Programme (ETP) is designed to turn Malaysia into a high income economy by 2020 and is built around key industry clusters which includes aviation. The **Aeropolis development** will leverage on the potential provided by our land bank supported by several national master plans and blueprints. It focuses on three key clusters, namely air cargo and logistics; business and aviation parks; as well as MICE (meetings, incentives, conventions and exhibitions) and leisure. Apart from creating a logistics hub, we aim to attract and nurture aviation-focused businesses, including fixed base operators, maintenance, repair and operations (MRO) and original equipment manufacturers (OEM). On top of this, it will also serve as an engine for tourism growth.

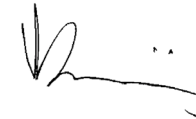
We have garnered some early successes – the gateway@klia2 shopping mall is already drawing more non-passengers to the airport and its vicinity.

Mitsui Outlet Park KLIA Sepang opened in May 2015 and is intended to be a pace-setter for the Aeropolis project.

Meanwhile, the second strategic priority under the expand and diversify thrust is positioned to **drive international investments** within a structured framework, in order to build a balanced diversified portfolio of international assets whilst exporting core airport consultancy and operator services. Malaysia Airports became the first Asian airport operator to fully own a European airport when it took full control of ISG at the end of 2014. We aim to build a portfolio of airport-related assets by seeking out the best opportunities internationally and leveraging on our proven expertise in airport management to further improve our financial performance.

Whilst our attention remains firmly focused on future strategy, we steadfastly adhere to the core qualities that have inked our reputation for unparalleled efficiency in airport operations and management, a commitment to providing world-class services to all our clients and customers from airlines to passengers, concessionaires and other business partners and an unswerving adherence to sustainable and ethical practices.

Moving forward, we have rejuvenated our Brand Identity to be more aligned with our business direction. Our brand DNA has been redefined as Friendly and Firm, Progressive and Practical, and Business Driven and Responsible. We believe that inculcating the right culture is pivotal to the delivery of our Mission to **“Create Joyful Experiences by Connecting People and Businesses”**, and the successful realisation of our Vision, which is to “Be the Global Leader in Creating Airport Cities”.



**TAN SRI DATO' SRI DR. WAN ABDUL AZIZ
WAN ABDULLAH**
Chairman



DATUK BADLISHAM GHAZALI
Managing Director

OUR VISION AND MISSION



OUR VISION

To be the Global Leader in
Creating Airport Cities



OUR MISSION

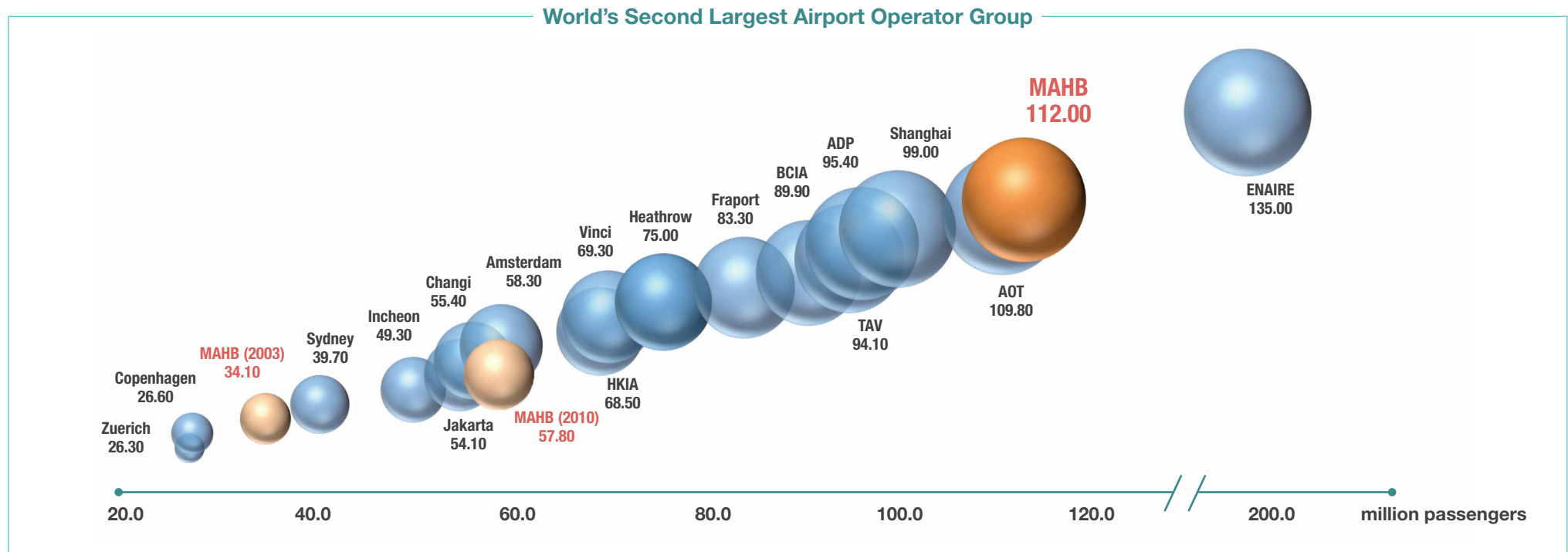
Together We Create Joyful Experiences
by Connecting People and Businesses

CASE FOR CHANGE

Our Unique Position

The year 2014 marked the conclusion of Malaysia Airports' five-year strategic business plan, Runway to Success 2010-2014 (RTS 2010-2014). Over the five years of the plan, we successfully achieved our targets, transforming ourselves into "A World-class Airport Business" – the world's second largest airport operator group and the only Asian airport operator to own a European airport.

The success of RTS 2010-2014 has established the foundation for the next stage of growth and we embark on the next stage of our development determined to build on our competitiveness and relevance in the global aviation industry and to become a **key economic enabler** for the nation.



Note : As of December 2015 unless otherwise stated; includes main operating entity and its subsidiaries (51% ownership and above)

Sources : Annual reports, websites of respective airport operators

CASE FOR CHANGE

Gateways to the Country and International Presence

Apart from operating a network of five international airports in Malaysia with Kuala Lumpur International Airport (KLIA) as our flagship, we are also the proud owner of Istanbul Sabiha Gokcen International Airport (ISG) in Turkey.

Both KLIA and ISG have the advantage of **geographic centrality** giving rise to huge potential for growth. Kuala Lumpur is located in the heart of ASEAN – a region that is home to more than 600 million people. It is also within four to five hours' flight time from various Asia Pacific destinations and this creates enormous potential for it to serve as a regional hub. It also offers the best value

in the region in terms of aeronautical charges, especially with the current volatility in fuel prices and long-haul flight economics.

ISG is Istanbul's second airport after Ataturk Airport which is currently operating at full capacity. With a 20 + 2-year concession from the Turkish government to operate the airport until 2030, ISG is well-positioned to capitalise on the capacity constraints at Ataturk Airport. Its strategic location linking Asia and Europe will also be able to capture the India, Middle East and Africa (IMEA) market.

Geographic Centrality With Potential For Higher Growth

KUL



- **49 million** Passengers
- **117** International destinations
- **15** Domestic destinations
- **63** Airlines*

ISG



- **28 million** Passengers
- **108** International destinations
- **38** Domestic destinations
- **27** Airlines*

