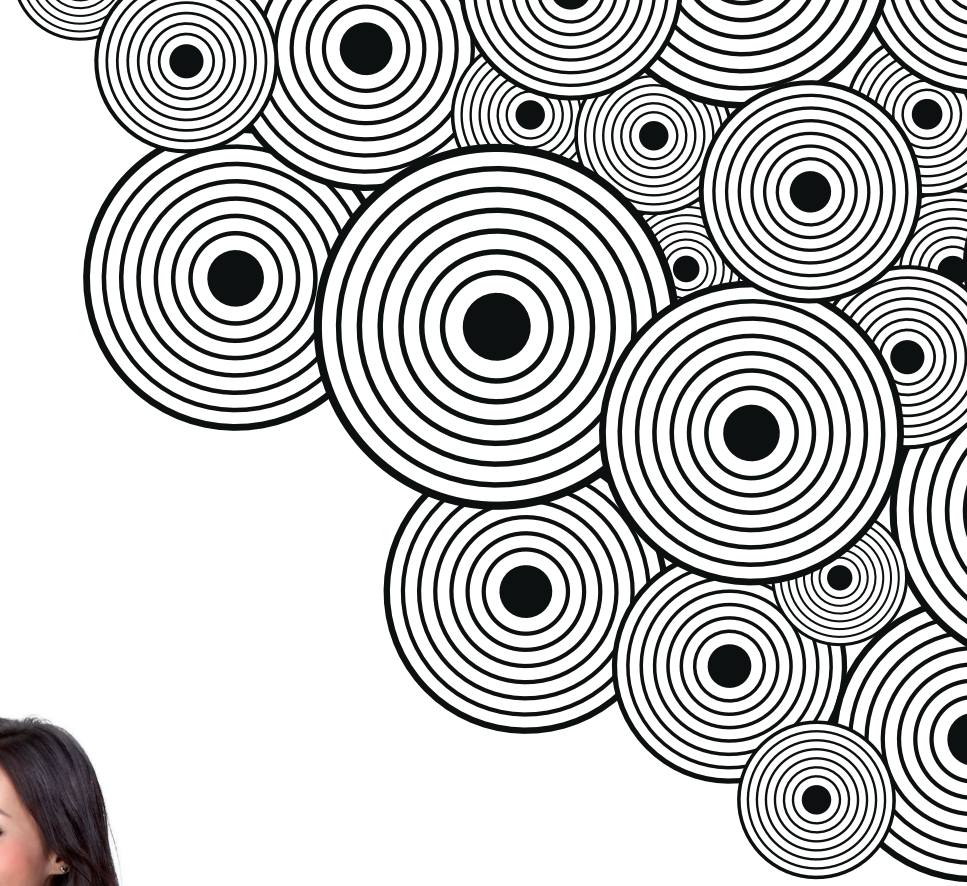


AIRASIA BERHAD ASIA AVIATION PCL

THIRD QUARTER 2013
ANALYSTS PRESENTATION

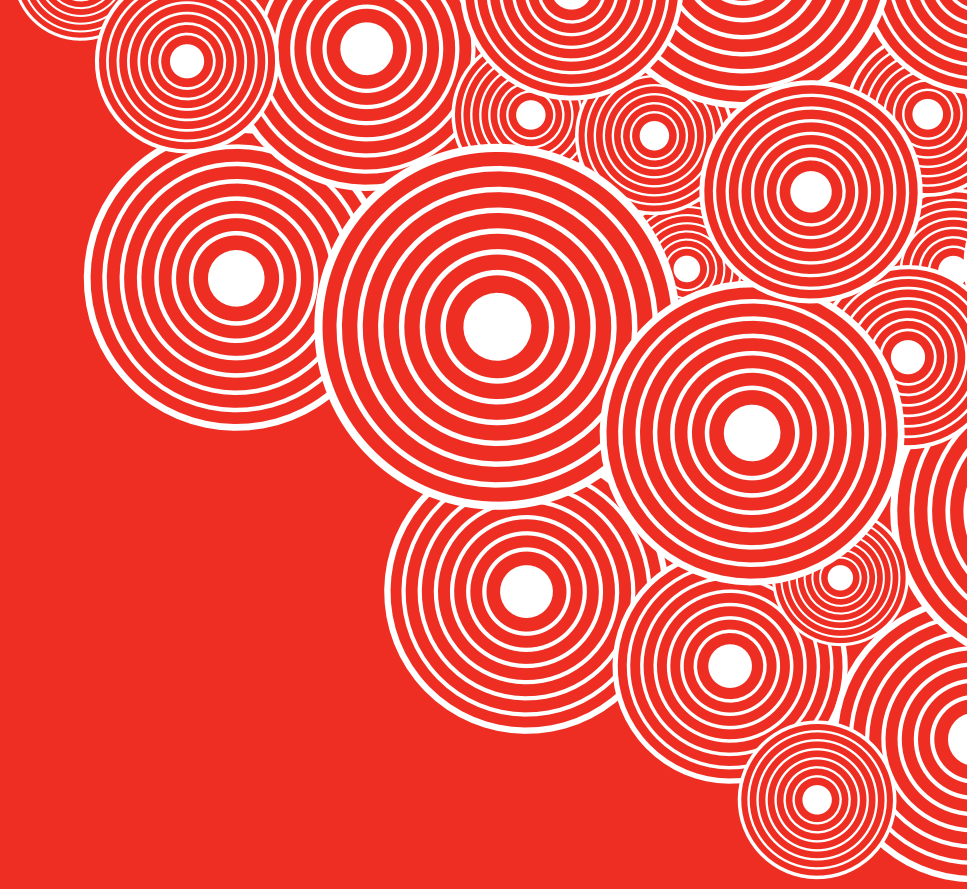


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3Q13

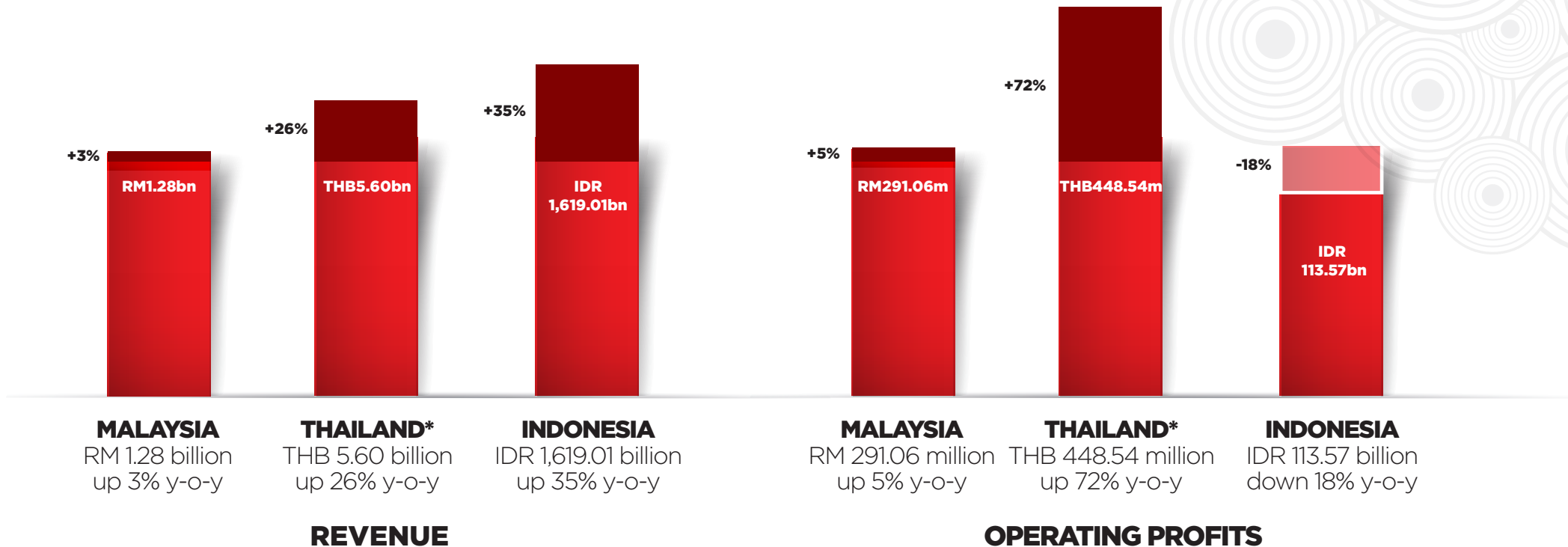
KEY FINANCIAL HIGHLIGHTS



KEY HIGHLIGHTS

