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WORLD'S BEST LOW-COST AIRLINE 2009

Thanks to YOU



*AirAsia*

Annual Report 2008

## 16TH ANNUAL GENERAL MEETING

Date: Monday, 3 August 2009

Time: 10.00 a.m.

Venue: AirAsia Academy, Jalan KLIA S5, Southern Support Zone KLIA, Sepang, Selangor

Notice of Annual General Meeting page 128



TOP  
50 most innovative  
companies in  
the world

World's Best  
Low Cost Airline 2009

Over 61 Million Guests...  
...and counting

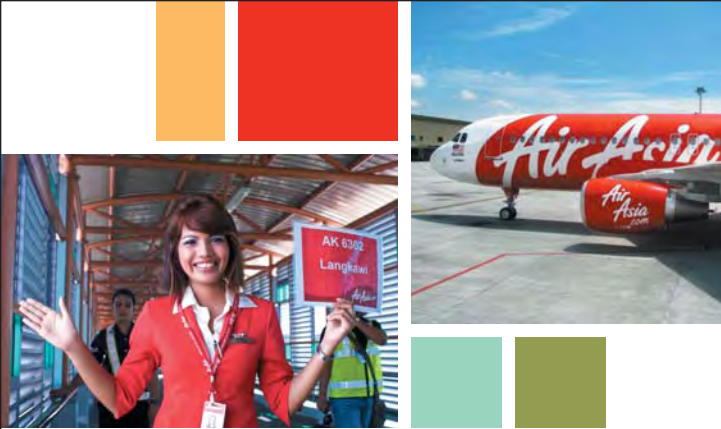
## *Thanks to YOU*

Ultimately, it is our guests who have made us what we are today. A passion for exceeding our guests' expectations is what spurs us to relentlessly pursue innovative ways to enhance the service we provide. Constant innovation is the tool we use to expand our guests' freedom to travel so that **Now Everyone Can Fly**.

In 2008, a total commitment to innovation enabled us to stay ahead of the game and once again win an array of prestigious awards. In the years to come, the same commitment will see us successfully navigate the ongoing global economic turbulence, broaden our horizons and not only survive but prosper.

In 2009 we will unroll a series of initiatives designed to boost customer service while keeping fares down. So it is apt that this year's Annual Report focuses on innovations which will enable AirAsia Berhad ("AirAsia") to retain its pole position as the world's preferred low fare airline.

Above all, it is appropriate for us to acknowledge the support our guests give us by making **Thanks to YOU** the key message of this report.



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# Corporate Vision, Mission and Values

## Vision

To be the largest low cost airline in Asia and serving the 3 billion people who are currently underserved with poor connectivity and high fares.

## Mission

- To be the best company to work for whereby employees are treated as part of a big family
- Create a globally recognized ASEAN brand
- To attain the lowest cost so that everyone can fly with AirAsia
- Maintain the highest quality product, embracing technology to reduce cost and enhance service level

## Values

**Safety** Adopting a zero tolerance to unsafe practices and strive for zero accidents through proper training, work practices, risk management and adherence to safety regulations at all times.

**Valuing Our People** Committing to our people's development and well-being and treating them with respect, dignity and fairness.

**Customer Focused** We care and treat everyone in the same manner that we want to be treated.

**Integrity** Practicing highest standards of ethical behaviour and demonstrate honesty in all our lines of work in order to command trust and mutual respect.

**Excellence in Performance** Setting goals beyond the best and reinforcing high quality performance standards and achieving excellence through implementing best practices.

## Commitment To Excellence

AirAsia is committed to excellence. We intend to excel in everything we do by achieving exceptional results. We have set high standards, but no higher than our customers' expectations. Day after day, our people do their best so that we meet these expectations. In all our efforts, there are five fundamental values: Safety, Passion, Integrity, Caring and Fun. They provide a frame of reference for the AirAsia experience and a corporate culture in which we live and deliver peak performance.



Dato' Abdul Aziz  
bin Abu Bakar



Dato' Sri Tony Fernandes



Dato' Kamarudin  
bin Meranun



Conor Mc Carthy



Dato' Leong Khee Seong



Fam Lee Ee



Datuk Alias bin Ali



Dato' Mohamed Khadar  
bin Merican



# Corporate Information

## **Board Of Directors**

**Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar**  
Non-Executive Chairman

**Dato' Sri Anthony Francis Fernandes**  
(commonly known as **Dato' Sri Tony Fernandes**)  
Group Chief Executive Officer

**Dato' Kamarudin bin Meranun**  
Deputy Group Chief Executive Officer

**Conor Mc Carthy**  
Non-Executive Director

**Dato' Leong Sonny @ Leong Khee Seong**  
Independent Non-Executive Director

**Fam Lee Ee**  
Independent Non-Executive Director

**Datuk Alias bin Ali**  
Independent Non-Executive Director

**Dato' Mohamed Khadar bin Merican**  
Independent Non-Executive Director

## **Company Secretary**

Jasmindar Kaur A/P Sarban Singh (Maicsa 7002687)

## **Auditors**

**PricewaterhouseCoopers**  
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral  
50706 Kuala Lumpur  
Tel: 603-2173 1188 Fax: 603-2173 1288

## **Registered Office**

**AirAsia Berhad** (Company No. 284669-W)  
25-5, Block H, Jalan PJU 1/37  
Dataran Prima, 47301 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: 603-7880 9318 Fax: 603-7880 6318  
E-mail : investorrelations@airasia.com  
Website : www.airasia.com

## **Head Office**

LCCT Terminal, Jalan KLIA S3  
Southern Support Zone, KLIA  
64000 Sepang  
Selangor Darul Ehsan, Malaysia  
Tel: 603-8660 4333 Fax: 603-8775 1100

## **Audit Committee**

Dato' Leong Sonny @ Leong Khee Seong  
Fam Lee Ee  
Datuk Alias bin Ali  
Dato' Mohamed Khadar bin Merican

## **Remuneration Committee**

Datuk Alias bin Ali  
Dato' Leong Sonny @ Leong Khee Seong  
Fam Lee Ee

## **Nomination Committee**

Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar  
Datuk Alias bin Ali  
Fam Lee Ee

## **Safety Review Board**

Conor Mc Carthy  
Dato' Mohamed Khadar bin Merican

## **Share Registrar**

**Symphony Share Registrars Sdn Bhd**  
Level 26, Menara Multi-Purpose, Capital Square  
8 Jalan Munshi Abdullah  
50100 Kuala Lumpur, Malaysia  
Tel: 603-2721 2222 Fax: 603-2721 2530/1

## **Solicitors**

Messrs Logan Sabapathy & Co.

