



AIRASIA BERHAD

**22nd Annual
General Meeting**

3 JUNE 2015





**THE WORLD'S BEST
LOW-COST AIRLINE**
FOR THE SIXTH CONSECUTIVE YEAR
SKYTRAX WORLD AIRLINE AWARDS



LARGEST LCC IN ASIA
INTERMS OF FLEET AND NUMBER OF
PASSENGERS CARRIED ⁴



**4TH LARGEST
AIRLINE IN ASIA**

INTERMS OF NUMBER OF
PASSENGERS CARRIED ⁴



A TRUE ASEAN AIRLINE,
CONNECTING ALL

10 ASEAN COUNTRIES

199 ROUTES

• 17 HUBS • 3,488 ONE-WAY FLIGHTS PER WEEK
• 69 UNIQUE ROUTES • 33 NEW ROUTES INTRODUCED IN 2014



**98 DESTINATIONS
17 COUNTRIES**



78%
GROUP LOAD
FACTOR



45.6 MIL
PASSENGERS
CARRIED IN 2014



262 MIL
PASSENGERS
FLOWN

13,600
ALLSTARS

56
NATIONALITIES

THE NUMBERS
SOCIAL MEDIA



163,000
FOLLOWERS



7.6
MILLION FANS



18.3
MILLION FRIENDS



2.8 MILLION
FOLLOWERS



1.4
MILLION FANS

AIRASIA.COM
172 MIL AVERAGE PAGE
VIEWS PER MONTH

22 MIL AVERAGE VISITS
PER MONTH

11 MIL AVERAGE UNIQUE
VISITORS PER MONTH

4.4% ANNUAL
CONVERSION RATE

VISITORS FROM **241** COUNTRIES



AIRASIA MARKET SHARE

MALAYSIA
DOMESTIC 47%
INTERNATIONAL 46%
TOTAL 46%

THAILAND
DOMESTIC 14%
INTERNATIONAL 30%
TOTAL 19%

INDONESIA
DOMESTIC 5%
INTERNATIONAL 26%
TOTAL 11%

PHILIPPINES
DOMESTIC 10%
INTERNATIONAL 6%
TOTAL 8%

INDIA
DOMESTIC 1%
INTERNATIONAL 2%
TOTAL 1%



AIRASIA BERHAD



DEPOSIT, CASH AND
BANK BALANCES

RM1.34
BILLION

LOWEST COST

2014 Cost per Available Seat Kilometres (CASK)

CASK:
13.19 SEN
(US 4.02 CENTS)

CASK EX-FUEL:
6.67 SEN
(US 2.03 CENTS)

REVENUE VIA INTERNET

84%

OPERATING PROFIT MARGIN

16%

TOTAL FLEET
172 A320

YOUNG FLEET

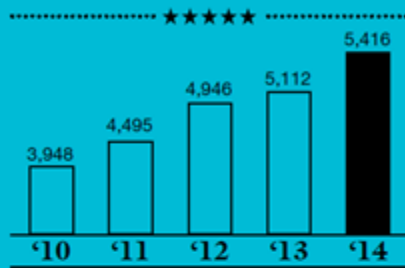


AirAsia

2014 IN NUMBERS

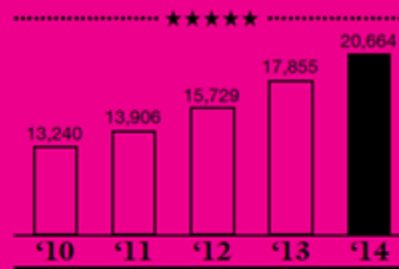
REVENUE

RM MILLION



TOTAL ASSETS

RM MILLION



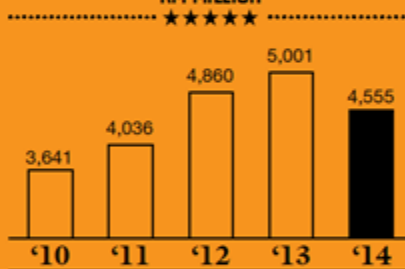
OPERATING PROFIT

RM MILLION



SHAREHOLDERS' EQUITY

RM MILLION



REVENUE PER ASK

(SEN)



