

AirAsia.com

**Strong Performance Amid Turbulent
Skies**

Fourth Quarter 2009 Results

25 February 2010



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Key Highlights for 2009



- ❑ **Strong results given challenging operating environment**
 - core operating profit RM447 million
 - sustained strong passenger growth of 21% to 14.2 million
- ❑ **Thailand has recovered, produced core operating profit of THB148 million**
 - market recovery with buoyant demand and high passenger traffic
 - with more Airbus A320, cost structure will improve and so will profits
- ❑ **Indonesia is making positive progress**
 - market is recovering, positive outlook for the first quarter 2010
 - fleet renewal will significantly reduce cost and enhance operational reliability
- ❑ **Platform has been established for associates to repay to the parent Company beginning 2010 and expected to fully paid by 2013**
- ❑ **Cash balance of RM748 million, gearing contained at 2.6 times**

Malaysia: 2009 in a Snapshot



Year Ended: 31 December RM'000 unless otherwise stated	Jan-Dec 2009	Jan-Dec 2008 (restated)	Change y-o-y
Revenue	3,178,854	2,851,786	11%
EBITDAR	1,324,234	833,819	59%
Core Operating Profit	447,453	180,481	148%
Profit after Tax	549,054	(496,563)	n/a
Core Operating Profit Margin	14.1%	6.3%	7.7 ppt
Profit after Tax Margin	17.3%	-17.4%	n/a

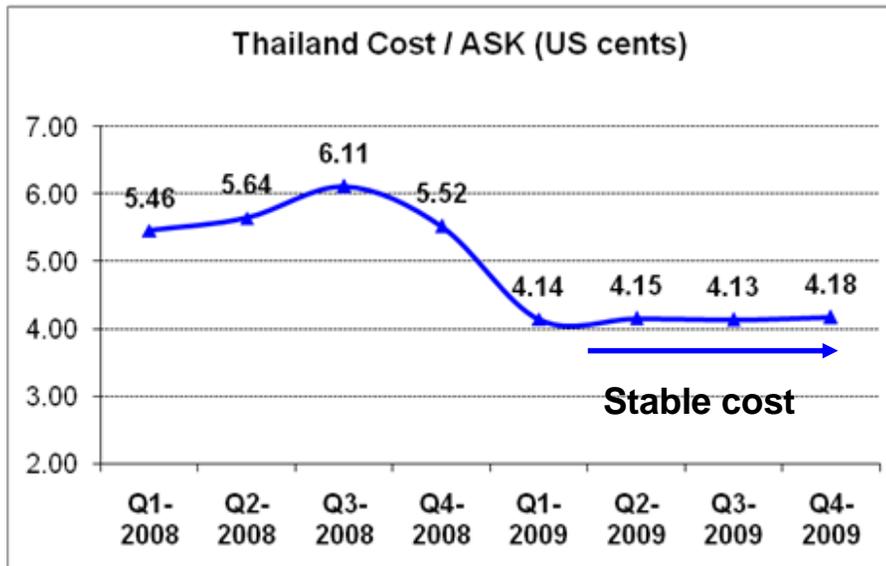
- ❑ **Profit after tax of RM549 million, reverse from losses in 2008**
 - strong top line growth coupled with superior cost containment
- ❑ **Lowest cost airline in the world at 2.95 US cents / ASK**
- ❑ **Maintaining strong growth trajectory**
 - demand in line with capacity deployment of 17%

Thailand: 2009 in a Snapshot



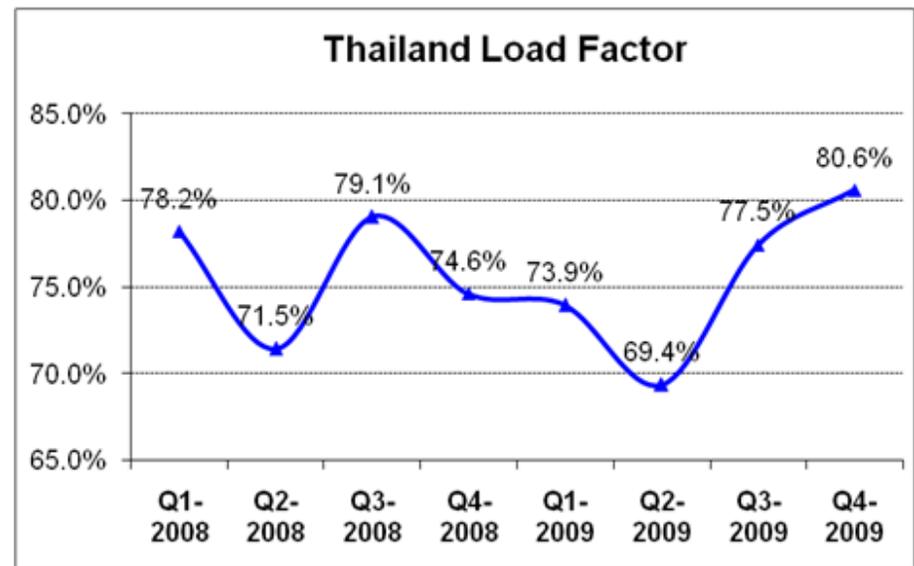
➔ Produced core operating profit of THB334 million (RM34.1 million)

AirAsia Thailand Cost / ASK



- ❑ **Airbus A320 replacement into fleet is**
 - enhancing efficiency
 - Increasing capacity
 - lowering operational cost

