



Now Everyone Can Fly

AirAsia

AirAsia Berhad
284669-W

Annual Report 2006



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vision & strategy



Our Vision

TO CONTINUE TO BE THE LOWEST COST SHORTHHAUL AIRLINE IN EVERY MARKET WE SERVE IN ASIA, DELIVERING STRONG ORGANIC GROWTH THROUGH OFFERING THE LOWEST AIRFARES AT A PROFIT.

Our Strategy

Leanest Cost Structure

- Efficient and simple point-to-point operations
- Attracting and retaining hardworking and smart people
- Passion for continuous cost reduction

Maximise Shareholders' Value

- Resilient profit growth through our lower cost base
- Expansion of the AirAsia network in a prudent and disciplined manner
- Invest and enhance the AirAsia brand to increase investors' returns

Safety

- Comply with the highest International Aviation Safety Standards and practices
- Keep operations simple and transparent
- Ensure the security of our People and Guests

Passion for Guests' Satisfaction

- Maintain simplicity in every application
- Practice the unique and friendly AirAsia experience at every opportunity
- Recognise the linkage between guests' satisfaction and long-term success

Transparency

- Transparency in decision-making and information sharing
- Optimum disclosure – higher than industry norms
- Timeliness in disclosing information

Human Capital Development

- Invest in both hard and soft skills
- Recognise all our People as contributors to our success
- Reward excellence and individual contributions
- Maintaining one brand across the Group





corporate profile

A REVOLUTIONARY NAME IN AIR TRAVEL REACHES GREATER HEIGHTS

AirAsia Berhad (“AirAsia” or “the Company”) is a name synonymous with low fare. It is also a truly homegrown brand that surpassed everyone’s expectations to emerge as a household name throughout Asia. With its tagline, “Now Everyone Can Fly”, AirAsia has distinctively positioned itself as an airline for the people that empower guests to fly.

AGAINST ALL ODDS

In 2001, Dato’ Tony Fernandes along with Dato’ Pahamin Ab. Rajab (Chairman, AirAsia), Dato’ Kamarudin Meranun (Deputy Group Chief Executive Officer, AirAsia) and Abdul Aziz bin Abu Bakar (Director, AirAsia) formed a partnership to set up Tune Air Sdn Bhd and bought AirAsia for a token RM1.00. With the help of Conor McCarthy (Director, AirAsia; Director, Tune Air Sdn Bhd and former Director of Group Operations, Ryanair), AirAsia was remodeled into a low cost carrier and by January 2002, their vision to make air travel more affordable for Malaysians took flight.

Valued at RM3.6 billion, AirAsia is today an award winning and the single largest low cost carrier in Asia. From a two aircraft operation of Boeing 737-300s, AirAsia currently boasts a fleet of 46 aircraft that fly to over 44 domestic and international destinations and operates over 300 domestic and international flights daily from six hubs located at Low Cost Carrier Terminal (KLIA), Johor Bahru, Kota Kinabalu, Kuching, Bangkok (Thailand) and Jakarta (Indonesia). AirAsia is fast spreading its wings to bigger and more extensive route network through its associate companies, Thai AirAsia and Indonesia AirAsia. The airline has, thus far, carried over 20 million guests since its first day of operation.

BRINGING ASIA CLOSER

At AirAsia, we are bringing people closer by bridging boundaries through our philosophy of offering low fares as people from all walks of life are now able to fly more frequently and for many, for the first time ever. It is something very close to our hearts as we continuously strive to promote air travel and create excitement amongst our guests with our range of innovative products and personalised services.

That AirAsia is a household name throughout Asia is an amazing feat given that our airline is barely five years old. Our success stems from our ability to keep our fares low despite the challenges faced during the year under review.

OUR PILLARS OF STRENGTH

AirAsia’s success is driven by the continued confidence of our guests who prefer a no-frills, hassle-free and convenient way of air travel. We make this possible through the implementation of the following key strategies:

- **Low Fare, No Frills** – AirAsia targets guests who are prepared to do away with frills such as meals, frequent flyer miles or airport lounges in exchange for fares lower than those currently offered without comprising on quality and service. Although AirAsia does not offer complimentary drinks or meals, guests have the choice of buying exclusively prepared, delicious snacks and drinks from our culinary service “Snack Attack” at very affordable prices.
- **High Frequency** – AirAsia’s high frequency flight schedules have made it more convenient for guests to travel as the airline practises a quick turnaround of 25 minutes, which is the fastest in the region. This has resulted in high aircraft utilisation, lower costs and greater airline and staff productivity.



