



FOR IMMEDIATE RELEASE

AIRASIA X Continues Strategic Turnaround Plan with EBITDAR Growth to RM188 mil in 3Q15

SEPANG, 25 NOV 2015- AirAsia X Berhad ("AAX" or "the Company"), the long-haul low-cost airline affiliate of the AirAsia Group, today reported its financial results for the Third Quarter ("3Q15") ended 30 September 2015.

The company achieved a significant turnaround in EBITDAR (Earnings Before Interest, Tax, Depreciation, Amortisation and Rental) with strongest quarterly performance recorded at RM188 million since 2013. Revenue has grown 13% year-on-year ("YoY") to RM793 million on the back of increased scheduled flight revenue (+13%YoY) and charter and wet leasing revenue of +155%YoY. The company also recorded a double digit growth of +25%YoY in yields as measured by Revenue-per-Available-Seat-Kilometer ("RASK") attributed to the improved average base fare (+15%YoY) mainly from China (+34%YoY) and Australia (+14%YoY). Despite the sharp depreciation of USD:MYR, the company managed to achieve a decrease of 2% in operating cost resulting from the implemented cost reduction initiatives in First Half 2015 ("1H15").

Datuk Kamarudin Meranun, Group CEO of AirAsia X commented on the outlook of the company, "The Group remained focus in reshaping our operations as rapidly as possible for long-term and sustainable growth amidst the challenging landscape. In second quarter 2015, we have placed great emphasis on strengthening the Australia and China segment with aggressive marketing and brand campaigns focusing primarily on improving our yields. In 3Q15, the initiatives have bear fruit with strong recovery in yields for the both market, Australia recorded an increase of 17%YoY and China improves 32%YoY signifying the return of Chinese tourists after the aviation incidents in 2014. In 4Q15, we have seen recovery in Korea's passenger traffic after the declaration of MERS-free in July 2015. AAX Group will be launching a number of multi-tier marketing campaigns in Korea and Japan in 4Q15 to increase brand awareness. With the initiatives in place, we are optimistic that Korea and Japan's performance will improve moving into 4Q15.

Thailand AirAsia X ("TAAX") has recorded lower operating performance resulting from the ICAO-driven restrictions that has caused the cancellation of Sapporo. The operating performance was further dragged by the unforeseen MERS outbreak in Korea. Despite the limitations, TAAX continued to pursue expansion plans to China with first direct flight from Bangkok to Shanghai on 28th September 2015. The outlook for TAAX remained positive as forward bookings from November 2015 onwards signalled the return of business and we see great opportunity to grow in the China market by tapping on AirAsia X and AirAsia Group's well established presence. Besides, Thailand is a unique tourist hub that is no stranger to turmoil and has historically shown quick rebound and remained unaffected by years of domestic unrest.

On the other hand, Indonesia AirAsia X ("IAAX") has seen notable improvement in operating performance with higher load factor and higher average base fare mainly due to the recovery of Melbourne and the termination of Taipei in end 3Q15. In early October 2015, IAAX announced that it has complied with Indonesia's Ministry of Transportation's regulatory requirement of minimum 10



aircraft ownership. This brings IAAX fleet size to 10 aircraft, of which 8 are A320s and the other 2 are IAAX's existing A330s. The additional fleet will be operating from Bali, Surabaya and Jakarta, tapping on the existing frequency slots from Indonesia AirAsia. These major trunk routes will benefit the group with high volume feeder traffic and improve Fly-thru connectivity. Despite the initial setback, the company sees great potential in growing the Bali hub through expansion to Australia where there is great demand for the Bali-Australia routes and it offers strong connectivity across ASEAN region from the feeder traffic by AirAsia Group and AAX Group. IAAX launched Bali-Sydney route in October 2015 with good loads of over 80% for its inaugural flight."

Benjamin Ismail, CEO of AirAsia X said, "In the nine month of operation, we focused in balancing the supply and demand of each market with strategic capacity management. We've adjusted our capacity, terminated routes that are less profit making and improved our network with new routes in 4Q15 such as Sapporo and Delhi. The entry to Delhi shows great potential as we now have a much broader sales platform and strong feeder traffic from AirAsia India ("AAI"). With the new additions, we believe it will further enhance our Fly-thru product as it allows more connectivity in our extensive network. The Fly-thru product has achieved growth of 19% quarter-on-quarter to 56% in 3Q15 and is moving towards an upward trend.

We've continued to work on a number of initiatives to achieve positive results moving into 2016. Ancillary income is part of our key revenue component and this quarter we have launched new menu and collaborated with Master Chef Asia, a competitive cooking reality show, to introduce new meal selections to be on board in November. We have also appointed David Foster as AirAsia X Group and AirAsia Group's ambassador to front our premium product which will take effect from 4Q15 onwards. Moving forward, we will be launching initiatives such as value bundle pack and implication of dynamic pricing to baggage fees.

In 3Q15, we've manage to narrowed the company's operating loss to RM31 million as compared to RM133 million loss same period last year. The improvement was primarily driven by the increase of revenue and decrease in operating expenses however further improvement was hindered by the sharp depreciation of USD:MYR translation. The USD:MYR depreciation of 36% YoY has caused us a substantial forex loss of RM241 million in 3Q15 as big portion of our commitments are dollar denominated. Consequently, we have recorded a net loss of RM288 million in 3Q15. Currency translation remained a key concern moving forward and we have begun efforts to mitigate the increasing dollar denominated cost".

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About AirAsia X

AirAsia X is the long-haul, low-cost affiliate carrier of the AirAsia Group that currently flies to destinations in China, Australia, Taiwan, Korea, Japan, Nepal and the Middle East. The airline currently serves 18 routes across Asia (Haneda, Sapporo, Osaka, Seoul, Busan, Taipei, Xian, Beijing, Hangzhou, Chengdu, Shanghai, and Kathmandu), Australia (Sydney, Melbourne, Perth and Gold Coast), India (Delhi) and the Middle East (Jeddah). AirAsia X currently operates on Airbus A330-300s, each with a seat configuration of 12 Business Class seats and 365 Economy seats. The airline has carried over 12 million guests since it commenced long-haul in 2007. AirAsia X was awarded the

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World's Best Low Cost Airline Premium Cabin and Best Low Cost Airline Premium Seat titles for three consecutive years at the 2015 Skytrax World Airline Awards. Our vision is to further solidify our position as the global leader in low-cost, long-haul aviation and create the first global multi-hub low-cost carrier network along with other carriers of the AirAsia Group. AirAsia is the first airline globally to collaborate with INTERPOL to implement the I-Checkit system to screen the passports of all its prospective passengers against information contained in the world police body's Stolen and Lost Travel Documents (SLTD) database.

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