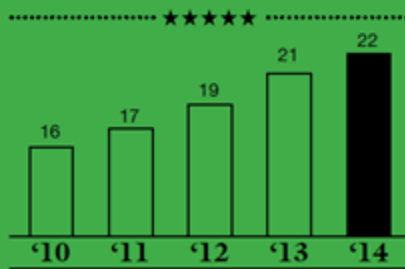
COST PER ASK

(SEN)



PASSENGERS CARRIED

PER MILLION



SIZE OF FLEET

MALAYSIA



DEPOSIT, CASH & BANK BALANCES

RM MILLION



DIVIDEND POLICY

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

~ effective since FYE 2013

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

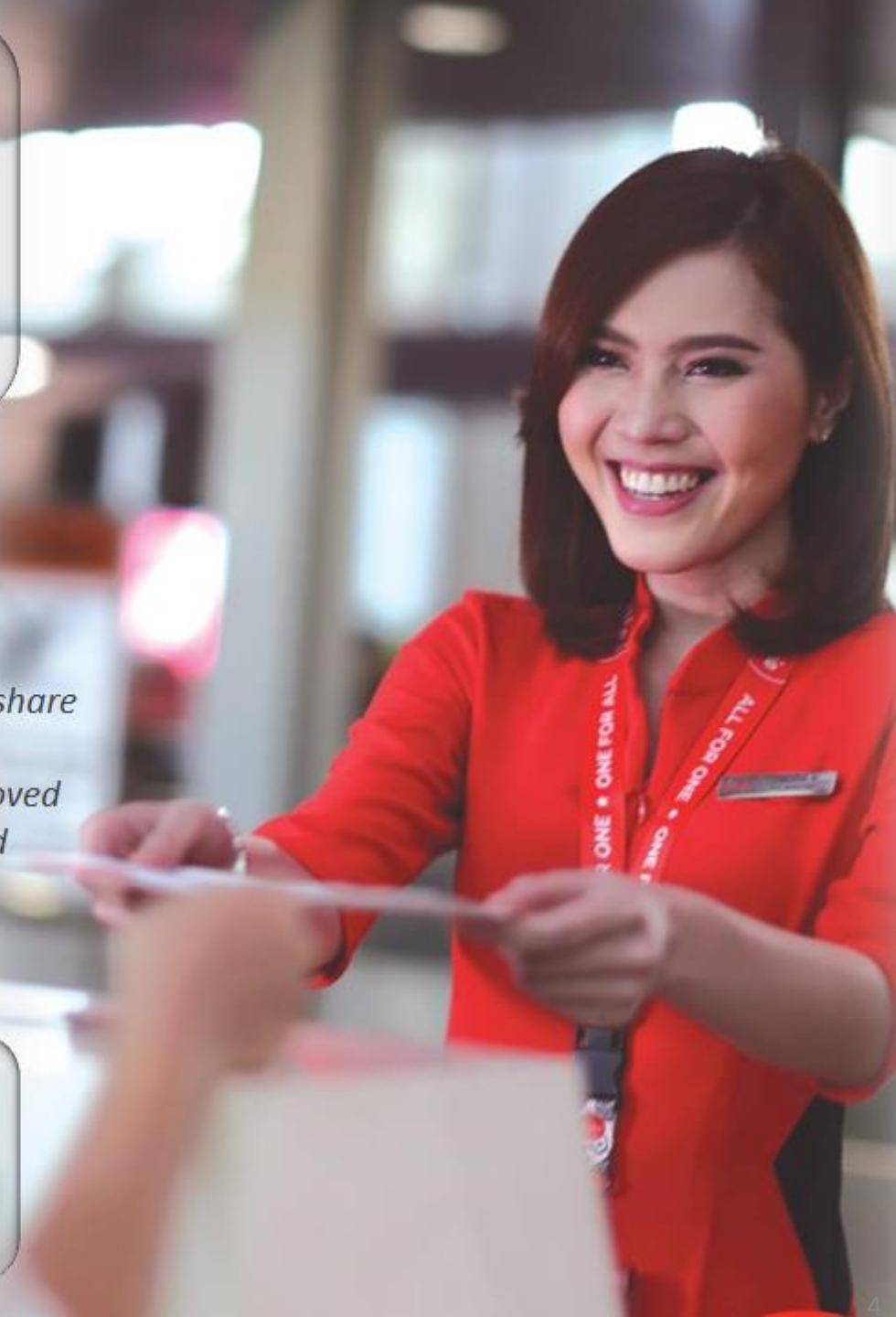
- *Special dividend of 18 sen declared and approved*
- *Final dividend of 6 sen declared and approved*