- **Easy To Book, Easy To Pay, Easy To Fly** – AirAsia offers a wide and innovative range of distribution channels to make traveling easier for its guests. AirAsia’s ticketless service provides a low cost alternative to issuing printed tickets. Guests can make booking and payments through:
 - Internet booking at www.airasia.com. This is one of the most popular booking channels, accounting for approximately 60% of AirAsia’s total bookings;
 - mobile.airasia.com; the 1st in the world;
 - Call centres;
 - Sales offices and airport offices; and
 - Travel agents.
- **Safety First** – AirAsia’s cost optimisation philosophy will never be at the expense of the airline’s safety as the entire fleet fully comply with the conditions set by regulators in all the countries where the airline operates. AirAsia’s partnership with world renowned maintenance providers also ensure that its fleet is always in the best condition.
- **Cost Optimisation** – AirAsia’s cost optimisation philosophy is never at the expense of quality. By operating a faster turnaround time, there is better aircraft utilisation and greater crew efficiency. These result in savings that are passed back to guests in the form of low fares.

With our strong fundamentals supported by our close-knit team of Management and staff, and our strong branding, we believe our tenacity will bring us to greater heights in making low cost travel even more “fashionable”.

OUR COMMITMENT

Our extended order of 40 firm Airbus A320 from the original fleet of 60 and an additional purchase option of 30 aircraft is ample proof of our commitment to be a truly Asian airline that operates an extensive route network, fosters economic prosperity, stimulates tourism and promotes stronger cultural integration. This has placed us in an enviable position of potentially becoming the largest and youngest airline fleet in the region.

THE AIRASIA CULTURE

By walking the talk, we have developed a brand that is accessible to everyone. The driving force behind our brand is our single most important asset – over 4,000 staff whose dedication, determination and patience have made us a success story. In turn, we have built a conducive and positive AirAsia culture that permeates all our lines of operations including management, guest services, ground and flight operations.

www.airasia.com



five year financial overview

	For the 15 months ended 30 June 2002 [^]	For the year ended 30 June 2003	2004	2005	2006	
					MASB	IAS
(RM million, unless otherwise stated)						
Revenue	217	330	393	666	863	863
Total expenses	219	318	332	533	766	766
EBITDAR	75	95	116	220	177	177
EBIT	(1)	12	61	133	103	103
Share of results of jointly controlled entity/associates	0.0	0.0	(0.1)	(5.4)	6.0	6.0
Profit before tax	(1.6)	11.5	58.1	125.4	115.5	115.5
Tax	(0.1)	7.4	(9.1)	(14.3)	(27.1)	126.5
Net income *	(1.7)	18.8	49.1	111.6	88.4	242.0
BALANCE SHEET						
Cash & cash equivalents	14	34	66	329	426	426
Total Assets	51	124	350	1,123	2,413	2,413
Net Debt (Total Debt – Total Cash)	(14)	(34)	29	(329)	627	627
Shareholders' Equity	3	49	150	953	1,053	1,206
CASH FLOW STATEMENTS						
Net cash from operating activities	(12)	15	29	(38)	282	282
Cash flow from investing activities	(7)	(22)	(144)	(297)	(1,249)	(1,249)
Cash flow from financing activities	(2)	26	141	589	1,067	1,067
Net Cash Flow	(21)	19	26	254	100	100
CONSOLIDATED FINANCIAL PERFORMANCE (%)						
Return on average total assets	–	15.2	14.0	9.9	3.7	10.0
Return on average shareholders' equity	–	38.4	32.7	11.7	8.4	20.1
R.O.C.E (EBIT/(Net Debt + Equity))	11.6	74.4	33.8	21.4	6.1	5.6
EBITDAR margin	34.6	29.7	29.6	33.1	20.5	20.5
EBIT margin	(0.6)	3.5	15.4	20.0	11.9	11.9
Net Income margin	(0.8)	5.7	12.5	16.8	10.2	28.0
CONSOLIDATED OPERATING STATISTICS						
Passengers carried (Malaysia)	610,738	1,481,097	2,838,822	4,414,069	5,719,411	5,719,411
RPK (million)	672	1,539	2,771	4,881	6,702	6,702
ASK (million)	1,018	2,086	3,592	6,525	8,646	8,646
Load factor (%)	66	74	77	75	78	78
Aircraft utilisation (hours per day)	11.2	12.5	12.8	12.1	12.0	12.0
Average fare (RM)	183	147	131	143	137	137
Yield Revenue per RPK (sen)	18.4	15.1	14.2	13.6	12.9	12.9
Cost per ASK (sen)	12.8	10.9	9.4	8.3	8.8	8.8
Cost per ASK – excluding fuel (sen)	8.9	7.4	6.5	4.2	5.0	5.0
Yield Revenue per RPK (US¢)	4.84	3.97	3.74	3.59	3.47	3.47
Cost per ASK (US¢)	3.37	2.86	2.47	2.19	2.37	2.37
Cost per ASK – excluding fuel (US¢)	2.35	1.96	1.72	1.11	1.35	1.35
Number of Stages	6,521	14,461	25,106	40,679	48,339	48,339
Average stage length (km)	1,128	975	967	1,024	1,163	1,163
Average fleet size (Malaysia)	2.5	5.5	9.5	16.3	20.5	20.5
Size of fleet at year end (Malaysia)	3	7	13	19	26	26
Size of fleet at year end (Group)	3	7	17	27	42	42
Number of employees at year end (Group)	322	648	1,382	2,016	2,224	2,224
Percentage revenue via internet (%)	0	29	43	47	60	60

