



AIRASIA BERHAD

**21ST ANNUAL
GENERAL MEETING**

4 JUNE 2014

WE ARE THE LOWEST COST AIRLINE IN THE WORLD



182 ROUTES



- 16 HUBS • 62 UNIQUE ROUTES
- 37 NEW ROUTES INTRODUCED IN 2013

83 DESTINATIONS 17 COUNTRIES



AIRASIA WAS VOTED AS
THE WORLD'S BEST LOW-COST AIRLINE
FOR THE FIFTH CONSECUTIVE YEAR
AT THE SKYTRAX WORLD AIRLINE AWARDS

LARGEST LCC IN ASIA

IN TERMS OF FLEET AND NUMBER OF PASSENGERS CARRIED

5TH LARGEST AIRLINE IN ASIA

IN TERMS OF NUMBER OF PASSENGERS CARRIED



A TRUE ASEAN AIRLINE,
CONNECTING ALL

10 ASEAN COUNTRIES



146 MIL
AVERAGE VIEWS
PER MONTH
9 MIL
AVERAGE UNIQUE
VISITORS PER MONTH

VISITORS FROM

150
COUNTRIES



42.6 MIL
PASSENGERS CARRIED
2013



217 MIL
PASSENGERS
FLOWN SO FAR



TOTAL FLEET
158 A320



79%
GROUP
LOAD FACTOR



AIRASIA MARKET SHARE



MALAYSIA

- > DOMESTIC 49%
- > INTERNATIONAL 43%
- > TOTAL 45%



INDONESIA

- > DOMESTIC 5%
- > INTERNATIONAL 26%
- > TOTAL 10%



THAILAND

- > DOMESTIC 29%
- > INTERNATIONAL 11%
- > TOTAL 17%



PHILIPPINES

- > DOMESTIC 15%
- > INTERNATIONAL 7%
- > TOTAL 12%

SOCIAL MEDIA

facebook.