FYE 2013

- *Final dividend of 4 sen per share approved*

DIVIDEND PAYMENT:

- **FYE 2014**
 - **Final dividend of 3 sen per share proposed**





THE MOVE TO KLIA2

- ✓ Allstars worked around the clock to execute one of the biggest airport moves in the short time period given
- ✓ Continue to **experience issues** on the state of the airport. We are **diligently addressing and monitoring** these with the relevant authorities and the Independent Safety Committee
- ✓ Ongoing negotiation on **check-in system** to ensure low cost, better efficiency, and overall better customer experience
- ✓ Importance of **incentives and low charges** to stimulate growth, drive passenger volume and compete with regional airports





BUSINESS OUTLOOK



1Q15 KEY HIGHLIGHTS

- **Revenue** RM1.30 bil
- **Operating profit** RM273.43mil (+20%)
- **Net Income** RM149.33mil (+7%)
- **EBIT Margin** 21% (+4ppt)
- **EBITDAR margin** 39% (+5ppt)
- **CASK** US\$3.11 (-13%)
- **CASK-ex Fuel** US\$1.65 (-9%)
- **RASK** US\$3.95 (-9%)
- **RASK-CASK spread** increased 10%
- **Ancillary income per pax** RM47 (+2%)



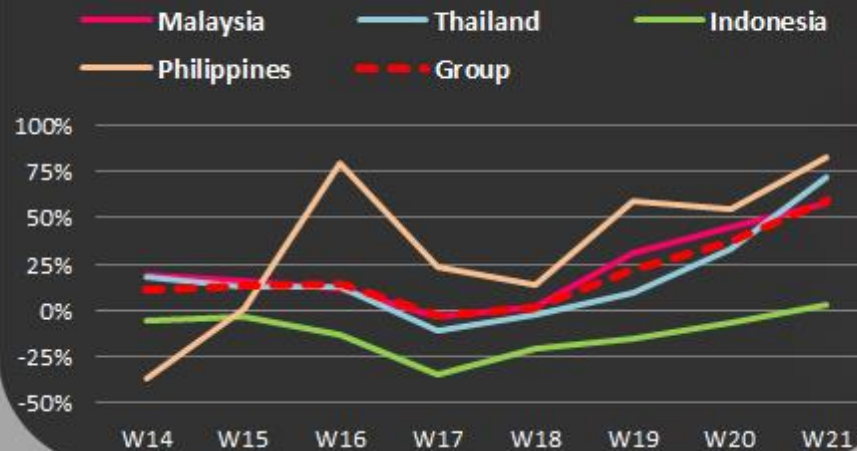
GROUP SALES UP 18% YoY

Malaysia +21%

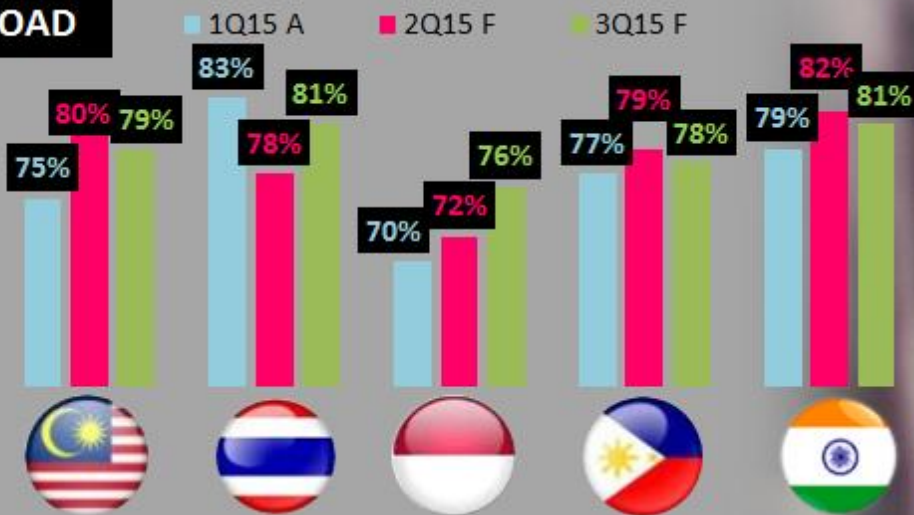
Indonesia -13%

Thailand +15%

Philippines +27%



LOAD



FAVOURABLE COST ENVIROMENT

POSITIVE FUEL ENVIRONMENT

50% hedged for 2015 at average of USD88 per barrel on Jet-Kero
(Effective ave cost USD83)

LOWER AIRPORT CHARGES

- Announced **Langkawi** as latest international hub
- **Reduction of airport charges** is a big breakthrough
- **Positive signs** for Indonesia, Philippines & Thailand
- **Singapore** announced cut in aeronautical charges to boost traffic

COST SYNERGIES & AUTOMATION

Tablet usage to facilitate Check-in process



Kiosks with New Features



eBoarding Pass



Home Baggage Tag



Auto Bagdrop



IMPROVED/
HIGHER
UTILISATION



GROWING CASH

- **Good cash position** (RM1.6bil , +20% QoQ)
- **87% of the Group's aircraft are owned**

GROWING CASH THROUGH:

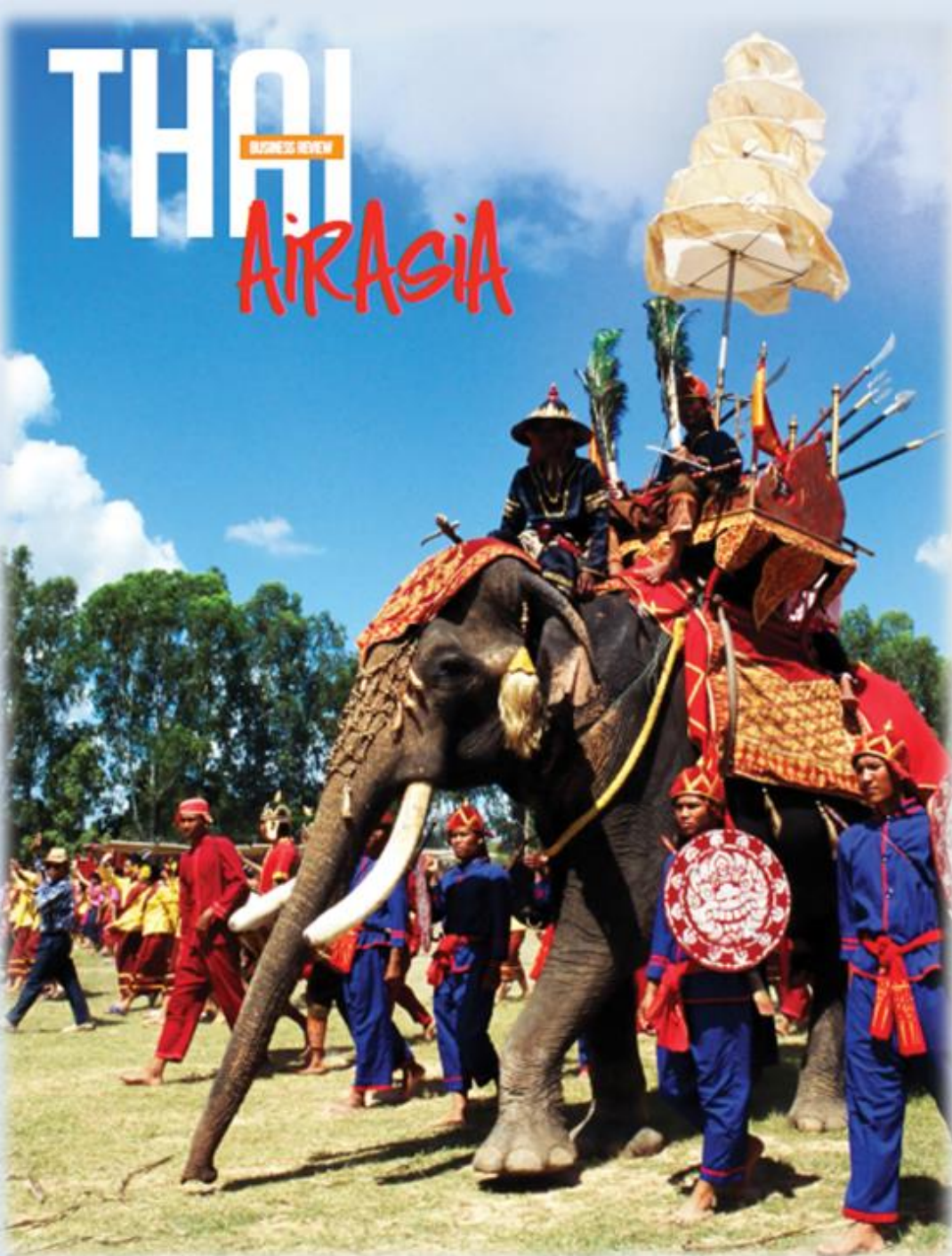
- **Capacity management** via refinancing older aircraft *eg. SLB & selling of vintage aircraft*
- **Monetise investment** from adjacency businesses if valuation is attractive *eg. AAE Travel (MYR320mil)*
- **Recovery of debt** from Indonesia and Philippines through upcoming IPOs
- **Growing cash from operations**



