AirAsia.com

October-December Quarter 2008 Results
27 February 2008

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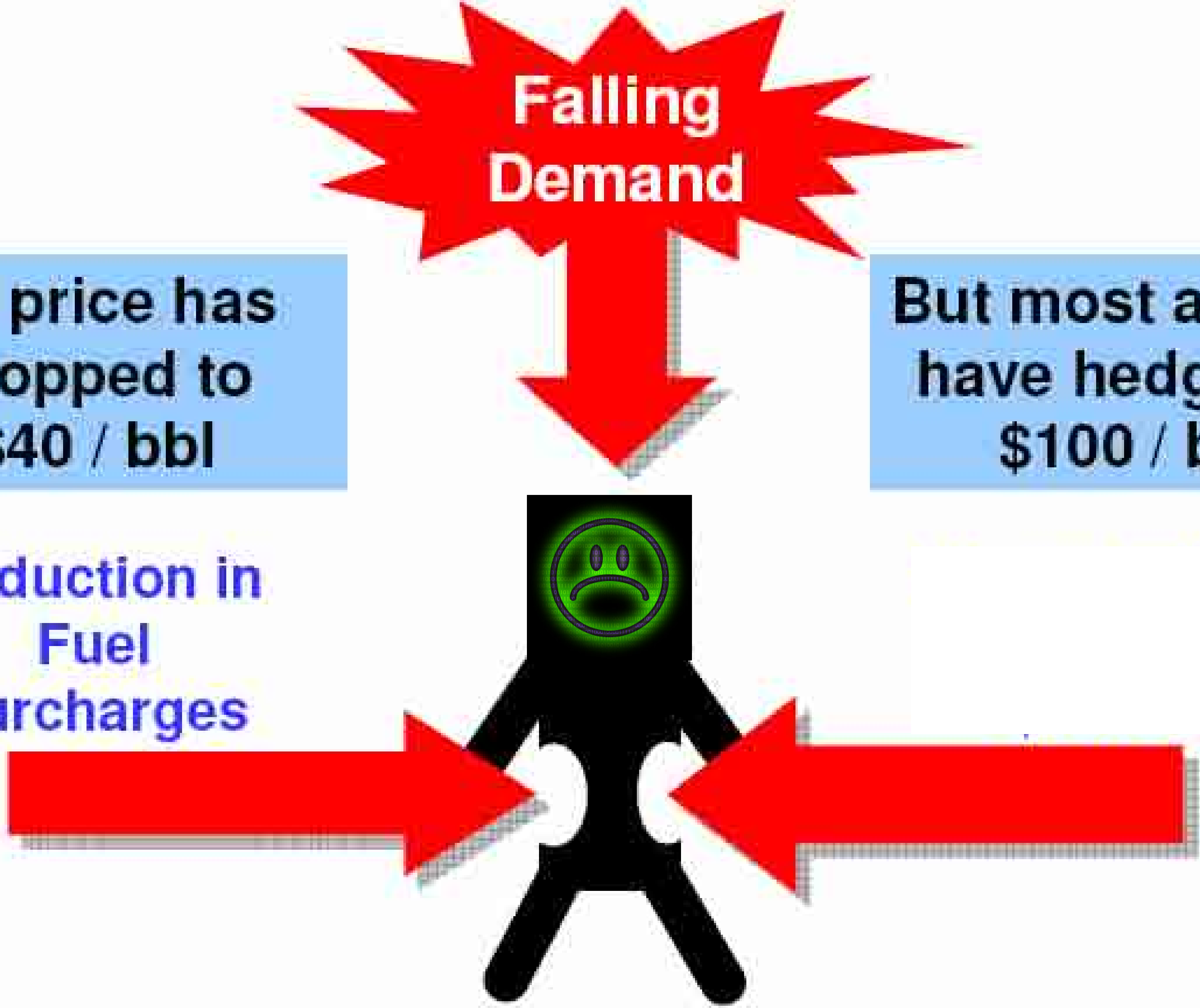
Most airlines experienced the "Triple Squeeze"

Oil price has dropped to $40 / bbl

But most airlines have hedged at $100 / bbl



Reduction in Fuel Surcharges

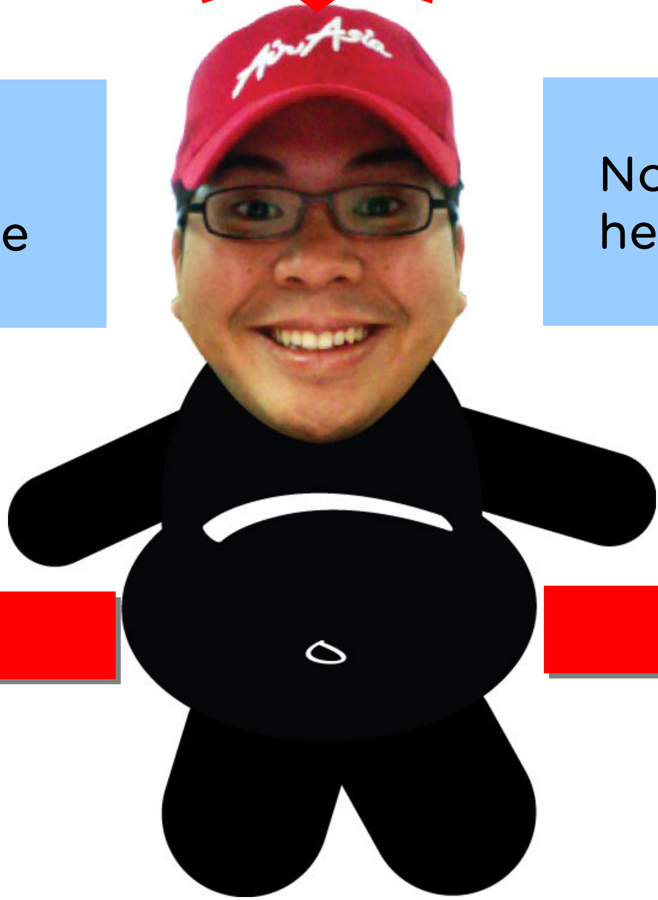
"A Tale of Two Cities"

AirAsia Expanding from all sides

Sustained Strong Demand

No Fuel Surcharge

No more hedges



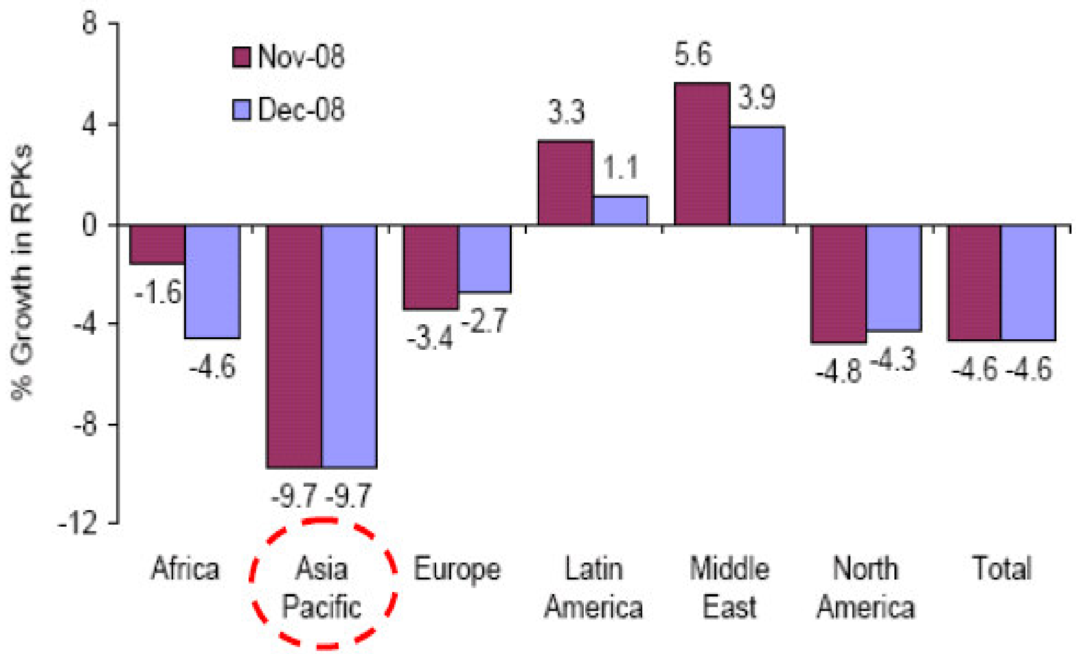
Equals increase in demand and load factor