Thailand is Back to Normal



- ❑ **Underlying demand has recovered to normal levels**
 - strong tourist arrivals numbers
 - buoyant domestic market
 - supports for higher yields

Indonesia: 2009 in a Snapshot



➔ Platform for sustained profitability has been established

Indonesia AirAsia Cost / ASK



- ❑ **Airbus A320 replacement into fleet is**
 - enhancing efficiency
 - increasing capacity
 - lowering operational cost

Demand is Stable



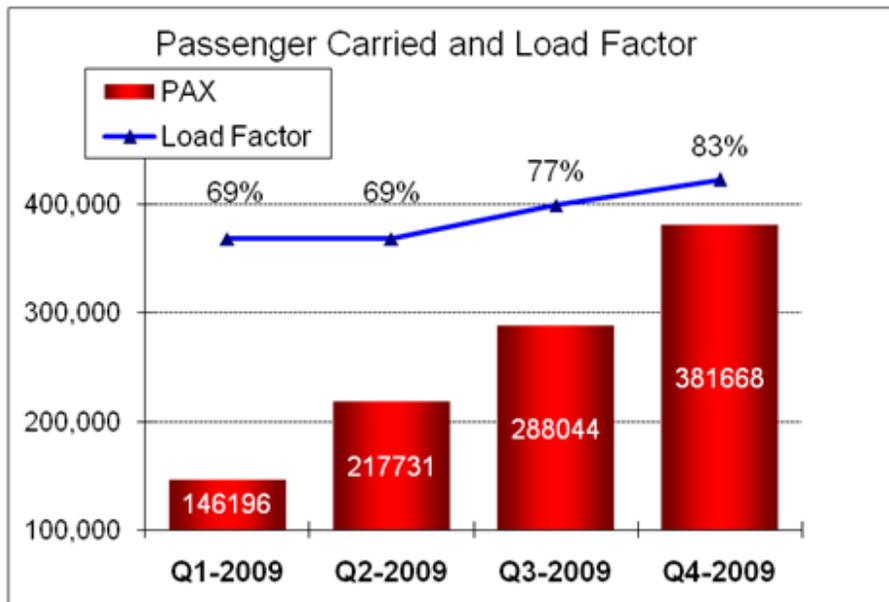
- ❑ **Access to international routes has significantly improved operations**
 - improved the RASK vs. CASK spread
 - Australia and Singapore routes are high yielding and high loads

AirAsia X: 2009 in a Snapshot



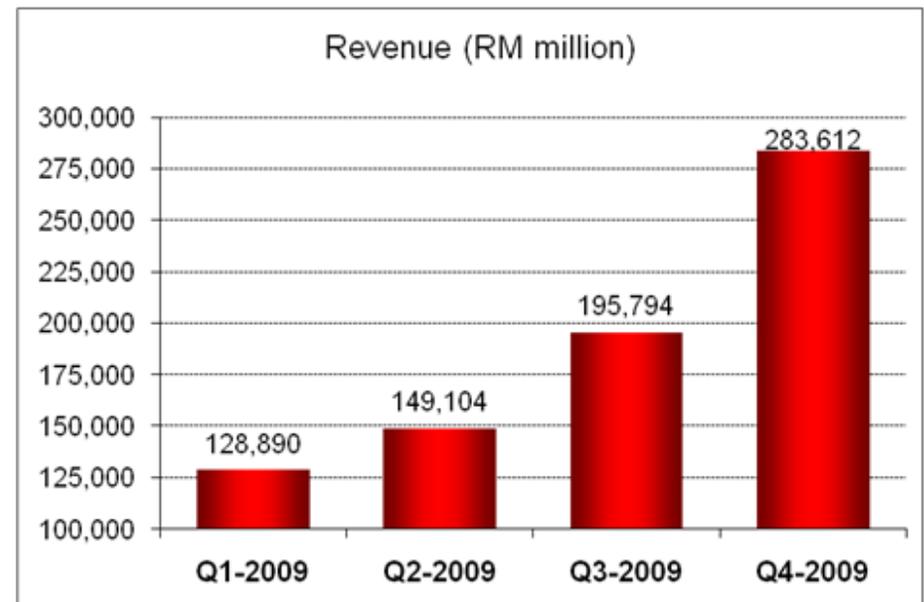
➔ The long haul, low cost model is proven successful

Passengers Carried



- ❑ Strong level of acceptance of AAX services as seen by high passenger growth and load factors
- ❑ Upgrading fleet with new seats
 - extra comfort at better value