## **Corporate Broker**

ECM Libra Berhad

## **Corporate Advisor**

Credit Suisse Securities (Malaysia) Sdn. Bhd.

## **Stock Exchange Listing**

Main Board of Bursa Malaysia Securities Berhad  
(Listed since 22 November 2004)  
(Stock code: 5099)

# Corporate Profile

AirAsia is a name synonymous with low fares, quality service and dependability. With over 110 routes across 13 countries, AirAsia is truly Asia's leading airline with the widest route connectivity and largest customer base.

With the unmistakable tagline, "Now Everyone Can Fly", AirAsia has made flying affordable for more than 61 million guests.

## **Against All Odds**

In 2001, Dato' Sri Tony Fernandes along with Dato' Pahamin Ab. Rajab (Former Chairman, AirAsia), Dato' Kamarudin bin Meranun (Deputy Group Chief Executive Officer, AirAsia) and Dato' Abdul Aziz bin Abu Bakar (Current Chairman, AirAsia) formed a partnership to set up Tune Air Sdn Bhd and bought AirAsia for a token sum of RM1.00. With the help of Conor Mc Carthy (Director, AirAsia; former Director of Tune Air Sdn Bhd and former Director of Group Operations, Ryanair), AirAsia was remodeled into a low cost carrier and by January 2002, their vision to make air travel more affordable for Malaysians took flight.

Valued at RM2.3 billion, AirAsia is today an award winning and the largest low cost carrier in Asia. From a two aircraft operation of Boeing 737-300, AirAsia currently boasts a fleet of 78 aircraft that flies to over 60 domestic and international destinations and operates over 500 domestic and international flights daily from six hubs located at Low Cost Carrier Terminal (KLIA), Johor Bahru, Kota Kinabalu, Bangkok (Thailand), Jakarta (Indonesia) and Bali (Indonesia). AirAsia is fast spreading its wings to create a bigger and more extensive route network through its associate companies, Thai AirAsia and Indonesia AirAsia. The airline has carried, thus far, over 61 million guests since its first day of operation.

## **Bringing Asia Closer**

At AirAsia, we are bringing people closer by bridging boundaries through our philosophy of offering low fares. It has sparked a revolution in travel, as more and more people from all walks of life are now able to fly for the first time, while many others have made air travel with AirAsia their preferred choice of transport. We are consistently adding new routes, which include city pairs that never existed before, in our relentless efforts to create a seamless bridge of unity across

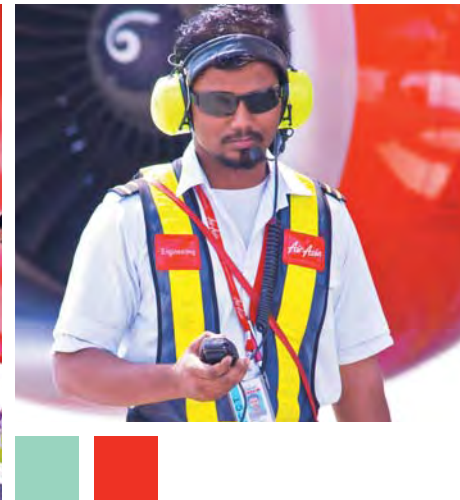


Asia. It is something very close to our hearts as we continuously strive to promote air travel and create excitement amongst our guests with our range of innovative products and personalised services.

### **The Foundation of Our Business**

AirAsia's success has taken flight through the continued confidence of our guests who prefer a no-frills, hasslefree, low fare and convenient option in air travel. The key to delivering low fares is to consistently keep cost low. Attaining low cost requires high efficiency in every part of the business and maintaining simplicity. Therefore every system process must incorporate best industry practices. We make this possible through the implementation of the following key strategies:

- **Safety First** – Safety is the single most important criteria in every aspect of the operations, an area that AirAsia will never compromise on. AirAsia complies with the conditions set by regulators in all the countries where the airline operates. In addition, AirAsia partners with the world's most renowned maintenance providers to ensure that its fleet is always in the best condition.
- **High Aircraft Utilisation** – AirAsia's high frequency flights have made it more convenient for guests to travel as the airline implements a quick turnaround of 25 minutes, which is the fastest in the region. This has resulted in high aircraft utilisation, lower costs and greater airline and staff productivity.
- **Low Fare, No Frills** – AirAsia targets guests who are prepared to do away with frills such as meals, frequent flyer miles or airport lounges in exchange for fares lower than those currently offered without comprising on quality and service. Guests have the choice of buying exclusively prepared meals, snacks and drinks from our in-flight service at an affordable price.
- **Streamline Operations** – Making the process as simple as possible is the key to AirAsia's success. We are working towards a single aircraft fleet; this greatly reduces duplicating manpower requirements as well



as stocking of maintenance parts. There is only one class seating, i.e. first class, and passengers are free to sit where they choose.

- **Lean Distribution System** – AirAsia offers a wide and innovative range of distribution channels to make booking and traveling easier for its guests. AirAsia's ticketless service provides a low cost alternative to issuing printed tickets.
- **Point to point network** – The LCC model shuns the hub-and-spoke system and adopts the simple point-to-point network. All AirAsia flights are shorthaul (four hour flight or less). The underlying business is to get a person from point A to B.

### **Our Commitment**

AirAsia has a firm commitment with a purchase order for 225 Airbus A320 aircraft (175 firm + 50 options), thus securing our growth pipeline up till 2014. We are committed to be a truly Asian airline that operates an extensive route network, fosters economic prosperity, stimulates tourism and promotes stronger cultural integration.



