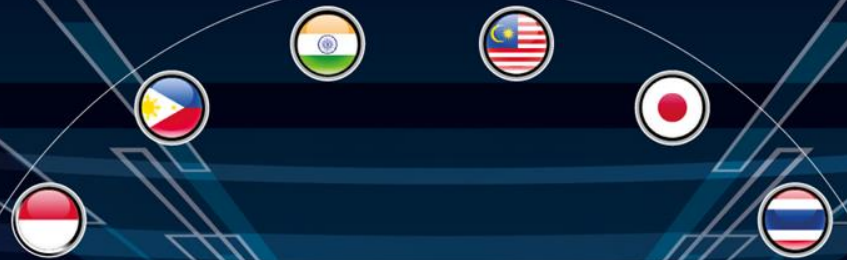




AirAsia Group Berhad
1st Annual General Meeting
20th June 2018





LEGAL DISCLAIMER

Information contained in our presentation is intended solely for your personal reference and is strictly confidential. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. Neither we nor our advisors make any representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

In addition, the information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected.

This presentation is strictly not to be distributed without the explicit consent of Company's management under any circumstances.

2017 AT A GLANCE

HIGHLIGHTS



Key Milestones

- Record Revenue of RM9.71 billion
- Consolidated financial statements for AirAsia Malaysia, AirAsia Indonesia & AirAsia Philippines
- The World's Best Low-Cost Airline for the ninth consecutive year (Skytrax World Airline Awards)
- AirAsia Group^[1] fleet size of 205 as at 31 December 2017

REVENUE
RM9,710 mil

↑ 42%

2016: RM6,846 mil

EBITDAR
RM3,675 mil

↑ 13%

2016: RM3,256 mil

PROFIT BEFORE TAX
RM2,088 mil

↑ 22%

2016: RM1,705 mil

TOTAL ASSETS
RM21.67bil

↓ 1%

2016: RM21.99 bil

ASK (mil)
58,311

↑ 45%

2016: 40,086

NET PROFIT
RM1,571 mil

↓ 3%

2016: RM1,619 mil

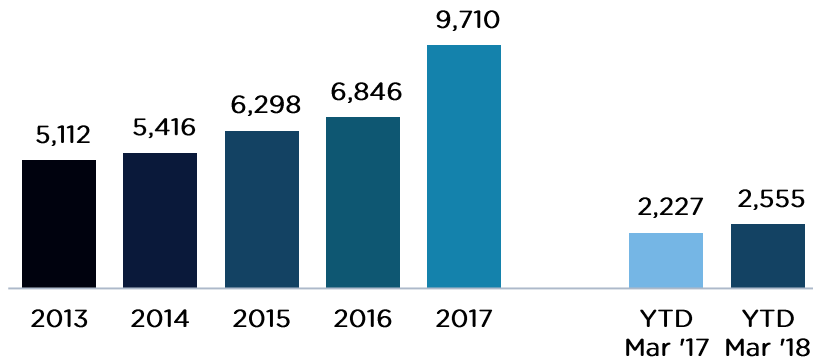
^[1] AirAsia Group refers to AirAsia Malaysia, Thailand, Indonesia, Philippines, India & Japan