twitter

5.7 MILLION
FANS

1.7 MILLION
FOLLOWERS

Instagram

新浪微博
weibo.com

91,000
FOLLOWERS

1.4 MILLION
FANS



13,000
ALLSTARS
ACROSS THE GROUP

AIRASIA BERHAD



OPERATING
PROFIT MARGIN
20%

DEPOSIT,
CASH AND BANK
BALANCES

RM1.38
BILLION



REVENUE
VIA INTERNET
85%

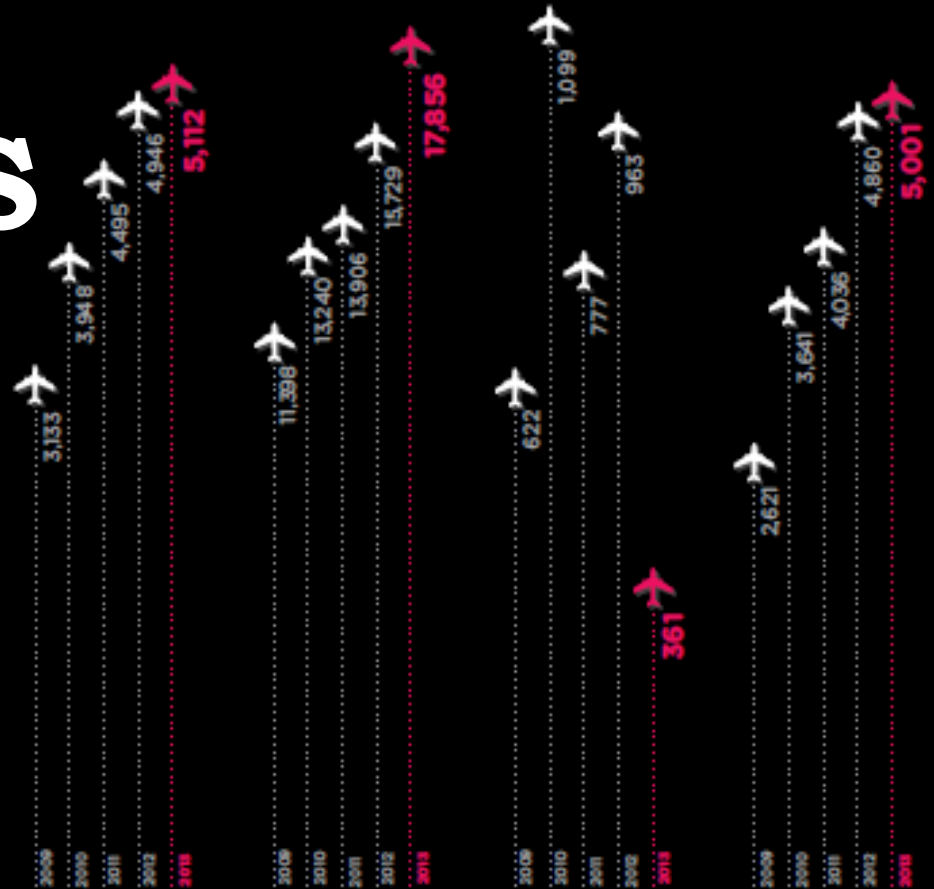
LOWEST COST

COST PER AVAILABLE SEAT KILOMETRE

CASK: 13.0 SEN
CASK Ex-Fuel: 7.4 SEN

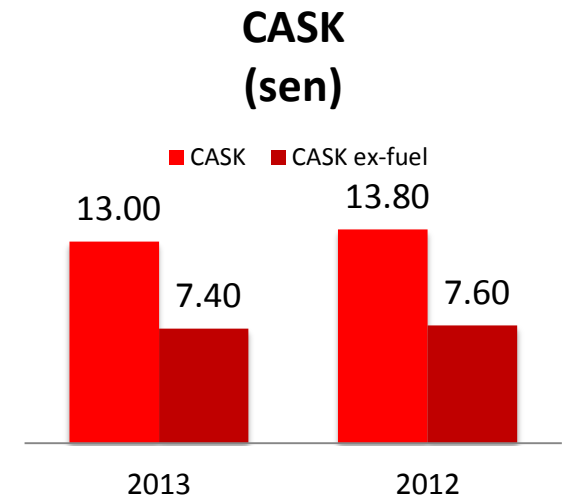
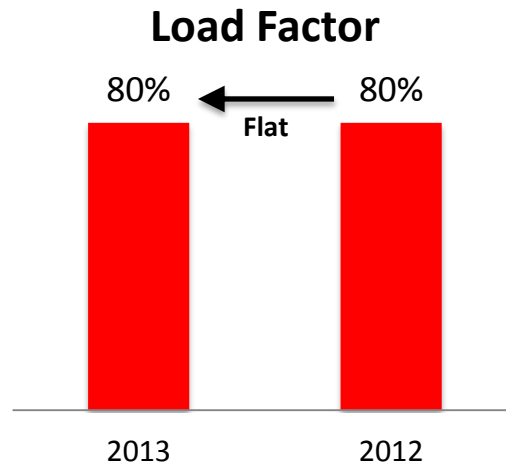
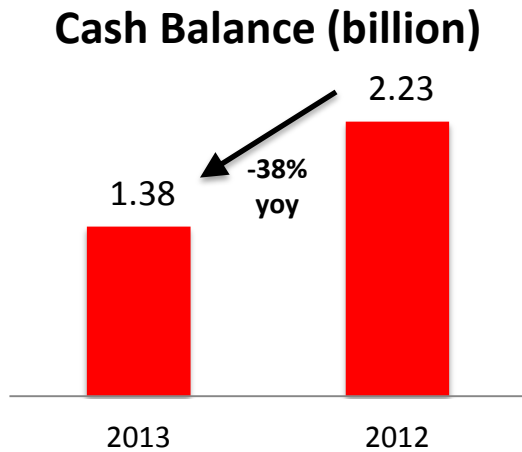
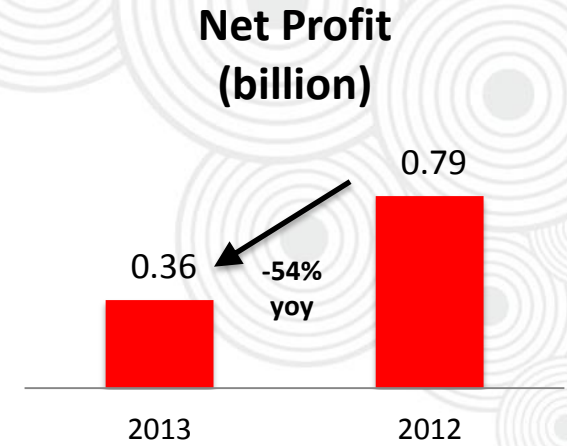
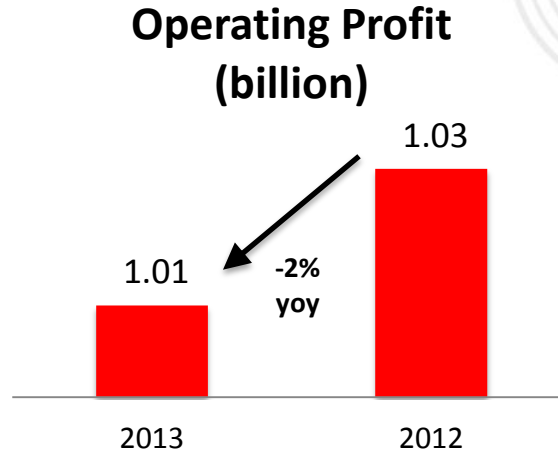
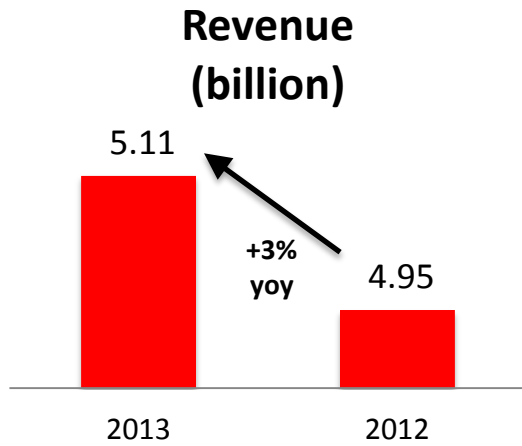


