AIRASIA BERHAD

22nd Annual General Meeting

3 JUNE 2015
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

AirAsia
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** USc3.11 (-13%)
- **CASK-ex Fuel** USc1.65 (-9%)
- **RASK** USc3.95 (-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

1Q15 A  80%  79%
2Q15 F  83%  81%
3Q15 F  78%  76%
FAVOURABLE COST ENVIRONMENT

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
• 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
PHILIPPINES’ 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
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

- Analyze customer behavior
- Adjust prices
- Tailor a unique experience for each customer

WIFI ONBOARD

FLYTHRU

NEW

AIRASIA EZ-PAY

REDBOX

DUTY FREE

F & B

Our well-trained baristas are now serving premium coffee onboard!

LOWEST PRICE GUARANTEE!
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.
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**
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- **Gain of MYR320mil in 1Q15.**