* Net income after minority interests

[^] In 2002, the Company changed its financial year end from 31 March to 30 June to coincide with the financial year end of Tune Air Sdn Bhd

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not a **destination**.



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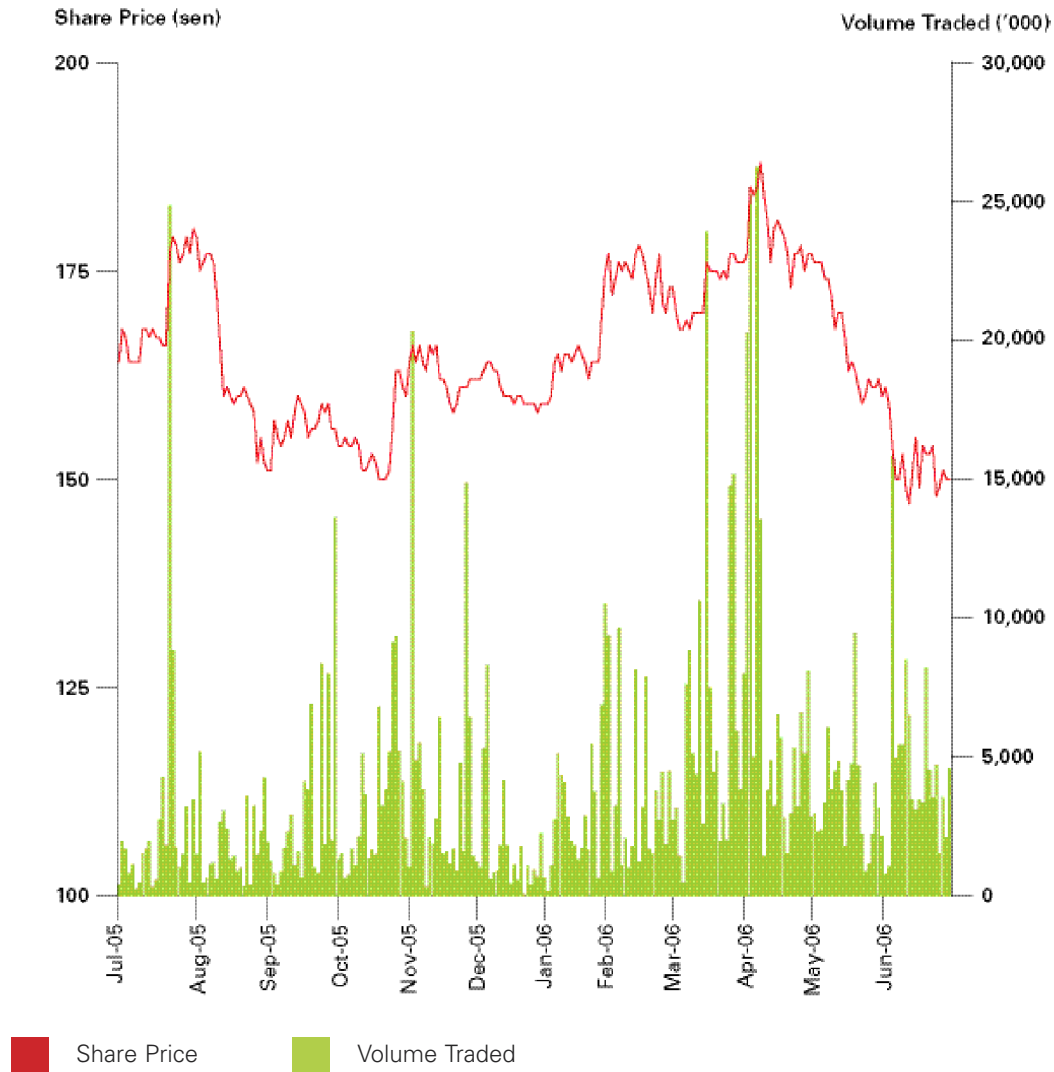
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share performance