FINANCIAL HIGHLIGHTS

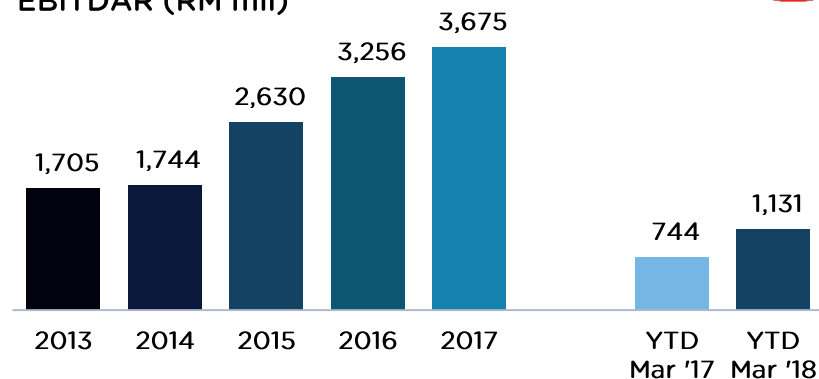
5-YEAR: STEADY GROWTH



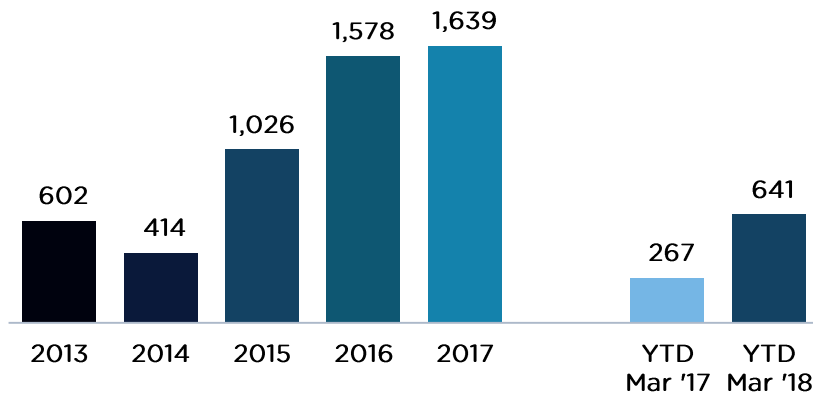
Revenue (RM mil)



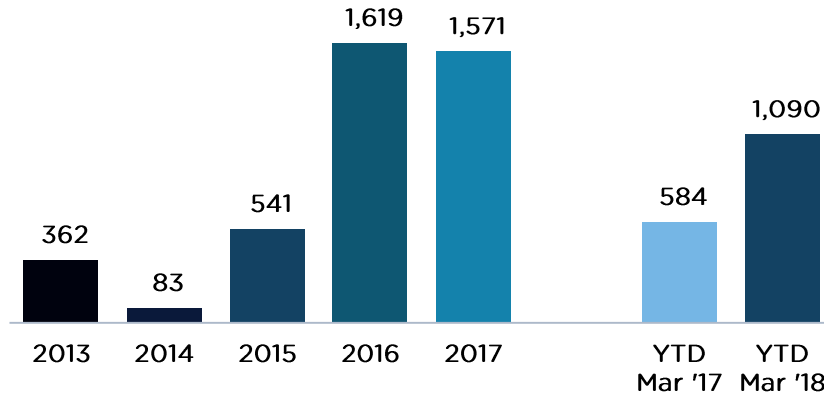
EBITDAR (RM mil)



Net Operating Profit (RM mil)



Profit After Tax (RM mil)