We pay spot fuel price

Source: Happy AirAsia Customer

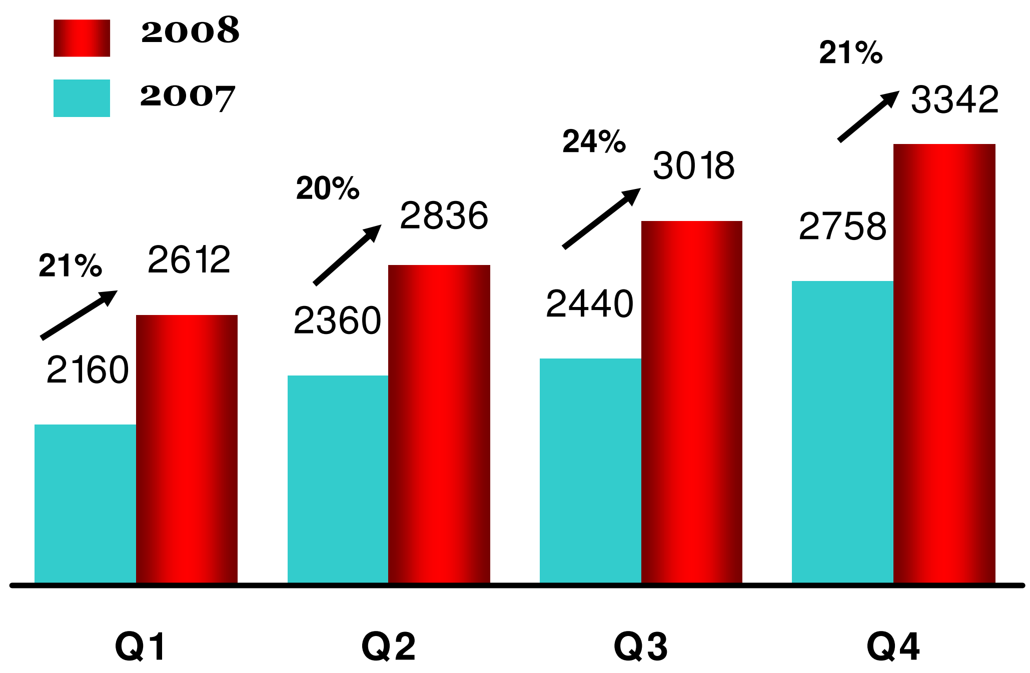
"A Tale of Two Cities"

Passenger Growth by Region



Source: IATA

AirAsia Passenger Carried '000



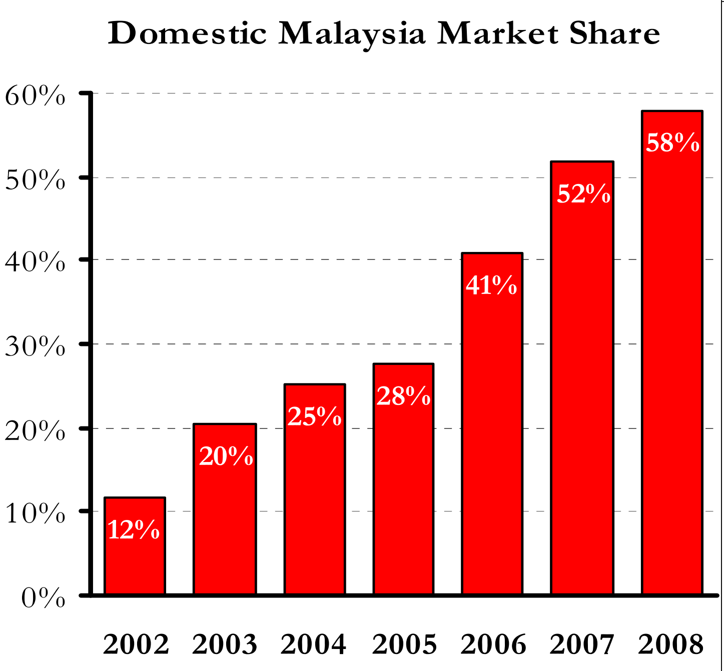
- Other airlines are experiencing sharp fall in demand
  - Asia Pacific passenger numbers have shrunk significantly
  - Premium services are most affected

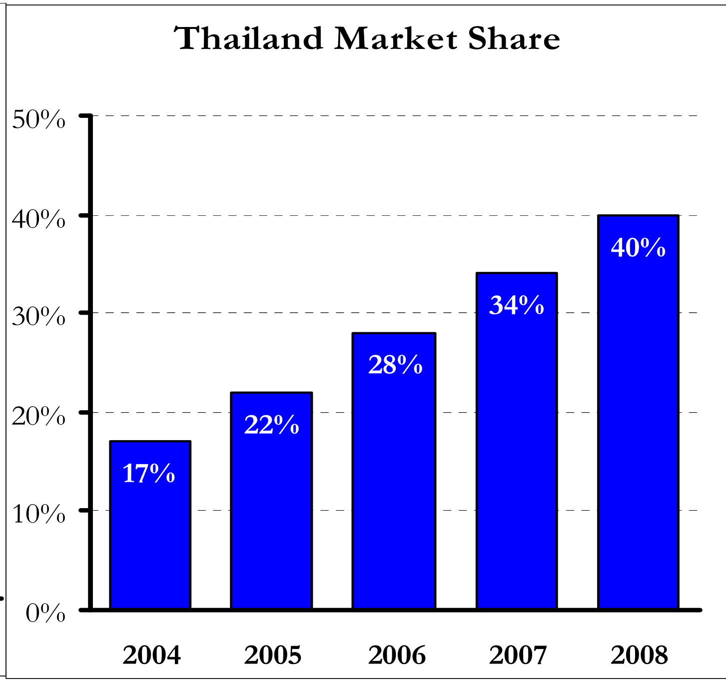
- AirAsia continues to enjoy strong passenger growth
  - 22% passenger growth in 2008 to 11.8 million passengers
  - more people switching from full service carriers to AirAsia (others are shrinking while we grow)