FINANCIAL HIGHLIGHTS



2013 Overview

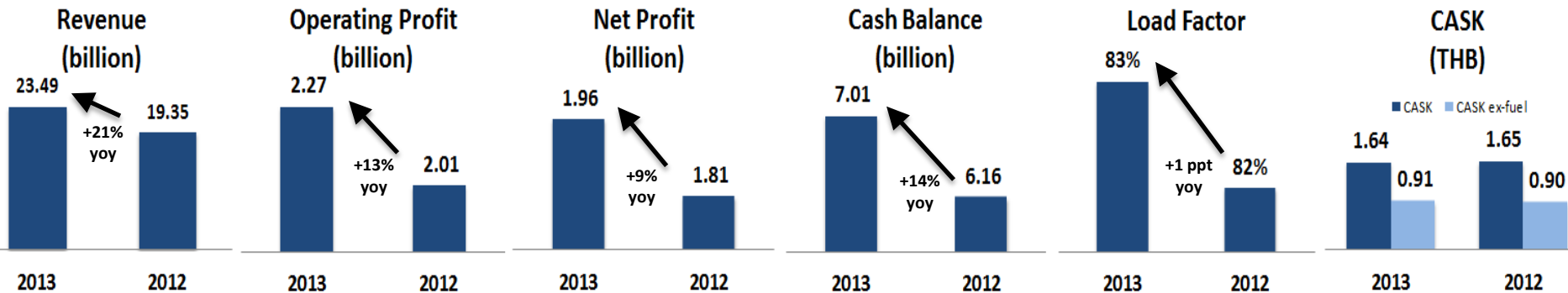
Malaysia



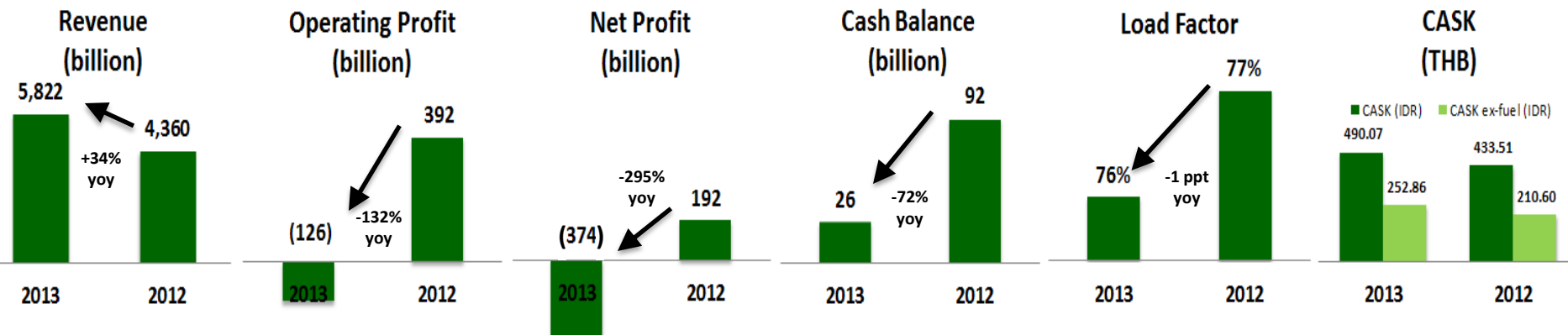
2013 Overview

Indonesia & Thailand

THAILAND (in THB)



INDONESIA (in IDR)



Setting the Stage for 2014

Associates and JVs recording profit and growth remains strong

- TAA: MAA equity accounted RM85.9 million in 2013
- AACOE: MAA equity accounted RM5.5 million in 2013
- AA Expedia: MAA equity accounted RM8.1 million in 2013

Listing of associate and sister company

- TAA: Listed on SET in May 2012 with current market cap of USD 542.6 mil
- AAX: Listed on Bursa Malaysia in July 2013 with current market cap of USD718.7 mil

Turning around associates

- IAA: Network rationalisation and optimisation will help to mitigate weakening currency
- PAA: Consolidated with AA Zest. Category 1 – will launch more Korea and Japan routes
- AA India: Received Air Operating Permit.
Launching: Bangalore – Chennai (12 June); Bangalore – Goa (19 June)

Adjacency businesses are set to grow

- AACOE recorded net profit of RM10.9 million in 2013
- AA Expedia recorded net profit of RM16.3 million in 2013
- In one year, BIG loyalty programme doubled membership to over 1 million, substantially increased partners, and tripled its revenue.

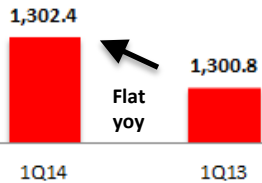
Fleet secured for growth

- 165 aircraft currently in operations, 327 to be delivered until 2026
(MAA = 79; TAA = 37; IAA = 30; PAA = 18; AAI = 1)

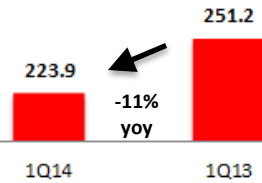
1Q14 Results - Key Highlights

MALAYSIA (in MYR)

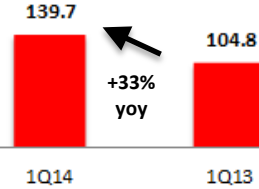
Revenue (million)



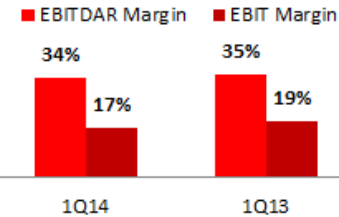
Operating Profit (million)



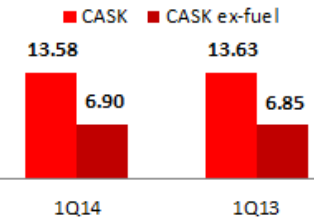
Net Profit (million)



Margins

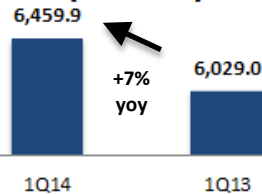


CASK (sen)

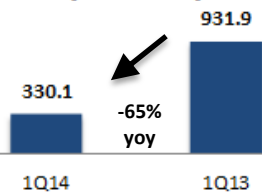


THAILAND (in THB)

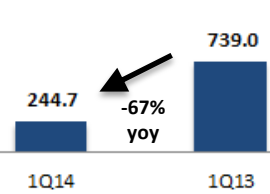
Revenue (million)



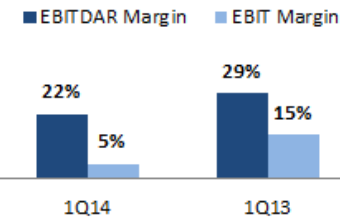
Operating Profit (million)



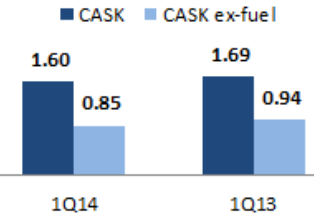
Net Profit (million)



Margins

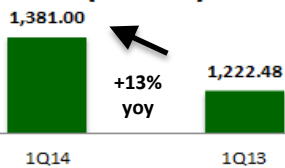


CASK (THB)

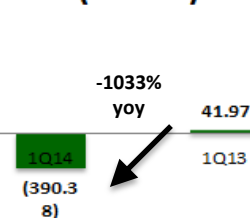


INDONESIA (in IDR)

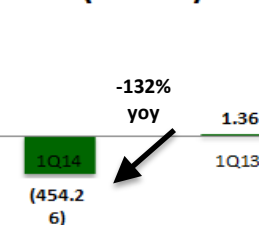
Revenue (billion)



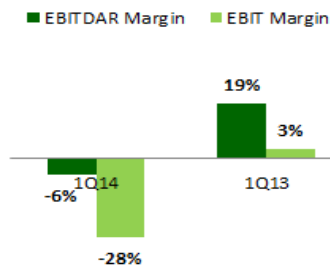
Operating Profit (billion)



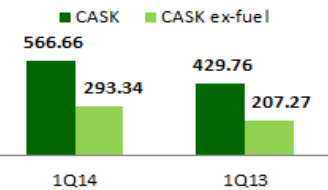
Net Profit (billion)



Margins



CASK (IDR)