# Five-Year Financial Highlights

(RM million, unless otherwise stated)	For the year ended 30 June			For the 6 months ended	For the year ended
	2005	2006	2007	31 December 2007	31 December 2008
Revenue	718	1,071	1,603	1,094	2,635
Total expenses	596	997	1,322	858	2,966
EBIT	122	74	281	237	-331
Associates contributions	-5.4	-0.5	-3.9	-	-
Profit before tax	114.6	86.2	278	276.7	-869
Tax	-14.3	115.5	220	149	373
<b>Net income*</b>	<b>100.8</b>	<b>201.7</b>	<b>498</b>	<b>425.7</b>	<b>-497</b>
<b>BALANCE SHEET</b>					
Cash & cash equivalent	329	426	595	425	154
Total Assets	1,123	2,574	4,779	6,448	9,521
Net Debt (Total Debt - Total Cash)	-329	627	1,959	3,272	6,539
Shareholders' Equity	953	1,148	1,662	2,099	1,606
<b>CASH FLOW STATEMENTS</b>					
Net cash from operating activities	-38	282	595	256	-416
Cash flow from investing activities	-297	-1,249	-1,943	-1,581	-2,602
Cash flow from financing activities	589	1,067	1,509	1,141	2,749
<b>Net Cash Flow</b>	<b>254</b>	<b>100</b>	<b>161</b>	<b>-184</b>	<b>-269</b>
<b>CONSOLIDATED FINANCIAL PERFORMANCE (%)</b>					
Return on total assets	9	7.8	10.4	-	-
Return on shareholders' equity	10.6	17.6	30	-	-
R.O.C.E (EBIT/(Net Debt + Equity))	19.6	4.2	7.7	-	-
EBIT margin	17	6.9	17.5	21.6	-
Net Income margin	14	18.8	31.1	38.9	-
<b>CONSOLIDATED OPERATING STATISTICS</b>					
Passengers carried	4,414,069	5,719,411	8,737,939	5,197,567	11,808,058
RPK (million)	4,881	6,702	9,863	5,930	13,485
ASK (million)	6,525	8,646	12,391	7,919	18,717
Load factor (%)	75	78	80	79	75
Aircraft utilisation (hours per day)	12.1	12	12	11.9	11.8
Average fare (RM)	143	174	171	195	204
Yield Revenue per ASK (sen)	10.2	12.2	12.9	13.8	14.1
Cost per ASK (sen)	8.3	10.9	11.2	11	11.7
Cost per ASK - excluding fuel (sen)	4.2	6.1	5.6	5.3	4.2
Yield Revenue per ASK (US¢)	2.69	3.29	3.64	4.07	4.23
Cost per ASK (US¢)	2.19	2.95	3.16	3.22	3.49
Cost per ASK - excluding fuel (US¢)	1.11	1.63	1.57	1.57	1.27
Number of Stages	40,679	48,339	68,195	38,507	89,118
Average stage length (km)	1,024	1,163	1,088	1,183	1,207
Average fleet size (Malaysia)	16.3	20.5	27.1	31.6	36.6
Size of fleet at year end (Malaysia)	19	26	34	39	44
Size of fleet at year end (Group)	27	42	54	65	78
Number of employees at year end	2,016	2,224	2,924	3,474	3,799
Percentage revenue via internet (%)	47	60	65	65	70

\* Net income after minorities.

Refer to page 131 for definition.

# LOOK INTO THE CENTRE OF BARCLAYS CAPITAL AND YOU'LL FIND OUR CLIENTS.



When you are a client of Barclays Capital, we will put you at the centre of a team of experts who will work as one with you. In turbulent times like these, it's good to know that Barclays Capital revolves around you. Every day.

Earn Success Every Day

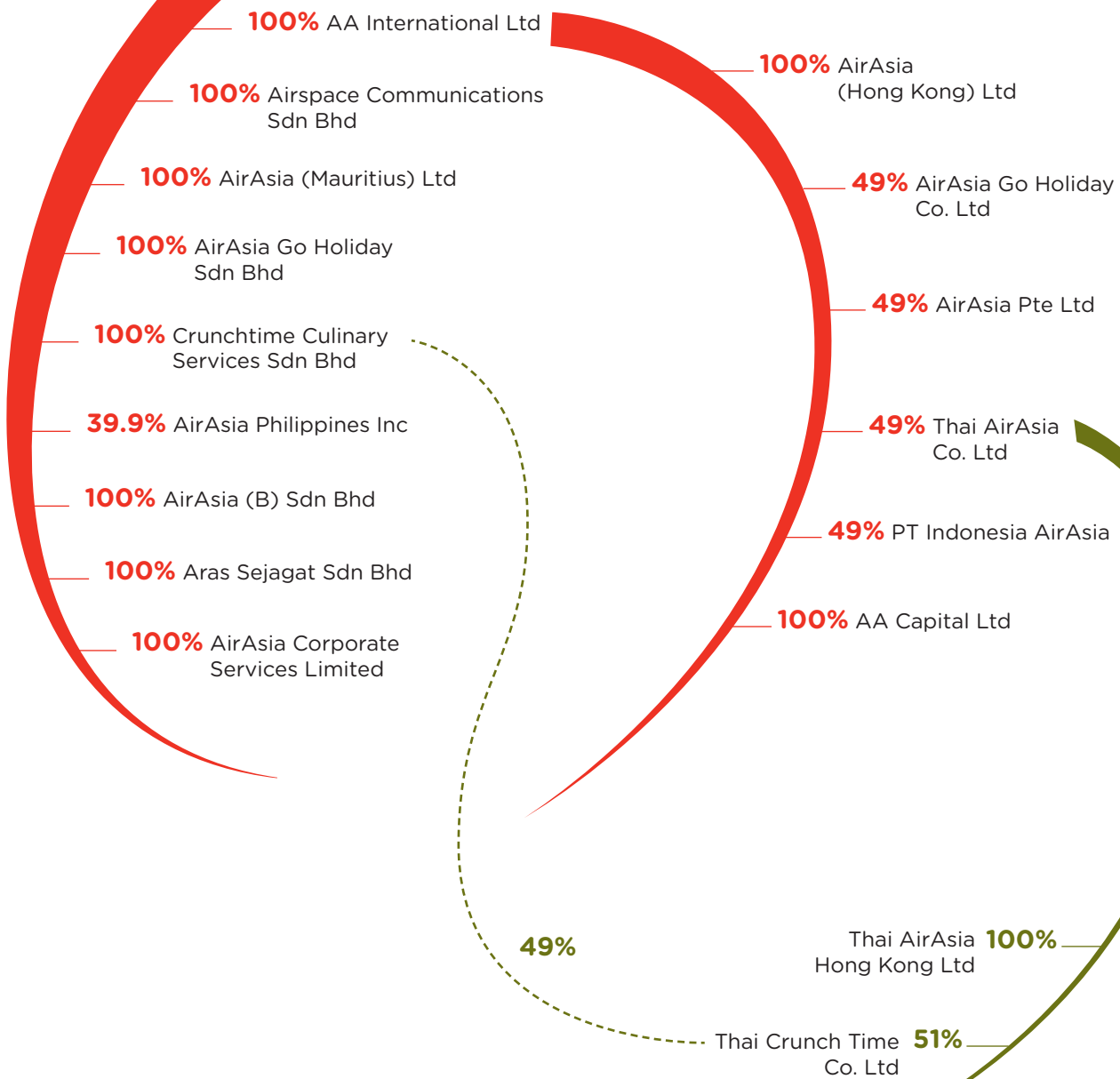


# AirAsia Group

for the year ended 31 December 2008

## AirAsia

AirAsia Berhad  
(284669-W)