① **ALL THREE COUNTRIES CONTINUE TO GENERATE GROWTH IN REVENUES**

DESPITE IRRATIONAL COMPETITION IN MALAYSIA AND THAILAND, OPERATING PROFITS OUTPERFORMED

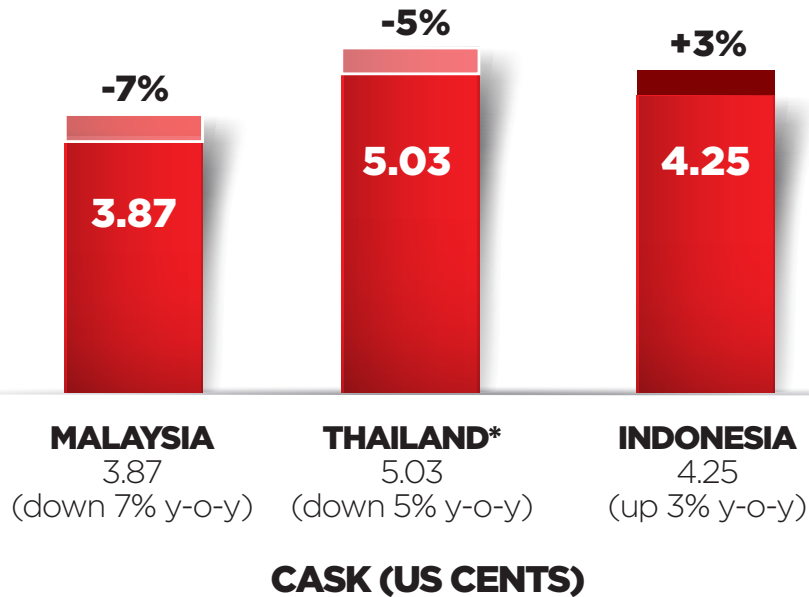


* TAA financial statements disclosed is reported based on Thai statutory format

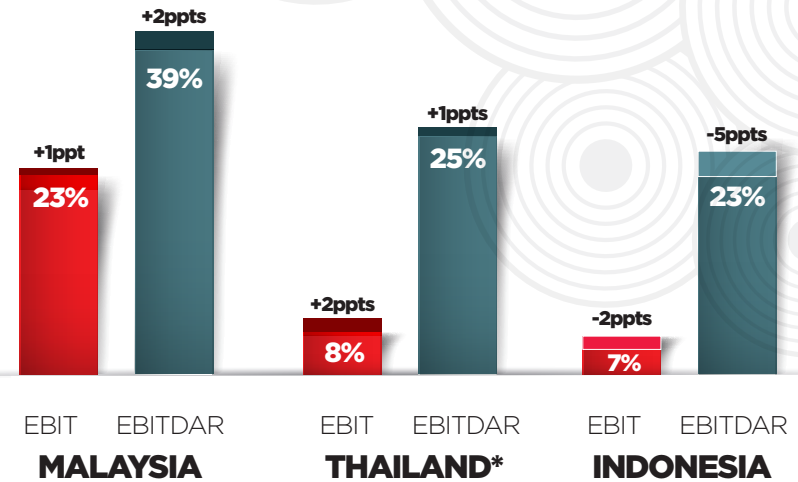


KEY HIGHLIGHTS

2 LOW COST WINS AIRASIA REMAINS A LEADER



3 NO MARGINS EROSION FOR AIRASIA WHILE OTHER AIRLINES SUFFERS



4 OUR INVESTMENT IN JOINT VENTURES & ADJACENCY BUSINESS CRYSTALLISING

- TAA - MAA equity accounts RM14.0 million
- AACOE - MAA equity accounts RM2.8 million
- Expedia - MAA Equity accounts RM7.1 million

