



AIRASIA X BERHAD

First Quarter 2015 Financial Results Briefing



DISCLAIMER



Information contained in our presentation is intended solely for your reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. Neither we nor our advisors make any representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, any errors or omissions in, any information contained herein.

In addition, the information may contain projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risk factors and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected.

This presentation is strictly not to be distributed without the explicit consent of the Company's management under any circumstances.

1Q15 KEY TAKEAWAYS



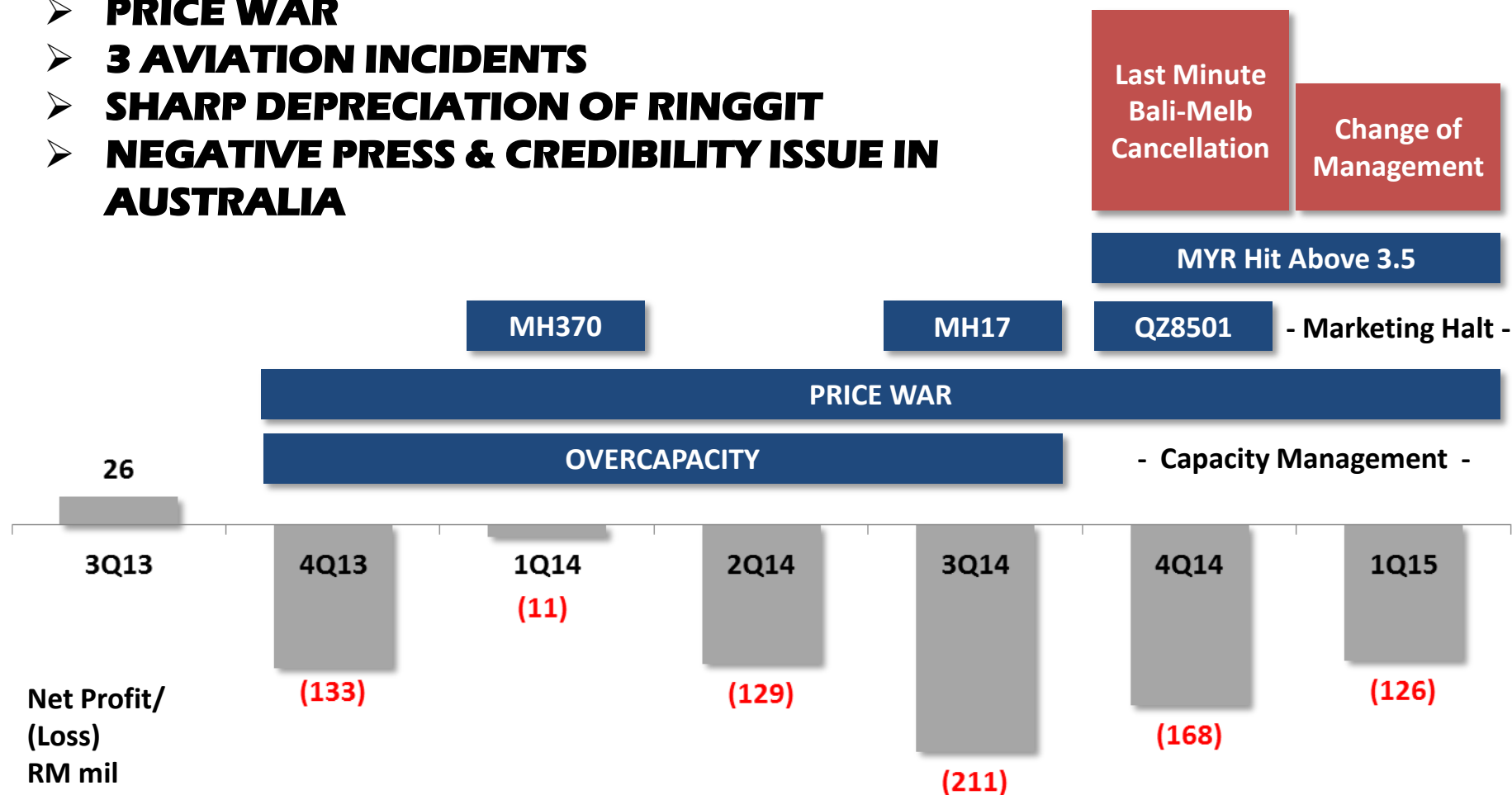
- **Topline up +3%YoY**, primarily driven by higher (i) charters & wet leases, (ii) aircraft operating lease income, and (iii) cargo.
- **Operating Profit of RM6mil in 1Q15** versus a loss in 1Q14, largely helped by (i) lower fuel cost (-32%YoY) and (ii) RM3mil gain on disposal of aircraft. The savings were however offset by higher (i) aircraft rental costs (+116%YoY) and (ii) maintenance, overhaul & user charges (+42%YoY), due to additional 8 operating lease aircraft taken after 1Q14.
- **Net Loss of RM126mil was mainly due to depreciation of MYR**, which was +10%YoY higher at 3.62 in 1Q15 versus 3.30 in 1Q14.
- **Average Base Fare was +8%YoY higher on the back of capacity management**, while the slowdown in Load Factor was due to marketing halt in respect of QZ8501.
- **RASK improved +7%YoY, contributed by (i) Kathmandu & Jeddah, up +96%YoY**, and (ii) Australia, which saw minimal improvement of +7%YoY, with the help of -21%YoY capacity cut. North Asia, however, down -14%YoY mainly affected by China demand post aviation incident.
- **TAAX achieved THB90mil Net Profit in 1Q15**, and forward sales trending positive.
- **First Half 2015 – Consolidation Phase.**
- **Second Half 2015, especially 4Q15, expects to offset the lacklustre performance of First Half 2015** with (i) current improving bookings and pricing trend, (ii) aggressive marketing, and (iii) full implementation of turnaround initiatives.