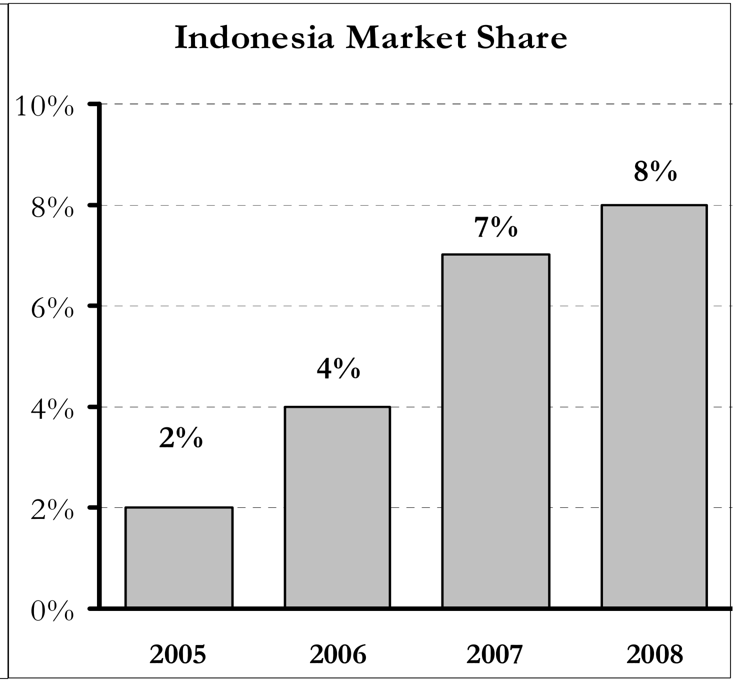
Key Highlights for Oct-Dec Quarter

- Delivered operating profit in a very tough environment
  - EBITDAR growth of 39% over the same period last year
  - operating profit growth of 106% over the same period last year
- Contrarian approach, keeping the growth intact
  - introduced 32 routes in 2008
  - Group fleet size of 75 (end of December 2008)
- Thailand and Indonesia delivered profit (excluding exceptional items) with Airbus A320 aircraft
  - effective yield management with contained cost
  - Thai AirAsia delivered net income of THB83 million (RM8.8 million)
  - Indonesia AirAsia delivered net income of IDR7.5 billion (RM2.4 million)
- Management took a brave stance to unwind hedges
  - set a clean balance sheet for 2009
- The premium quality, low fare airline

Consistently Gaining Market Share



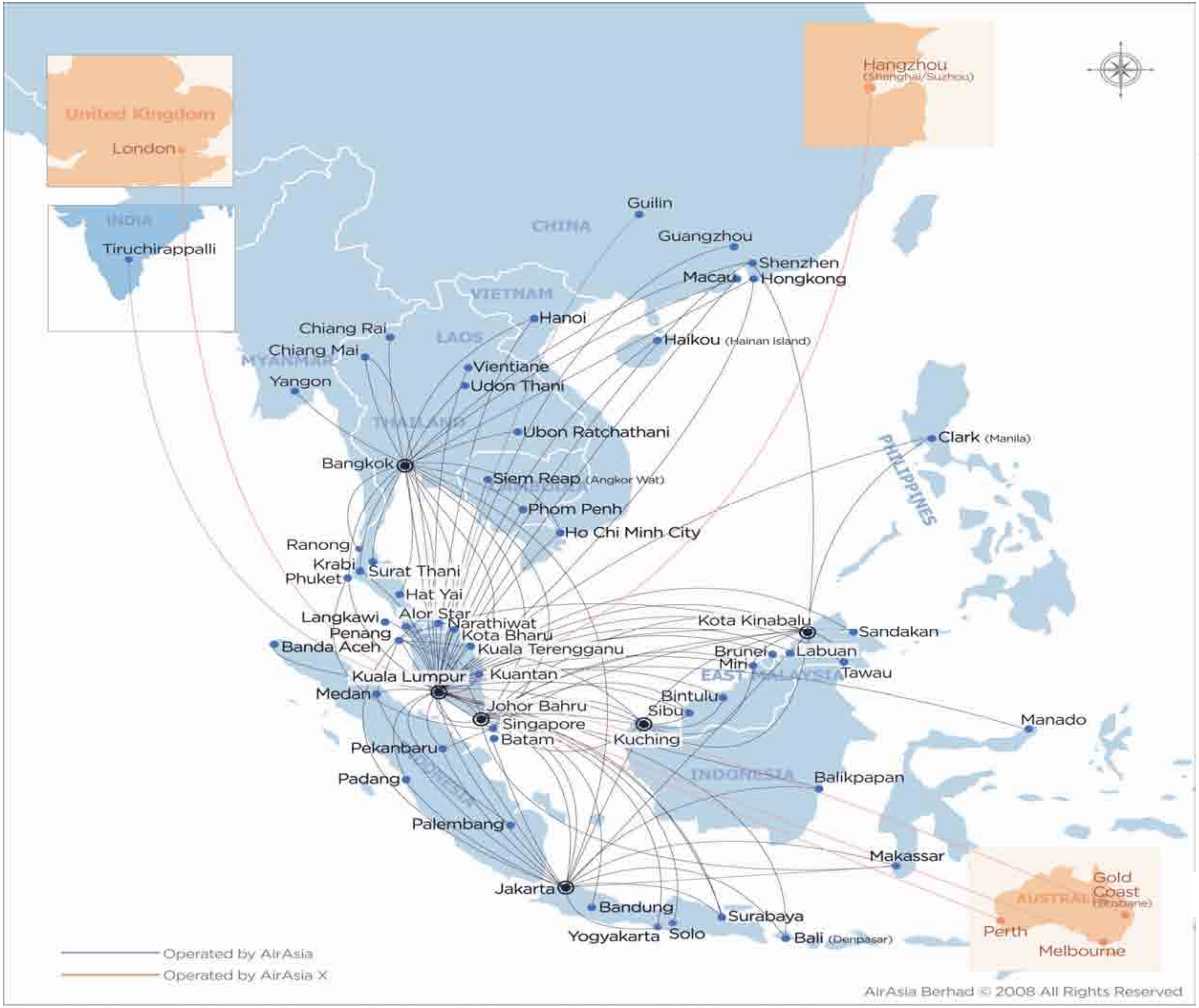




- AirAsia gaining market share due to the following attributes

LOW FARES – always offer the most competitive fares
RELIABLE – one of the best on time performance in the industry
GREAT AIRCRAFT – superior comfort in leather seats on new aircraft
ROUTES & TIMINGS – most comprehensive route network
FRILLS (at a price) – good selection of food and beverages on board
BRAND – friendly cabin crew and a desired name to fly with

The Unsung Hero – Our Network



AirAsia

Period	# Routes Served
Jan 2002	6
Jun 2003	11
Jun 2004	26
Jun 2005	52
Jun 2006	65
Jun 2007	75
NOW	110