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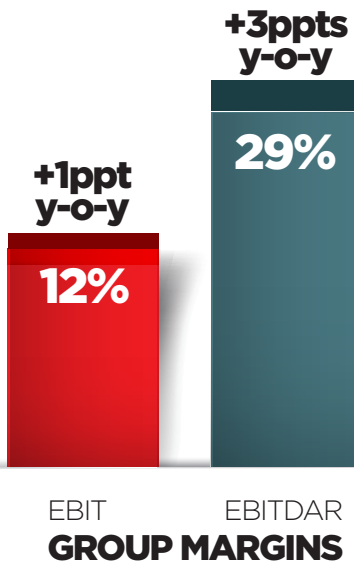
GROUP HIGHLIGHTS

5 CONCERNS OF OVERCAPACITY SQUASHED, PASSENGERS CONTINUE TO FLY

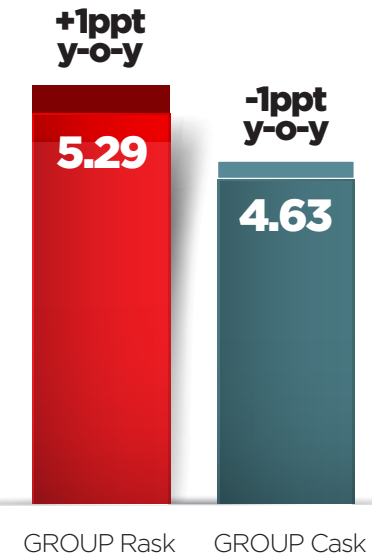
- Passenger Carried - 10.61 million + 27% y-o-y
- Capacity - 13.91 million seats + 29% y-o-y

6 3Q13 GROUP LOAD FACTOR OF 76% - REGIONAL NETWORK A GOLDMINE

7 EBIT & EBITDAR GROUP MARGINS UP PROVING ABILITY TO COMBAT COMPETITIVE PRESSURES ACROSS THE REGION



8 FOCUS IS GROUP YIELD AND CASK



CONCERNS OF COMPETITION

3Q13 STRONG RECOVERY FROM 2Q13

OPERATING PROFIT UP

3Q13 and 9M13 Operating profit up despite competitive pressures

YIELDS UP

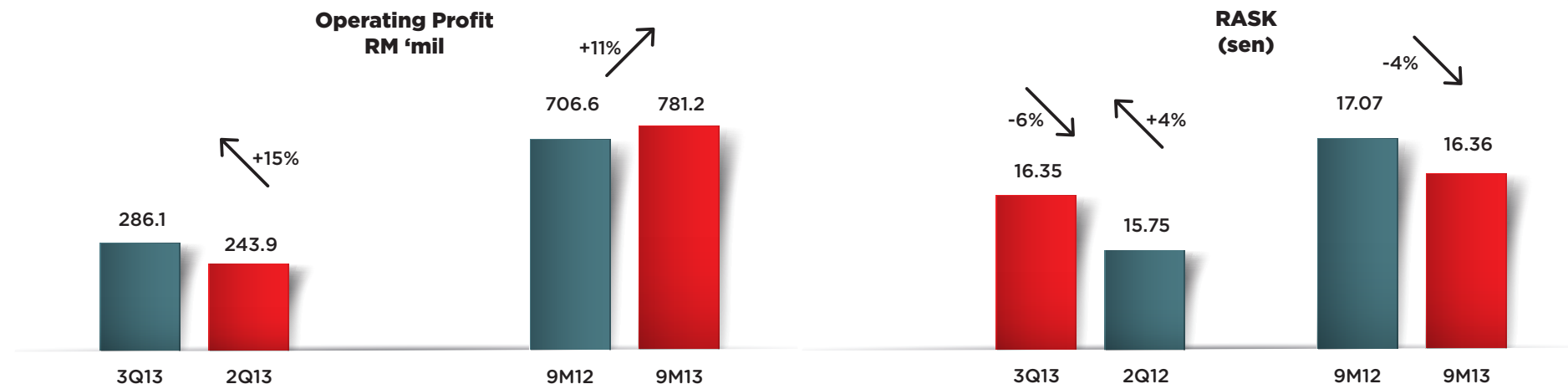
3Q13 RASK improved by 4% from 2Q13 one off weak performance