2014 CHALLENGES RECAP

THE UNFORTUNATE & EXTRAORDINARY YEAR



- **OVERCAPACITY**
- **PRICE WAR**
- **3 AVIATION INCIDENTS**
- **SHARP DEPRECIATION OF RINGGIT**
- **NEGATIVE PRESS & CREDIBILITY ISSUE IN AUSTRALIA**



TURNAROUND INITIATIVES - IMPLEMENTATION TIMELINE



1Q 2015

- ✓ Frequency cut (Sydney, Melbourne, Perth, Gold Coast, Hangzhou)
- ✓ 3 OTAs and 1 GDS Went LIVE
- ✓ Charters & Wet Leases Contracts for 2015
- ✓ Terminated Nagoya & Adelaide
- ✓ 8-Man Crew
- ✓ Merged Operations (Ground Services & Ramp) with AAB Group
- ✓ Merged Commercial with AAB Group (Joint Marketing Campaign)
- ✓ Enhanced Automation
- ✓ Turnaround Flights for Shanghai, Xi'an, Chongqing, Colombo, Kathmandu
- ✓ Renegotiation of Ground Handling Contract in Japan & Australia
- ✓ Launched AirAsia EZPay

2Q – 4Q 2015

- ✓ Executed Rights Issue (Completion: Mid-June 2015)
- ✓ Fuel Savings Initiative – Fuel Tankering
- WIP** WIFI Onboard
- WIP** Renegotiation of D-Factor & Airport Charges
- WIP** Push BIG Loyalty (via aggressive marketing to increase awareness of BIG Loyalty's benefits)
- WIP** Enhanced Duty-Free Products and Platform
- WIP** Lower Insurance Premium (with IOSA certification)
- WIP** Turnaround Flights for Perth and more
- WIP** Joint Marketing with Tourism (destination & trade marketing)
- WIP** Enhanced Payment Channels (IATA's Billing Settlement Plan & UnionPay)
- WIP** More OTAs & GDS Go LIVE
- WIP** Opening of "Unique" Routes
- WIP** Shared Engineering with AAB Group
- WIP** Paperless Cockpit
- WIP** Review New Strategy for Existing and Terminated Routes
- TBC** Refinancing of Finance Lease Aircraft via Sale-and-Leaseback
- TBC** Outright Sale of 2 2015 Aircraft