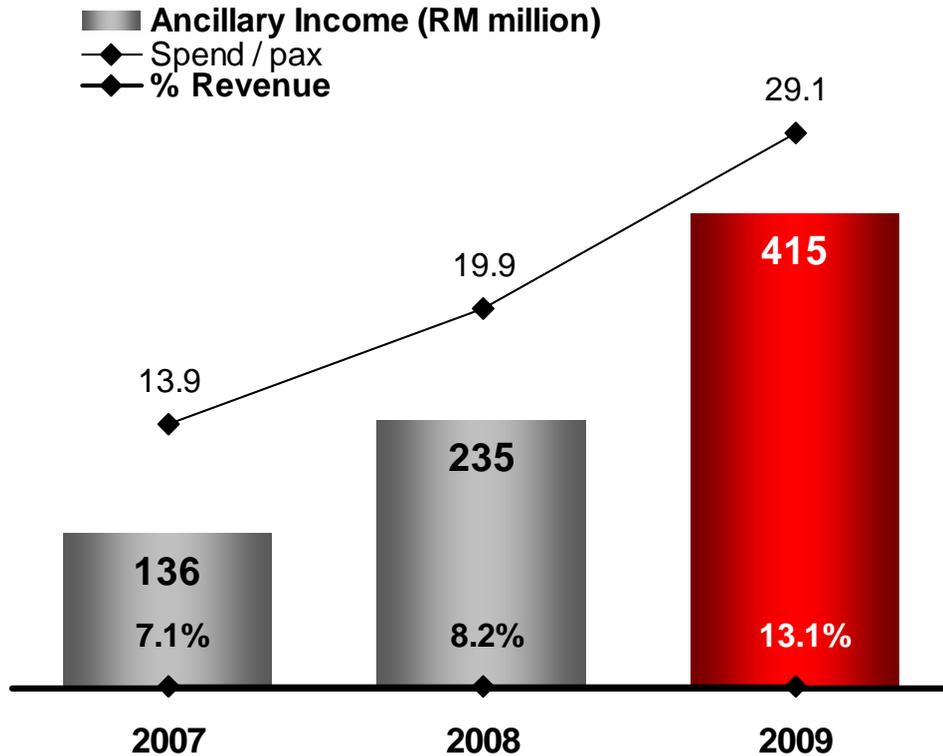
Revenue (RM million)



- ❑ First quarter 2010 looking positive with strong loads and high yields
- ❑ Produced profits in 2009

Ancillary Income

AirAsia Ancillary Income Growth



Generating Revenue Through Innovation

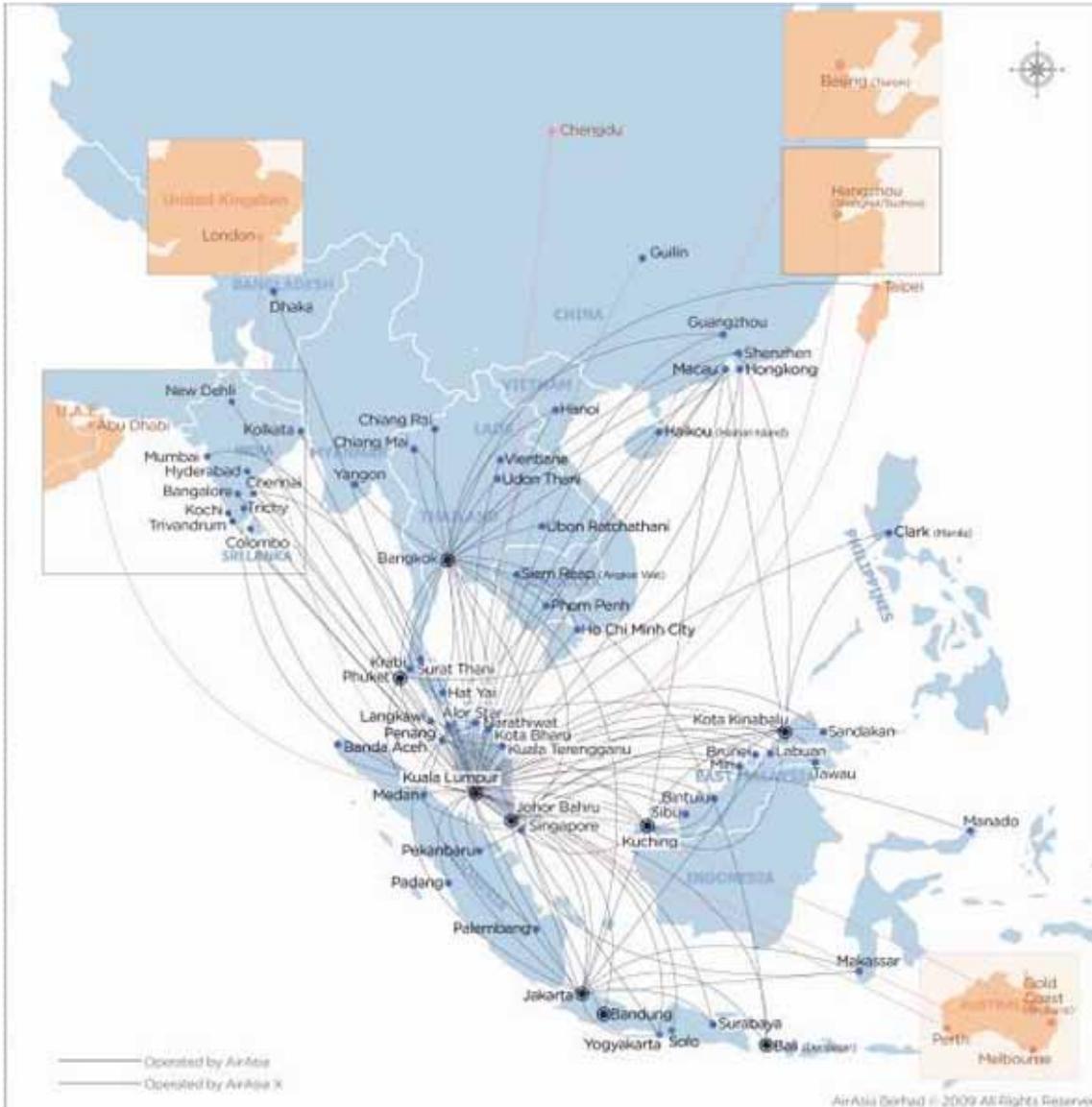


- Ancillary income growth outpacing passenger growth rate
- Relatively stable profits as it is seasonally insensitive
- Further growth potential at limited additional cost