* Scheduled flights

CASE FOR CHANGE

Land bank - Catalyst for the Commercial Ecosystem

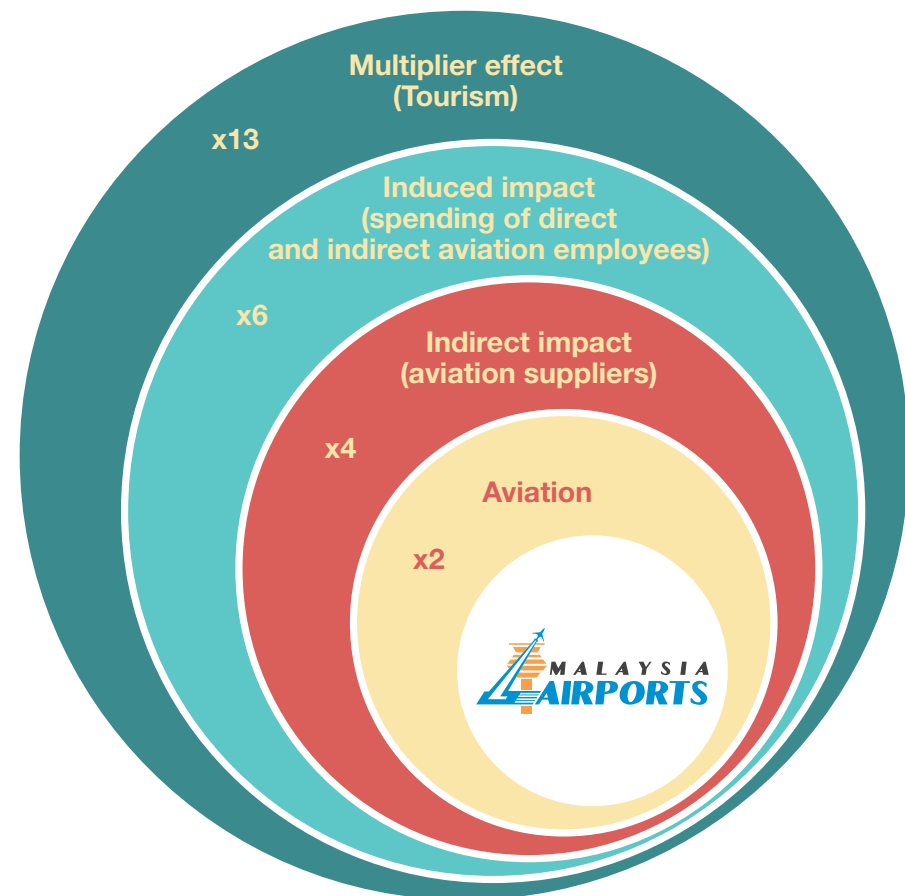
As airports become increasingly important links to global markets and a major factor in a country's competitiveness, KLIA's extensive land bank provides us with a unique opportunity to establish a platform for business and trade that will enhance our operations and contribute to Malaysia's future growth.

The allocation of the 10 km x 10 km land bank surrounding KLIA places Malaysia Airports in a prime position to influence the creation of Aeropolis, the ultimate airport city.

Aligns to National Master Plans and Blueprints

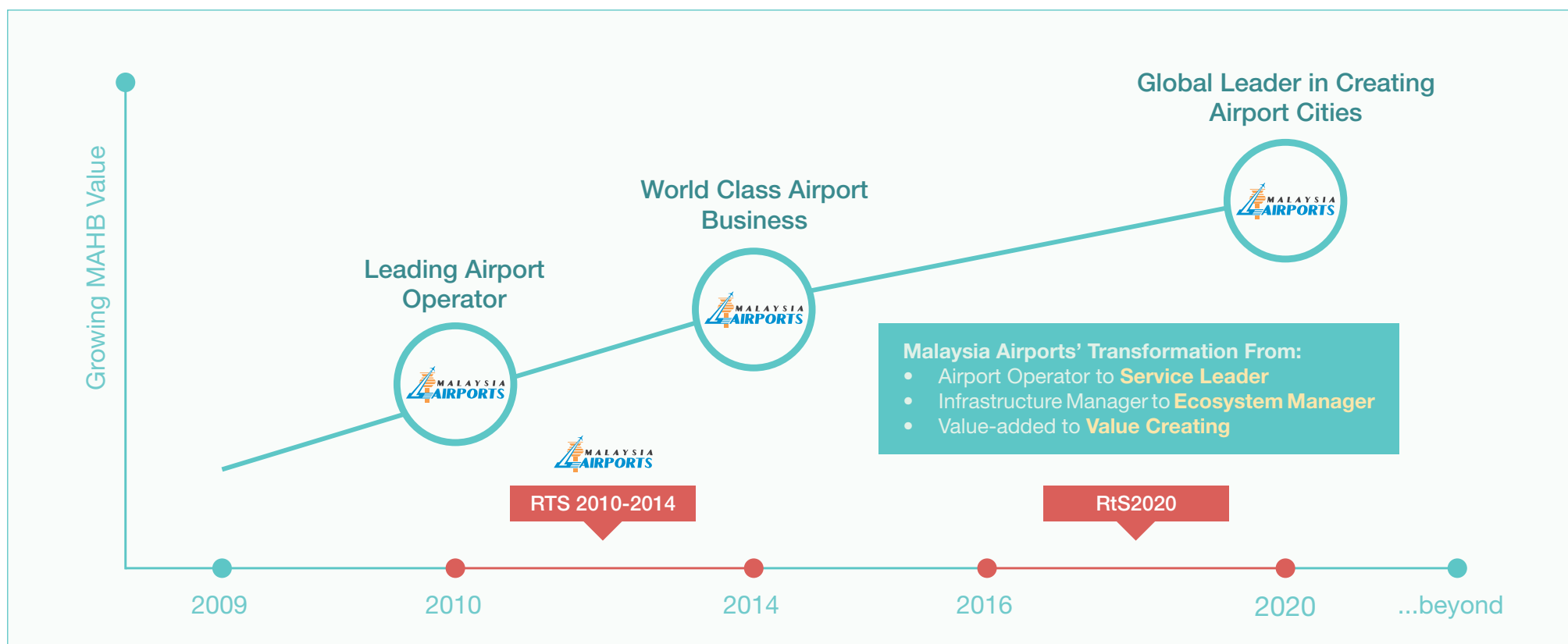
The development of Aeropolis will support Malaysia's economic transformation. Centred on three development clusters of **air cargo and logistics; business and aviation parks; and MICE** (meetings, incentives, conventions, exhibitions) and **leisure**, these clusters are closely aligned to several aspects of Malaysia's economic development agenda, including the **National Logistics and Trade Facilitation Masterplan (2015-2020)** and the **2nd National Aerospace Industry Blueprint (2015-2030)** as well as various initiatives under the Tourism National Key Economic Area (NKEA) as outlined in the Economic Transformation Programme (ETP).

We collaborate closely with relevant stakeholders such as the Malaysian Aerospace Council and the National Logistics and Trade Facilitation Taskforce in order to realise our common aspirations within these key industries for the betterment of Malaysia.

The Aeropolis Development Supports Malaysia's Economic Transformation

CASE FOR CHANGE

RtS2020 Will Drive Malaysia Airports Towards the Next Phase of Success



CASE FOR CHANGE

Transforming our DNA**Malaysia Airports will transform from a world-class airport operator into a Global Leader in Creating Airport Cities.**

We have surpassed targets we had set five years ago – acknowledged by global standards as amongst the top airports in the world, we have been recognised as a leading airport operator and manager internationally. We have expanded our business and offered our expertise overseas, delivering solid financial returns and rivalling our international competitors.

Becoming a global leader in the creation of airport cities will take us to the next level – beyond a mere airport operator, in line with the evolution and trend of airports around the world. Leveraging on our financial and operational strengths, and in tandem with the distinct advantage of the considerable land bank surrounding the airport, Malaysia Airports will be driving further growth of our commercial and non-aeronautical revenue in the fulfilment of our role as one of Malaysia's key economic enablers.

**What will the future look like for us?**

From an airport operator to a service leader who will transform the total airport experience.

As the gateway to Malaysia, we carry the image and reputation of our country on our shoulders. Apart from the embodiment of the famed Malaysian culture and hospitality, our airports will be a microcosm of the vibrant innovation landscape available in this country. Our aim is to re-imagine the airport experience for the benefit of all our stakeholders.

From an infrastructure manager to an ecosystem manager who will create an environment of innovation and leadership.

By virtue of the 10 km x 10 km land bank within the vicinity of KLIA, we are in a position to influence the development of Aeropolis thus unlocking and extracting its value. It will be the ideal location for businesses to push for leadership position in a high-growth, optimum value area.

From an organisation that adds value to an organisation that creates value.

As the business environment grows more competitive, it is crucial that we remain relevant to our stakeholders through the creation of value. Our aspiration is to proactively create value through smart partnership and synergistic collaboration that will achieve mutual benefits and long-term objectives.