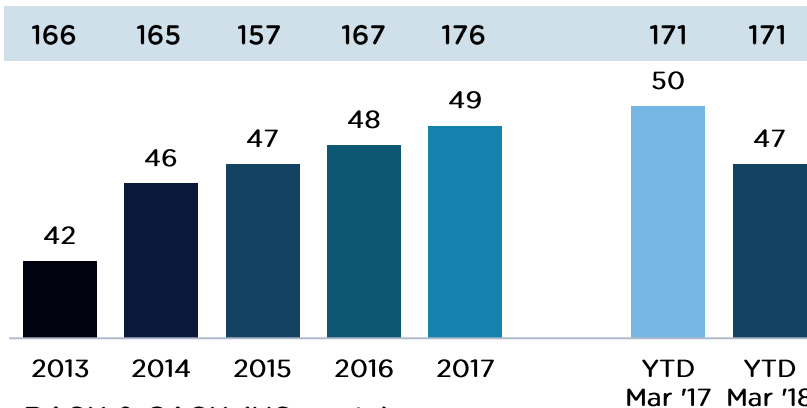


OPERATIONAL HIGHLIGHTS

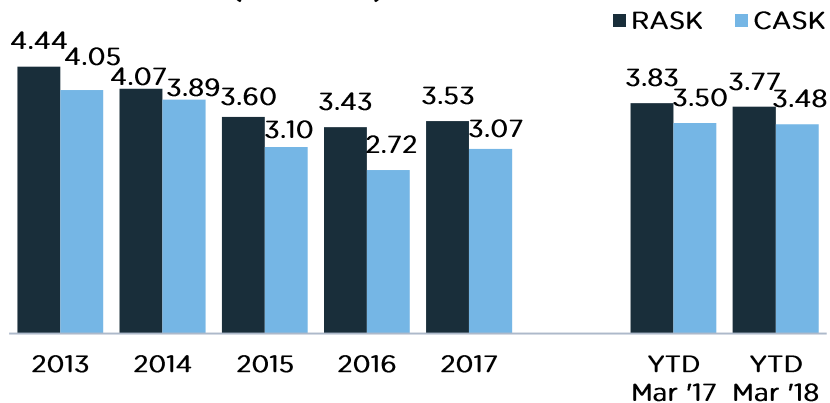
5-YEAR: HEALTHY STATISTICS



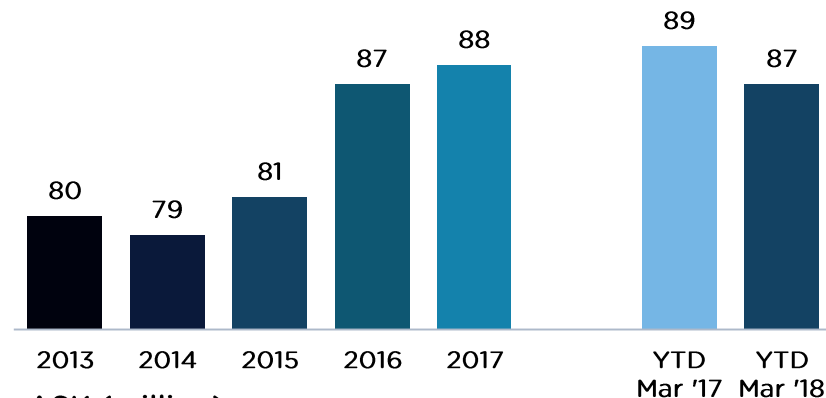
Ancillary Per Pax & Average Base Fare (RM)



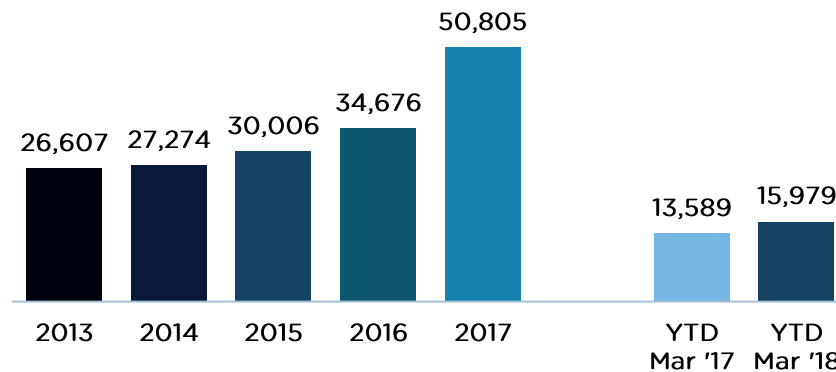
RASK & CASK (US cents)



Load Factor (%)



ASK (million)



FINANCIAL YEAR 2017

KEY HIGHLIGHTS



- **Passengers carried grew 48% YoY from 26.4 million to 39.1 million**
- **Load factor improved 1 ppt to 88%**



- **Revenue up 42% YoY to RM9.71 billion, on the back of accounts consolidation and higher:**
 - Scheduled flight revenue, up 56% YoY
 - Ancillary revenue, up 16% YoY vs FY2016 (Pro Forma basis)



- **Net Operating Profit up 4% YoY to RM1.64 billion** driven by higher revenue and lower operating expenses, while **Net Profit recorded at RM1.57 billion**
- **Net Gearing stood lower at 1.11x;** on the back of healthier cash balance



- **AirAsia Philippines did extremely well for FY2017 and recorded a remarkable Net Operating Profit of PHP686.4 million and Net Profit of PHP378.2 million despite several one-off costs incurred for the full year of 2017**



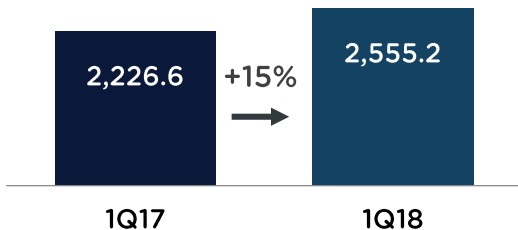
- **AirAsia Indonesia recorded FY2017 Net Operating Profit of IDR378.5 billion and Profit Before Tax of IDR300.3 billion. Deducting one-off in deferred taxes of IDR676.1 billion, Indonesia would have produced a strong full year bottom line profit**