COST REDUCTION

CASK continue to decline 1% and 6% q-o-q and y-o-y respectively

RASK

CASK spread increasing to 22% in 3Q13



- Dealt with concerns of irrational competition
- Competitors 6-12 months - Yields normalising



MALAYSIA - STRATEGY

ADDRESSING KEY CONCERNS

OVERCAPACITY

- Both AirAsia and MAS is achieving double digit passenger growth
- AirAsia has AirAsia X feeder growth as other airlines do not

COST

- Strategy to continue drive cost down via mechanising operations
- Move to KLIA2 will see more efficient cost reduction initiatives - Check in system, Luggage drop, etc

THAILAND - STRATEGY

ADDRESSING KEY CONCERNS

NEW COMPETITION THAI LION

- Thailand is a natural tourist hub of the world and growth will continue
- Thai Lion business model still mystery
- Strong existing domestic players to compete
- TAA will have TAAX as a feeder traffic



INDONESIA - STRATEGY

ADDRESSING KEY CONCERNS

IRRATIONAL COMPETITION

- Concern that Lionair will gain more market with aggressive pricing
- IAA gaining domestic market share

CAN AIRASIA SUCCEED IN OFFLINE MARKET?

- Secured up to 5000 travel agents in the span of 9 months

INFRASTRUCTURE ISSUE

- Government looking into addressing Jakarta airport constraint
- IAA focus to develop other secondary hubs ex Jakarta
- Bandung and Bali a success

PROFITABILITY OF IAA

- Operating profit could have been larger if not for the currency revaluation vs the USD
- Market is big for further growth and IAA's international sector a success



AirAsia

PHILIPPINES - STRATEGY

ADDRESSING KEY CONCERNS

TYPHOON IMPACT

- Typhoon has brought AirAsia stronger with efforts to assist with the catastrophe
- Highlights the true culture of the AirAsia team

CLARK CLOSURE

- Optimistic in the past about growing Clark but development of infrastructure and connectivity did not happen
- To focus on Manila for the meantime and opening other hubs