EARLY ACHIEVEMENTS REALISED



LARGEST TERMINAL IN THE WORLD

Serving low cost carriers in terms of capacity

İSTANBUL SABIHA GÖKÇEN
ULUSLARARASI HAVALİMANI

WHOLLY-OWNED OVERSEAS ACQUISITION

Contributes > 25% Revenue and EBITDA to Malaysia Airports



MITSUI
OUTLET PARK
KLIA SEPANG

SLATED TO BE LARGEST RETAIL OUTLET PARK IN SOUTH EAST ASIA

140 shops over 25,000 sqm

EARLY ACHIEVEMENTS REALISED

**klia2**

In 2014, Malaysia Airports proudly welcomed the first passengers and airlines to klia2, the world's largest terminal serving low-cost carriers.

Built at a cost of RM4 billion to replace our earlier Low-Cost Carrier Terminal (LCCT), the 257,000 sqm building comes complete with aerobridges and support facilities designed to redefine the airport experience for passengers, retailers and airlines alike.

* IATA code for Kuala Lumpur International Airport

klia2 is a crucial component in the realisation of our goal in establishing KUL* as a preferred ASEAN hub. Built at a capacity of 45 million passengers per year, its passenger-friendly and spacious terminal enables **improved connectivity** and **longer transfer windows**. Apart from this, the addition of a third runway to the KLIA airport system has resulted in further efficiencies to flight operations at our airport.

In its first full year of operations, klia2 recorded 26.3 million passengers – **more than 50% of its capacity utilised**.

EARLY ACHIEVEMENTS REALISED

Mitsui Outlet Park KLIA Sepang

The Mitsui Outlet Park KLIA Sepang (MOP KLIA) is central to the development of the KLIA Aeropolis. Located 60 km from Kuala Lumpur and 6 km from KLIA, the retail outlet park is a joint venture between Malaysia Airports and Mitsui Fudosan, a highly-reputable Japanese real estate and retail property developer. The first phase which opened in May 2015 currently offers more than 140 shops over 25,000 sqm. After the completion of its third and final phase in 2021, it will potentially be **one of the biggest retail outlet parks in Southeast Asia** with total of 46,000 sqm.

The steady increase in the number of visitors to the outlet reflects its growing popularity. It now enjoys an estimated 400,000 visitors a month.

The joint venture between Malaysia Airports and Mitsui Fudosan, in which we hold a 30% stake, will serve as a **model for future Aeropolis developments**. MOP KLIA is targeted to make a contribution of RM220 million to gross national income and create more than 2,500 jobs by 2020.



EARLY ACHIEVEMENTS REALISED



Istanbul Sabiha Gokcen International Airport

The acquisition of Istanbul Sabiha Gokcen International Airport (ISG) was a strategic investment in line with our focus on investments which offer significant long-term growth prospects. We were the first government-linked company to venture into Turkey in 2008 and the acquisition of ISG made us the **first Asian entity to fully-own a European airport**.

The fastest growing airport in Europe for the past five years, it is in a strong position to capture the India, Middle East and Africa market.

With a current capacity of 33 million passengers per year (mppa), the airport has enjoyed **strong double digit growth** for the past several years recording 20% growth to 28.3 million passengers in 2015. It is the hub for low-cost carrier Pegasus Airlines and is the second hub for national carrier Turkish Airlines. 25 other airlines serve 38 domestic and 108 international destination with recent additions including Qatar Airways and Emirates. A second runway is currently being constructed by the Turkish government. Due to complete in 2018, it is expected to double ISG's airside capacity.

Turkey is the world's sixth most visited country and its aviation industry is growing faster than the global

average. With it being the fastest-growing major European economy with an increasingly affluent population, ISG is expected to continue enjoying strong growth in the coming years and contribute **more than 25% to Malaysia Airports' revenue and EBITDA** (earnings before tax, interest, depreciation and amortisation).

**FASTEST GROWING AIRPORT IN EUROPE
FOR THE PAST**

5 years



Concession Period 2008-2030

RUNWAY TO SUCCESS 2020

RtS2020 comprises two main thrusts – one is to strengthen our core business and the other is to expand and diversify our operations. Each thrust consists of two strategic pillars.

In strengthening our core, we have identified two strategic priorities – the establishment of KUL* as a hub and providing an innovative airport experience to passengers, airlines and retailers.

The second thrust focuses on the strategic priorities of the development of Aeropolis as well as focused and synergistic overseas investments. These newly-defined strategies are designed to hasten Malaysia Airports to its next stage of growth as we strive to “Be the Global Leader in Creating Airport Cities” and enable us to make a significant contribution to Malaysia’s economic development.

Our targets for RtS2020 are to grow to 115 million passengers handled in a year and achieve RM7.5 billion and RM3.0 billion in revenue and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) respectively.

* IATA code for Kuala Lumpur International Airport

RtS2020 Strategy House



RtS2020 STRATEGIC PILLARS

THRUST 1 - STRENGTHEN THE CORE

Our drive to strengthen our core business consists of establishing KUL* as a hub and improving the airport experience for all our stakeholders – passengers, airlines and retailers.

The elevation of KLIA as a **preferred ASEAN hub** will focus on strategic route development, excellent connectivity and seamless transfers at our terminals.

As a service organisation, our customers are our priority. Whether travellers, airlines, retailers or visitors, they will benefit from increased attention to service as we strive to create a **Total Airport Experience**.

The successful execution of these priorities will transform KLIA into a digitised, innovative and differentiated hub, improving both our aeronautical and non-aeronautical revenue.

KUL HUB

Realise KUL's potential with focus on critical markets and connectivity

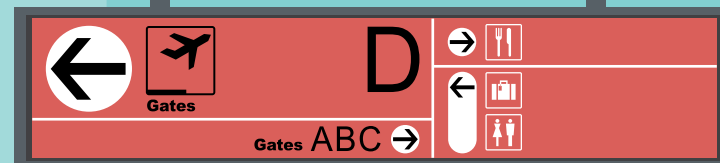


TOTAL AIRPORT EXPERIENCE (TAE)

Embed customer-centric culture to improve experience for passengers, airlines and retailers



* IATA code for Kuala Lumpur International Airport



KUL Hub

Realising KUL's potential
with focus on critical
markets and connectivity



RtS2020 STRATEGIC PILLARS - KUL Hub

Capitalising on Our Strategic Advantages

Malaysia Airports stands out from its peers because our airports are not only among the best in their class, but also offer excellent network of full service and low-cost carriers. Passengers and airlines enjoy excellent value from our competitive charges that are among the lowest in the world.

KLIA's location within Asia Pacific is especially advantageous as it is one of the fastest growing regions and the largest contributor to the air market in recent years.

Its combined terminal capacity of 75 million passengers is also a strong factor in attracting airlines to operate from KUL especially with its three-runway system that allows of flight operations efficiencies at our airports and facilitate further growth.