THAI

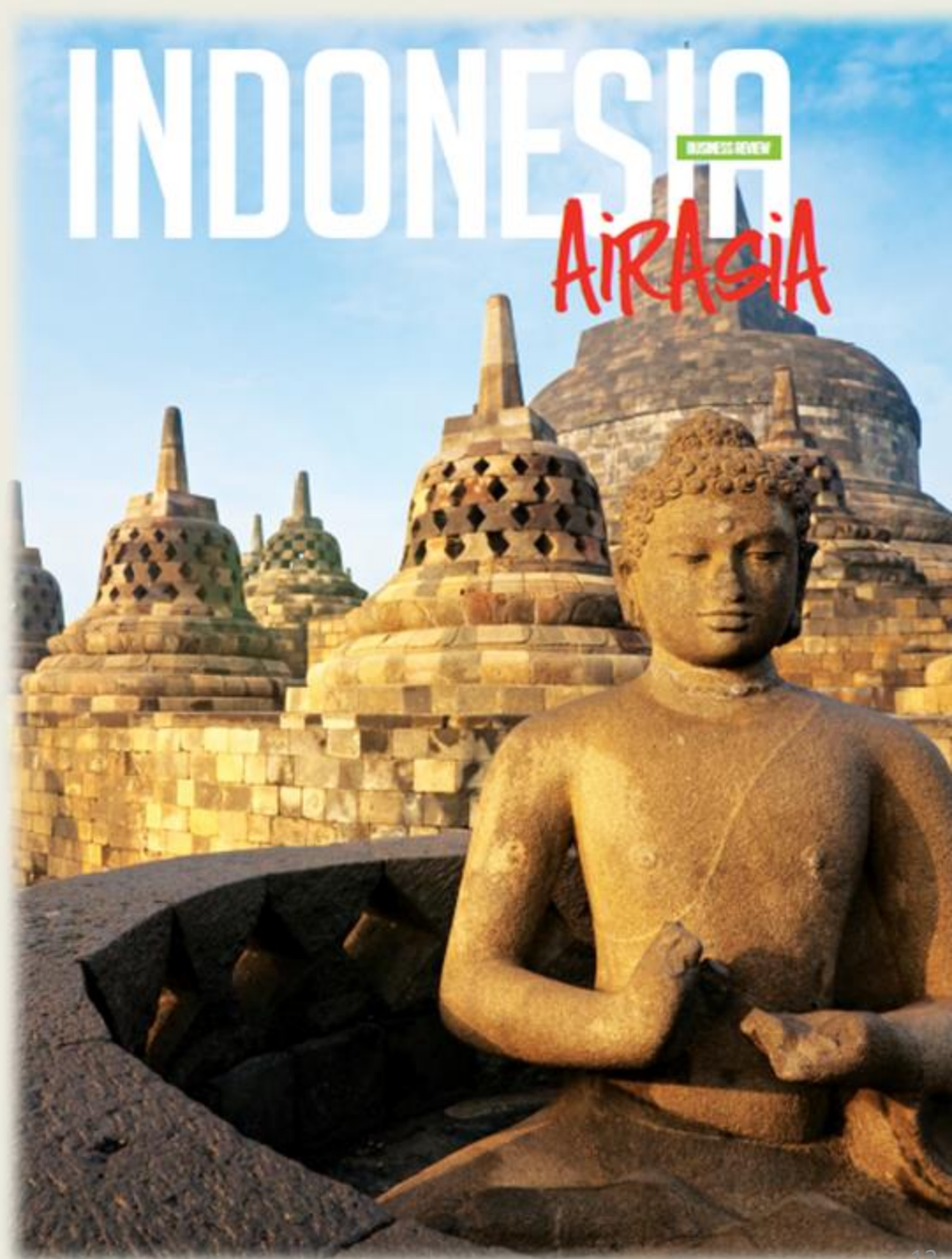
BUSINESS REVIEW

AIRASIA



- Market recovered and continues to post strong numbers
- Chinese tourists are back, boosted by the waive of visa fees campaign by the Thai Government
- 1Q15:
 - Passenger 3.7mil
 - Load factor 83%
 - Revenue +20%
 - Operating profit +245%
 - Net income +277%
 - Msia equity accounted RM37.1mil
- 2Q15 sales +15% so far

- Demand slightly impacted by QZ8501 but brand is stronger
- 1Q15:
 - Passenger 1.56mil
 - Load factor 70%
 - Average fare +16%
 - Ancillary income per pax +19%
- Weekly sales almost back to same level as last year. Floor price is a challenge
- IAAX will be huge catalyst
- Focus on international market
- Target to be profitable in 3Q15
- Target IPO in 2017



A scenic view of a tropical bay in the Philippines. In the foreground, a small white motorboat with an outboard engine is moving across the clear, turquoise water, leaving a white wake. Several people are on board the boat. The background features steep, dark limestone cliffs covered in lush green vegetation. The water is exceptionally clear, revealing the sandy bottom and some underwater rocks.