Makhoron Si Thammarat  
Krabi Narathiwat  
Nakhon Phanom Ranong Surat  
Thammasarakon Ratchathani  
Singapore Hanoi Ho Chi  
Minh Chiang Mai Hat Yai  
Kuala Lumpur Udon Thani Macau  
Bangkok Dhaka Vientiane  
Jakarta Surabaya  
Makassar  
Bandung  
Solo

AirAsia - Leading Through Innovation



At AirAsia, the ease, speed and convenience of checking in through the internet and by mobile phone will soon become the norm.

PIKOM  
ICT  
Organisation  
Excellent  
Award



# Board of Directors



Dato' Abdel Aziz @  
Abdul Aziz bin Abu Bakar



Dato' Sri Tony  
Fernandes



Dato' Kamarudin bin  
Meranun



Conor Mc Carthy



Dato' Leong Khee Seong



Fam Lee Ee



Datuk Alias bin Ali



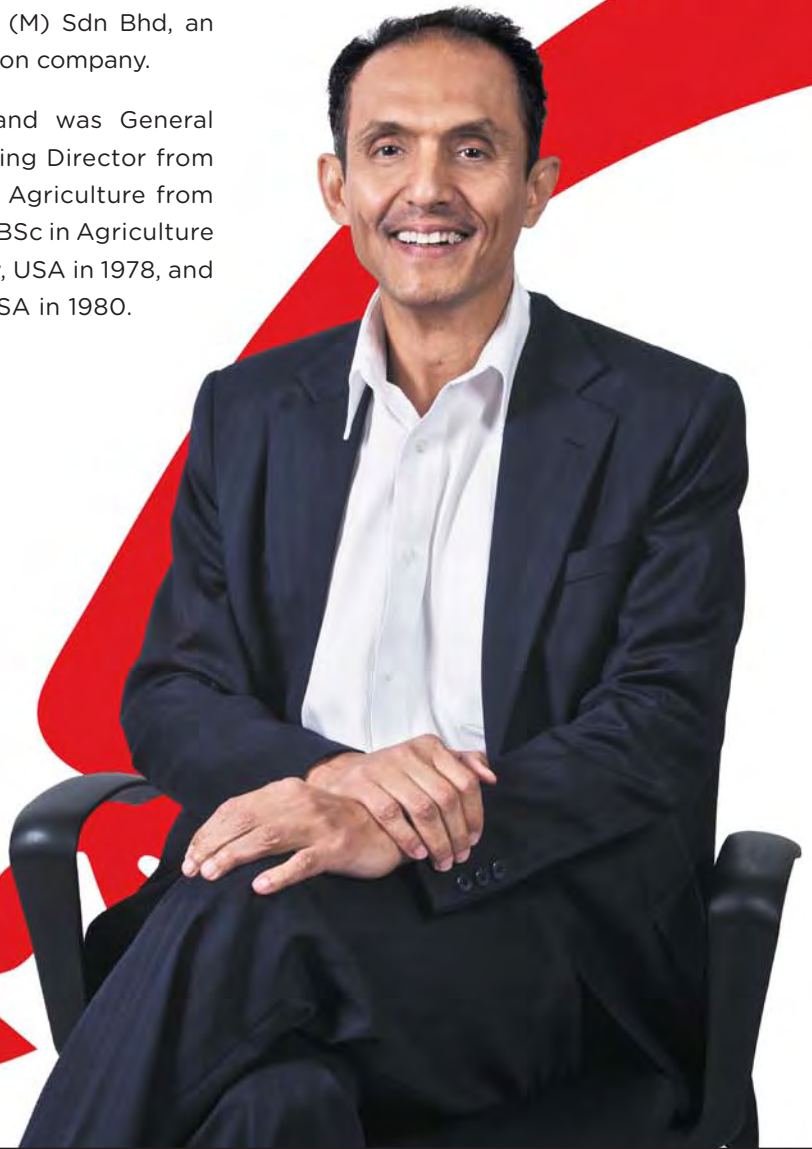
Dato' Mohamed Khadar  
bin Merican

## *Directors' Profiles*

**DATO' ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR,** Malaysian, aged 56, was appointed as Non-Executive Director of the Company on 20 April 2005 and on 16 June 2008, he was re-designated to Non-Executive Chairman. He is also the Chairman of the Nomination Committee. Prior to this, he served as an Alternate Director of the Company to Dato' Pahamin Ab. Rajab since 11 October 2004. He also served earlier as a Director of the Company from 12 December 2001 to 11 October 2004.

He is currently the Non-Executive Chairman of VDSL Network Sdn Bhd. He is also the Chairman of PAIMM (Academy of Malaysian Music Industry Association) and PRISM (Performance and Artists Rights Malaysia Sdn. Bhd.), a music performers collection body. From 1981 to 1983 he was Executive Director of Showmasters (M) Sdn Bhd, an artiste management and concert promotion company.

He subsequently joined BMG Music and was General Manager from 1989 to 1997 and, Managing Director from 1997 to 1999. He received a Diploma in Agriculture from Universiti Pertanian Malaysia in 1975, his BSc in Agriculture Business from Louisiana State University, USA in 1978, and an MBA from the University of Dallas, USA in 1980.



**DATO' SRI TONY FERNANDES**, Malaysian, aged 45, was appointed Group Chief Executive Officer of the Company in December 2001. He is also a member of the Employee Share Option Committee of the Board.