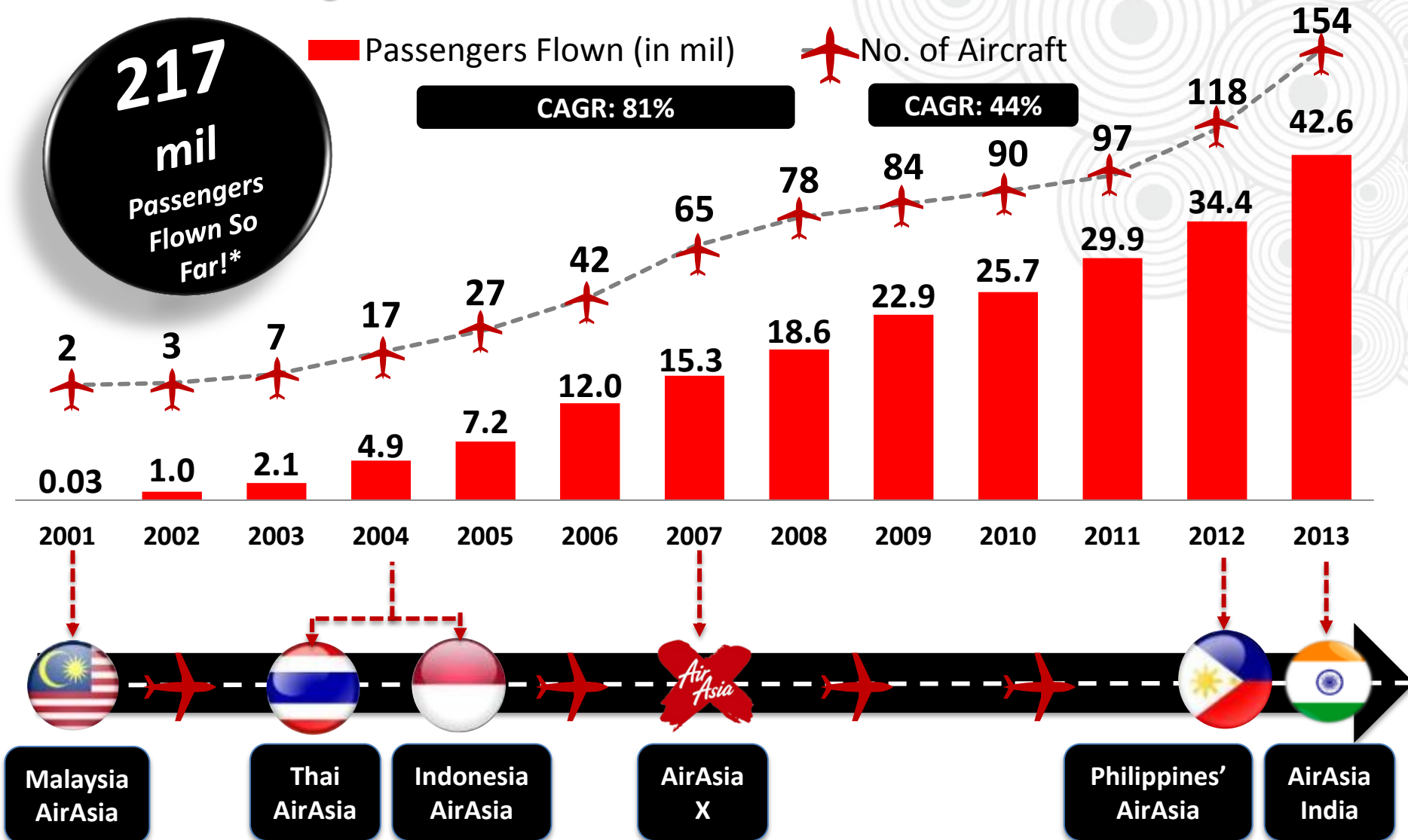


WHERE WE ARE TODAY



AIRASIA'S GROWTH STORY

- From Malaysia to Asean to Asia



*YTD Dec 2013 for MAA, TAA, IAA, PAA. (228 million inc AAX)