financial calendar

NOV 2005	12th Annual General Meeting ("AGM") of the Company was held on 25 November 2005.
NOV 2005	Announcement on 28 November 2005 of the unaudited consolidated first quarter results for the three months ended 30 September 2005.
FEB 2006	Announcement on 24 February 2006 of the unaudited consolidated second quarter results for the three months ended 31 December 2005.
MAY 2006	Announcement on 30 May 2006 of the unaudited consolidated third quarter results for the three months ended 31 March 2006.
AUG 2006	Announcement on 29 August 2006 of the unaudited consolidated fourth quarter results for the three months ended 30 June 2006.

the AIRBUS A320

– AirAsia's latest family member

In 2006, AirAsia added 15 aircraft to its fleet, seven of which are the brand new Airbus A320 aircraft. The reception has been nothing short of fantastic as for everyone, it was love at first sight! Everyone was bowled over as the aircraft won our hearts instantly. The integration process was smooth and we did not encounter any complications. Simply put, the aircraft exceeded all our expectations. The Airbus A320 has enhanced our image and brand equity in terms of service quality, comfort and reliability. In fact, the Airbus A320 has proven to be exceptionally popular given the consistent and positive feedback from our guests. Due to its proven superior performance and popularity, we decided to exercise our option and expand the original order.

AirAsia's purchase agreement with Airbus is for 130 aircraft, of which 100 are firm orders with an option to purchase a further 30. The addition of these aircraft will enable us to continue to drive down our aircraft and operating costs, as well as secure AirAsia's fleet

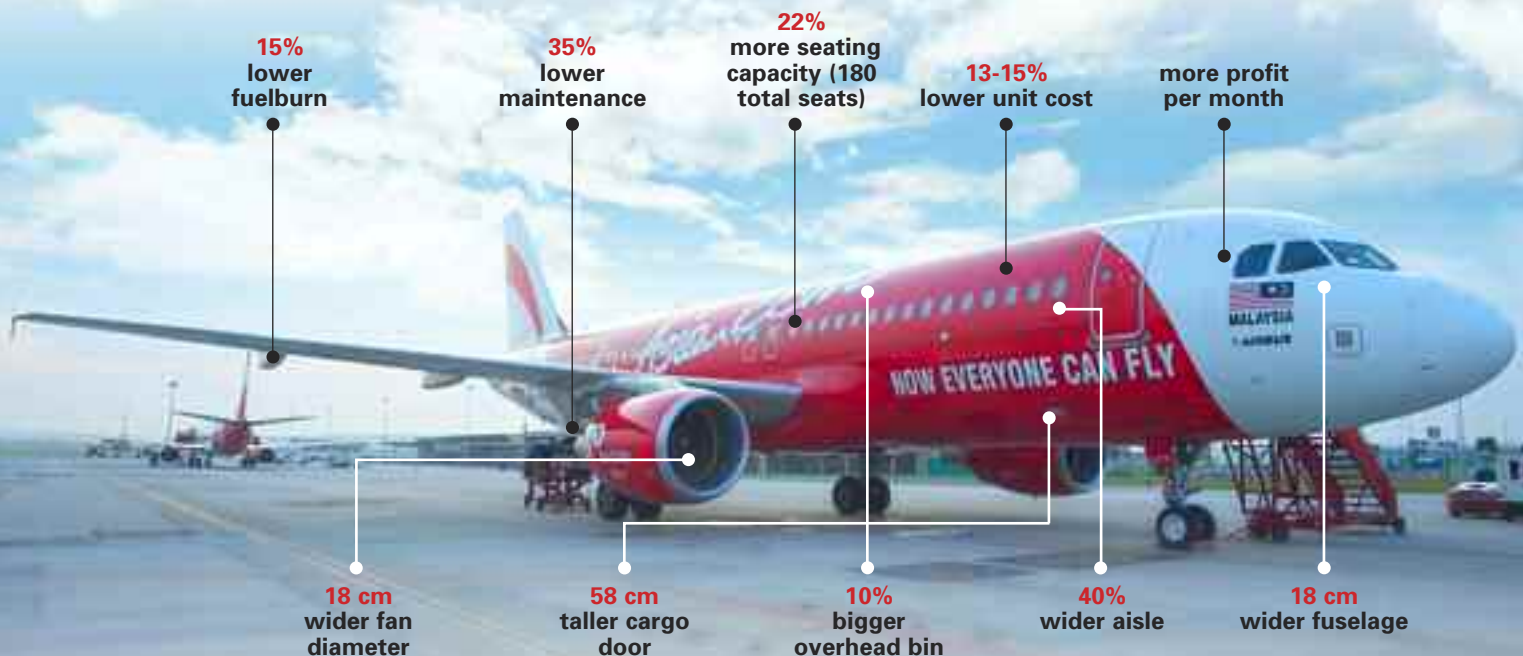
requirement up till 2012 and lock in the benefits of the original agreement. It goes without saying that AirAsia will soon have the most modern and youngest fleet in the world.