Prior to joining the Company, he was Financial Controller at Virgin Communications London from 1987 to 1989, Senior Financial Analyst at Warner Music International London from 1989 to 1992, Managing Director at Warner Music Malaysia, from 1992 to 1996, Regional Managing Director, ASEAN from August 1996 to December 1999 and Vice President, ASEAN from December 1999 to July 2001 at Warner Music South East Asia. He was actively involved in developing the Malaysian music industry and received the title "Setia Mahkota Selangor" from DYMM, Sultan Selangor Sultan Salahuddin Abdul Aziz Shah in 1999 in recognition of his contributions and was also the recipient of the "Recording Industry Person of the Year 1997" by the Recording Industry Association of Malaysia.

A highly decorated man, he has received numerous awards from the industry observers and international press alike. Among the awards are, "Malaysia CEO of the Year 2003" by American Express and the Business Times, "Emerging Entrepreneur of the Year - Malaysia 2003" at the Ernst & Young Entrepreneur of the Year Awards in 2004, "Airline Business Strategy Award 2005 and Low Cost Leadership" by Airline Business and he was also named Asia Pacific Aviation Executive by the Centre for Asia Pacific Aviation ("CAPA") for the year 2004 and 2005.

In July 2005, he was conferred the Darjah Datuk Paduka Tuanku Ja'afar (DPTJ) which carries the title Dato' by the Negeri Sembilan's Yang DiPertuan Besar Tuanku Ja'afar Tuanku Abdul Rahman in conjunction with His Majesty's 83rd birthday celebrations in recognition of his services rendered to the betterment of the nation and community.



In 2006, he was named the Master Entrepreneur of the Ernst & Young Entrepreneur of the Year 2006 Malaysia. He also bagged 'The Brand Laureate' Brand Personality for his exemplary performance, dedication and contribution towards the aviation industry in Malaysia in the same year and also in 2007. He was admitted as an Associate Member of the Association of Chartered Certified Accountants in 1991 and became a Fellow Member in 1996.

In 2007, he was conferred yet another title, the Darjah Sultan Ahmad Shah Pahang (DSAP) which carries the title Dato' by the Pahang's KDYMM Sultan Haji Ahmad Shah ibni Almarhum Sultan Sir Abu Bakar Riayatuddin Al-Muadzam Shah as recognition of his services rendered to the betterment of the nation and community. In the following year, he was bestowed with another title by the Sultan, the Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat Di Mulia which carries the title Dato Sri'.



## Directors' Profiles



**DATO' KAMARUDIN BIN MERANUN**, Malaysian, aged 48, was appointed Director of the Company on 12 December 2001. In January 2004, he was appointed Executive Director and on 8 December 2005, he was re-designated to Group Deputy Chief Executive Officer. He is also the Chairman of the Employee Share Option Scheme Committee of the Board.

Prior to joining the Company, he worked in Arab-Malaysian Merchant Bank from 1988 to 1993 as a Portfolio Manager, managing both institutional and high net-worth individual clients' investment funds. In 1994, he was appointed Executive Director of Innosabah Capital Management Sdn Bhd, a subsidiary of Innosabah Securities Sdn Bhd. He subsequently acquired the shares of its joint venture partner of Innosabah Capital Management Sdn Bhd, which was later renamed Intrinsic Capital Management Sdn Bhd.

He received a Diploma in Actuarial Science from University Technology MARA (UiTM) and was named the "Best Actuarial Student" by the Life Insurance Institute of Malaysia in 1983. He received a B.Sc. degree with Distinction (Magna Cum Laude) majoring in Finance in 1986, and an MBA in 1987 from Central Michigan University.

**CONOR MC CARTHY**, Irish, aged 47, was appointed Non-Executive Director of the Company on 21 June 2004. He heads the Safety Review Board of the Company.

He is Managing Director of PlaneConsult, a leading aviation business solutions provider which he set up in 2000 which specialises in advising and establishing Low Cost Carriers.

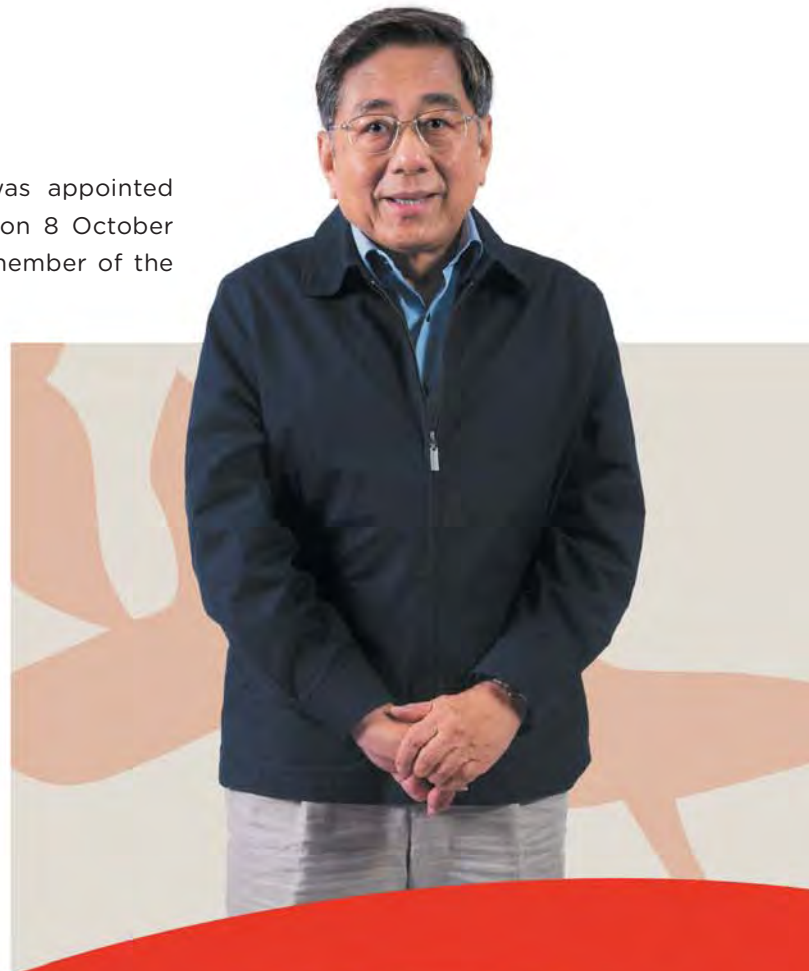
Prior to establishing PlaneConsult, Conor was the Director of Group Operations at Ryanair from 1996 to 2000. Before joining Ryanair, he was the CEO of Aer Lingus Commuter. Prior to that, he was General Manager/SVP for Aer Lingus in the Marketing and Strategic Planning divisions. He spent 18 years with Aer Lingus in all areas of the airline business from Engineering, Operations and Maintenance to Commercial Planning, Marketing and Route Economics to Finance, Strategic Management, Fleet Planning and General Management. He is a qualified Avionics Engineer and holds a First Class Honours degree in Engineering from Trinity College Dublin.