FULL IMPLEMENTATION – 4Q2015



*Air
Asia*

BUSINESS UPDATE

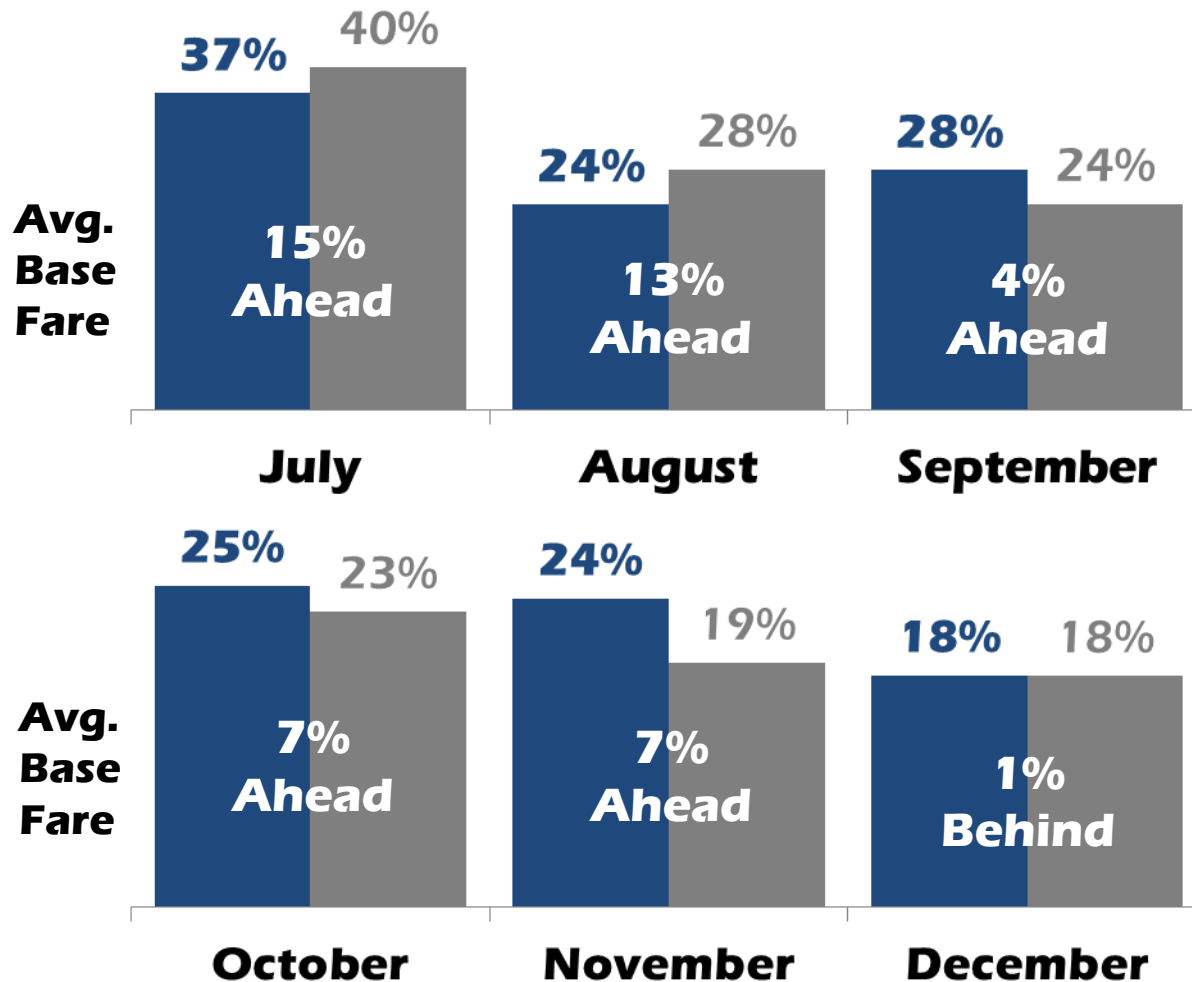
- Forward Bookings
- Aircraft Deliveries
- TAAX & IAAX

FORWARD BOOKINGS – 2H2015

As at 25 May 2015



■ Current 2015 Load Factor ■ Same Time 2014 Load Factor



Bookings going forward expect to pick up strong with aggressive marketing



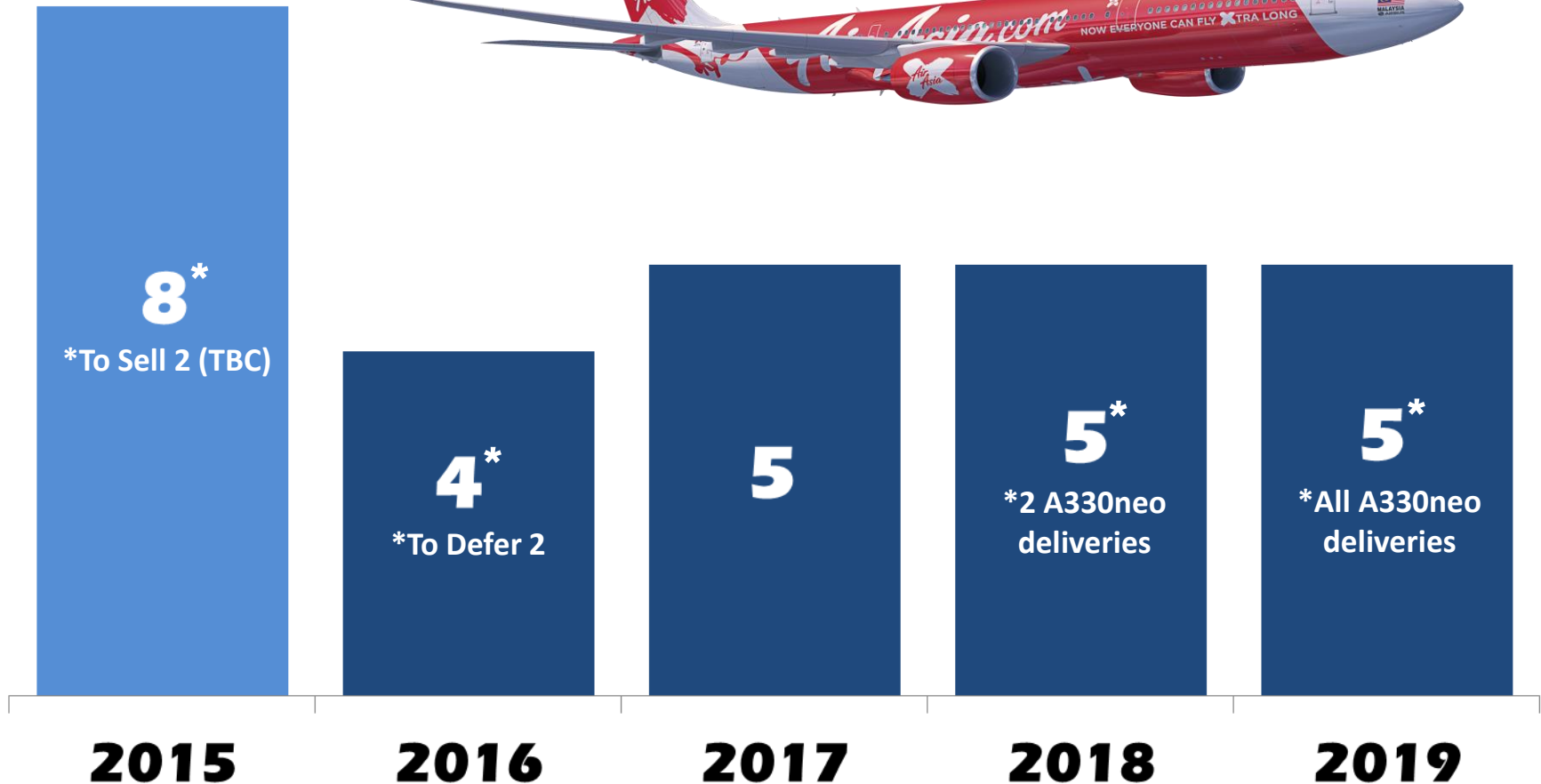
2015 Base Fare generally higher than 2014's