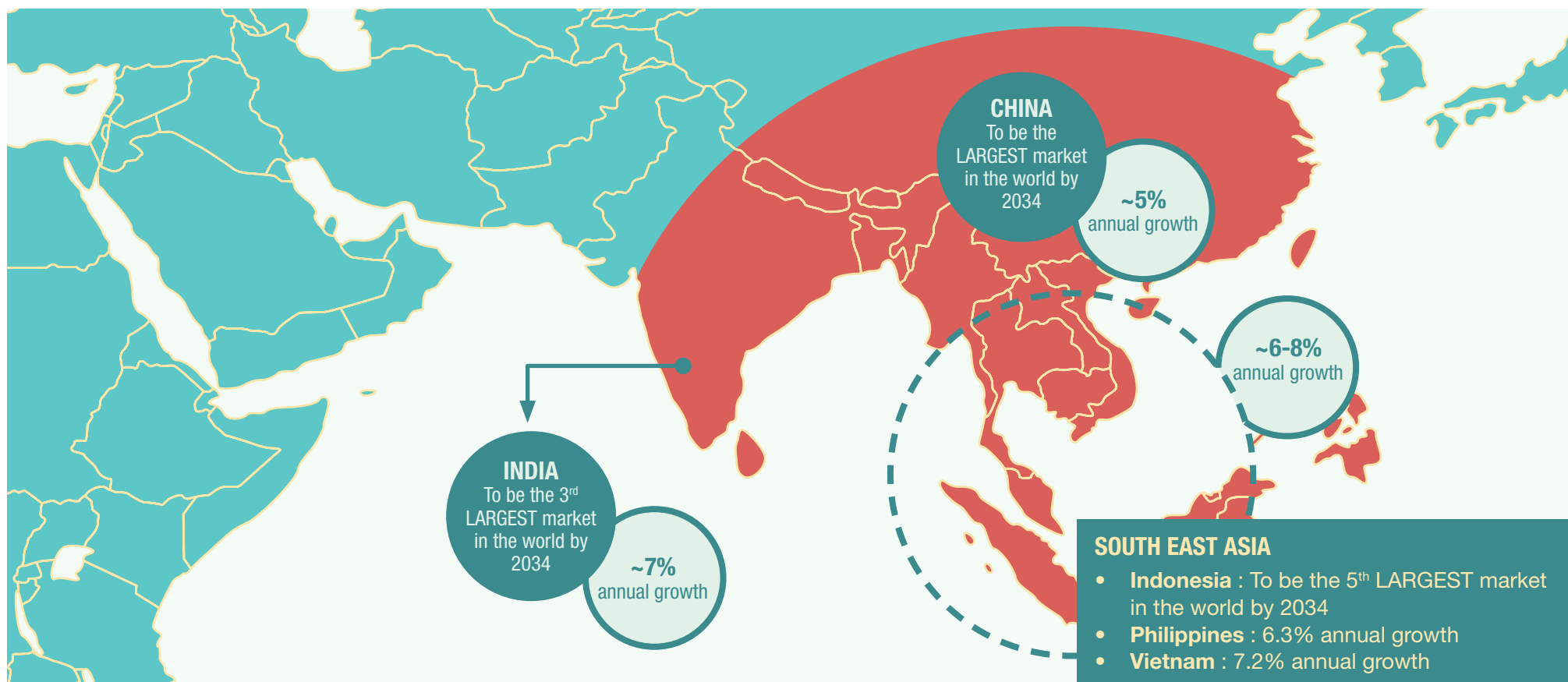
RtS2020 STRATEGIC PILLARS

- KUL Hub

Targeting Key Contributors to Air Travel Market Growth

Malaysia is fortunate to be surrounded by high-growth markets in the air travel industry such as China, India and ASEAN.

China is slated to be the largest market in the world by 2034. While within ASEAN, Indonesia is expected to be the fifth largest market in the world within the same period.



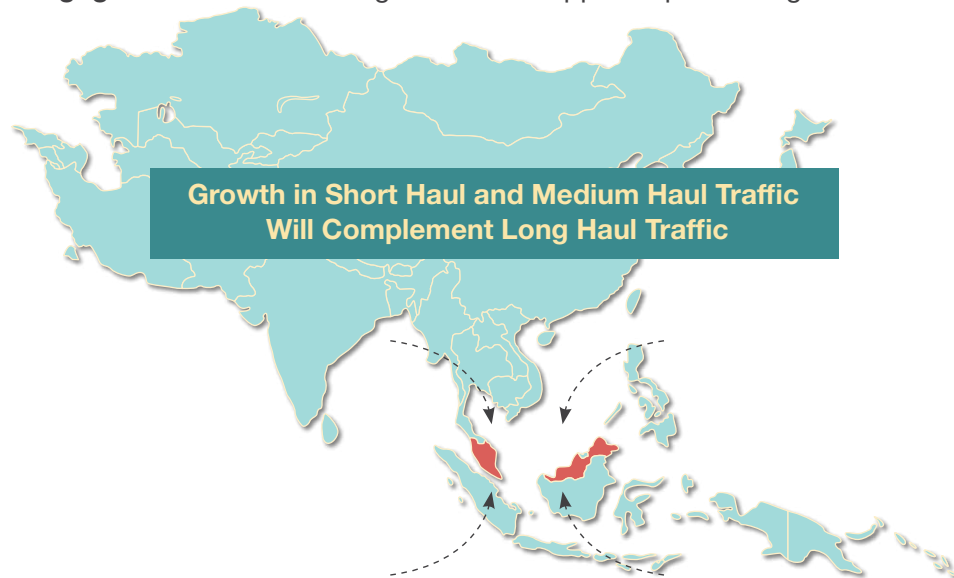
RtS2020 STRATEGIC PILLARS - KUL Hub

The Elevation of KUL* as the Preferred ASEAN Hub Consists of Two Main Initiatives:

Strategic Route Development

Our aim is to improve short to medium-haul connectivity in high growth markets, which will complement long-haul traffic.

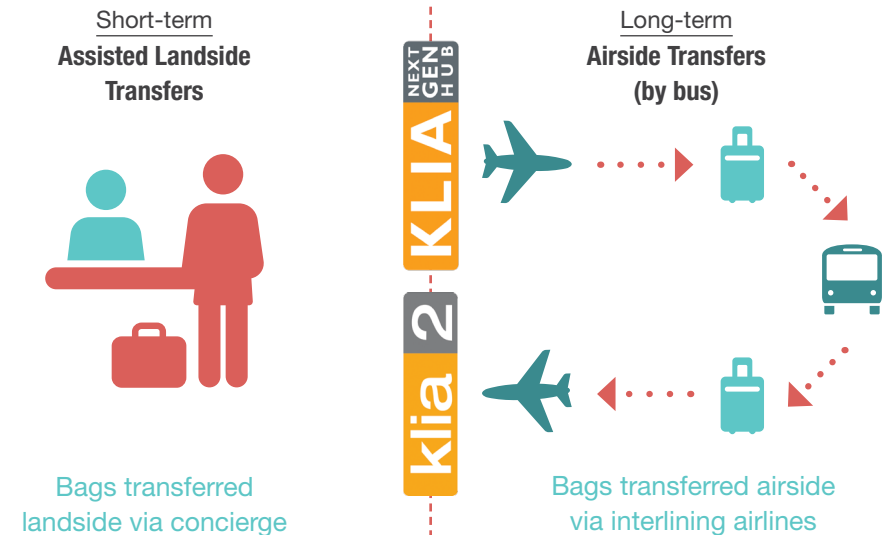
This initiative is focused on **engagement with airlines and stakeholders** to capture key markets and **enhancing government-to-government engagement** for air traffic rights and visa approval processing.



Seamless Airside Transfer & Interlining

The goal is to enable and encourage **seamless transfers** between airlines and **shorter inter-terminal transit time**.

The ultimate goal will be to facilitate airside baggage transfers thus eliminating clearance requirements. Meanwhile the short-term initiative will be via assisted landside baggage transfers through concierge services.