PHILIPPINES'

BUSINESS REVIEW

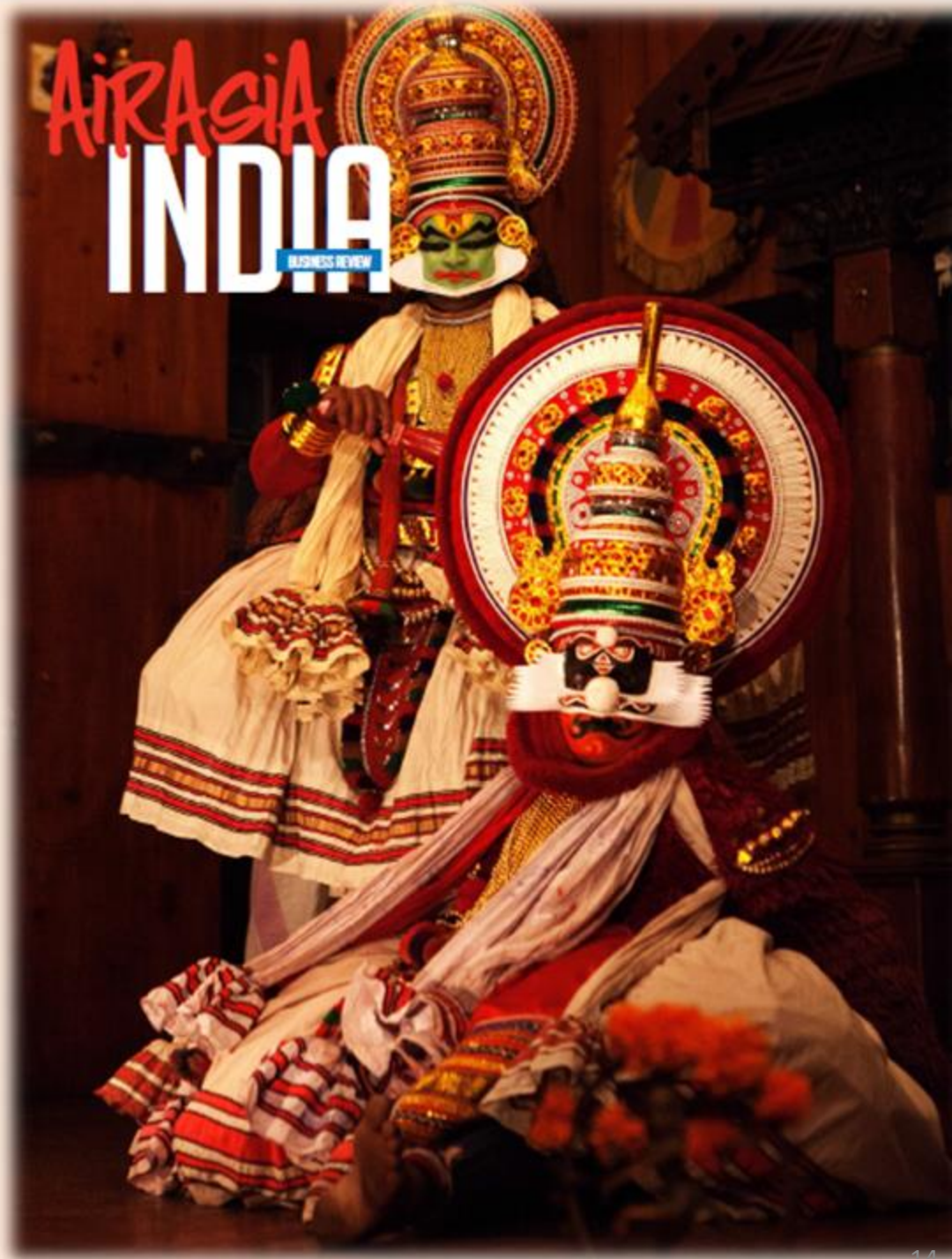
AIRASIA

- Turnaround efforts starting to show. Losses narrowed substantially with better yield and lower cost.
- 1Q15:
 - Passenger 0.64mil
 - Load factor 77%
 - RASK +25%
 - CASK -2%
- Grow international market focusing on leisure destinations
- Continue to remain cash +ve
- 2Q15 sales +27% so far
- Target to be profitable in 4Q15
- Target IPO in 2018