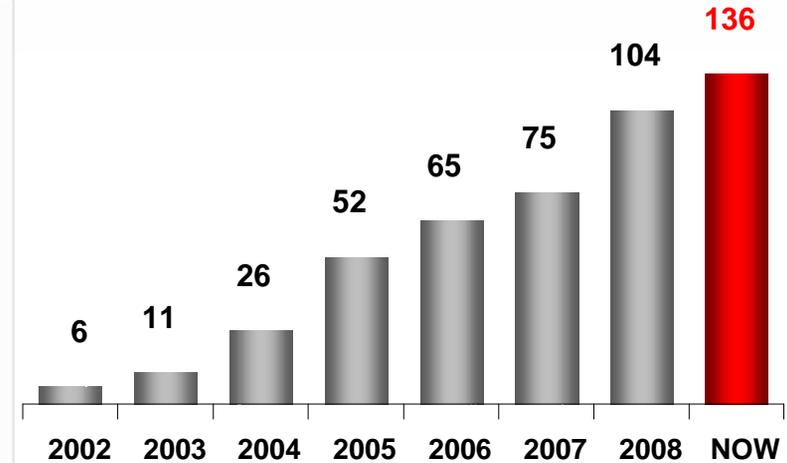
Route Network Constantly Growing



AirAsia Group Route Network



AirAsia Group Routes



Note: Years represent December year end
Number of routes includes AirAsia X services

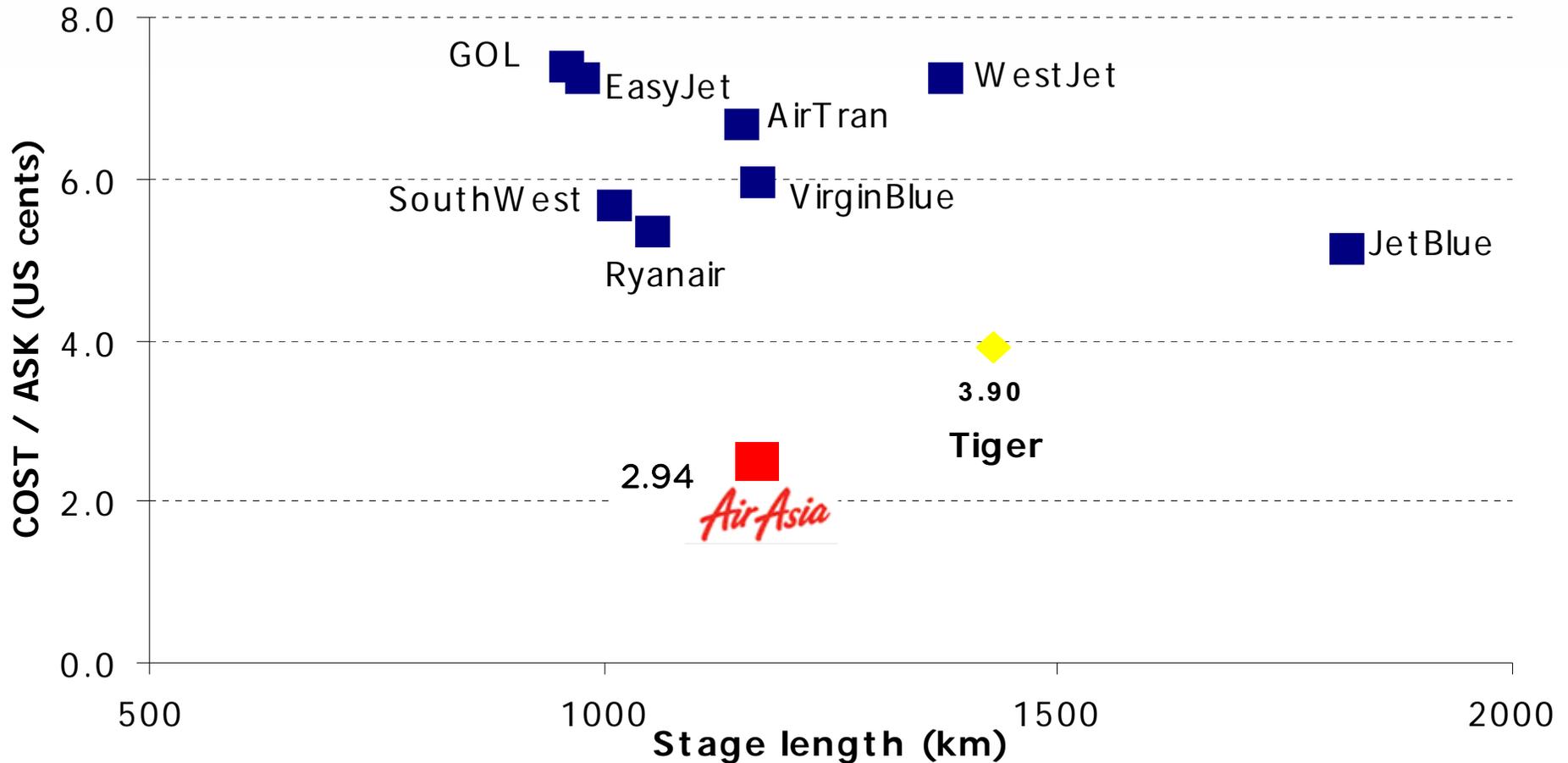
Biggest LCC in Asia

- ❑ Operations across three countries (Malaysia, Thailand, Indonesia)
- ❑ Servicing 18 countries
- ❑ Nine bases across network
- ❑ 627 flights per day and growing