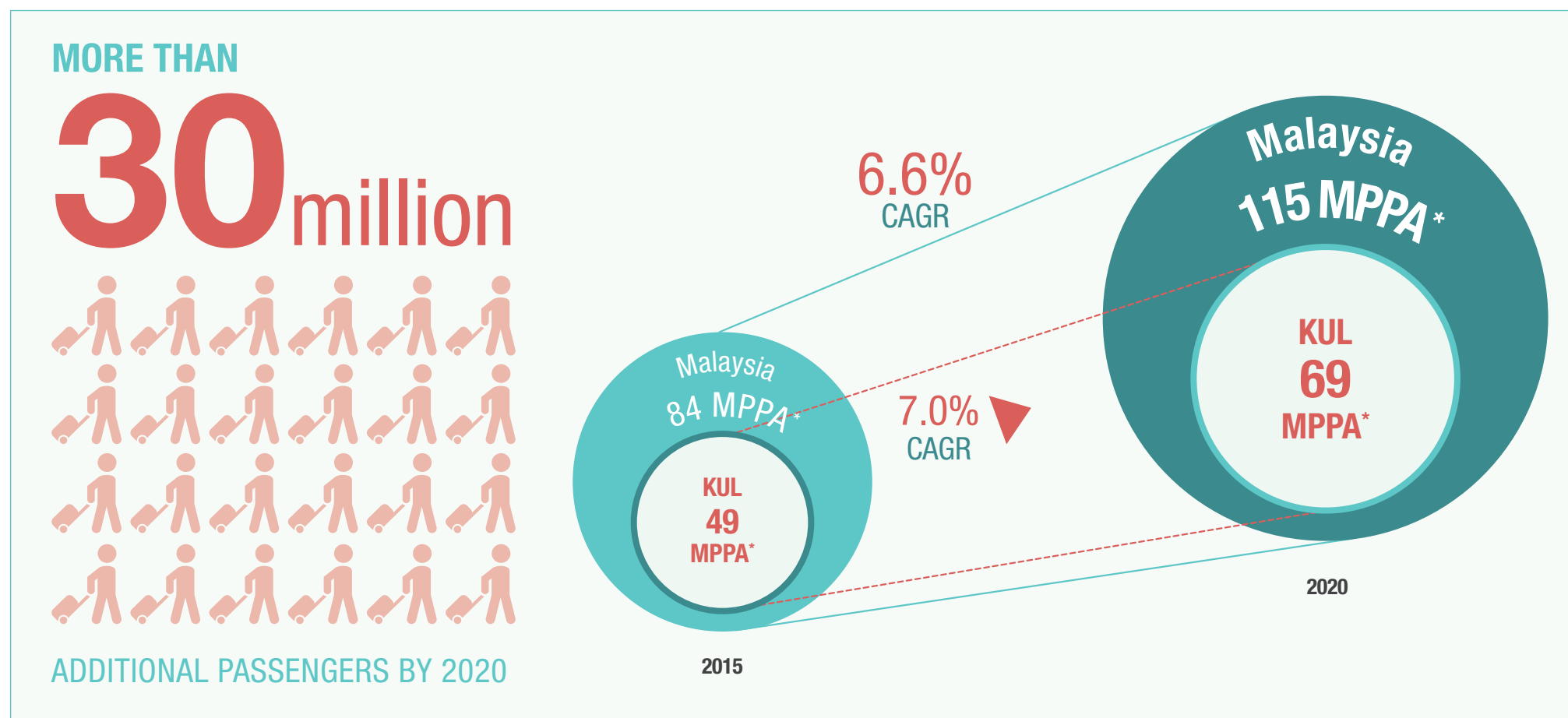


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RtS2020 STRATEGIC PILLARS

- KUL Hub

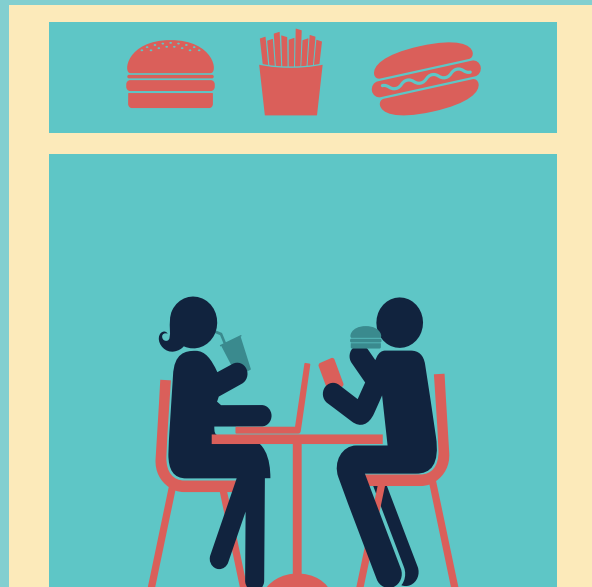
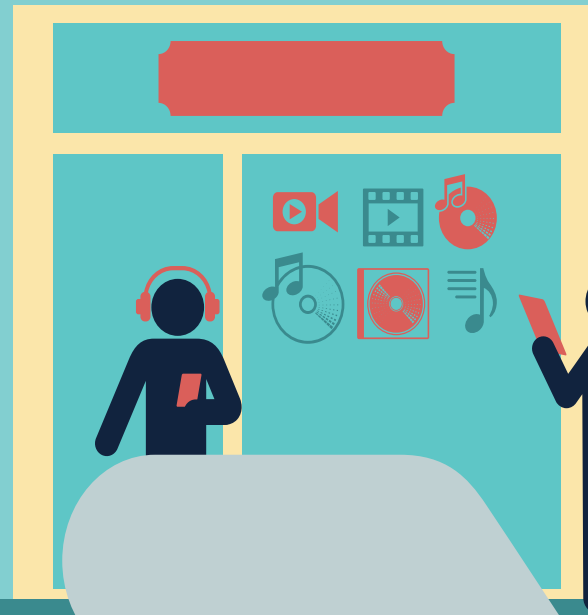
KUL Hub is Poised to Deliver Strong Passenger Traffic Growth



* million passengers per annum

Total Airport Experience

Embedding a customer-centric culture in airport operations to provide an innovative airport experience for all passengers, airlines and retailers

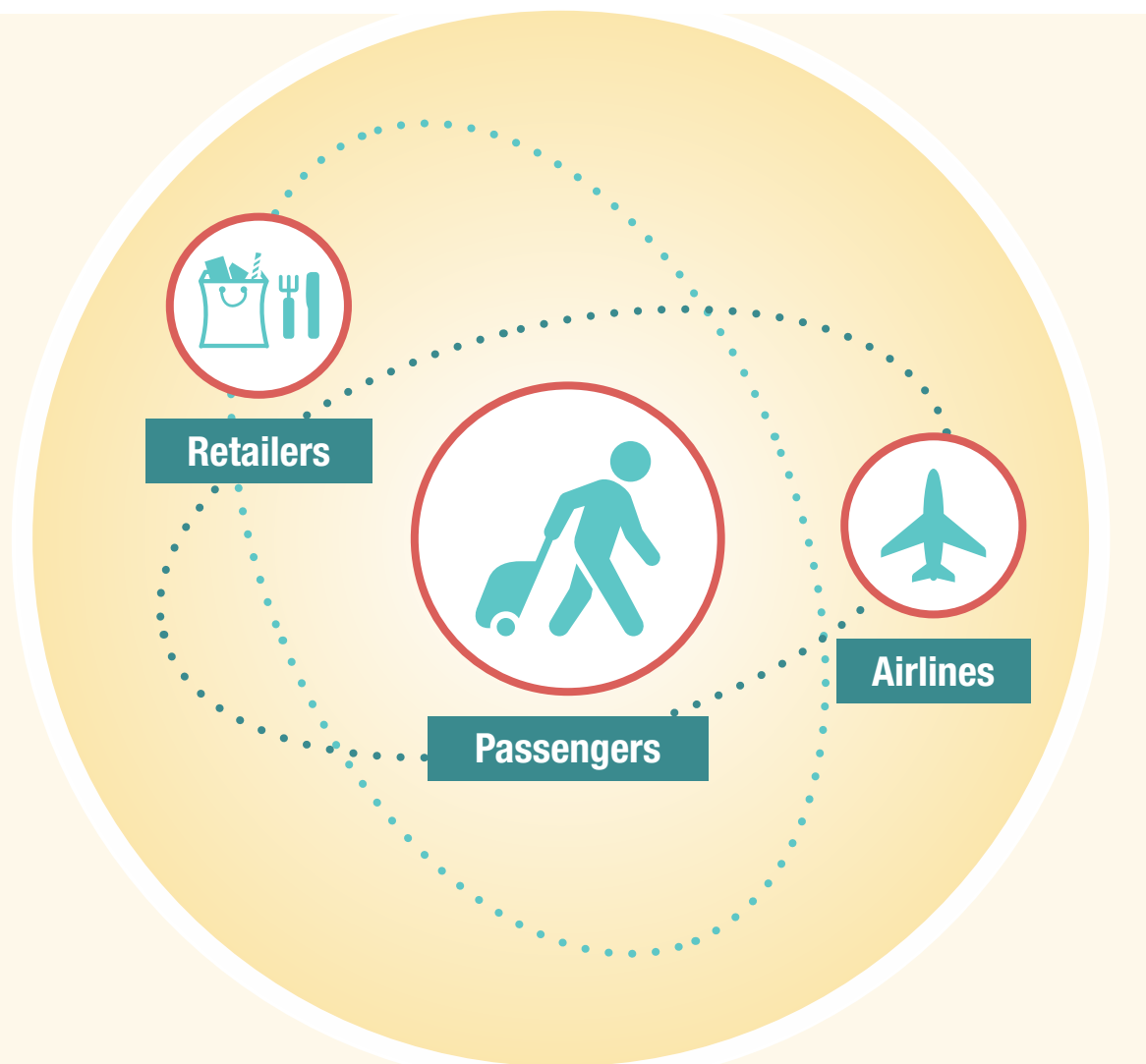


RtS2020 STRATEGIC PILLARS

- Total Airport Experience

Total Airport Experience (TAE) is about reimagining the airport experience for all our stakeholders. Passenger experience will be at the core of our TAE initiatives with retailers and airlines playing a defining and supporting role.

It encompasses enhancing passenger journey across all the touchpoints delivering better airport-retailer and airport-airline relationship as well as transforming Malaysia Airports into a customer-centric organisation.