Latest Route

KL – Tiruchirappalli

Upcoming Routes

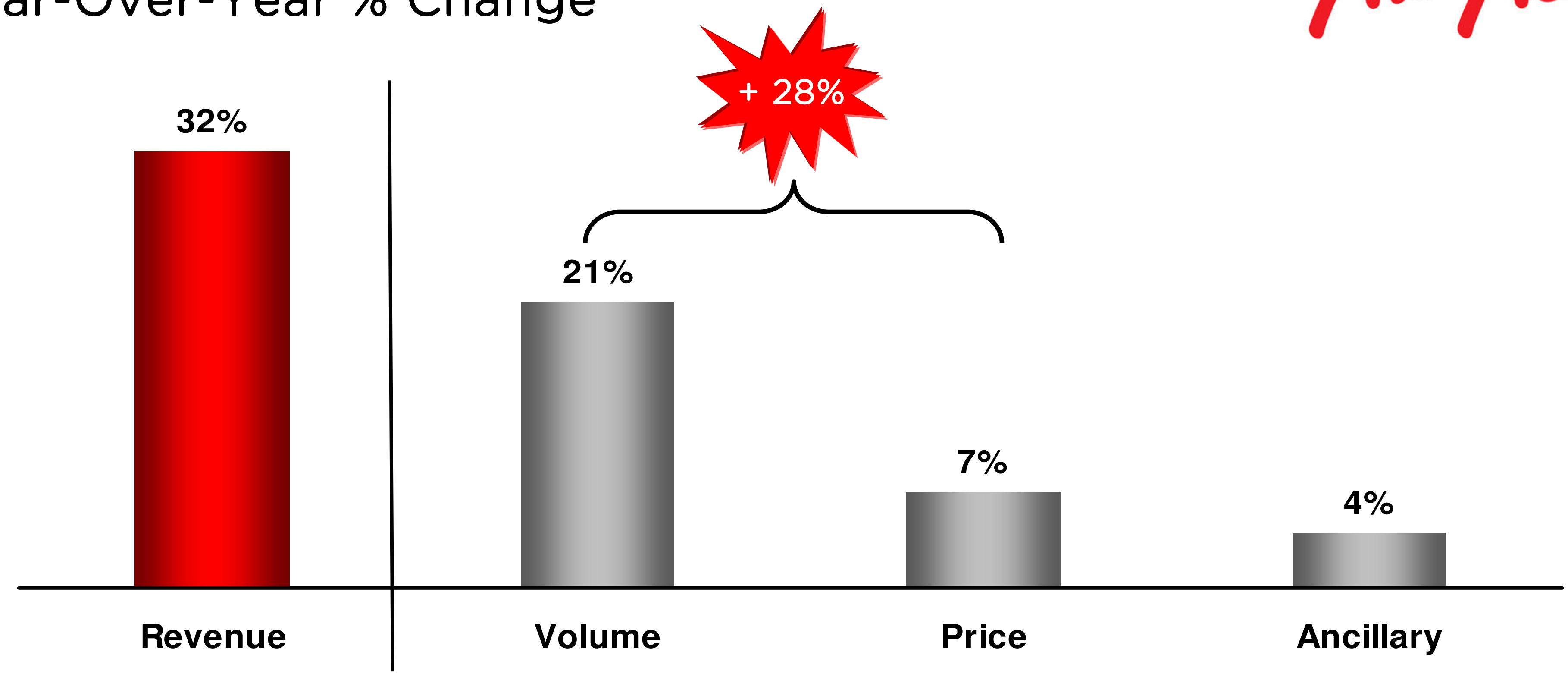
KL – Dhaka
KL – Yangon
Jakarta – Singapore
Bali – Singapore

➔ 37 unique routes

Results Commentary

Q4 2008: Revenue Growth Components

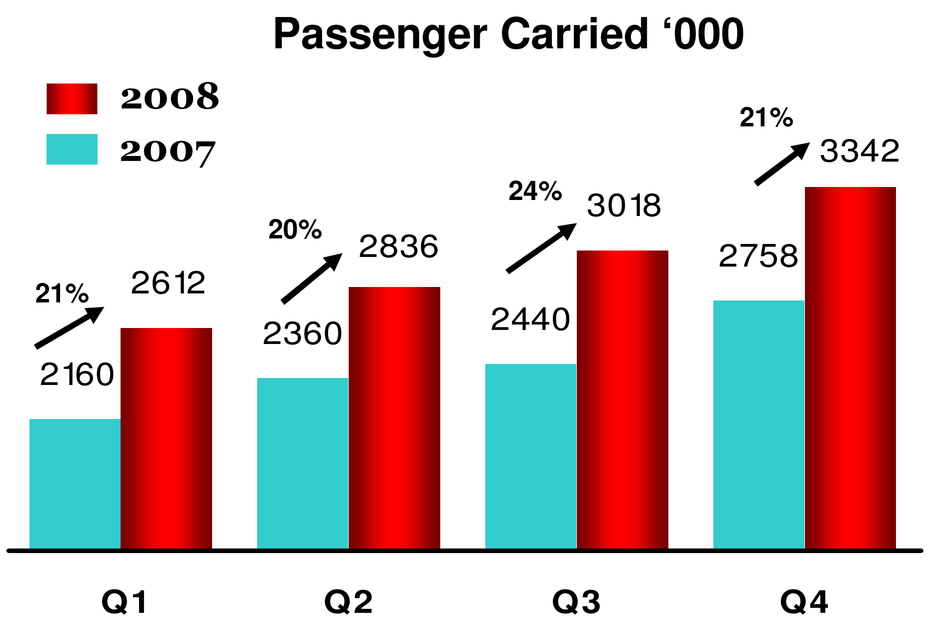
Year-Over-Year % Change



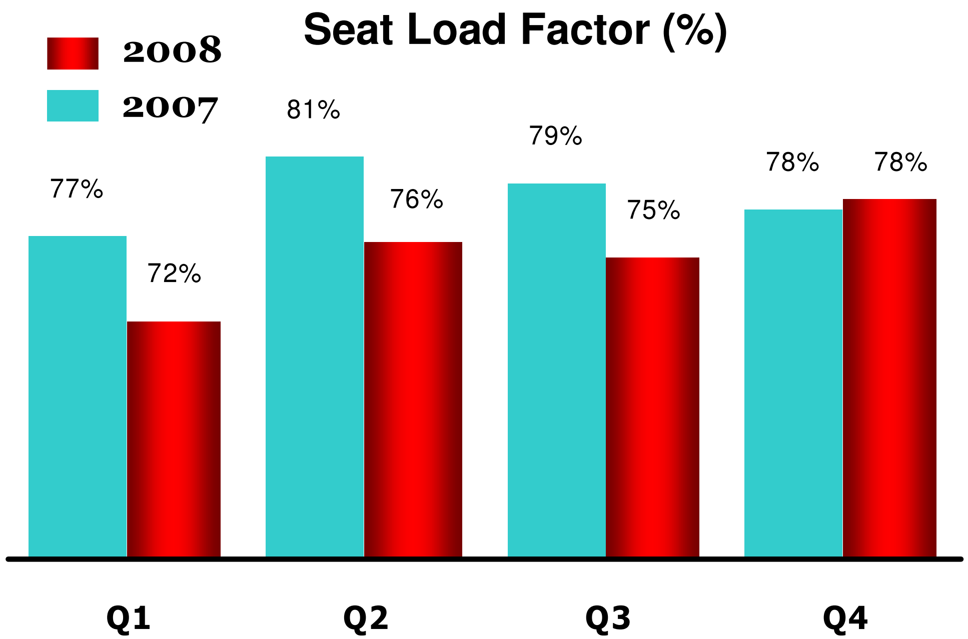
FY 2008	37%	22%	11%	4%

- Strong passenger growth demand
- Price increase from effective yield management
- Consistent ancillary income growth