**DATO' LEONG KHEE SEONG**, Malaysian, aged 70, was appointed Independent Non-Executive Director of the Company on 8 October 2004. He is Chairman of the Audit Committee and a member of the Remuneration Committee of the Board.

He was Deputy Minister of Primary Industries from 1974 to 1978, Minister of Primary Industries from 1978 to 1986 and a Member of Parliament from 1974 to 1990. Prior to this, he was a substantial shareholder of his family's private limited companies, which were principally involved in general trading. He was the Chairman of the General Agreement on Tariffs and Trade's Negotiating Committee on Tropical Products (1986 to 1990) and was the Chairman of the Group of 14 on ASEAN Economic Cooperation and Integration (1986 to 1987).

He graduated with a degree in Chemical Engineering in 1964 from University of New South Wales, Australia. He is an Executive Chairman of Nanyang Press Holdings Berhad and Independent Non-Executive Director of TSH Resources Berhad.



**FAM LEE EE**, Malaysian, aged 48, was appointed Independent Non-Executive Director of the Company on 8 October 2004. He is also a member of the Audit, Remuneration and Nomination Committees of the Board.

He received his BA (Hons) from the University of Malaya in 1986 and an LLB (Hons) from the University of Liverpool, England in 1989. He obtained his Certificate of Legal Practice in 1990 and has been practising law since 1991 and currently is the senior partner at Messrs YF Chun, Fam & Yeo. He also serves as a Director of M-Mode Berhad.



## Directors' Profiles

**DATUK ALIAS BIN ALI**, Malaysian, aged 61, was appointed Independent Non-Executive Director of the Company on 23 September 2005. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees of the Board.

Prior to this, he had a long and distinguished career with the Government which began soon after his graduation from the University of Malaya in 1970. He started as an Administration Trainee Officer in the Statistics Department. He subsequently joined the Prime Minister's Department as Administration Development Officer. Whilst still with the department, he completed his Master in Business Management and assumed the position of Head of Department (Consultancy) at the National Institute of Public Administration (INTAN) in 1975. Over the next 15 years with the Government, he held various senior positions in several Ministries and Department including as Deputy Director of Training (Operations) in the Public Services Department, Under Secretary (Establishment and Services) in the Ministry of Works and Director of Industrial Development Division in the Ministry of Trade and Industry. He moved back to the Prime Minister's Department in 1990 as Cabinet Under Secretary.

In June 2000, he was appointed Secretary General of the Ministry of Health, a post he held until his retirement in March 2004. He received a Master in Business Management from the Asian Institute of Management, Philippines in 1975 and a Bachelor of Economics (Honours) from the University of Malaya in 1970. He is also presently a Director of FIMA Corporation Berhad, Duopharma Biotech Bhd. and Melati Ehsan Holdings Bhd.



**DATO' MOHAMED KHADAR BIN MERICAN**, Malaysian, aged 53, was appointed Independent Non-Executive Director of the Company on 10 September 2007. He is also a member of the Safety Review Board and Audit Committee of the Board.

He has had more than 20 years' experience in financial and general management. He has been an auditor and a management consultant with an international accounting firm, before joining a financial services group in 1986. Between 1988 and April, 2003, Dato' Khadar held several senior management positions in Pernas International Holdings Berhad (now known as Tradewinds Corporation Berhad), a company listed on the Main Board of Bursa Malaysia Securities Berhad, including as President and Chief Operating Officer.

He is a member of both the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He is also presently a Director of Rashid Hussain Berhad, RHB Capital Berhad, RHB Investment Bank Berhad (formerly known as RHB Sakura Merchant Bankers Berhad) and ASTRO All Asia Networks PLC.



Shenzhen Phnom Penh  
 Ho Chi Minh Clark  
 Makassar Bandar  
 Seri Laganawan Penang  
 Kuantan Terengganu  
 Siem Reap Kruchi Guilin  
 Balikpapan Banda Aceh  
 Bandung Batam Jakarta  
 Kuching Medan  
 Padang  
 Pangkalpinang  
 Pekanbaru  
 Sentosa

AirAsia - Leading Through Innovation



We are the only airline in the world to provide an 'On-Time Guarantee', assuring our guests of punctuality. This reflects our confidence in our ability to fly our guests on time without compromising safety or quality of service.

World's First  
**5 STAR**  
 Low Fare Airline

# Senior Management



## ***Dato' Sri Tony Fernandes***

**Group Chief Executive Officer**

Details of Dato' Sri Tony Fernandes are disclosed in the Directors' Profile on page 13 of this Annual Report.



## ***Dato' Kamarudin Meranun***

**Deputy Group Chief Executive Officer**

Details of Dato' Kamarudin Meranun are disclosed in the Directors' Profile on page 14 of this Annual Report.



## ***Tassapon Bijleveld***

**Chief Executive Officer, Thai AirAsia**

Tassapon joined Thai AirAsia in 2003 as Chief Executive Officer and is entrusted with the responsibility of overseeing all aspects of the airline's operations as well as driving growth in Thailand. Tassapon has more than 12 years experience in the consumer products industry, having worked in various countries in South East Asia and Indo China for two Fortune 500 companies - Adams (Thailand) Co. Ltd (a division of Warner Lambert) and Monsanto (Thailand) Co. Ltd. Prior to joining AirAsia he was Managing Director of Warner Music (Thailand) Co. Ltd for 5 years.



## ***Dharmadi***

**Chief Executive Officer, Indonesia**

Dharmadi joined Indonesia AirAsia December 2007 as Chief Executive Officer. He received Bachelor Degree in Technical Engineering Education in Indonesia and a Master Management in an International Marketing Management from PPM Business School, Indonesia. Dharmadi has more than 32 Years working experience in Garuda Indonesia Airlines with several Managerial position such as Manager Flight Crew Training, Director of Training Center, Senior Vice President Procurement and Executive Vice President Operations. Prior to AirAsia, he was also serving as a Captain Pilot B747-400 Flight Crew in Asiana Airline, Korea from 2005-2007.