1Q18 HIGHLIGHTS

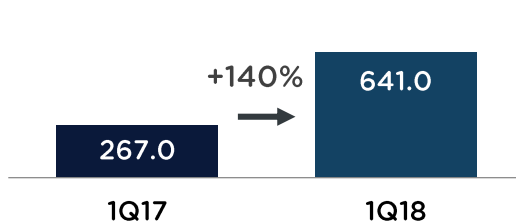
A REMARKABLE START TO 2018



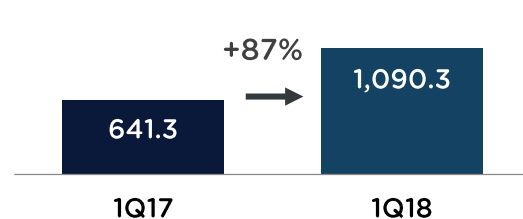
REVENUE
(RM million)



NET OPERATING PROFIT
(RM million)



NET PROFIT
(RM million)



- Revenue up 15% YoY to RM2.56 billion, attributed from:
 - Passengers carried (+16% YoY)
 - Scheduled flight revenue (+17% YoY)
 - Ancillary revenue (+11% YoY)
- Net Gearing of 0.90x (lowest since 2006); Earnings Per Share of 34.17 sen (QTD)

Subsidiaries moving in the right direction:

- AirAsia Philippines recorded Revenue of PHP5.27 billion up by 46% YoY, Net Operating Profit of PHP373.5 million up by 8% YoY and Ancillary Revenue of PHP934.7 million up by 56% YoY
- AirAsia Indonesia recorded Net Loss of IDR218 billion in 1Q18, attributed from the lingering effect of Mt. Agung's volcanic activities which disrupted Denpasar's (Bali) load factor and average fare performance



DEVELOPING PLATFORMS

JUST LIKE AMAZON



AirAsia.com

- Ticketing & Booking
- Merchandise
- OurShop Online Retail Portal & Duty Free
- Ancillary
- Santan
- RedTix
- Hotel Booking



Travel360

- Vidi - TripAdvisor/Traveloka
- Travel & Lifestyle Content Platform
- e-Magazine
- Travel Portal
- Ticketing
- Holiday Series



BIG Loyalty

- Co-branding with ASEAN banks
- Collecting loyalty points from credit card spend
- BIG Points redemption: flight tickets, ancillary, inflight and online purchases
- Big Coin
- e-Commerce marketplace

FY2018 AND BEYOND

EXCITING TIMES AHEAD



1. Unlocking future values

- Expedia – Target sale to conclude by 3Q18

2. Supportive Government Policies and Initiatives to encourage low cost operations

- Elimination of 6% GST (effective 1st June 2018)
- Airport charges to be in accordance with facilities

3. Corporate Exercises

- Listed PT AirAsia Indonesia Tbk on 29 December 2017, Current market cap – USD187 million; secondary listing in 2H2018
- On target for AirAsia Philippines' IPO in 2H2019

FY2018 AND BEYOND

EXCITING TIMES AHEAD



4. Digital Transformation

- **Data projects across the Group:**
 - Customer experience, inflight sales, route revenue, security, flight operations, talent management and etc
- **Reducing queue time through (Levarti MAP airport):**
 - Documents pre-check (visa/return tickets) made available on the mobile app
 - Sensor tracking of passengers in queue – reduce queuing time and improving customer happiness
- Social media and social listening command centers for all AOCs
- Mobile app targeted push notification – airport terminal, boarding gate info and ancillary upsell

RedBeat Ventures (RBV)

- Expanding into new verticals – evolving into a digital and lifestyle airline
- Diversifying portfolio and risk
- Spearheading AirAsia Group's transformation from an airline to a global tech company
- Driving the Group's long-term growth, earnings, and cash flow



RESPONSE TO QUESTIONS FROM
MINORITY SHAREHOLDER
WATCHDOG GROUP
(MSWG)

RESPONSES TO MSWG

STRATEGIC AND FINANCIAL MATTERS



Q1:

We note on page 101 of the Annual Report, the Group is gearing up to expand its aircraft and for the year 2018 there are 30 aircraft waiting to be delivered to Malaysia, Thailand, India, Philippines and Indonesia. The additional aircraft will serve as an impetus for further network expansion of all the Company's airline operations.

With the delivery of these additional 30 aircraft, what is the targeted percentage revenue growth from these countries?

Answer:

The Group is targeting an average growth of 20%-25%.

RESPONSES TO MSWG

STRATEGIC AND FINANCIAL MATTERS



Q2:

As stated on page 101 of the Annual Report, we note that AirAsia India hopes to launch international flights in 2018 and as its fleet size increases to 21, it will meet the government's requirement for airlines operating international routes to have at least 20 aircraft serving domestic routes.