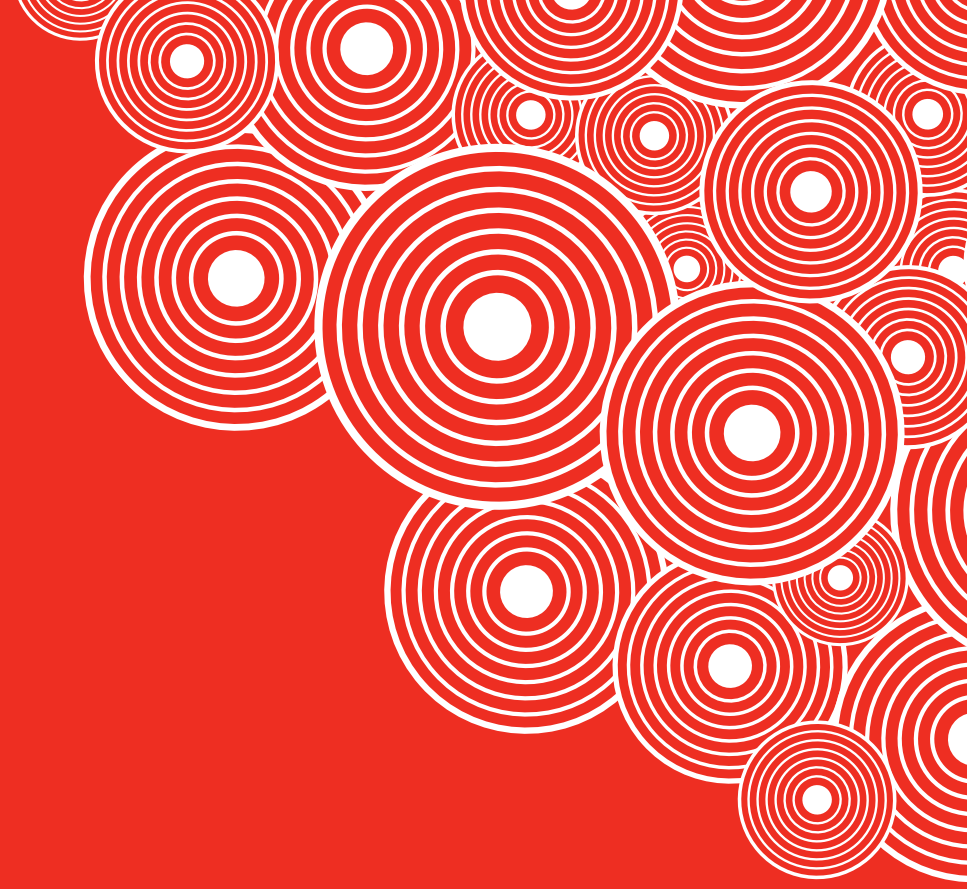
INFRASTRUCTURE ISSUE

- Addressing this by opening other hubs like Cebu

ZEST INTEGRATION AND SAFETY CONCERN

- Zest integration complete
- All AirAsia SOPs, procedures, and Best Practices roll out at AirAsiaZest completed





LOOKING AHEAD

STRATEGY



GROUP OVERALL STRATEGY

DEVELOPING ASSOCIATES

- Support associate growth with 31 aircraft deliveries in 2014

ANCILLARY INCOME

- High Flyer program – over 2000 seats sold in month of October – launched 3rd October
- New fly-thru pairings

ADJACENCY BUSINESS

- Expedia
 - Revenue growth of 40% y-o-y
 - Learn new conversion strategy from Expedia
 - Their technology allowed sale of 100,000 seats via Expedia site
- BIG Loyalty Programme
 - Over 800,000 people signed up
 - New redemption system launched
 - Combining AA members with BIG members. Automatic 10 million members
- AirAsia CAE Academy



GROUP OVERALL STRATEGY

COST REDUCTION

- Recognised Maintenance program - A cyclic fleet leader with highest amount of time and cycle on its engine. 16,604 cycles without removal
- Mobile Application
- New self kiosk check-in & baggage tagging
- Debt Free Asset
- Estimated annual cash savings at 2019 once debt is paid off on aircraft is USD115 million

ICT INITIATIVES

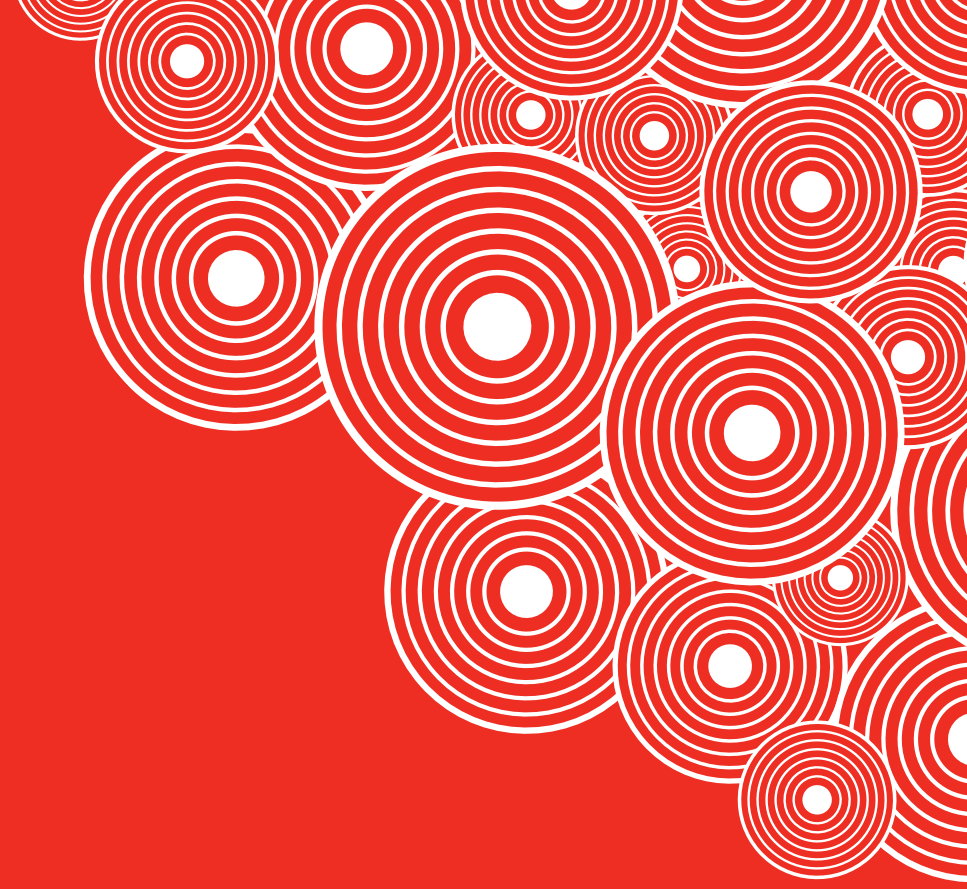
- Drive more conversions via AA.com - Currently 5.2%
- CRM - SMS, email
- KLIA 2 improvements