Lowest Cost Airline in the World



Cost / ASK vs. Stage Length



Source: Company annual reports, Tiger Airways IPO prospectus, AirAsia Berhad's 2009

➔ **Lowest cost LCC in the region and the rest of the world**

Result Commentary

- Full Year 2009

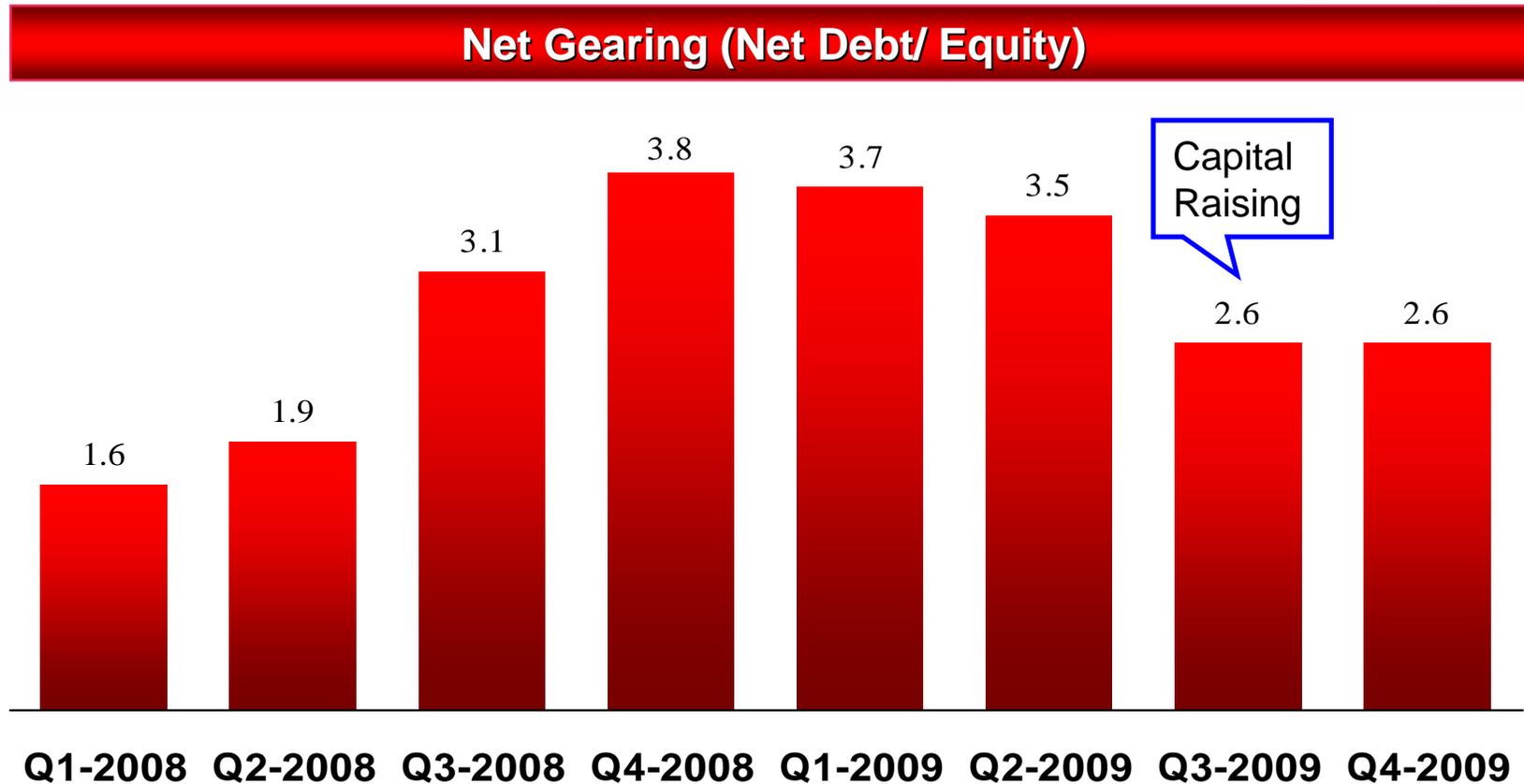
Summary of 12 Months Result



Full Year Ended: 31 December RM'000 unless otherwise stated	Jan-Dec 2009	Jan-Dec 2008 (restated)	Change y-o-y
Revenue	3,178,854	2,851,786	11%
Core Operating Profit	447,453	180,481	148%
Profit after Tax	549,054	(496,563)	n/a
Core Operating Profit Margin	14.1%	6.3%	7.7 ppt
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- ❑ **Strong profit after tax performance of RM549 million**
– industry leading margins of 17.3%
- ❑ **Strong ancillary income growth offsetting impact of lower fares**
- ❑ **Lower cost underpinning high profitability**
- ❑ **Stable load factors despite significant capacity addition and new routes**