***Rozman Omar***  
**Regional Head Finance**



Rozman Omar has been the Regional Head for Finance since August 2006. Rozman was part of the key management team that spearheaded the flotation of AirAsia Berhad on Bursa Malaysia. He was also one of the key personnel involved in the formation of AirAsia's joint ventures in Thailand and Indonesia. Upon completion of the Company's flotation in November 2004, he was made the CFO of PT Indonesia AirAsia responsible for all the financial and corporate legal aspects of the Company.

Rozman has over 22 years of extensive corporate finance experience. Upon completion of his ACCA examinations in 1984, Rozman joined Arab- Malaysian Merchant Bank Berhad for six years and then moved on to join some other financial institutions before rejoining back to Arab-Malaysian Merchant Bank Berhad as General Manager, Corporate Finance from 1994 to 1996. Rozman later joined Innosabah Corporate Services Sdn. Bhd. as the Managing Director until 1999 before venturing out with InCAM Consulting Sdn. Bhd. until 2003.



***Kathleen Tan***  
**Regional Head, Commercial**

Kathleen joined AirAsia Bhd in August 2004 as Senior Vice President for Greater China and assumed the role of Regional Head of Commercial for AirAsia Group in 2005. She is involved in AirAsia's aggressive network and hub planning strategy and helped build a strong route network in Asean, Australia, China and develop strong AirAsia branding over the last 4 years to become a global player and a key commercial driver to accelerate the Group's network growth in new markets. Her current portfolio includes Revenue Management, Marketing, Sales and Distribution, development of AirAsia's product and services. She has also recently assumed new Commercial responsibilities for Ancillary Revenue such as GoHoliday, Airspace, Credit Card products, Insurance and Inflight Products.

Prior to flying high with AirAsia, Kathleen brought with her a wealth of brand and marketing management experience in the music and fashion industry. She worked 3 years in Hong Kong as Regional Marketing Director with Warner Music Asia Pacific office and subsequently relocated to Singapore to head Warner Music Singapore operation as Managing Director for 7 years. She spent a couple of years as Divisional Head of Marketing with FJ Benjamin, a leading high fashion listed company involving designer labels for SE Asian markets such as Gucci, Coach, Fendi, Lanvin, Guess.

# Senior Management



***Captain Chin Nyok San***  
**Head of Business Development**

Captain Chin Nyok San was one of the pioneers of AirAsia, then under the DRB HICOM. Captain Chin has over 30 years of illustrious career in the airline industry encompassing the whole aspect of the industry. He is a licensed pilot for multiple types of aircraft, an authorised examiner, training Captain and served as the flight operations manager.

He obtained his Commercial Pilot's License in 1976 and Airline Transport Pilot's License in 1985 from the Department of Civil Aviation Malaysia. He also obtained an Airline Transport Pilot's License from the Federal Aviation Administration in 1994.

Captain Chin has been the Head of Business Development since January 2005. His team single handedly established Thai-AirAsia aircraft operating certificate and effectively reactivated Indonesia AirAsia's aircraft operating certificate and recommenced the business unit.



***Bo Lingam***  
**Regional Head, Operations**

Bo Lingam has worked extensively in the publication and music industry at various production houses. He joined AirAsia in November 2001 as Ground Operations Manager. Prior to his current appointment as Regional Head of Operations, Bo held several other key roles at AirAsia including as Regional Director - Guest Services, Senior Manager - Purchasing and Supplies before he was seconded to Thai AirAsia to oversee and assist in the initial set-up of Thai AirAsia operations in Bangkok.



***Ashok Kumar***  
**Regional Head, Strategic Planning and Airport Policy**

Ashok Kumar has been Regional Director, Airport and Public Policy of the Company since January 2005. Prior to that, Ashok was Regional Director, Government and Business Relations from October 2004.

He has had 37 years experience in the airline industry, having worked at Malaysia-Singapore Airlines as Management Trainee/Marketing Executive from 1970 to 1972 and Malaysia Airlines from 1972 to 2003, where he held various key positions, including as Assistant General Manager, Operations Planning, before joining the Company in 2003 as Senior Manager, Commercial Planning and Strategy. Ashok received a Bachelor of Applied Economics (Hons) from the University of Malaya in 1970.

### ***Captain Ahmad Ridzwan Mohd Salleh***

**Regional Head, Flight Safety**

Captain Ridzwan, a graduate of the Empire Test Pilot School, UK, joined AirAsia in October 2004 as a Test Pilot. He was appointed to the current position in January 2008. As Regional Head of Flight Safety, he is responsible for the implementation and maintenance of the Safety Management System covering the areas of Flight/Cabin/Ground/Occupational Safety, Hazards and Risk Management and Emergency Response within the AirAsia Group. His past experience involved serving as Director of Airworthiness and Flight Operations at DCA Malaysia and as Director of Air Plans at the RMAF.



He had attended several courses, including Flight Instructor, Test Pilot/Certification Flight Testing, Aircraft Accident Investigation, Flight Simulator Certification, Operational Research, Advanced Management Program, Defence Management and Flight Safety Management. With 40 years flying experience and having flown more than 50 types of aircraft (including B747 and MiG 29), he is currently flying both the A320 and A340 in AirAsia.



### ***Lau Kin Choy***

**Regional Head, Information Technology & E-Commerce**

Lau Kin Choy has been Regional Head, Information Technology & E-Commerce since July 2004 and was previously Chief Information Officer from August 2002. Prior to joining the Company, Lau was the General Manager of WEB Distribution Services Sdn Bhd, a joint venture music distribution and logistic center for Warner Music, EMI Malaysia and BMG Music, from 1998 to 2002. Lau was a finalist for Pikom's 2006 CIO Recognition Award.

### ***Azhari Dahlan***

**Regional Head, Engineering**

Azhari Dahlan has been Regional Director of Engineering since September 2004 overseeing the Group's airline engineering functions in Malaysia, Indonesia and Thailand. Prior to that, Azhari was Manager, Planning and Logistics from 1996 to 2004.

He started his career in the aviation industry with Malaysia Airlines as Licensed Aircraft Engineer from 1981 to 1992, Aircraft Check Foreman from 1992 to 1994 and Production Inspector from 1994 to 1995. From 1995 to 1996, he was with Transmile Air initially as a Licenses Aircraft Engineer and subsequently, as Quality Assurance Engineer. Azhari is a Licensed Aircraft Engineer by profession, and has undergone training at Leonard Isitt Training School, Christchurch, New Zealand and Malaysia Airlines Technical Training School, Subang, Selangor.