Strong Passenger Growth

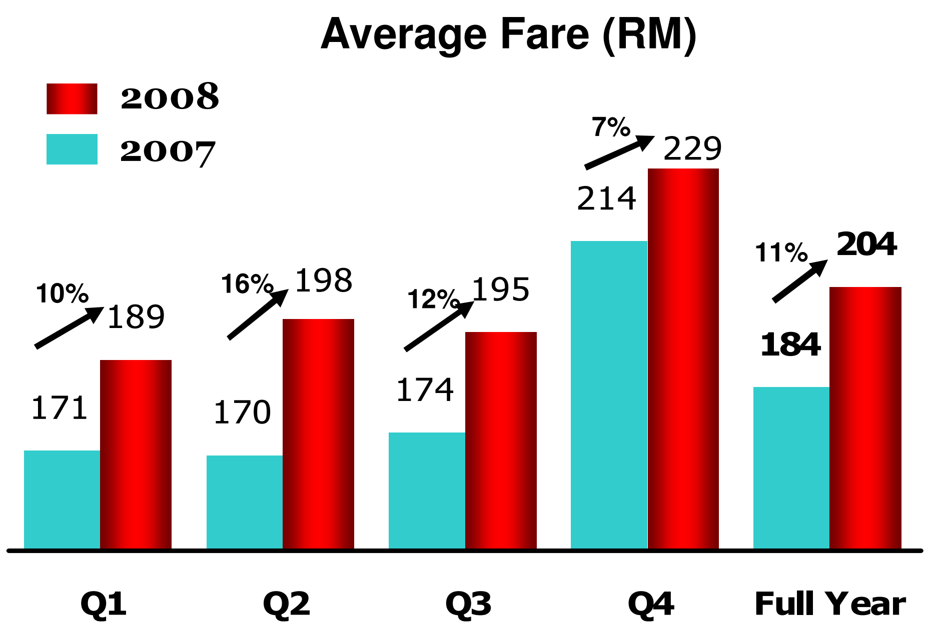


- Continued strong passenger growth momentum
  - 22% passenger growth in 2008 to 11.8 million passengers
  - more people switching from full service carriers to AirAsia (others are shrinking while we continue to grow)

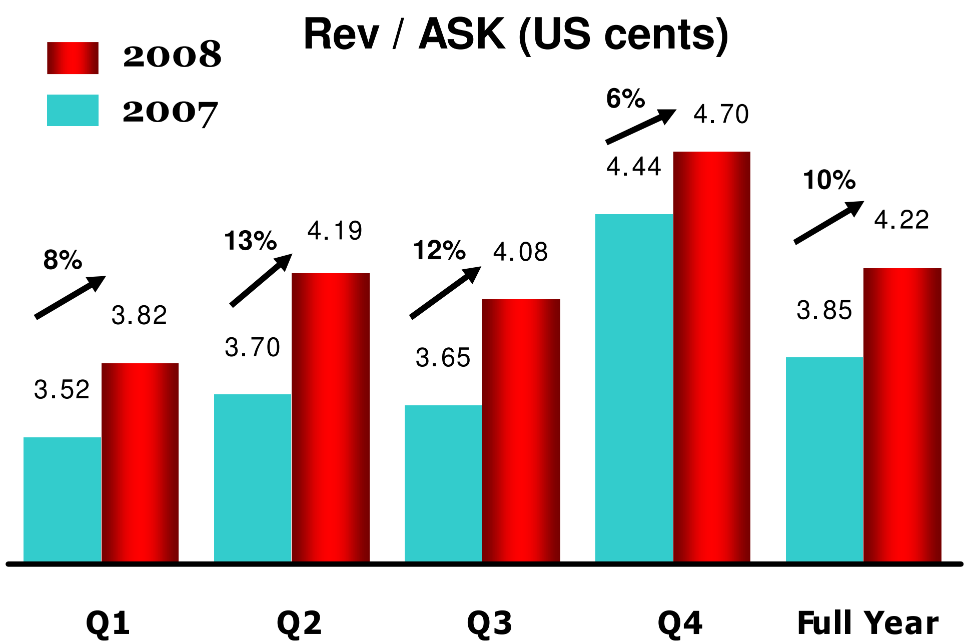


- Maintaining high load factor
  - despite capacity growth of 29% in 2008
  - prudent capacity management (deploying sufficient capacity to match with passenger demands)

Higher Average Fare & Yields



- Consistent average fare increase
  - competitors have increased fares substantially
  - introduction of more international flights which commands higher fares
  - strong passenger demand for our services



- Consistent yield increase
  - supported by higher fares and high load factors
  - maturity of some routes
  - strong contribution from ancillary income
  - better yield management techniques

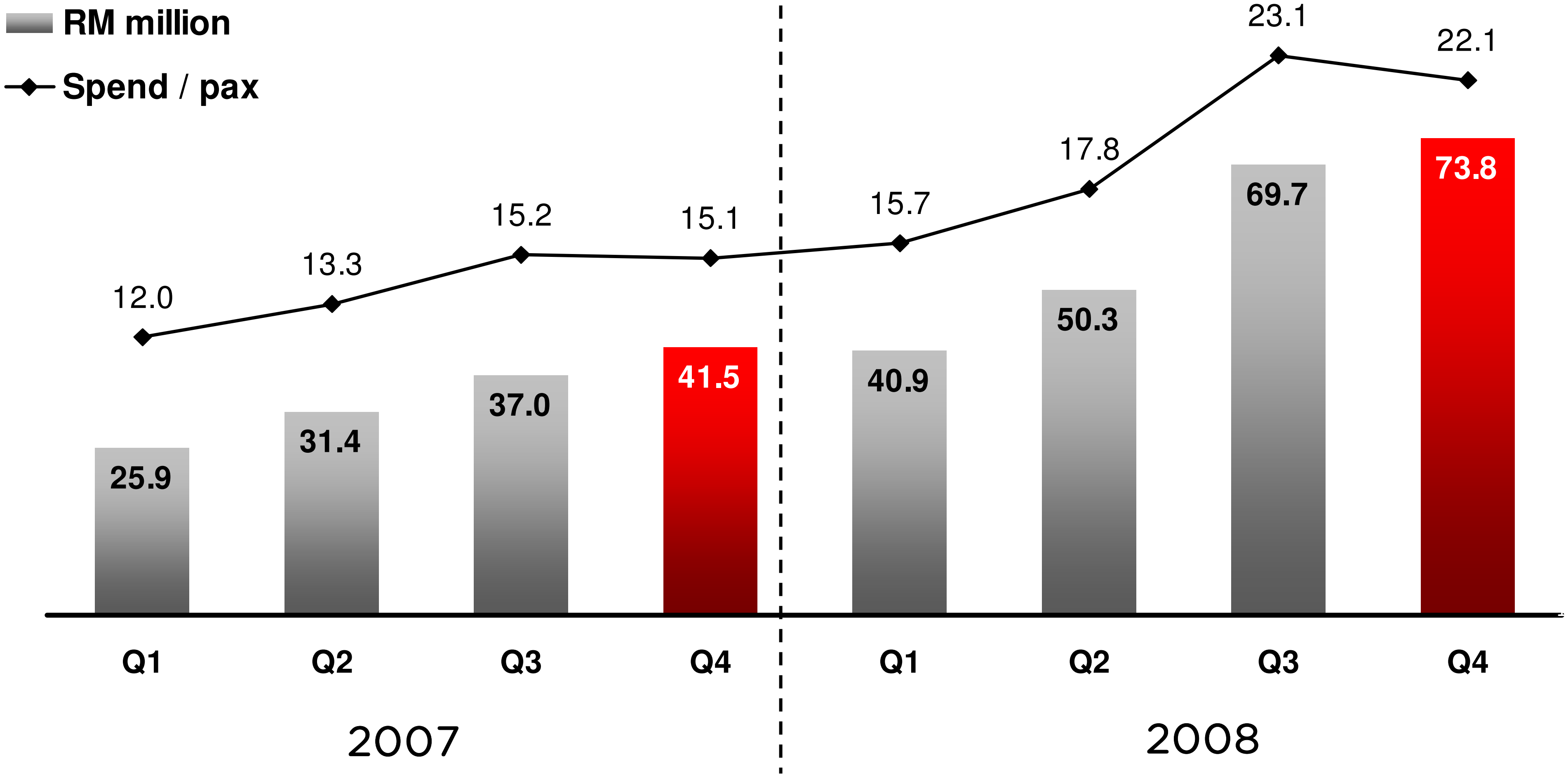
Driving Growth from Ancillary Income

AirAsia

- Strong growth from ancillary income
  - fantastic support to our new products and initiatives (checked baggage, food, etc)
- Re-branding Go-Holiday to Red2go
- Travel 3Sixty @ in-flight magazine
- New products stream, monetizing existing assets
  - assigned seating (added convenience of seating where you want)
  - supersize baggage (increase baggage allowance for a small fee)

