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

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Revenue

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM9,710 mil</td>
<td>RM6,846 mil</td>
<td>42%</td>
</tr>
</tbody>
</table>

EBITDAR

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM3,675 mil</td>
<td>RM3,256 mil</td>
<td>13%</td>
</tr>
</tbody>
</table>

Profit Before Tax

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM2,088 mil</td>
<td>RM1,705 mil</td>
<td>22%</td>
</tr>
</tbody>
</table>

Total Assets

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM21.67 bil</td>
<td>RM21.99 bil</td>
<td>1%</td>
</tr>
</tbody>
</table>

ASK (mil)

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>58,311</td>
<td>40,086</td>
<td>45%</td>
</tr>
</tbody>
</table>

Net Profit

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM1,571 mil</td>
<td>RM1,619 mil</td>
<td>3%</td>
</tr>
</tbody>
</table>

[1] AirAsia Group refers to AirAsia Malaysia, Thailand, Indonesia, Philippines, India & Japan
FINANCIAL HIGHLIGHTS
5-YEAR: STEADY GROWTH

Revenue (RM mil)
- 2013: 5,112
- 2014: 5,416
- 2015: 6,298
- 2016: 6,846
- 2017: 9,710

Net Operating Profit (RM mil)
- 2013: 602
- 2014: 414
- 2015: 1,026
- 2016: 1,578
- 2017: 1,639

EBITDAR (RM mil)
- 2013: 1,705
- 2014: 1,744
- 2015: 2,630
- 2016: 3,256
- 2017: 3,675

Profit After Tax (RM mil)
- 2013: 362
- 2014: 83
- 2015: 541
- 2016: 1,619
- 2017: 1,571

YTD Mar '17
- Revenue: 2,227
- Net Operating Profit: 267
- EBITDAR: 744
- Profit After Tax: 584

YTD Mar '18
- Revenue: 2,555
- Net Operating Profit: 641
- EBITDAR: 1,131
- Profit After Tax: 1,090
OPERATIONAL HIGHLIGHTS
5-YEAR: HEALTHY STATISTICS

Ancillary Per Pax & Average Base Fare (RM)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>YTD Mar '17</th>
<th>YTD Mar '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare</td>
<td>166</td>
<td>165</td>
<td>157</td>
<td>167</td>
<td>176</td>
<td>171</td>
<td>171</td>
</tr>
</tbody>
</table>

RASK & CASK (US cents)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>YTD Mar '17</th>
<th>YTD Mar '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>RASK</td>
<td>42</td>
<td>46</td>
<td>47</td>
<td>48</td>
<td>49</td>
<td>50</td>
<td>47</td>
</tr>
<tr>
<td>CASK</td>
<td>4.44</td>
<td>4.05</td>
<td>3.89</td>
<td>3.60</td>
<td>3.43</td>
<td>3.53</td>
<td>3.07</td>
</tr>
</tbody>
</table>

Load Factor (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>YTD Mar '17</th>
<th>YTD Mar '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASK</td>
<td>80</td>
<td>79</td>
<td>81</td>
<td>87</td>
<td>88</td>
<td>89</td>
<td>87</td>
</tr>
<tr>
<td>YTD</td>
<td>26,607</td>
<td>27,274</td>
<td>30,006</td>
<td>34,676</td>
<td>50,805</td>
<td>13,589</td>
<td>15,979</td>
</tr>
</tbody>
</table>
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 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
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)
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.
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
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

Bus Schedule:
- 12:30 pm
- 12:45 pm
- 1:00 pm
- 1:15 pm
- 1:30 pm