Please update the shareholders in relation to AirAsia India's status in launching its international flights.

Answer:

AirAsia India's expansion plan is under review and effort is underway to ramp up manpower requirements i.e. pilots, cabin crew, engineers etc to meet the 21 aircraft plan to enable us to operate international routes. Hence, timing of the deployment of the aircraft to operate international routes will largely depend on this as well as regulatory and route approvals.

We are and have been compliant with the regulations in India. As of now, AirAsia India has 18 aircraft operating domestically.

RESPONSES TO MSWG

STRATEGIC AND FINANCIAL MATTERS



Q3: What is the benefit received by AirAsia Group in relation to the sponsorship arrangements with QPR Holdings Limited (page 207 of the Annual Report)?

Answer: AirAsia sponsored QPR for the final time in the 2016/2017 season for the amount of RM372,675. Being the Official Airline Partner of QPR, the sponsorship gave AirAsia the access to "QPR in the Community Trust" coaches to run coaching clinics in the Asia region amongst other typical benefits. This is also part of our branding initiative which allowed us to advertise AirAsia logo on the back of the shirt (which appears underneath the player's number). As part of this we also got logo placements across their stadium via the sideline LED boards, signage, advertisement boards, all match interview/press conference backdrops etc.

Q4: Under Note 18 on page 313 of the Annual Report, trade receivables that are past due but not impaired amounting to approximately RM161.7 million (2016: RM75.4 million). Of this amount, approximately RM58.8 million are above 365 days.

- (i) Are these trade receivables of RM58.8 million backed by bank guarantees and if so why have these bank guarantees not been exercised?
- (ii) Would it be more prudent to impair the said amount?

Answer:

- (i) No bank guarantees are provided by the customers, however for some, we do require a deposit. Where deposits are taken, they are netted off with the outstanding amount.
- (ii) A major portion of the debt pertains to amounts due from corporate customers. The management has assessed the debts and made adequate provisions in relation to them. We have also taken appropriate measures to ensure collection of these debts.

Q1:

The Company in its Corporate Governance Report on page 16 has stated that it has adopted Step Up 4.3 of the Malaysian Code On Corporate Governance ("MCCG"). In the explanation column on the application of Step Up 4.3, it was stated that:

"The maximum tenure of an Independent Director is based on Practice 4.2 of the MCCG, which states that an independent director's tenure should not exceed a cumulative nine (9) years. Upon completion of such tenure, the independent director may continue to serve on the Board as a non-independent director, provided that the board has concrete justification for the extension and has obtained shareholders' approval at a general meeting."

However, we note on page 187 of the Annual Report that the Board has in place a policy which limits the tenure of Independent Non-Executive Directors to nine (9) years, with the view to enable the Board's continuous refreshment in order to maintain its effectiveness. An Independent Director may remain as Independent Director after serving a cumulative term of nine (9) years, provided that the Board recommends this upon concrete justification and after seeking its shareholders' approval at a general meeting. The Company has adopted the two-tier voting process in its Constitution.

This is contrary to Step Up 4.3 which does not provide for any extension of tenure beyond the 9-year tenure of INEDs.

Please take note of this.

Answer:

The Board thanks MSWG for the observation and wishes to clarify that page 187 of the Annual Report discusses the practice of AirAsia Berhad. Furthermore, in relation to the tenure of an independent director, AirAsia Group Berhad's Board Charter is consistent with the disclosure made under Practice 4.3 of the Corporate Governance Report.



AAGB's Investor Relations Website:
www.airasia.com/aagbir

Investor Relations Matter:
maa_ir@airasia.com

Flight Bookings and Others:
clientsupport@airasia.com



A group of 14 people, seven men and seven women, are posed in two rows against a vibrant blue background with a digital, circuit-like pattern of white lines. The group is dressed in formal attire: the men are in dark suits, and the women are in red dresses or a black and white patterned dress. The text "Thank you" is centered in the middle of the image in a large, white, sans-serif font. The overall mood is professional and celebratory.

Thank you

AIRASIA GROUP BERHAD

(Company No: 1244493-V)

1st Annual General Meeting

20 June 2018, 10:00 a.m.

WiFi Name: Tricor_eVote

Password: aagb2006

SHUTTLE BUS

SCHEDULE



CAE

Pick Up Point
at Guard House



KLIA2

Drop Off Point
at Level 1
Transportation Hub

12.30 pm

12.45 pm

1.00 pm

1.15 pm

1.30 pm