# Senior Management



## ***Captain Adrian Jenkins***

**Regional Head, Flight Operations**

Captain Adrian joined AirAsia in 1996 when the airline was then under DRB HICOM. Prior to his appointment as Regional Head for Flight Operations in September 2006, he served AirAsia in various positions including as Instructor and Company Check Airman, Assistant Chief Pilot - Training and Standards and Assistant Chief Pilot - Operations. He also helped in the setting up of Thai AirAsia's flight operations and pilot training.

## ***Dato' Nasser Kassim***

**Regional Head, Cargo**

Dato' Nasser served as Regional Director, In-flight Services, Charter and Cargo for AirAsia before his streamlining his efforts to the cargo business unit. His prior appointments at AirAsia include that of Country Director of Indonesia AirAsia and Executive Director, Business Development managing AirAsia's Haj operations, cargo, charter and in-flight services.

Dato' Nasser had an illustrious 18-year career at Warner Music Malaysia Sdn Bhd where he held various key positions including Artist and Repertoire Director from 1985 to 1988 and Executive Director from 1989 to 2001. As one of the pioneers in the Malaysian music industry, Dato' Nasser had managed some of the biggest selling artists in Malaysia and was responsible for marketing and developing these talents across Asia.



## ***Megat Kamarruddin Megat Shamsuddin***

**Head of Treasury**

Megat Kamarruddin, has over 20 years of experience gained at various financial institutions in major financial centres where he held senior positions. He was principally responsible for amongst others, trading and investing in the foreign exchange, interest rate and fixed income markets.

Prior to joining AirAsia in June 2006, he was Head of Treasury at Bumiputra Commerce Bank and Head of Global Sales and Global Funding at Group Treasury, CIMB. Megat is responsible for group corporate treasury matters, principally market interfacing activities which includes though not restricted to Forex, Interest rates, and Fuel Hedging.





### ***Tan Hock Soon***

**Head of Go-Holiday**

Tan has been Head of Go-Holiday since April 2006. Since then, he has successfully revamped the business model and developed it as the biggest online travel portal in South East Asia. Prior to his appointment, he was Regional Director, Distribution from July 2005 to March 2006 where he was instrumental in establishing AirAsia franchise outlets in the distribution channel.

From 1987 to 1993 he held various positions at Procter & Gamble including Jobber Distribution Supervisor, Key Account Manager and Section Manager. From 1993 to 1994, he was Area Sales Manager at Cusson UK International where he was successful in penetrating key shopping complexes and establishing good customer relationships. From 1994 to 1996, he served as an Assistant Sales Manager and helped increase both product distribution and revenue in the East Malaysia and Southern regions. Prior to joining AirAsia, he served at Warner Music Malaysia from 1996 to 2005 as a Sales Director.

### ***Evelyn Koh***

**Regional Head, Legal**

Evelyn came on board AirAsia as General Counsel at the end of 2006. Her legal career spans over 22 years of legal private practice and as in-house Legal Counsel for Carlsberg, Channel 9 and Uniphone Telecommunications (a subsidiary of Sapura Holdings Sdn Bhd), where she also served all companies within the Sapura Group.

Her experience covers a diversity of businesses and industries which include manufacturing, property investment, telecommunications, IT, education, automotive, broadcast and multimedia. Evelyn holds a Bachelor of Arts (Honours) degree in Law from the University of London, UK and is currently the Regional Head, Legal of AirAsia Berhad.



### ***Shireen Chia Yin Ting***

**Regional Head of Procurement and Efficiency**

Shireen was appointed as Regional Head of Procurement and Efficiency in 2006, heading the In-flight and Purchasing division of the company. She has more than 12 years of working experience and is a Fellow of the Association of Chartered Certified Accountants; and a member of the Malaysian Institute of Accountants.

She was formerly with PricewaterhouseCoopers from 1996 (Coopers & Lybrand) till 2000 and later joined AirAsia in 2001 as the Management Accountant preparing the financial model for AirAsia's turnaround. Shireen is one of the pioneer team members and also involved in the formation of AirAsia's joint ventures in Thailand and Indonesia.





## *Chairman's Statement*



With more than 6,000 talented, hardworking and committed employees and a market capitalization in excess of RM2 billion, we have earned a reputation as a consistent performer no matter what the external environment.



My Fellow Shareholders,

This marks my first address to you as Chairman of AirAsia. My long time friend, Dato' Pahamin Ab. Rajab, stepped down as Chairman of the Board of Directors at the 2008 Annual General Meeting to enjoy the pleasures of retirement. He was one of the pioneers of the AirAsian family, who helped lay the foundation for our growth and expansion. We will miss his wisdom, and we wish him the very best in his retirement.

After much deliberation, the board decided that I should serve as Chairman. I am fully aware of the challenging nature of the position, and that I have big shoes to fill.

We take great pride in our history here at AirAsia and the fact that despite the challenges we have faced, AirAsia continues to defy the odds. Since December 8, 2001, when this company was taken over by our management, AirAsia has grown to become the largest low-cost carrier in Asia. Today we are an airline with operations in Malaysia, Thailand and Indonesia. With more than 6,000 talented, hardworking and committed employees and a market capitalization in excess of RM2 billion, we have earned a reputation as a consistent performer no matter what the external environment. We see a future in which our success is not constrained by resources or opportunity.

Looking back at the past year, we were confronted by events that tested and confirmed the resilience of AirAsia and the highly-motivated people who work here. The global financial meltdown exposed us to stresses and strains that challenged every ounce of our management's ingenuity. I am proud to say that, once again, they rose to the challenge. They demonstrated courage in addressing the problems and made decisions which will serve us well in the long term. The factors that exposed the Company to risk have since been explicitly revisited; we completed a thorough review of controls and risk practices in the business, and management oversight has been strengthened. We made the commitment that our exposure would remain a one-time event, a commitment we intend to keep.

While it is important to be frank about challenges, I believe that we should also take time to celebrate our progress and our remarkable performance. There was

“ Thanks to a number of initiatives, launch of new products and a concerted focus on customer service, our business increased significantly. The Group carried 20% more guests (18.3 million), launched several new routes and increased frequency on many others, expanded the network to India and saw ancillary income grow exponentially. ”