AIRASIA INDIA

BUSINESS REVIEW

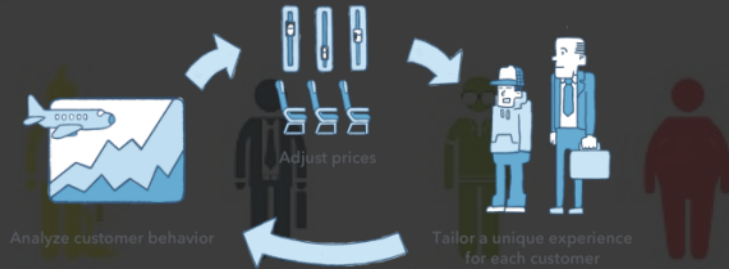
- Overall performance was better than expected so far with strong loads but is working on keeping costs under check
- 1Q15:
 - Passenger 0.24mil
 - Load factor 79%
 - 4 aircraft
- Opened Delhi as second hub on top of Bengaluru
- To further lobby for 5-year ruling to be lifted
- Feeder traffic from MAA & TAA



ANCILLARY REVENUE

EXISTING

DYNAMIC PRICING



WIFI ONBOARD



F
&
B



FLYTHRU



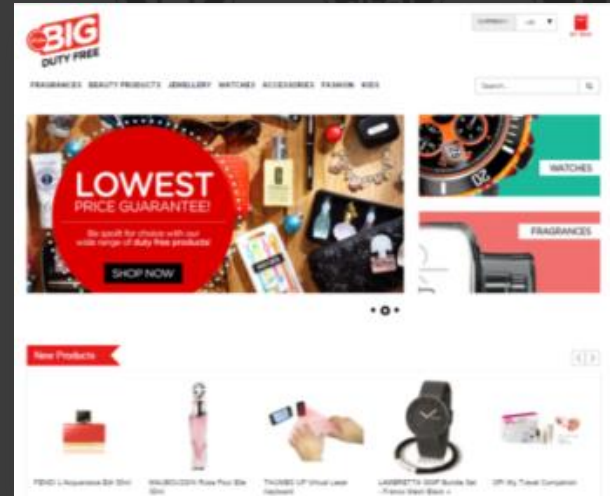
NEW

AIRASIA EZ-PAY



REDBOX

DUTY FREE



EXTRACTING VALUES FROM INVESTMENTS



EXTRACTING VALUES FROM INVESTMENTS

LEASING HOUSE

- Aircraft trading & leasing
- Creating value and transparency
- Tax efficiency, company based in Labuan
- 61 aircraft to be novated, **15 aircraft novated**
- 100% subsidiary of AAB
- **1Q15: Revenue US\$3.18mil, PBT US\$490k, EBIT Margin 15%**
- Forecast PBT of ~US\$17mil of PBT, EBIT Margin of ~25% in 2015
- **Valuation of approx USD400-500mil**



MADCIENCE

- Company set up as a central depository of the Grp's data
- Objective is to understand customers for growth
- **Opportunity of ~RM565mil per year if we realise the full potential of data**
 - **Grow revenue by 5% through CRM**
 - Opportunities for **data monetization** outside of group
 - Potential revenue for **3rd Party Marketing**

AA EXPEDIA

- Net profit of RM10.9m in 1Q15, +153% YoY
- **Equity accounted RM3.3m in 1Q15**
- AA sold half of its holding in Feb'15, almost 4 yrs since JV incorporation, taking advantage of good valuation.
- **Gain of MYR320mil in 1Q15.**



**THANK
YOU**