83 destinations

182 routes across

17 countries

62 unique routes

37 new routes in 2013



NOW
EVERYONE
CAN FLY

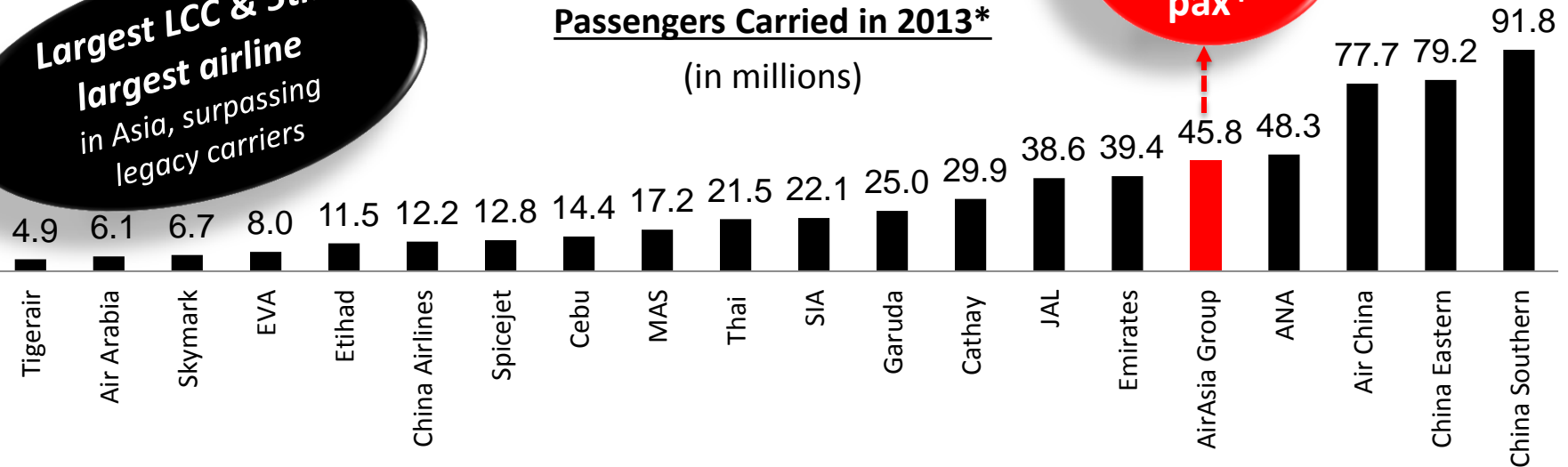
WHERE WE'RE
FLYING SO FAR

Largest LCC in Asia

Largest LCC & 5th largest airline in Asia, surpassing legacy carriers

Passengers Carried in 2013*

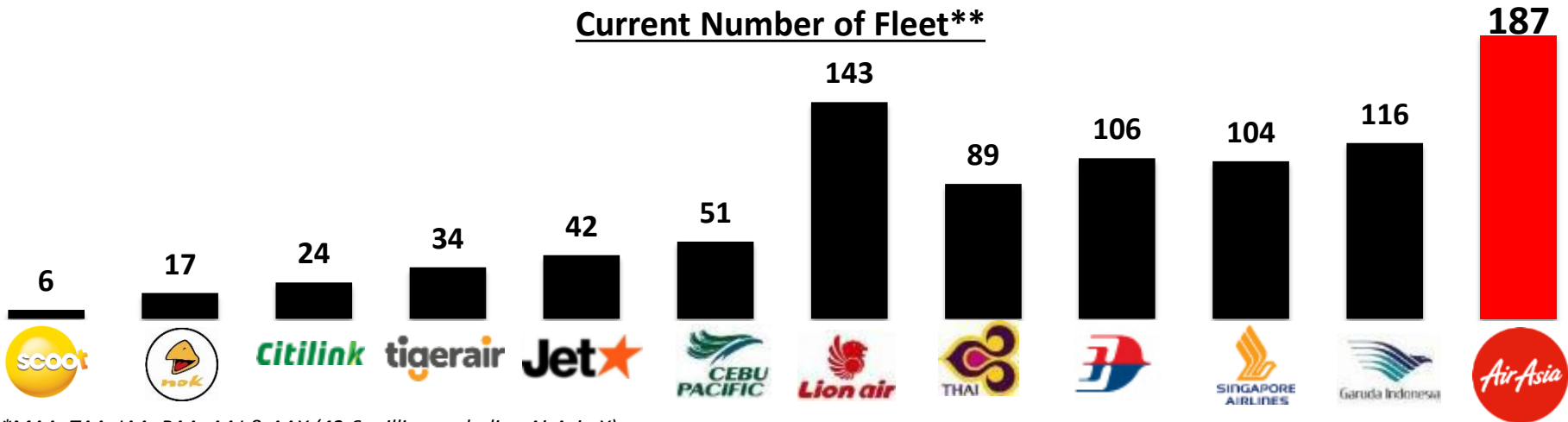
(in millions)



46 million pax*

Largest & Youngest LCC Fleet in Asia

Current Number of Fleet**



*MAA, TAA, IAA, PAA, AAJ & AAX (42.6 million excluding AirAsia X)

**MAA, TAA, IAA, PAA, AAJ & AAX (165 aircraft excluding AirAsia X)

MAA = 79 ; TAA = 37 ; IAA = 30 ; PAA = 18 ; AAI = 1 ; AAX = 22

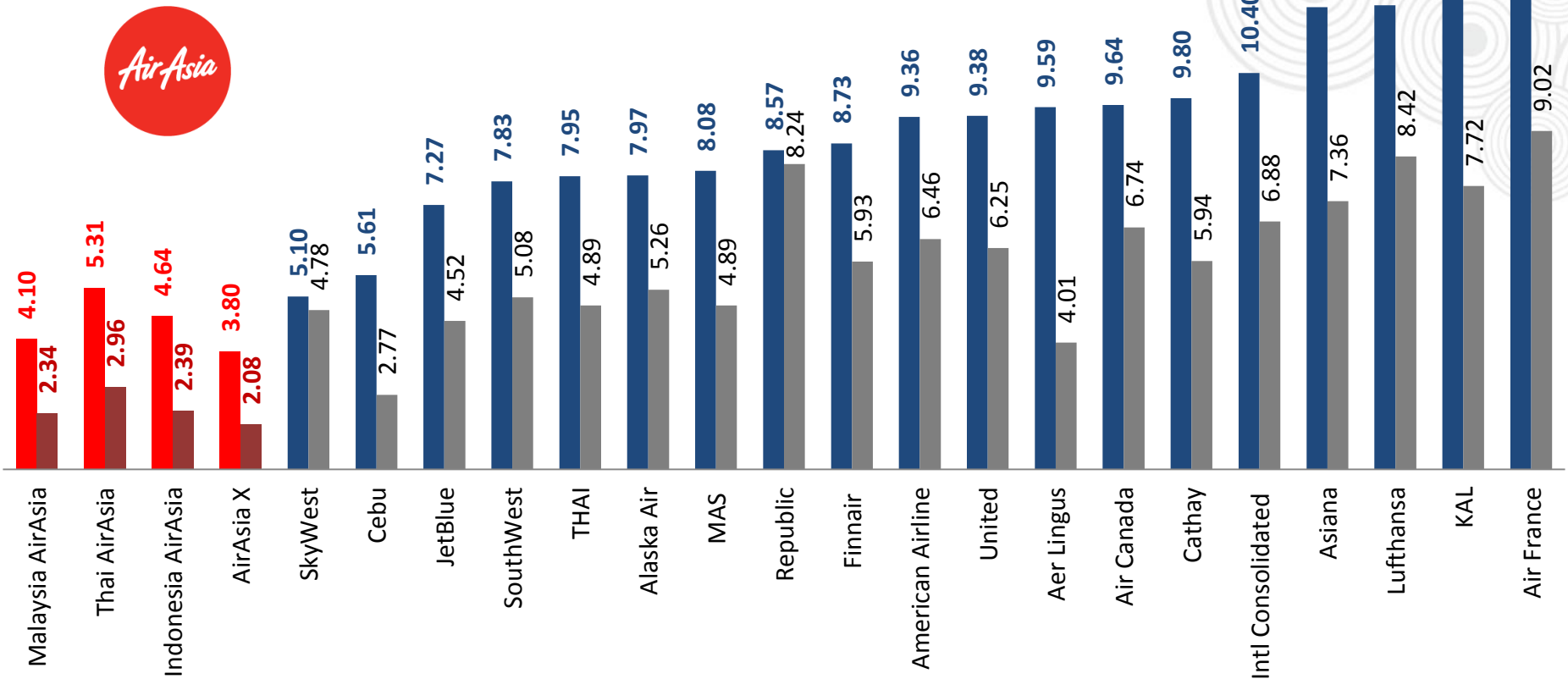
Lowest Cost Airline

- Discipline Cost Structure

Jan-Dec 2013 CASK & CASK Ex-Fuel

(US cents)