December bookings to pick up strong as the month approaches, due to change in booking pattern

5 YEARS AIRCRAFT DELIVERIES

Updated as at 25th May 2015; Fleet plan is subject to change



THAI AIRASIA X

Air
Asia

1Q2015 KEY METRICS:

Total Pax Carried	155,961
Load Factor	82%
Average Base Fare (THB)	5,172
Net Profit (THB'mil)	90



UPDATE – THAI AAX

*Air
Asia*

Current Routes:

- Incheon (7x weekly)
- Osaka (7x weekly)
- Narita (14x weekly)
- Sapporo (7x weekly)

Upcoming Routes:

- Iran
- Dalian/ Qingdao (TBC)
- Melbourne (TBC)

Update on Thailand Flights Ban Into Japan & Korea:

- Sapporo flights will operate using MAAX call-sign until TAAX secures approval from Japan authority
- Existing flights to Japan and Korea will not be affected

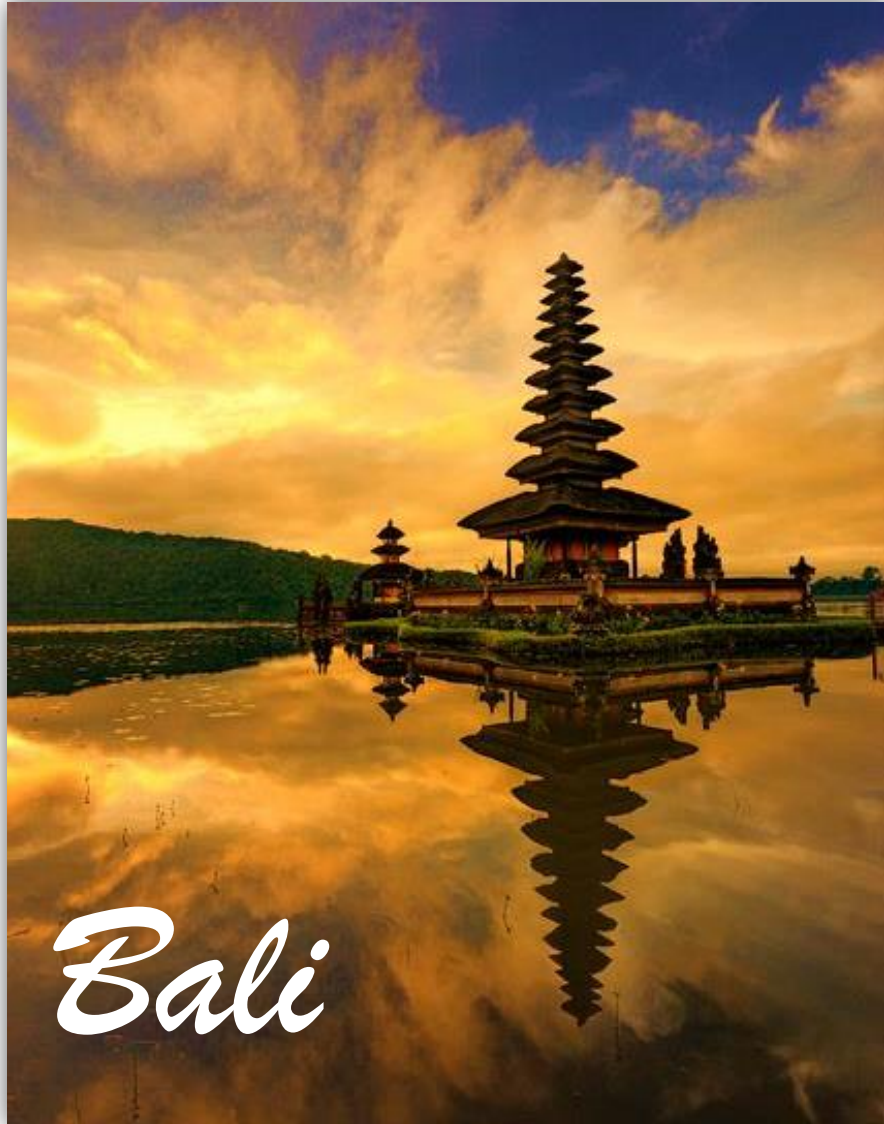
Fleet Size:

Current: 3 A330-300s

End-2015: 5 to 6 A330-300s



UPDATE - INDONESIA AAX



BALI - TAIPEI

(4x weekly)

BALI - MELBOURNE

(5x weekly)



JEDDAH

SYDNEY

BRISBANE (TBC)

TOKYO (TBC)



CURRENT FLEET

SIZE:

2 A330-300s



*Air
Asia*

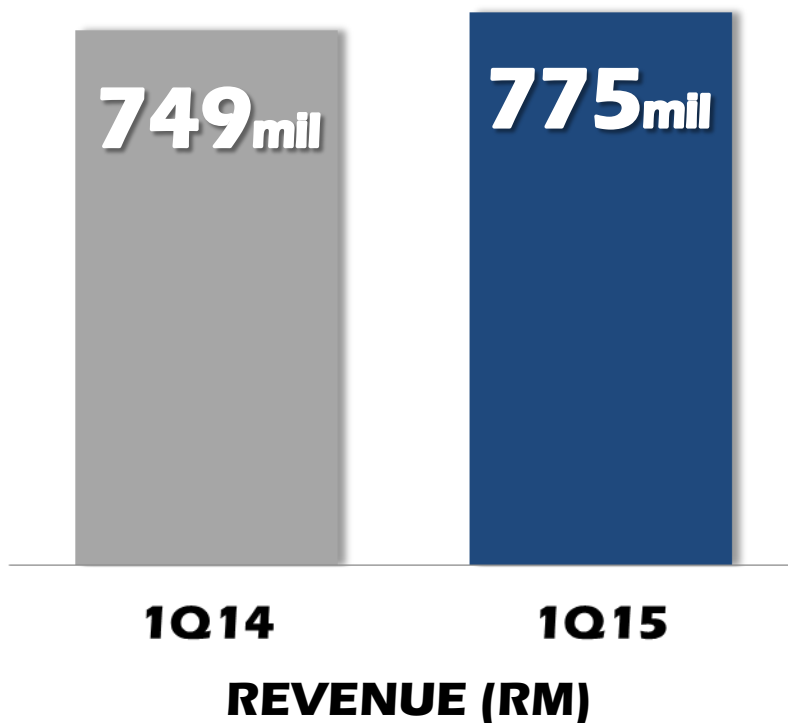


1Q2015 KEY FINANCIAL & OPERATIONAL HIGHLIGHTS

1Q15 KEY FINANCIALS



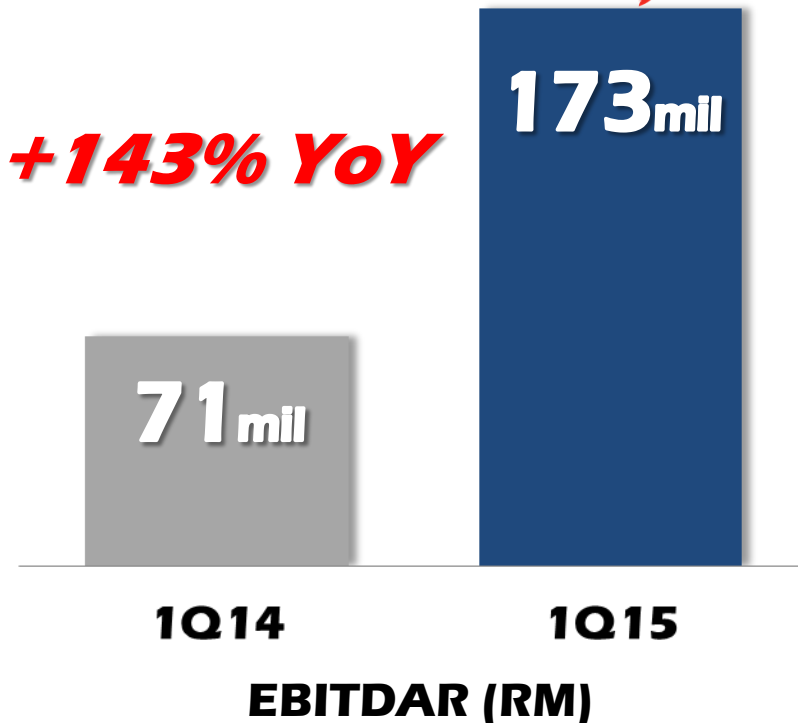
+3% YoY



Mainly driven by:

- I. Charters & Wet Leases: Up +80%YoY on capacity management; and
- II. Aircraft Operating Lease Income: Up +464%YoY on the back of increased sub-leases to TAAX and IAAX.