➔ Fantastic support since launch

Driving High Profit Margins via Ancillary Income



➔Strong upside growth trend for ancillary income for every quarter

➔ Medium term target of 15% of revenues

Capturing New Markets

- AirAsia Corporate (launched early 2008)
  - many corporations signing up with AirAsia corporate travel
  - down trading is prevalent (blue chip companies crossing over to AirAsia)
  - we have set up a team to attract and manage more corporate clients

- Government warrants (launched early 2008)
  - more civil servants utilizing their warrants to fly with AirAsia
  - to promote this service to all the Government agencies
  - will make a roadshow to promote more awareness

Cost / ASK – year on year Comparison

Cost Breakdown (US cents / ASK)	Oct-Dec 2008	Oct-Dec 2007	Δ (%)	Reason
Staff Costs	0.27	0.35	(22%)	Productivity gains
Fuel and Oil	1.84	1.77	4%	Higher jet fuel price
User & Station Charges	0.35	0.21	67%	More international routes bias
Maintenance and Overhaul	0.23	0.06	310%	Redelivery of Boeing 737-300 cost
Cost of Aircraft	(0.18)	(0.03)	449%	Sub-lease income from Associates
Depreciation & Amortisation	0.55	0.74	(26%)	Better aircraft utilisation
Sales, Marketing & Others	0.03	0.34	(91%)	Economies of scale
Total Cost / ASK	3.08	3.43	(10%)	
Cost / ASK (ex fuel)	1.25	1.66	(25%)	

Exceptional Losses

- Short term pain for long-term gains
  - total unwinding cost of RM426 million
  - this restructuring will save the Group a substantial amount of money over the entire period of the contract

- Unwind fuel hedging contracts
  - we have no more fuel hedges, purchasing fuel at spot

- Unwind Interest Rate Swaps (IRS)
  - take advantage of current low interest rate and restructure with more attractive and flexible alternatives
  - frees up equity, enhances liquidity and protects the Group from mark to market requirements

- Currency hedge in favour of the Company
  - comfortable with current exposure (65% cover at attractive levels)

Summary of 2008 Financials

Figures in RM'000	Q1-2008	Q2-2008	Q3-2008	Q4-2008	2008
Revenue	535,321	608,352	658,475	838,324	2,640,472
EBITDAR	130,745	151,442	69,248	356,798	708,233
Profit before taxation	110,174	(46,901)	(504,327)	(221,301)	(662,355)
add back					
Forex (gain) / loss	(86,166)	76,885	212,510	(10,757)	192,472
Once-off (gain) / loss	-	-	215,280	425,668	640,948
Operating Profit/Loss	24,008	29,984	(76,536)	193,610	171,066
EBITDAR Margins	24.4%	24.9%	10.5%	42.6%	26.8%
Operating Margins	4.5%	4.9%	-11.6%	23.1%	6.5%

Updates on Associates

Updates on Associates

- Thai updates
  - operating profit THB84 million (RM8.8 million)
  - 15% lower passenger YoY (lowered capacity deployment to manage the challenging operating environment in Thailand)
  - yields are 23% higher YoY with 75% load factor
  - Thailand now has eight new Airbus A320 aircraft
  - competitors are scaling back capacity and cancelling flights

- Indonesia updates
  - operating profit IDR7.5 billion (RM2.4 million)
  - 8% passenger growth with 61% average fare growth YoY
  - yields are 12% higher YoY with 69% load factor
  - Indonesia now has four new Airbus A320 aircraft
  - competitors are scaling back capacity and cancelling flights

Managing the Crisis

AirAsia's Method to Manage this Crisis

- Unprecedented levels of volatility make planning extremely difficult (Fuel, Interest Rates, Liquidity Levels, Forex)

- Positioning for very competitive landscape
  - Costs and efficiencies will be paramount
  - Brand must be positive in consumer minds
  - Product must be fit for purpose (routes, frequencies, fares, reliability)

- Ability to adjust quickly becomes all the more important
  - Fast revenue management and scheduling decisions
  - Fuel surcharges have worked in getting step changes in revenue per pax
  - Ability to reduce operating fleet without major penalty
  - Ability to fill competitive gaps/opportunities as they arise
  - Rollover/Renegotiation of key cost contracts – MRO, Airport, Fleet, Financing

➔ In the long run it is not the Strongest nor the Largest Species which Survives but those that can adapt most quickly

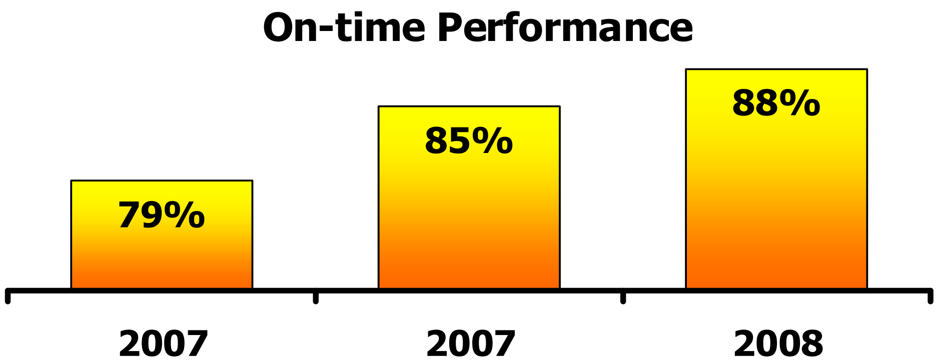
Quality Against Economic Recession

Assigned Seating
- ability to choose any seat of your preference
- Charge a nominal fee

➔ The only airline in the world to offer such guarantee

Brand new fleet
- Malaysia is 100% equipped with brand new Airbus A320
- One of the youngest fleet airline in the world