■ CASK ■ CASK (ex-fuel)



DIVIDEND



Past Dividends Declared:

- Apr 2011: Maiden dividend of 3 sen per ordinary share
- May 2012: First and final dividend of 5 sen per ordinary share

- FYE 2012
 - Special dividend of 18 sen declared and approved
 - Final dividend of 6 sen declared and approved



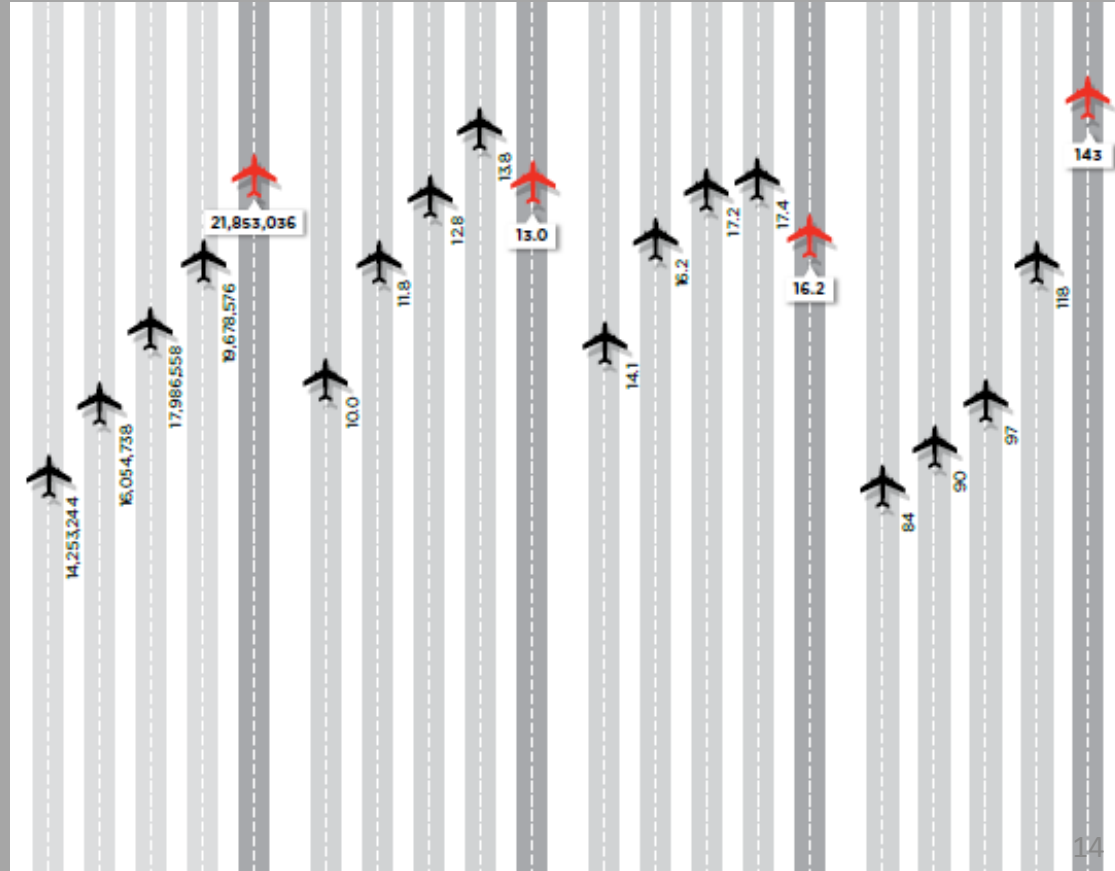
Dividend Payment:

- FYE 2013
 - Final dividend of 4 sen per share proposed

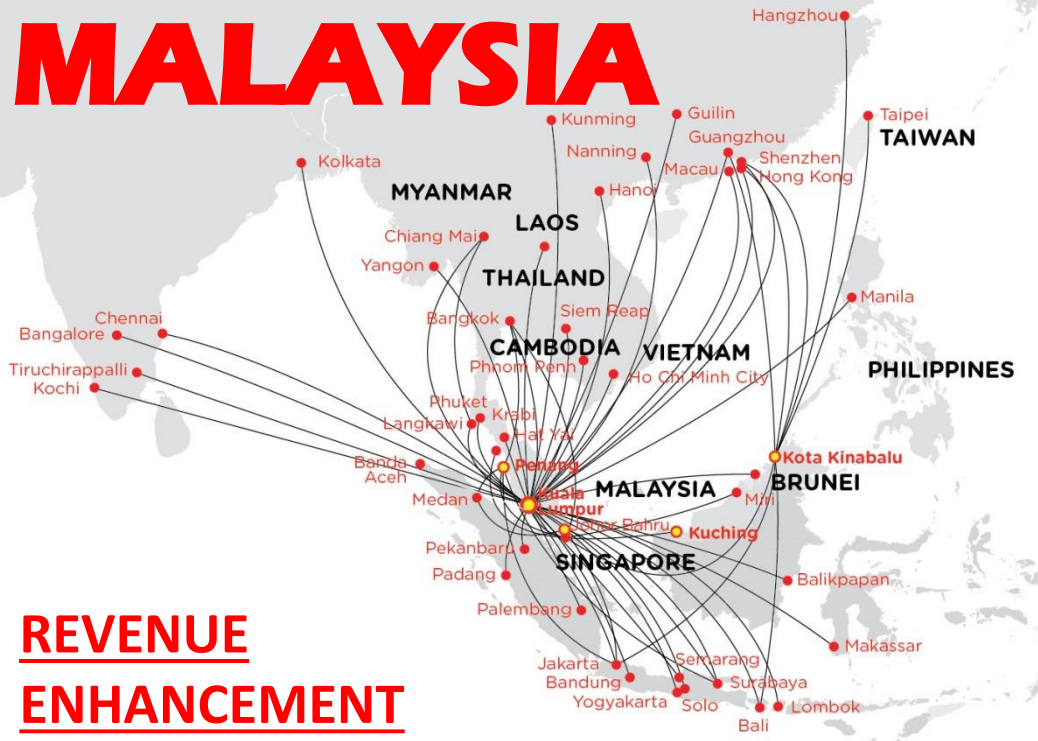
Dividend Policy

To pay out up to 20% of net operating profit as an annual dividend

GROWTH UPSIDE

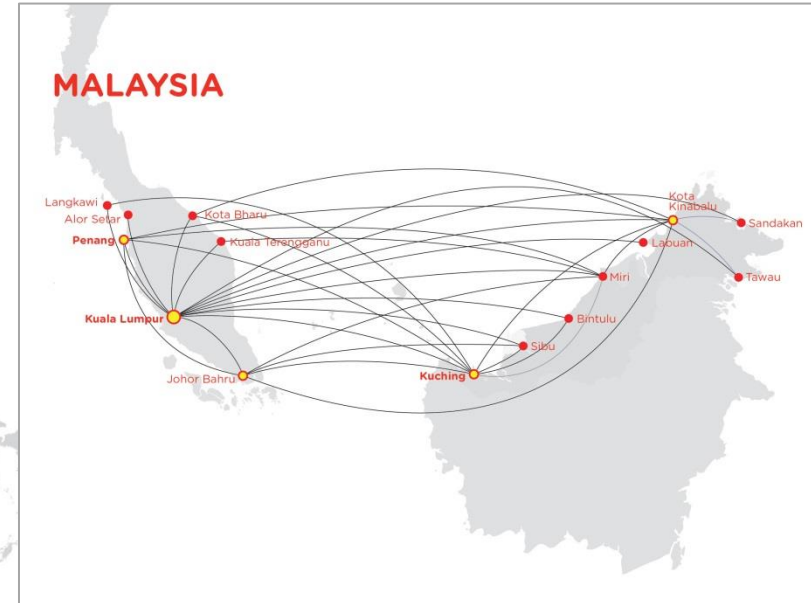


MALAYSIA



AIRASIA HUBS IN MALAYSIA

- Kuala Lumpur
- Kota Kinabalu
- Penang
- Johor Bahru
- Kuching



REVENUE ENHANCEMENT

i. Ancillary Income

- On target to achieve RM50 per pax by year end
- On-board Wifi, duty free, fly-thru, premium flex, inventory to be available on all GDS

ii. CRM

- YTD conversion up 0.7 ppt to 4.7%.
- Drive sales via mobile. Mobile app have seen 4.1mil downloads YTD.

COST REDUCTION EXERCISE

- Automation
- More operations integration between AirAsia and AirAsia X
- Route rationalisation

MALAYSIA

CAPACITY MANAGEMENT

- Creating **value** from balance sheet
- In discussion with Airbus to **defer more aircraft** and convert current CEO to NEO
- Allowing operations in **Indonesia** and **Philippines** to execute turnaround plans and **Thailand** to recover from political unrest which impacted tourism
- **Residual value** from retired aircraft can be used to reduce debt on replacement aircraft
- To maintain a very **young fleet** by replacing aircrafts at 12 years in line with company's **cost reduction** exercise
- To use cash on sale to reduce further **cost of aircraft purchase**

21.9 MIL
PASSENGERS CARRIED



80%
LOAD FACTOR

TOTAL FLEET
72 A320



59 DESTINATIONS
15 COUNTRIES
91 ROUTES

• 5 HUBS • 40 UNIQUE ROUTES • 2 NEW ROUTES INTRODUCED IN 2013



6,000
ALLSTARS

KLIA2

CHALLENGES

- **Readiness of taxiways & apron for 2 May 2014 opening**
 - Cracks, depressions & flooding after heavy rain experienced on parts of aircraft parking apron & taxiways.
 - Working closely with MAHB and DCA to constantly address this by frequent apron resurfacing and rectification of apron cracks/other remedial action.
- **Operational Readiness and Airport Transfer (ORAT)**
 - 2 months set by MAHB was not sufficient
 - Other airports – on average 6 months
- **The usage of AirAsia's own check-in system**
 - AirAsia uses its own Navitaire system at LCCT and 13 other hubs
 - We are forced by MAHB to use the SITA system
 - MAHB's system will add additional cost to AirAsia
- **Maintaining the rate for aeronautical charges (PSC and Landing & Parking charges)**
 - PSC is the charges airports pass on to passengers
 - MAHB intends to increase the charges significantly
 - Previously,
 - PSC increased from RM25 to RM32 on 15 Nov 2011 (+30%)
 - Landing/parking charges increased 9% and 18% p.a. on 1 Jan 2012, 1 Jan 2013 and 1 Jan 2014 (total increase over 3 yrs: 30% for landing, 64% for parking)



KLIA2

CHALLENGES (CONTINUED)

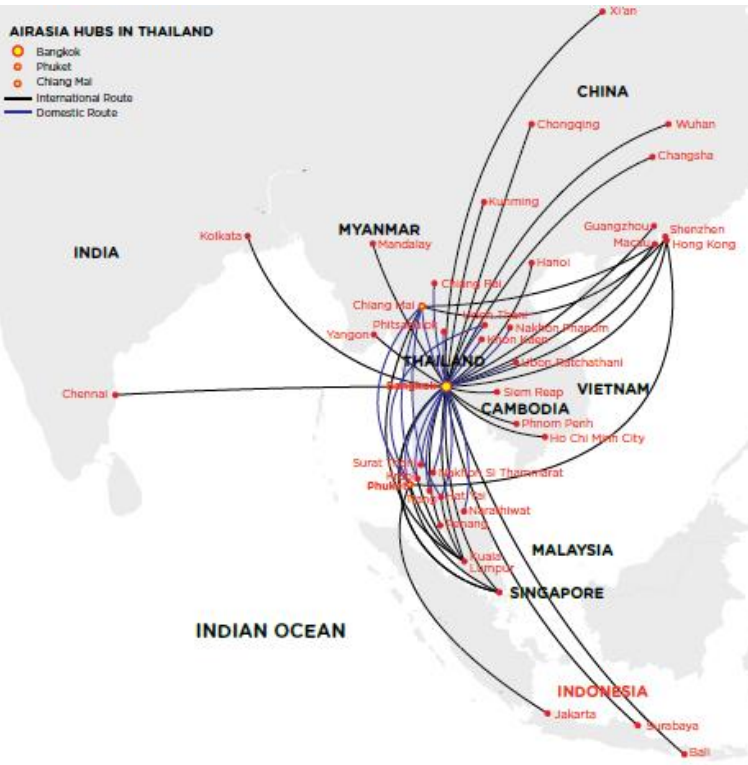
- **The usage of aerobridges**
 - LCCs do not use aerobridges at their hub airports because of turnaround time issues
 - Charges would have to be passed on to passengers
- **Ongoing discussion on relevant incentive scheme for all airlines**
 - Successful airports around the world have good partnerships with their hub airlines, because of the traffic the airlines bring in. eg. Dubai & Emirates, Ryanair & Stansted, easyJet & Gatwick & Luton
 - AirAsia has made significant contributions to MAHB's revenues and should be incentivised fairly for its contributions