+143% YoY



Improved largely due to:

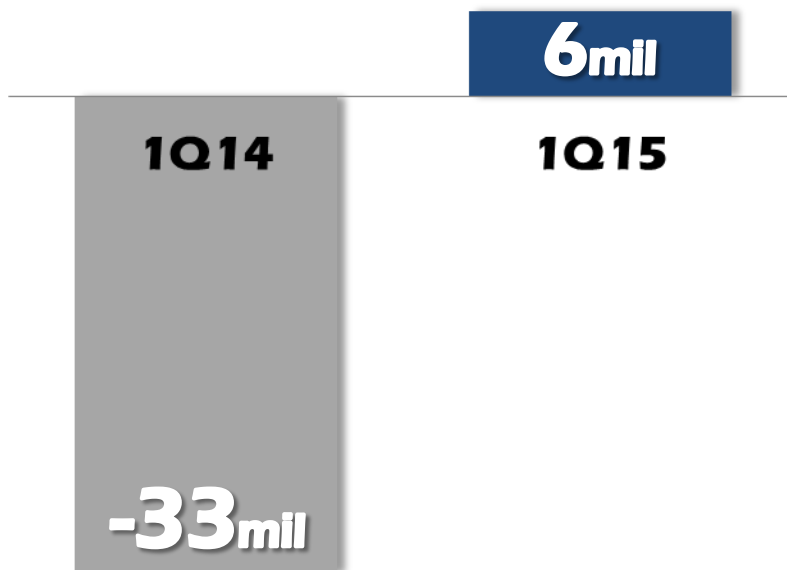
- I. Australia: Up +1854%YoY to EBITDAR of RM40mil as compared to LBITDAR of -RM2mil in 1Q14.
- II. Others*: Up +1226%YoY to EBITDAR of RM90mil versus RM7mil in 1Q14.

**include Kathmandu, Jeddah, and other charters*

1Q15 KEY FINANCIALS



+118% YoY



**OPERATING PROFIT/ (LOSS)
(RM)**

Mainly attributed by:

- I. Lower Fuel Cost: -32%YoY
- II. Depreciation: -15%YoY
- III. Other Operating Expenses: -14%YoY
- IV. Higher Other Income: +111%YoY (*mainly gain on disposal of aircraft*)

The savings, however, were offset by higher:

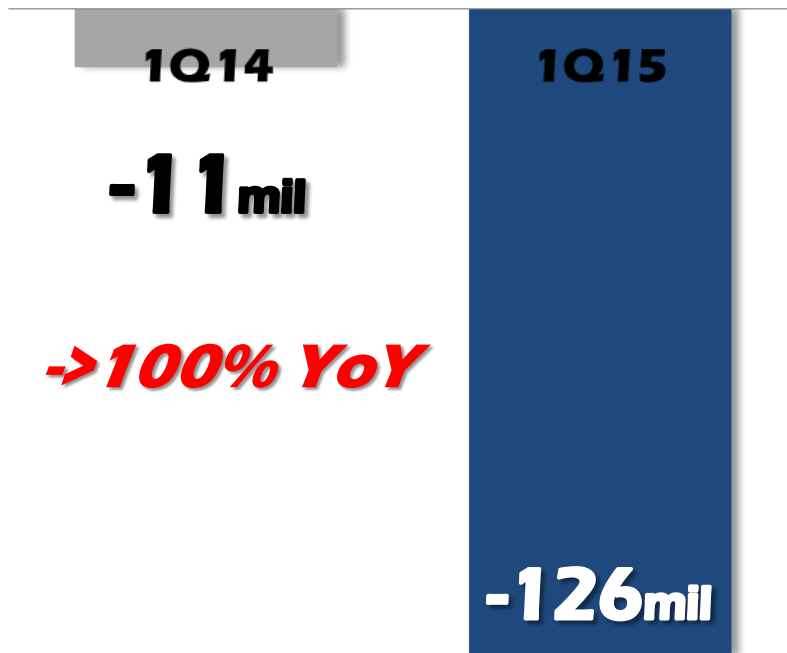
- I. Aircraft Operating Lease Expenses, which were RM70mil costlier or +116%YoY higher in 1Q15 compared to 1Q14, due to additional 8 aircraft on operating lease during the period; and
- II. Maintenance, Overhaul & User Charges, which was +42%YoY, due to higher maintenance and service costs for the additional aircraft taken after 1Q14.

Operating Margin:

1Q15: 1%

1Q14: -4%

1Q15 KEY FINANCIALS

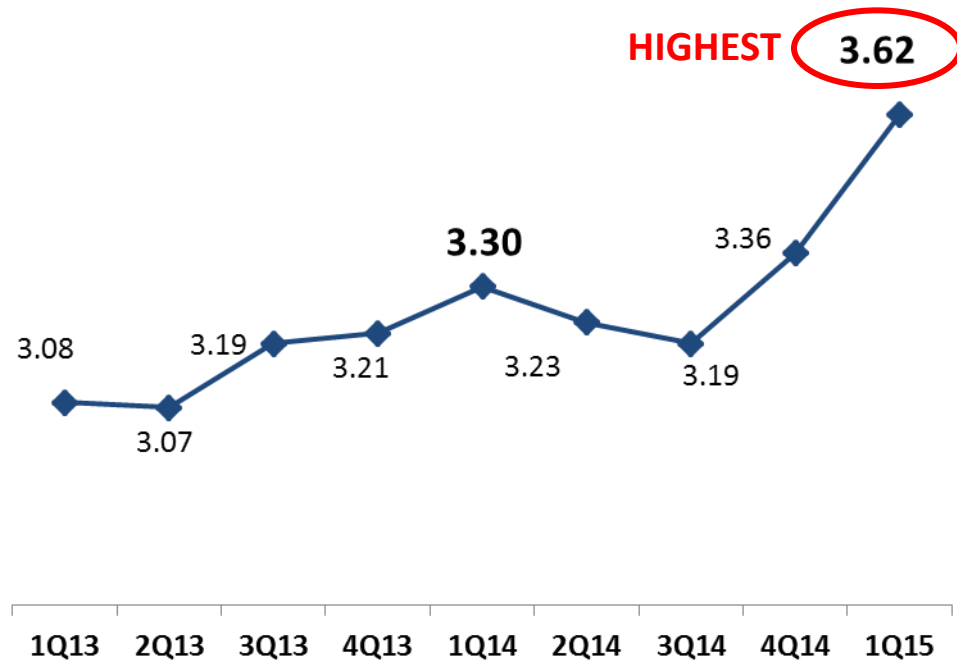


**NET (LOSS)/ PROFIT
(RM)**

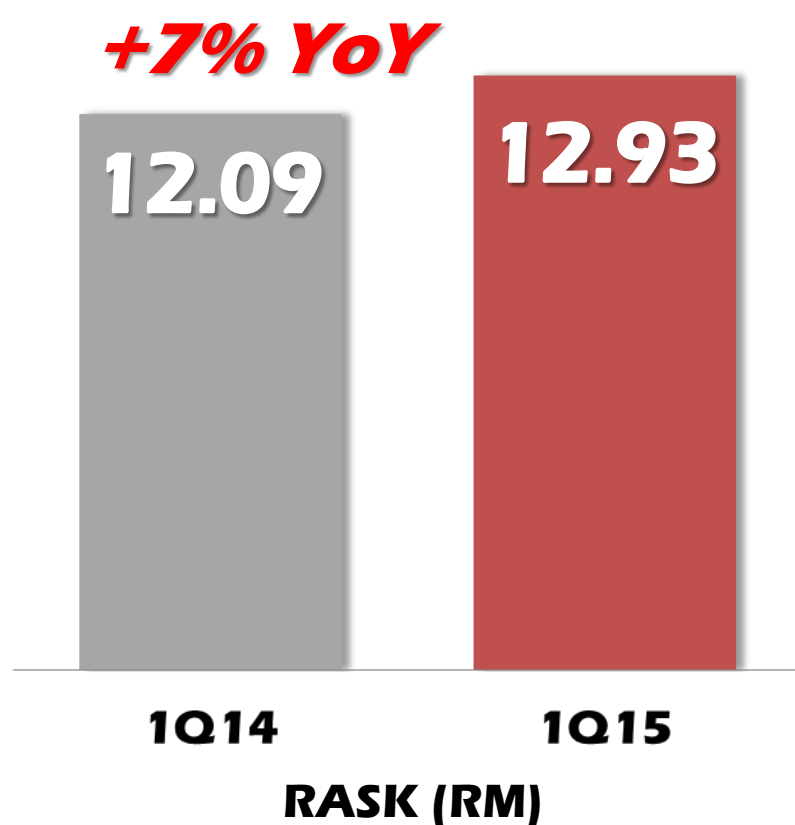
Mainly impacted by:

- I. Forex Exchange Loss of -RM87mil versus a RM10mil gain in 1Q14, and
- II. Investment Loss in JV, IAAX of -RM15mil.

USD:MYR +10%YoY

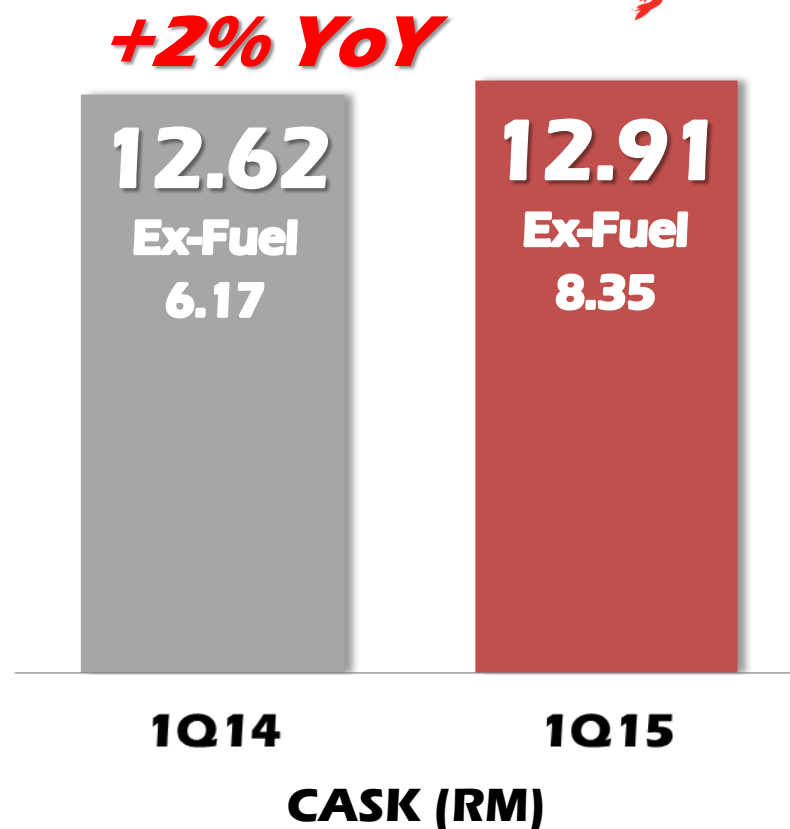


1Q15 KEY OPERATING STATS



Yield advancement was mainly lifted by:

- (i) Kathmandu & Jeddah (+96%YoY), and
- (ii) Australia (+7%YoY), on the back of -21%YoY capacity cut.

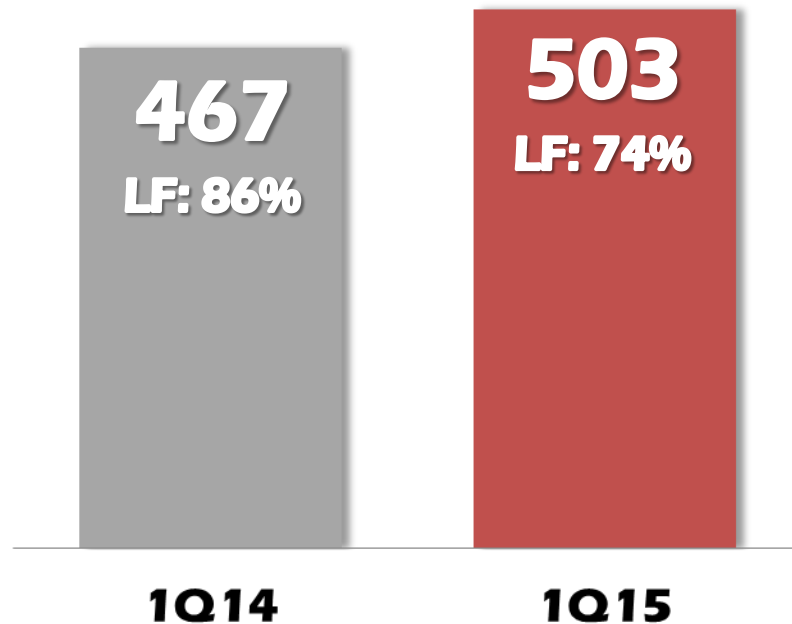


CASK up +2%YoY and Ex-fuel up +35%YoY mainly due to higher (i) aircraft rental and (ii) maintenance & overhaul costs which surged +124%YoY and +67%YoY respectively in CASK, on the back of increasing operating lease aircraft.

1Q15 KEY OPERATING STATS



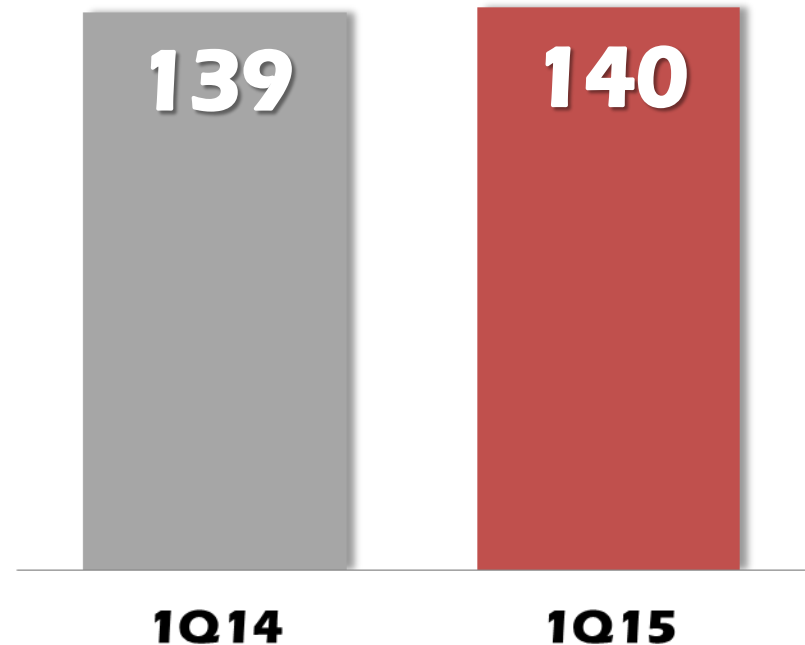
+8% YoY



AVERAGE BASE FARE (RM)

Higher Average Base Fare was in line with capacity management while Loads were down due to marketing halt in respect of QZ8501.

+1% YoY



ANCILLARY PER PAX (RM)

Ancillary per pax was flat due to -15%YoY lower passengers carried on the back of capacity reduction.

비즈니스 / 프리미엄
BUSINESS CLASS
& PREMIUM FLEX

SERVICE CENTER
Air Asia



THANK YOU

감사합니다