RtS2020 STRATEGIC PILLARS - Total Airport Experience

Delivering Better Outcomes to All Stakeholders – Airlines, Passengers and Retailers

These are three main initiatives that will improve TAE in KLIA which will then be replicated across all airports managed by Malaysia Airports.

Passenger Experience



Our aim is to **enhance passenger experience** through:

- Better connectivity
- Enhanced check-in processes
- Development of mobile applications

Operation improvements will be characterised by:

- New signature customer experiences
- Themed gate experience
- Malaysian hospitality

Retailer Experience



Our aim is to **increase sales** for retailers:

- By providing more avenues for passenger to spend
- Through personalised promotions and targeted offers based on passenger analytics

We will also work towards providing **end-to-end retailer support** through:

- Differentiated airport retail propositions
- Effective marketing to tendering process
- Set-up and operational support

Airline Experience



Our aim is to **increase operational efficiencies** through:

- Faster turnaround at automated bag-drops and encouraging use of self-service kiosks and common-use facilities
- Improved slot management
- Better ground handlers performance monitoring

We will also **enhance operational support** by:

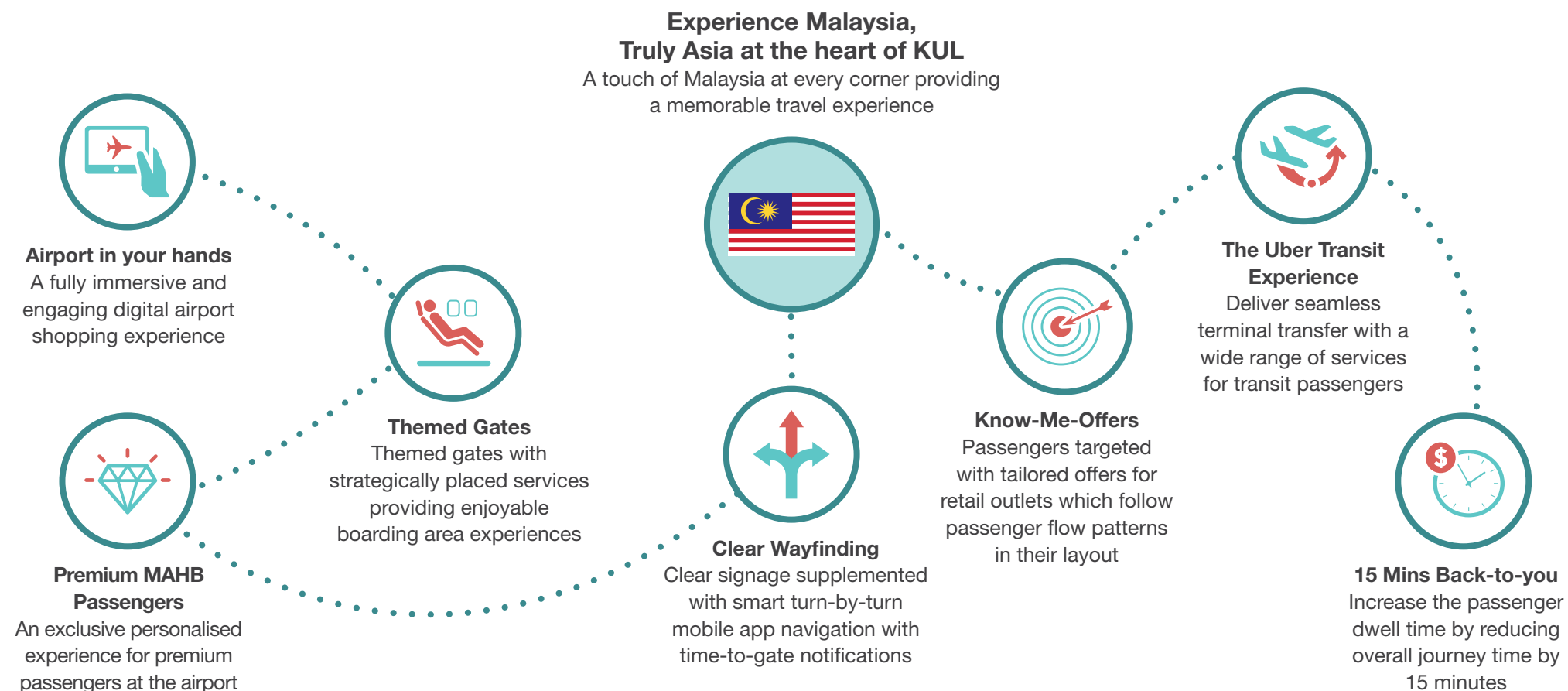
- Improving airline-relationship management through effective and supportive processes, covering set-up and mobilisation to renewal and expansion
- Improving account planning to generate market demand through yield management and route development incentives

RtS2020 STRATEGIC PILLARS

- Total Airport Experience

Passenger Experience

Over **70 potential areas** for improvement have been identified based on passenger experience diagnostics and over **40 initiatives** will be implemented to drive improvements across the passenger journey.



RtS2020 STRATEGIC PILLARS

THRUST 2 - EXPAND AND DIVERSIFY

Our drive to expand and diversify our operations consists of the development of Aeropolis, as well as focused and synergistic investments overseas.

The Aeropolis is a **key enabler** of our vision to “Be the Global Leader in Creating Airport Cities” and focuses on the development of logistics, aviation and technology parks complemented by world-class commercial and retail complexes. It will establish KLIA as a destination in its own right and is closely linked to Malaysia’s development agenda.

Our **overseas diversification** will see us create a portfolio of airport-related assets by identifying the best opportunities internationally and leveraging on our expertise in airport management to improve their financial performance.

The successful execution of these priorities will speed the growth of both our own business and the economic development of our nation.



AEROPOLIS

Stimulate economic activity of adjacent landside through logistics, aerospace and MICE/leisure segments



INTERNATIONAL EXPANSION

Increase international footprint and export core airport capabilities



Aeropolis

Stimulating economic activities through logistics, aerospace and MICE and leisure segments with a strong focus on development within the 100 sq km land bank surrounding KLIA



RtS2020 STRATEGIC PILLARS - Aeropolis

Airports are increasingly important links to global markets and a major factor in a country's competitiveness. With KLIA's 10 km x10 km land bank, we control a **high potential asset**, 4,000 acres of which is available for commercial development. The government's approval of our request for a 60-year land lease extension, on a rolling basis, is a key enabler in the realisation of our Aeropolis development goals. It ensures the **sustainability of our Aeropolis development** and offers increased attractiveness to potential investors.

The Aeropolis development initiative will stimulate economic activities through three identified clusters:

- Air cargo and logistics.
- Business and aviation parks.
- MICE (Meetings, Incentives, Conventions and Exhibitions), and leisure.



RtS2020 STRATEGIC PILLARS

- Aeropolis

Aeropolis development is expected to generate about RM7 billion in potential investments

Air Cargo & Logistics



200 acres

Develop integrated freight and logistics infrastructure to boost international gateway connectivity.

Key Projects:

1. KLIA Cargo & Logistics Park (90 acres)
 - E-Commerce Hub
 - Regional Distribution Centre
 - Bonded warehouses
 - Trucking Hub
2. Regional Transshipment Centre
 - Kota Kinabalu (5 acres)
 - Kuching (4 acres)

Business & Aviation Parks



400 acres

Leverage aviation-linked businesses such as maintenance, repair and operations (MRO), original equipment manufacturing (OEM) and fixed-based operators (FBO).