CATALYSTS

- Better connection from central Kuala Lumpur (ERL etc.)
- Feeder traffic from other airlines based in the Main Terminal Building KLIA
- Improved customer experience
- Targeting more business travelers and corporate accounts

THAILAND



36 DESTINATIONS
11 COUNTRIES



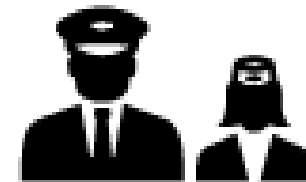
83%
LOAD FACTOR

44 ROUTES



• 3 HUBS • 7 UNIQUE ROUTES
• 7 NEW ROUTES INTRODUCED IN 2013

10.5MIL
PASSENGERS CARRIED



3,400
ALLSTARS

TOTAL FLEET
37 A320



- Strong marketing to drive back tourism to Thailand
- To focus on North Asia strategy and push for more slots
- Thai AirAsia X to provide greater feeder into other short haul routes

INDONESIA



2,300

AUSTRALS

TOTAL FLEET
30 A320

17 DESTINATIONS
5 COUNTRIES

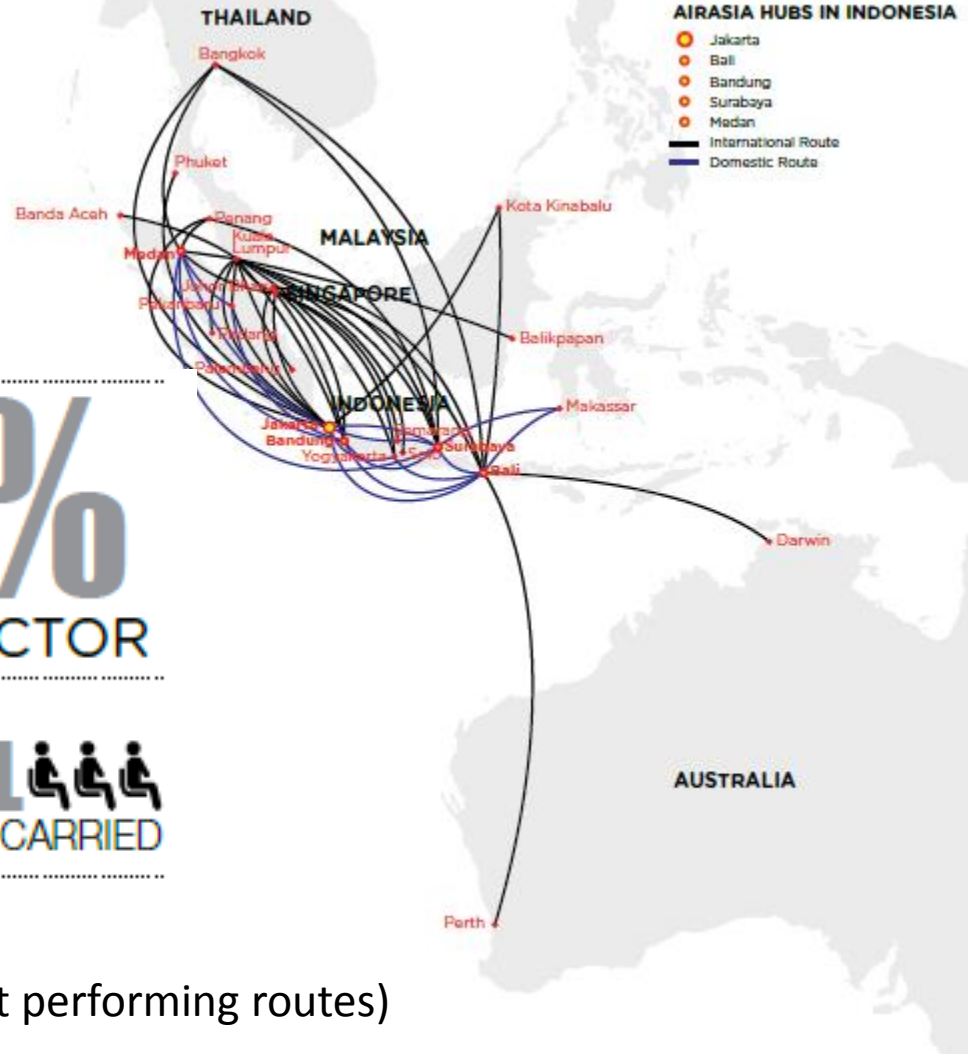
39 ROUTES



- 5 HUBS • 11 UNIQUE ROUTES
- 14 NEW ROUTES INTRODUCED IN 2013

76%
LOAD FACTOR

7.9 MIL
PASSENGERS CARRIED



- Network optimisation
 - To terminate 9 routes (weakest performing routes)
 - Rationalising some 6 key routes by reducing frequencies
 - Re-introduction and adding frequencies as part of strategy to focus on selected key markets
- Rationalising loss making routes
- Forecasted to be profitable in 3Q14

PHILIPPINES

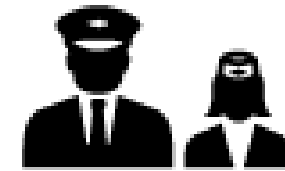
AIRASIA HUBS IN PHILIPPINES

- Manila
- Cebu
- International Route
- Domestic Route



2.2 MIL 
PASSENGERS CARRIED

63%
LOAD FACTOR



1,100
ALLSTARS



TOTAL FLEET
18 A320

14 DESTINATIONS
6 COUNTRIES

15 ROUTES 

- 3 HUBS • 1 UNIQUE ROUTES
- 14 NEW ROUTES INTRODUCED IN 2013

- Turnaround plan in place
- To launch more Korea and new Japan routes with reinstatement back to category 1
- Fares on the rise which will boost revenues
- To promote Kalibo as a key hub (New airport open in June)
- Waiting for congressional approval to approve consolidation process. Will be rebranded as Phillipines' AirAsia



**THANK
YOU**