Balance Sheet



- ❑ **Cash position of RM748 million**
– reduced net gearing level to 2.6 times

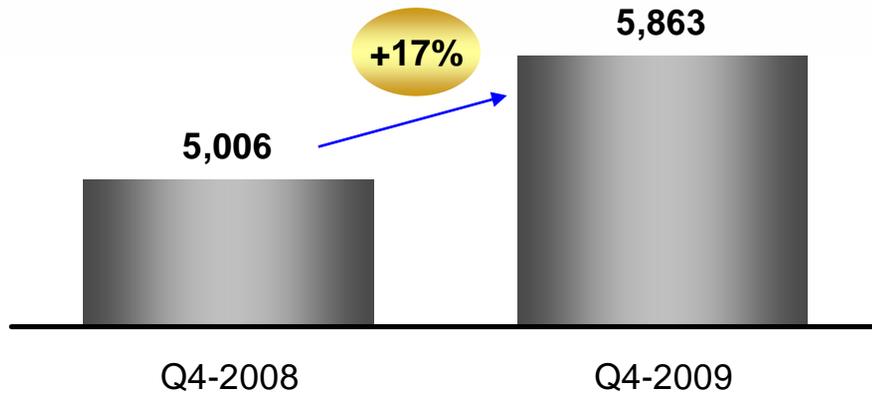
Note: Calculation includes aircraft loans for associates

Result Commentary

- Fourth Quarter 2009

Capacity Rollout Matches Demand

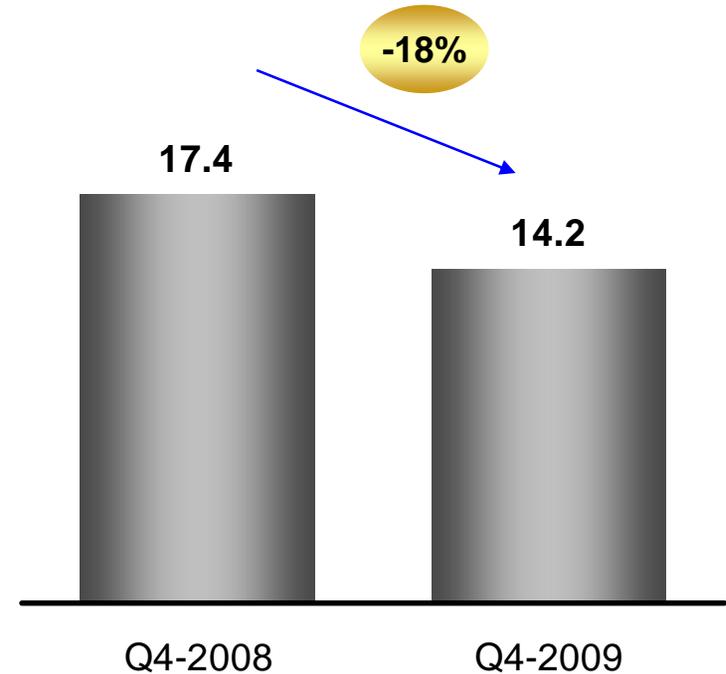
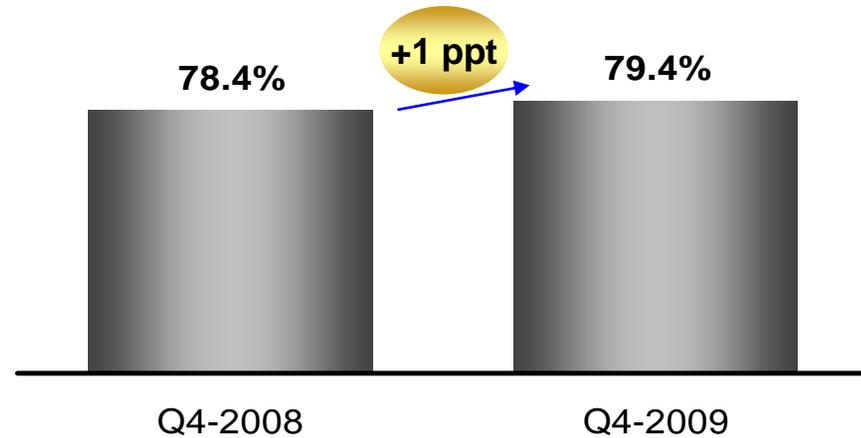
Capacity Rollout (ASK million)



Revenue / ASK (sen)

- Average fare drop is offset by higher ancillary income contribution
- Average stage length reduced by 3%

Load Factor (%)



The operations can sustain the rapid capacity growth

Outlook

Aircraft Delivery Schedule

Airbus A320 Delivery Schedule	# Aircraft
Quarter 1 (Jan – Mar)	0
Quarter 2 (Apr – Jun)	6
Quarter 3 (Jul – Sep)	6
Quarter 4 (Oct – Dec)	4
Total Airbus A320 Delivery	16

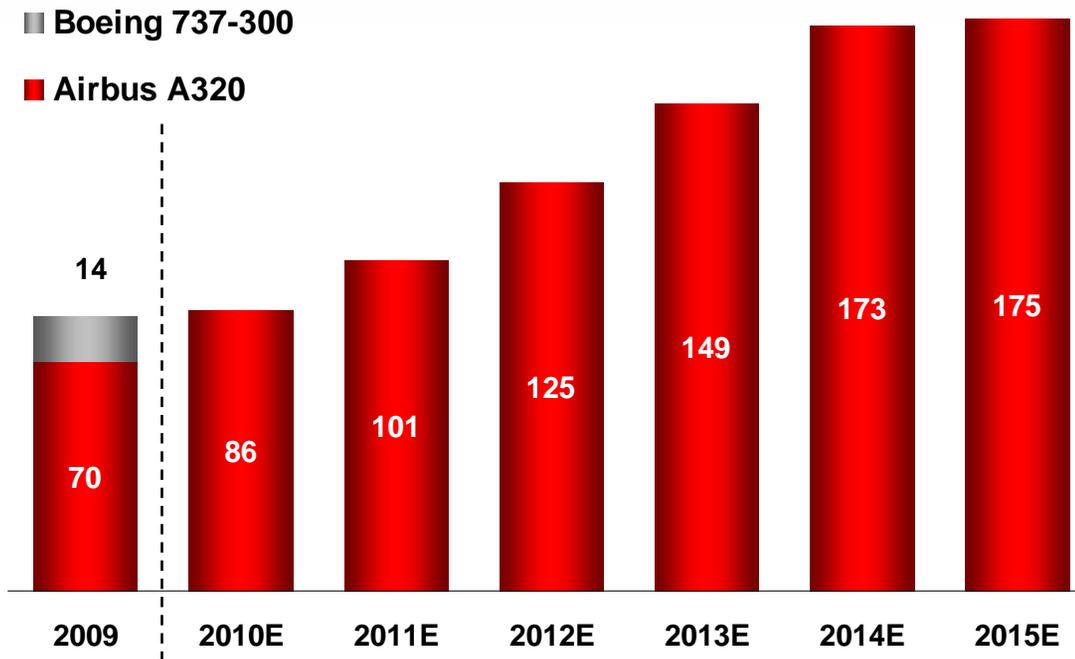
Note: Deployment schedule for the AirAsia Group