Key Projects:

1. KLIA Aerotech Park (115 acres)
 - Original equipment manufacturing (OEM)
 - Engineering Services
 - Corporate and office parks
2. Subang Aerospace (58 acres)
 - Aerospace manufacturing
 - Commercial
 - MRO Complex

MICE & Leisure



400 acres

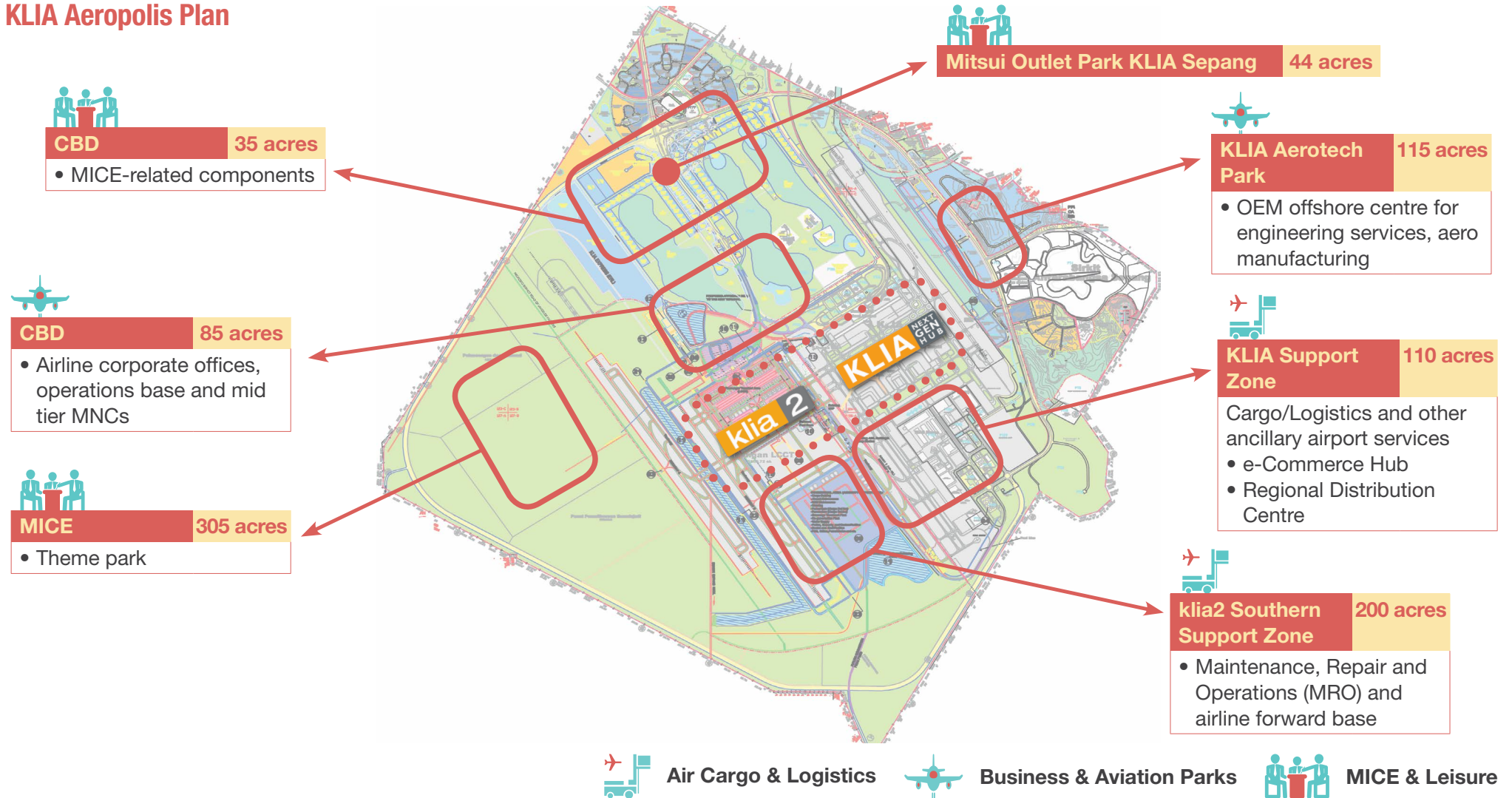
Expand value to locals, passengers and tourists.

Key Projects:

1. Penang Integrated Complex (16 acres)
2. Kota Kinabalu landside integrated retail & commercial complex (22 acres)
 - Mini mall
 - Hotel