As Good as Full Service Airline

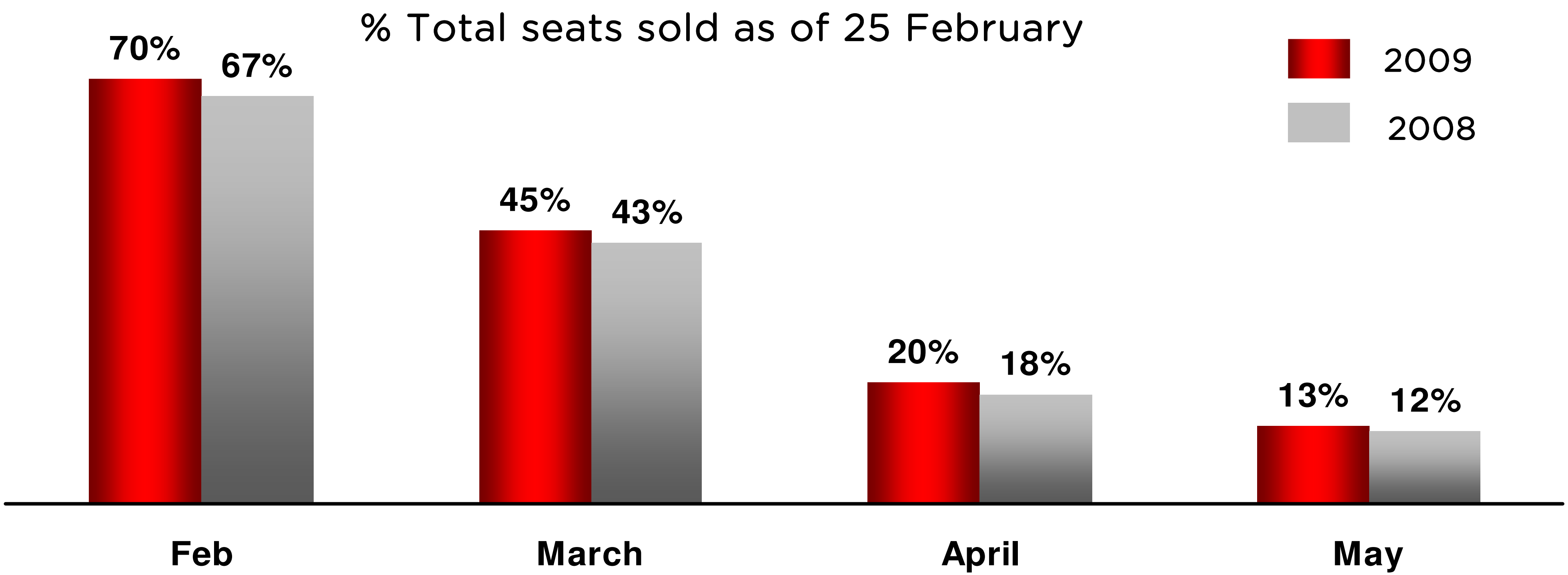


➔ Thanks to new Airbus A320 aircraft

➔ Vast selection of food available on board

2009 Outlook

No Slow Down in Demand



Cut off date 25 February	2009	2008	(%)
Seats sold	1,841,684	1,536,459	20%

- Forward booking trend is consistent to last year
- Continuing with our promotional campaigns to maintain high load factors

2009 Aircraft Deliveries

Airbus A320 Delivery Schedule	# Aircraft
Quarter 1 (Jan – Mar)	3
Quarter 2 (Apr – Jun)	1
Quarter 3 (Jun – Sep)	4
Quarter 4 (Oct – Dec)	6
Total Airbus A320 Delivery	14

- Taking delivery of 14 Airbus A320 aircraft
- Returning/Selling 9 Boeing 737-300 aircraft
- Net addition of 5 aircraft

Profitable Route Expansion Plan

- Will launch at least 15 new routes in 2009
  - combination of new routes and cross linking existing bases
- Emphasis on Singapore
  - increasing frequency for Kuala-Lumpur to Singapore (currently 7x daily)
  - increasing flights to Kota Kinabalu, Kuching
  - new flights to Penang, Langkawi, Jakarta, Bandung, Bali, Yogyakarta
- Emphasis on India
  - to link more eastern coast cities of India (Bangalore, Hyderabad, Kolkata, Kochi, Madras, Delhi, Mumbai) within our 4 hour range target
- Emphasis on China
  - to link more southern Chinese cities
  - Taiwan services in 2009

Performance of Recently Launched Routes

Kuala Lumpur to Tiruchirappalli (% tickets sold as of 25 Feb '09)

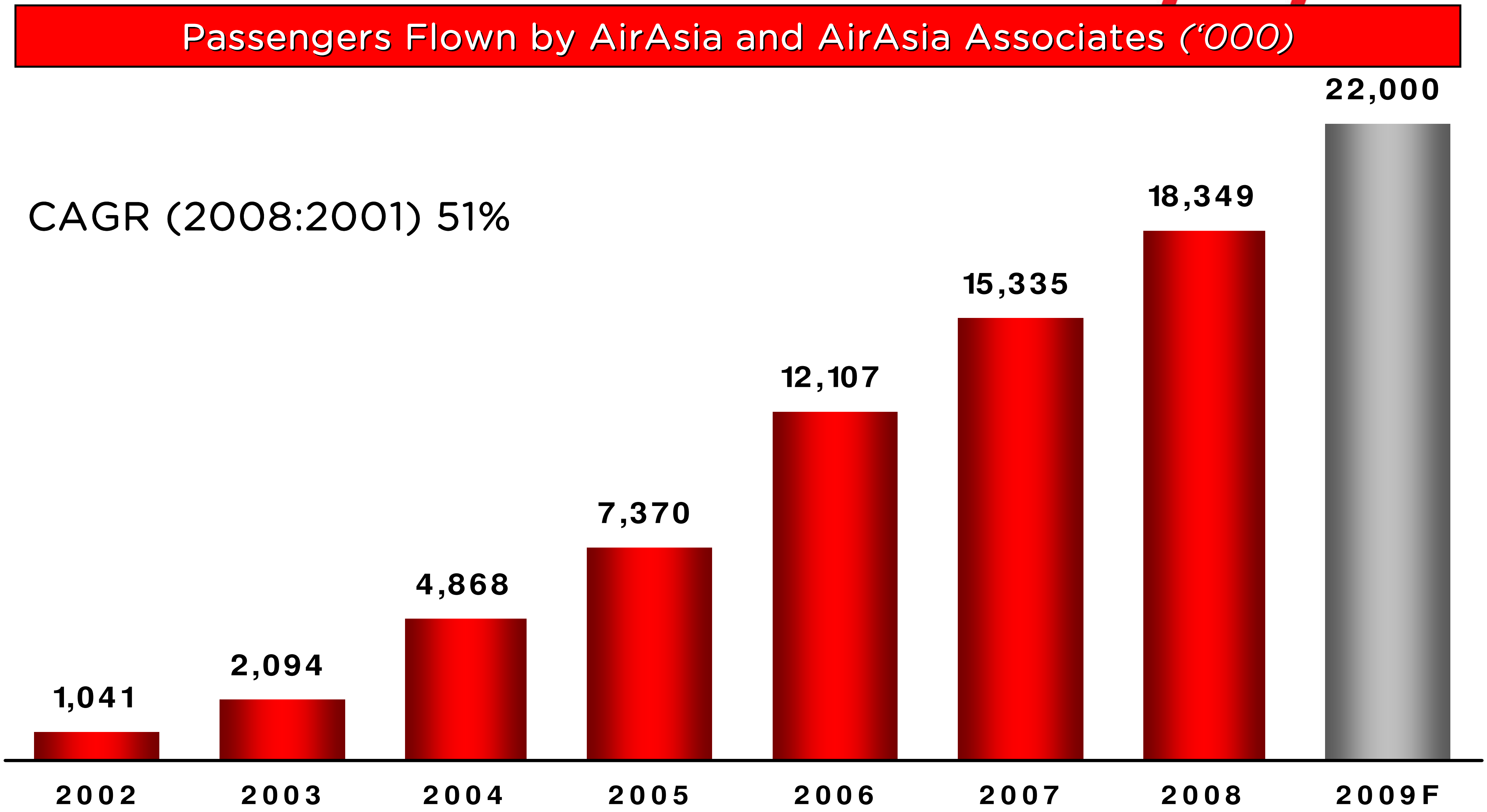
Dec'08	Jan'09	Feb'09	Mar'09	Apr'09	May'09
90%	92%	90%	79%	56%	49%