- Taking delivery of 16 Airbus A320 aircraft**
- Aircraft deployment schedule**
 - Malaysia = 4
 - Thailand = 8
 - Indonesia = 4
- Returning all remaining Boeing 737-300 aircraft**

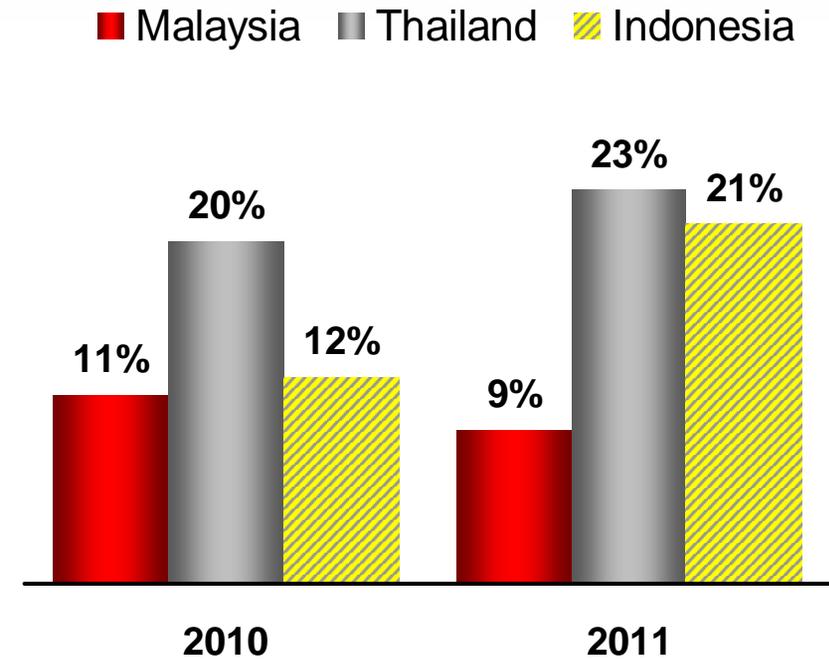
Realigned Fleet Schedule to Achieve Optimal Growth and Operational Requirements

AirAsia.com

AirAsia Group Net Fleet Size



Capacity (ASK) Growth Projection



- ❑ **Deferred an additional eight aircraft for 2011 deliveries**
 - to address airport infrastructure constraints at Kuala Lumpur LCCT
 - total of 16 aircraft deferred for 2010 & 2011 deliveries
- ❑ **Boeing 737-300 aircraft are 100% phased out by 2010**
- ❑ **One of the youngest Airbus fleet (2 years)**

