



## Defying Industry Trends – Net Operating Profit up 4% YoY; Recognised First Contribution from Thai AirAsia

### 1Q12 by the Numbers:

- **Revenue** : RM1.17 billion (up 11% YoY)
- **Net Operating Profit** : RM167.97 million (up 4% YoY)
- **Deposits, Bank and Cash Balances** : RM2.06 billion
- **Passengers Carried** : 4.8 million (up 12% YoY)
- **Net Gearing Ratio** : 1.26x (reduced from 1.41x in Dec 2011)
- **Recognised RM2.3 million contribution from Thai AirAsia**
- **Thai AirAsia:**
  - **Revenue** : THB4.87 billion (up 18% YoY)
  - **Passengers** : 2.1 million (up 17% YoY)
- **Indonesia AirAsia:**
  - **Revenue** : IDR911.35 billion (up 17% YoY)
  - **Passengers** : 1.3 million (up 16% YoY)

**LOW COST TERMINAL SEPANG, 23 May, 2012** – AirAsia Berhad (“AirAsia” or the “Company”) today reported its results for the first quarter ended 31 March 2012.

The Company posted a record quarter revenue of RM1.17 billion, up 11% from a revenue of RM1.05 billion reported in the same quarter last year. The revenue growth came on the back of 12% growth in passenger carried and capacity which saw the number of aircraft operating in Malaysia increasing to 57. Demand for low-cost travel remains strong demonstrated by the maintained high seat load factor of 80%.

Net operating profit was reported at RM167.97 million, up 4% from a net operating profit of RM161.90 million reported in 1Q11. Profit after tax for the same period was RM172.43 million, a slight increase of 0.3% from a profit after tax of RM171.93 million reported in 1Q11.

Group CEO, Tan Sri Dr Tony Fernandes said “We have defied industry trends again by achieving a 4% growth in net operating profit. This remarkable performance, relative to our peers, signifies our resilient business model in the volatile and cyclical airline business coupled with the current stubborn high oil prices. Furthermore, we have reduced our net gearing further to 1.26x with a healthy cash balance of RM2.06 billion through strong revenue production, efficient cost and fleet management.”

AirAsia continues to deliver high EBITDAR and EBIT margins of 35% and 21% respectively for the quarter. AirAsia also reported a high profit before taxation margin of 18%, a slight reduction of 1 percentage point YoY, which is remarkable given that AirAsia had to recognised the start-up losses incurred by Philippines’ AirAsia, AirAsia Japan and AirAsia Expedia as they revved up for expansion.

Cost, measured by cost per available seat per kilometer (“CASK”) was reported at 13.44 sen, a slight increase of 6% YoY and CASK, ex-fuel, stood at 7.04 sen, a slight increase of 3% YoY. This was on the back of 9% increase in the average fuel price.



Fernandes continued, "Ancillary businesses posted strong performance in view of our initiative to reduce individual ancillary item prices to reduce the cost of travelling and to increase take-up rates. Ancillary income per passenger was unchanged at RM40 on a like-for-like basis".

Fernandes further said "This quarter, AirAsia is reaping the benefits of being the first airline in the region to build an affiliate structure under the same brand. AirAsia recognised RM2.3 million as the unrecognised losses in Thai AirAsia has been reversed."

Thai AirAsia posted revenue of THB4.87 billion, recording a growth of 18% YoY attributed to higher passenger volume, a consistent contribution from ancillary income and improving yields. Thai AirAsia achieved a net profit of THB621.6 million in 1Q12, compared to a net profit of THB806.7 million in 1Q11. Load factor for the quarter was reported at a remarkable 87%.

As for Indonesia AirAsia, the affiliate recorded revenue of IDR911.3 billion in 1Q12, 17% higher as compared to the IDR779.0 billion achieved in 1Q11 attributed to higher passenger volumes and higher base fares which rose by 3% over the same quarter in 2011. Passengers carried by Indonesia AirAsia increased by 16% YoY.

## **Outlook**

On the outlook for the rest of 2012, Fernandes remains bullish on the prospects of the year. "Based on the current forward booking trend, underlying demand in the second quarter remains positive. We shall continue our strategy to maintain high load factors with improving yields. Along with the numerous announcements of new routes and increased frequencies since the start of the year, the Group aims to continue to enhance connectivity for our guests and ensuring the best customer experience with high-quality services and products. This shall be supported by the delivery of 17 more new Airbus A320 in the year, as of to date."

On high fuel prices, Fernandes said, "We are monitoring fuel prices very closely and the moment we perceive an opportunity, we will not hesitate to add to our hedges based on our forward bookings. At the same time, we shall remain focus on containing or driving down controllable costs and maintaining our competitive edge."

On the latest exciting development of Philippines' AirAsia, Fernandes said "The Philippines is a robust and growing market. We are here because we are confident of its growth. This is just the start for AirAsia revolutionising air travel in the Philippines". AirAsia launched flights from Clark to Kalibo (gateway to Boracay), Davao and Puerto Princesa in March and April 2012.

Fernandes also said, "We are excited about the imminent listing of Thai AirAsia's parent company which is slated for end of this month. We are also looking forward for Thai AirAsia's exciting expansion plans to China and India."

Speaking on AirAsia's latest addition to the family, AirAsia Japan, he said "AirAsia Japan is on track to launch operations in the early second half of 2012 and I am ecstatic that we will be starting ticket sales next week."

Finally, Fernandes acknowledged that the Company has recently announced to reward its shareholders with a first and final dividend payout of 5 cents per ordinary share subject to shareholders' approval at the upcoming Annual General Meeting. This is in line with Company's vision to give back to shareholders for their support since the Company's initial public offering in 2004.

## PRESS RELEASE

First Quarter 2012 Results



**For further information please contact:**

**Investor Relations:**

**Benyamin Ismail**

Office : +603 8775 4499

Email : [benyaminismail@airasia.com](mailto:benyaminismail@airasia.com)

**Communications Department:**

**Aziz Laikar**

Office : +603 8660 4263

Email : [azizlaikar@airasia.com](mailto:azizlaikar@airasia.com)

For further information on AirAsia, please visit the Company's website: [www.airasia.com](http://www.airasia.com)

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