Final Load Factor

Strong Demand for new Routes

Route	Launch Date	% tickets sold as of 25 Feb 2009		
		Mar	Apr	May
KL – Dhaka	Mar	77%	71%	66%
Singapore – Bali	Mar	36%	31%	13%
Singapore – Jakarta	Mar	31%	26%	9%
Singapore – Bandung	Mar	28%	22%	16%
Singapore – Yogyakarta	Mar	17%	11%	8%

Sustained Passenger Growth



- Benefiting from slower economic growth
  - people switching for better value proposition airline

Secured Funding Requirements for Aircraft Purchase

AirAsia

- Secured funding arrangements for the next 37 aircraft
  - these are for 2009 and 2010 aircraft deliveries
  - Facility from Major Banking Institutions in place

- European Export Credit Agencies (ECA) backing as a guarantor
  - Helps to secure attractive interest rates
  - Recent $5Bn support for Airbus Financing Initiatives will only help

- Exploring various alternative financing structures
  - sale and leaseback (2 aircraft)
  - issuance of bonds and Sukuks (Islamic Finance)

AirAsia's ability to secure US$1.5 billion of financing during the peak of the financial crisis is a testament to the market's confidence to AirAsia's business model and future potential

Management Guidance 2009

Management Guidance for 2009		Notes
Passenger carried (AirAsia Berhad)	13.5 million	– Frequency addition – Launch of new routes
Rev / ASK	Stable	– stable ticket price from increased number of international flights – Some routes will mature – Strong growth from ancillary income
Cost / ASK	Reduce	– Lower fuel price – Airbus A320 aircraft cost efficiency – Benefits of economies of scale
Operating profit	Positive growth	

Summary

- Challenging market, but positive for LCC
  - fuel price has receded to attractive levels
  - more people switching to LCC as first choice of travel
  - passengers looking for value, LCC is the best value proposition
- Competitive environment has improved
  - competitors have reduced capacity and cancelled services
- Ancillary Income
  - new products and services provide huge upside
- Most comprehensive route network in Asia
  - competitors are slowing, we are continuing to expand the network
- Global connectivity (Australia, United Kingdom, India, China) will enhance our network
  - diversify our passenger profile
  - will help to reduce seasonality impact

Appendix

Fleet Composition

Operational Aircraft Count	Dec 2008
Malaysia	44
Thailand	16
Indonesia	15*
Group Total	75
Aircraft Type # Airbus A320 # Boeing 737-300	 56 19

* Includes 3 Boeing 737-300 that is awaiting to be sold off

Financial Data – Fourth Quarter

Quarter Ended: 31 December RM'000	Oct-Dec 2008	Oct-Dec 2007	Δ (%)
Ticket Sales	764,503	591,267	29%
Ancillary Income	73,821	41,526	78%
Revenue	**838,324**	**632,792**	**32%**
Exceptional item gain / (loss)	(425,668)	0	n/a
EBITDAR	356,798	256,829	39%
Operating Profit	193,610	94,208	106%
Profit/(Loss) After Tax	(176,905)	245,723	-172%
EBITDAR Margin	42.6%	40.6%	2.0 ppt
Operating Profit Margin	23.1%	14.9%	8.2 ppt
Profit After Tax Margin	-21.1%	38.8%	n/a

Operating Data – Fourth Quarter

Quarter Ended: 31 December	Oct-Dec 2008	Oct-Dec 2007	Δ (%)
Passengers Carried	3,342,436	2,757,967	21%
ASK (million)	5,006	4,274	17%
RPK (million)	3,800	3,223	18%
Seat Load Factor	78.4%	77.8%	0.6 ppt
Average Fare (RM)	229	214	7%
Rev / ASK (sen)	16.75	14.81	13%
Rev / ASK (US cents)	4.71	4.44	6%
Cost / ASK (sen)	10.95	11.42	-4%
Cost / ASK (US cents)	3.08	3.43	-10%
Cost / ASK-ex fuel (sen)	4.43	5.53	-20%
Cost / ASK-ex fuel (US cents)	1.25	1.66	-25%
Aircraft (average)	41.5	33.7	23%
Aircraft (end of period)	44	39	13%

Operating Data - Fourth Quarter

Quarter Ended: 31 December	Oct-Dec 2008	Oct-Dec 2007	∆ (%)
Average fare (RM)	228.7	214.4	7%
Ancillary Income / pax (RM)	22.1	15.1	47%
Unit Revenue / pax (RM)	**250.8**	**229.4**	**9%**
Fuel consumed (barrels)	887,259	748,596	19%
Unit fuel price ($/barrel)	103.5	100.9	3%
Average stage length (km)	1,200	1,197	0%
No. of flights	24,630	20,495	20%
Average aircraft	41.5	33.7	23%
No. aircraft at end of period	44	39	13%

Financial Data – Full Year 2008

Full Year Ended: 31 December RM'000	Jan-Dec 2008	Jan-Dec 2007	Δ (%)
Ticket Sales	2,405,661	1,786,812	35%
Ancillary Income	234,812	135,900	73%
Revenue	**2,640,472**	**1,922,712**	**37%**
Exceptional item gain / (loss)	(640,948)	73,988	n/a
EBITDAR	708,233	671,018	6%
Operating Profit	171,066	211,147	-19%
Profit/(Loss) after Tax	(471,738)	699,246	-167%
EBITDAR Margin	26.8%	34.9%	-8.1 ppt
Operating Profit Margin	6.5%	11.0%	-4.5%
Profit After Tax Margin	-17.9%	36.4%	n/a

Operating Data - Full Year 2008

Full Year Ended: 31 December	Jan-Dec 2008	Jan-Dec 2007	Δ (%)
Passengers Carried	11,808,058	9,717,480	22%
ASK (million)	18,717	14,536	29%
RPK (million)	13,485	11,136	21%
Seat Load Factor	75.4%	78.6%	-3.2 ppt
Average Fare (RM)	204	184	11%
Rev / ASK (sen)	14.11	13.23	7%
Rev / ASK (US cents)	4.23	3.85	10%
Cost / ASK (sen)	11.66	10.97	6%
Cost / ASK (US cents)	3.49	3.20	9%
Cost / ASK-ex fuel (sen)	4.24	5.53	-23%
Cost / ASK-ex fuel (US cents)	1.27	1.61	-21%
Aircraft (average)	36.6	29.9	22%
Aircraft (end of period)	44	39	13%

Operating Data - Full Year 2008

Full Year Ended: 31 December	Jan-Dec 2008	Jan-Dec 2007	Δ (%)
Average fare (RM)	203.7	183.9	11%
Ancillary Income / pax (RM)	19.9	14.0	42%
Unit Revenue / pax (RM)	**223.6**	**197.9**	**13%**
Fuel consumed (barrels)	3,254,201	2,637,839	23%
Unit fuel price ($/barrel)	127.9	87.2	47%
Average stage length (km)	1,207	1,149	5%
No. of flights	89,118	73,656	21%
Average aircraft	36.6	29.9	22%
No. aircraft at end of period	44	39	13%