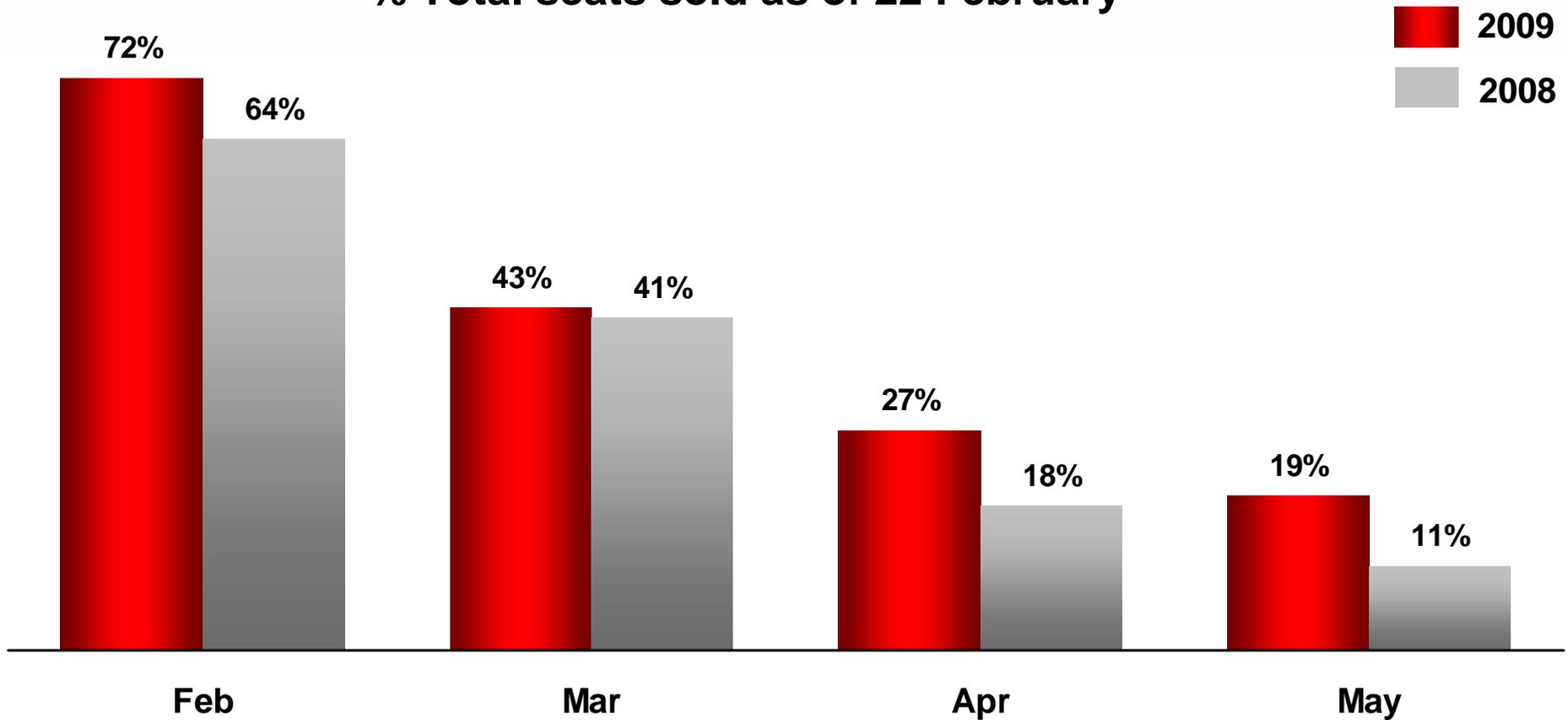
Network Expansion Plan

- ❑ **Launching between 9-12 new routes**
 - combination of new routes and cross linking from existing bases
- ❑ **Emphasis on India**
 - Kuala Lumpur to Bangalore, Hyderabad and Chennai
 - Bangkok to Kolkata and Delhi
 - Penang to Chennai
- ❑ **Cross connecting from existing bases**
 - Kota Kinabalu to Taipei
 - Penang to Bali
 - Kuala Lumpur to Yangon
- ❑ **Enhance frequency on selected routes to capture more growth and dominate the route**

Demand Remains Robust



% Total seats sold as of 22 February



- Underlying demand remains positive**
 - forward booking numbers ahead than last year
 - load factors ahead than the same period last year

Summary



- ❑ **AirAsia is well placed to take advantage of economic recovery**
 - passenger growth momentum is buoyant since
 - tighter supply demand is supporting for higher yields
- ❑ **Managing risk – hedged up to Dec 2010 for more than 24% of fuel requirement using fixed swap using Jet Kerosene and crack**
 - continue to monitor the market for more hedges in 2010 and further
- ❑ **New routes performing well**
- ❑ **Passenger growth robust across the Group**
 - Malaysia is enjoying good loads and support for new routes
 - Indonesia's load is robust with better yields
 - Thailand growing market share and expanding routes
- ❑ **Working with auditors to consolidate Thailand and Indonesia**
- ❑ **Fleet renewal programme on track for completion in 3Q 2010**
 - received six Airbus A320 aircraft in the period

Appendix

Fleet Composition (31 December 2009)



Number of Aircraft	Total	Airbus A320	Boeing 737
Malaysia	48	48	0
Thailand	20	12	8
Indonesia	16	10	6
Group Total	84	70	14

Cost Breakdown – 2009



Cost / ASK (US cents)	Q1	Q2	Q3	Q4	FY2009
Staff Costs	0.34	0.38	0.36	0.38	0.35
Fuel and Oil	1.04	1.30	1.37	1.39	1.21
User Charges and Station Expenses	0.26	0.25	0.29	0.33	0.26
Maintenance and Overhaul	0.17	0.11	0.15	0.13	0.16
Aircraft related cost	0.15	0.13	0.15	0.09	0.14
Depreciation & Amortisation	0.41	0.41	0.43	0.44	0.42
Others	0.24	0.25	0.30	0.37	0.29
Sales & Marketing	0.11	0.11	0.17	0.14	0.14
Total Cost / ASK	2.71	2.93	3.21	3.27	2.95
Finance Expense	0.51	0.51	0.46	0.46	0.47
Cost / ASK inclusive Finance Cost	3.22	3.44	3.67	3.73	3.42

Cost Breakdown – 2008



Cost / ASK (US cents)	Q1 restated	Q2 restated	Q3 restated	Q4 restated	FY2008 restated
Staff Costs	0.35	0.38	0.36	0.27	0.34
Fuel and Oil	1.92	2.43	2.73	1.84	2.22
User Charges and Station Expenses	0.20	0.00	0.23	0.26	0.18
Maintenance and Overhaul	0.16	0.13	0.12	0.26	0.17
Aircraft related cost	0.17	0.14	0.13	0.15	0.15
Depreciation & Amortisation	0.39	0.45	0.45	0.50	0.46
Others	0.13	0.19	0.17	0.26	0.19
Sales & Marketing	0.13	0.14	0.14	0.11	0.13
Total Cost / ASK	3.46	3.86	4.34	3.64	3.84
Finance Expense	0.34	0.40	0.49	0.53	0.45
Cost / ASK inclusive Finance Cost	3.80	4.26	4.83	4.17	4.28