CREATING VALUE FROM BALANCE SHEET

CONSOLIDATION



AirAsia



LOOKING AHEAD

APPENDIX



3Q13 FINANCIAL RESULTS

3Q13 – SUMMARY ON MALAYSIA OPERATING STATISTICS

- Load Factor of 77%
- Capacity up 11% matching passenger growth of 11% y-o-y

FINANCIALS – STRONG RECOVERY WITH BETTER Q-O-Q PERFORMANCE

- Revenue up 3% y-o-y due to:-
 - Passengers growth of 11%
 - Ancillary income per pax up RM1 to RM41 from RM40 y-o-y; up RM2 q-o-q
 - Driven by new baggage pricing and improved pre-booking on meals
- Operating profit up 5% y-o-y; up 15% q-o-q
 - Cost management achieves 2% EBITDAR margins improvement to 39% y-o-y
- RASK down 6% y-o-y due to slowdown in fasting month period;
- CASK reduced by 7% whilst CASK ex-fuel down 16% y-o-y
 - Other income up 699% - recognition of brand license fee from associates
 - High staff productivity led to reduction of staff cost by 1% y-o-y

The AirAsia logo is a red circle containing the text "AirAsia" in a white, cursive script font.

3Q13 FINANCIAL RESULTS

MAINTAINING MARKET LEADERSHIP

3Q13 – SUMMARY FOR THAILAND

OPERATING STATISTICS

- High load factor of 83%
- Passenger growth up 30% y-o-y exceeding capacity growth of 27% y-o-y
- Don Mueang – Main Catalyst for growth
- On time performance of 94%

FINANCIALS

- **Revenue up 26%** y-o-y due to increase in the number of passengers carried, and ancillary income
 - Ancillary income per pax up 11% to THB354 from THB320 y-o-y, up by THB19 q-o-q
- **Operating profit up 72%** y-o-y;
- **CASK** reduced by 3% whilst CASK ex-fuel reduced by 5% y-o-y
 - Lower ramp and airport operations and lease expenses on per ASK basis y-o-y despite depreciation up 281% per ASK basis due to 5 new aircraft on balance sheet y-o-y

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3Q13 FINANCIAL RESULTS

DISTRIBUTION CHANNEL BEARING FRUITFUL

3Q13 – SUMMARY ON INDONESIA OPERATING STATISTICS

- Load factor of 75%
- Passenger growth up 36% y-o-y
 - Remain a leader in strong international sector
 - Greater access to better distribution channels
- Gaining in-roads domestically - Market share up to 6% from 2%

FINANCIALS

- **Revenue up 35%** y-o-y due to increase in passenger growth and ancillary income
 - Ancillary income per pax up 8% to IDR139,203 from IDR129,196 y-o-y
- **Operating profit down 18%**
- **CASK up 3%**
 - Staff expense up 27% y-o-y due to higher headcount in flight operations in expectation of more aircraft deliveries. 7 aircraft increase y-o-y
 - Lease expense up 59% due to 7 aircraft being leased from MAA
 - Maintenance and overhaul up 139% y-o-y due to appreciation of Rupiah vs USD