RtS2020 STRATEGIC PILLARS - Aeropolis

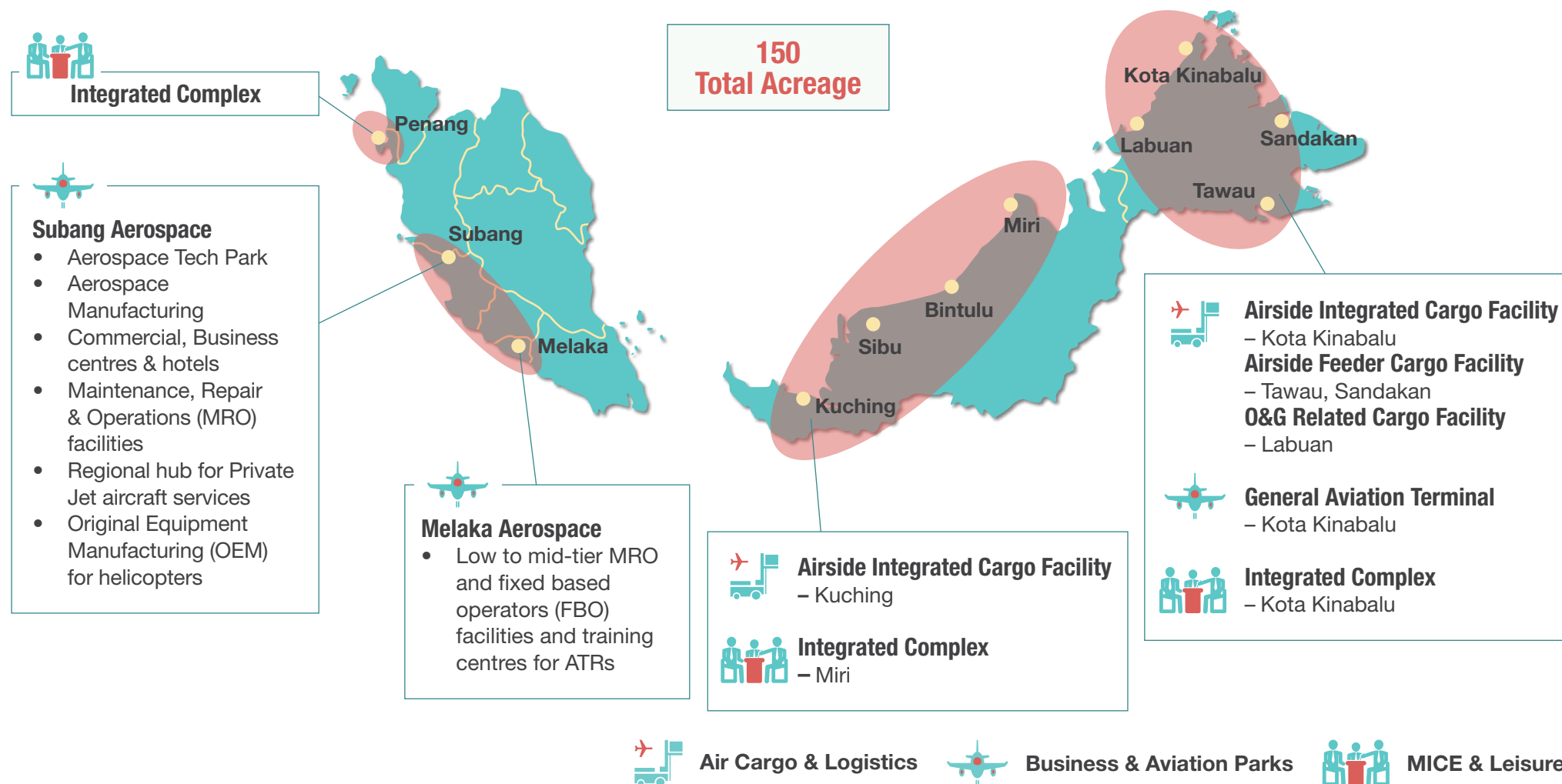
KLIA Aeropolis Plan



RtS2020 STRATEGIC PILLARS

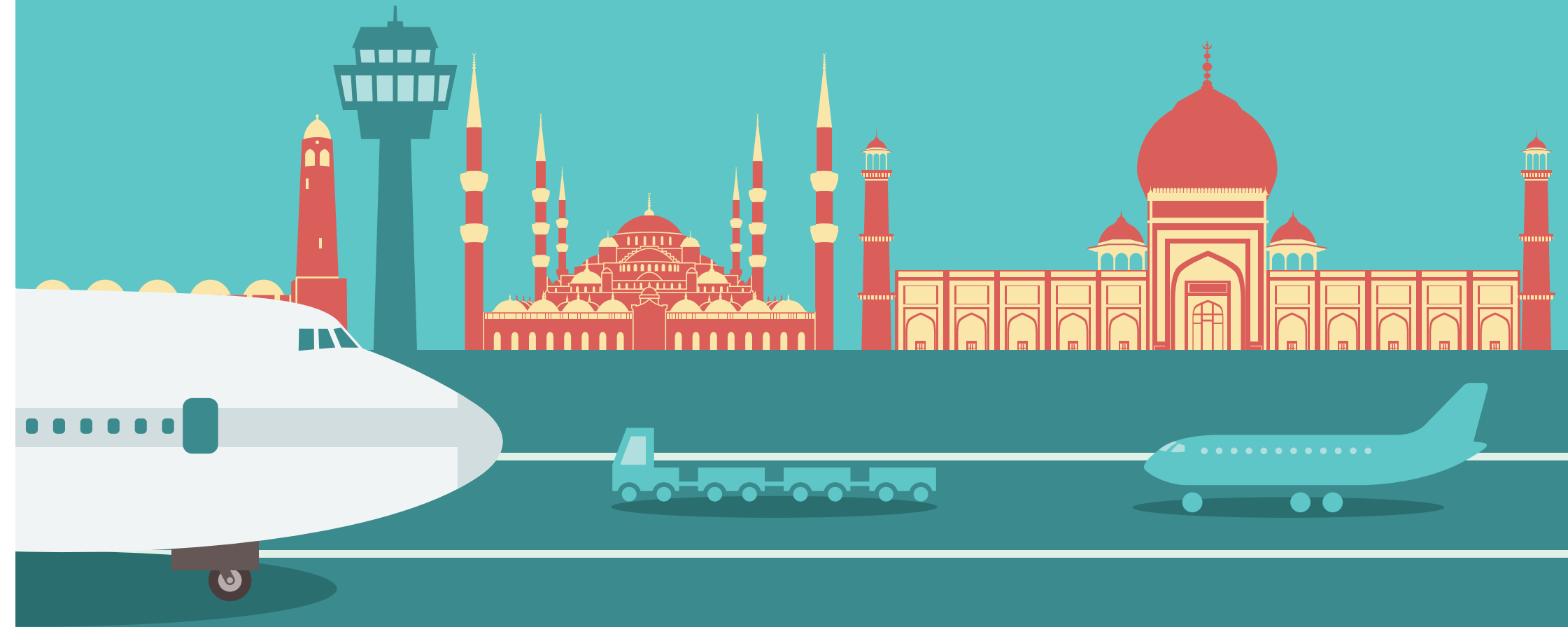
- Aeropolis

Other Aeropolis Projects Across Malaysia



International Expansion

Increasing international footprint and
export core airport capabilities



RtS2020 STRATEGIC PILLARS

- International Expansion

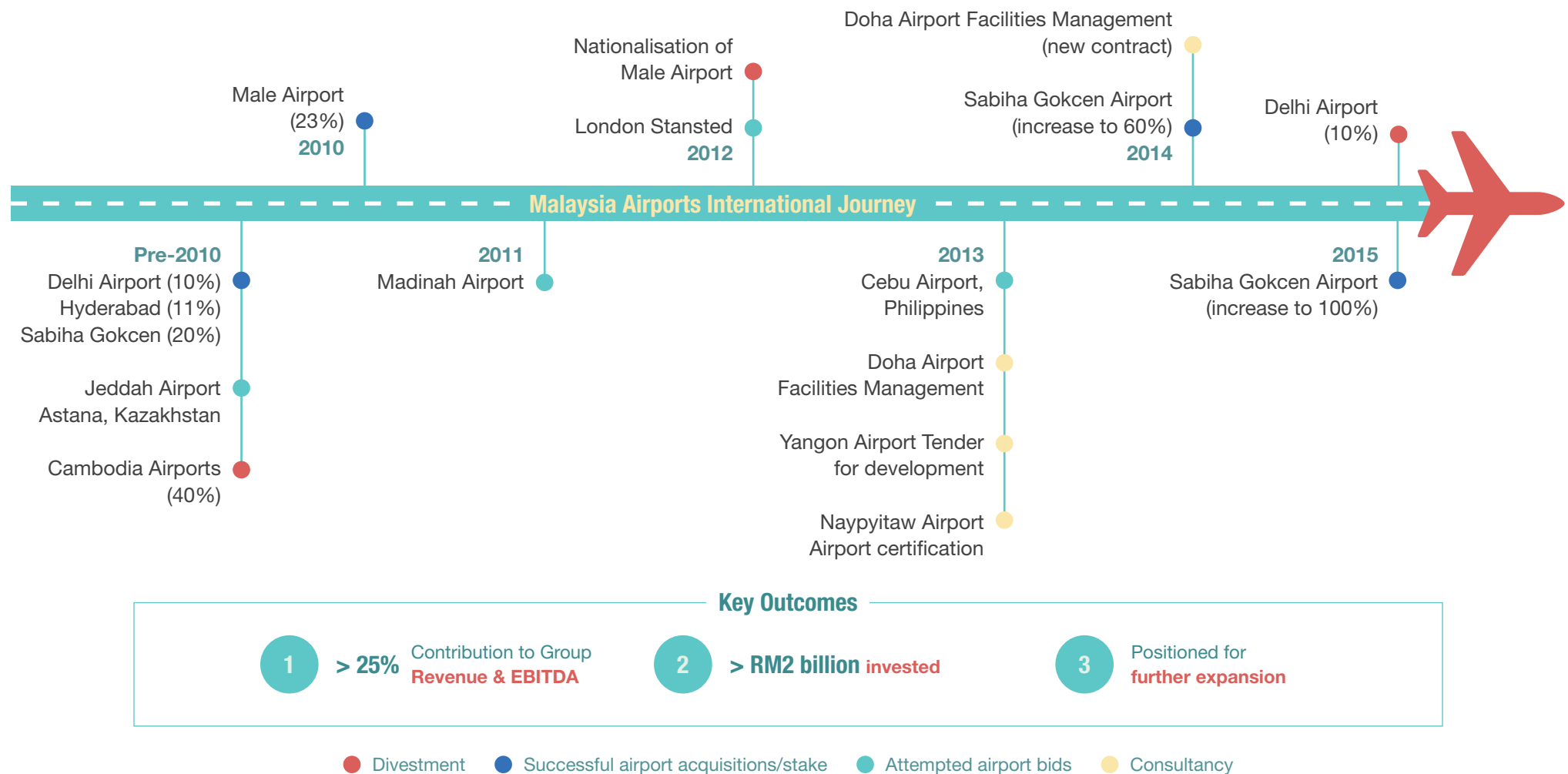
Our international expansion efforts will be focused on making strategic long-term investments in airport assets.

We will use a strategic approach to invest in selected international assets. These investments will allow us to benefit from a **continuous revenue stream** and **contribute to group-level accretion**. It will also have the added advantage of increasing our international footprint and export core airport capabilities.



RtS2020 STRATEGIC PILLARS - International Expansion

Our International Expansion Journey



RtS2020 STRATEGIC PILLARS

- International Expansion

International Strategy Going Forward

Grow ISG



We will continue to **extract value** from our investment in Istanbul Sabiha Gokcen International Airport thus enjoying organic growth.

Invest in Strategic Assets



Our strategy is to invest in **greenfield assets** in emerging markets and **brownfield assets** in developed markets.

Export Expertise



We will export our **consultancy capabilities** and leverage our **airport operator capabilities** to improve newly-acquired asset efficiency and uplift profitability.

CONCLUSION



Over more than two decades Malaysia Airports has worked hard to establish itself as an aggressive, dynamic and reliable organisation that continues to chart success in a global aviation market where competition is tough and bold decisions and investments are required for the benefit of all our stakeholders.

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We are confident that over the next five years, Malaysia Airports will continue to flourish both as a company and as a major contributor to our country's national development agenda.

As we embrace our ambition to “Be the Global Leader in Creating Airport Cities” we are realistic in our appreciation of the size of the task which stands before us. Airport models evolve, passenger expectations change and to meet everyone's aspirations requires commitment from all our stakeholders.

We therefore look forward to the continued support of all of our partners – the Malaysian government and its agencies, our partner airlines, our vendors, suppliers, joint venture partners, shareholders and customers – as we continue to serve Malaysia with pride.

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www.malaysiaairports.com.my

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