THE RIGHT TOOL FOR THE JOB

Apart from having a reputation for being the most modern and sophisticated aircraft of its class, the Airbus A320 is also renowned for its high reliability and low operating costs. Compared to the airline's Boeing 737-300 aircraft, the Airbus A320 is at least 15% more fuel efficient on an available seat kilometer basis, while offering guests greater width space, a quieter ride and unrivalled comfort. AirAsia will integrate the Airbus A320 into the current fleet of Boeing 737-300 aircraft that will be phased out accordingly as its lease expires. Through this approach, AirAsia has greater flexibility to meet the needs of each market while building on the cost efficiencies of operating one aircraft type.

DO YOU KNOW THAT...

- Every 3 minutes, an AirAsia aircraft is either taking off or landing somewhere in Asia.
- Our aircraft flies an average of 2.8 million kilometers each year; that's an equal distance to the moon and back, four times over.
- Our pilots and cabin crew travel 500,000 kilometers every year; roughly circling the Earth 13 times.
- Each of our ramp staff carries an equivalent of 110 tons of luggage every year.
- Our aircraft consumes approximately 14 million litres of fuel each year.
- Our aircraft undergoes stringent safety maintenance checks every day.
- We implement a comprehensive service maintenance check ("A" check) on our aircraft every 600 hours – approximately every 50 days.



100
A320



**Introducing Asia's largest & most modern fleet
AirAsia Airbus A320**

liberating air travel



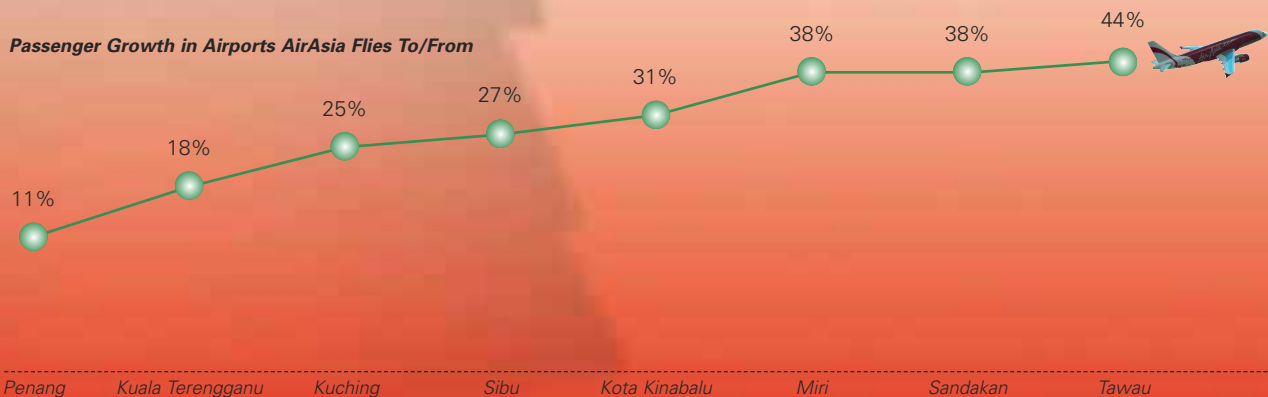
AirAsia is popularising air travel, stimulating latent demand through clever and punchy eye-catching promotional campaigns. When we first launched our low fare, no frills concept back in December 2001, our aim was to liberate the skies and defy the myth that flying is reserved only for the affluent and well heeled. While other airlines were charging exorbitant fares to every destination, AirAsia offered fares from as low as USD 0.99 – less than a bus fare.

Today, we continue to offer our guests amazing low fares, exciting destinations to choose from, and our genuine AirAsia spirit to all corners of Asia. Our guests have developed a habit of booking flights on-line and planning their trip/s well in advance. Not only are our guests enjoying amazing low fares, but they can look forward to travel in modern, exceptionally safe aircraft complemented with high quality service from our friendly cabin crew who treat you the way you like to be treated.

THE LCC IMPACT

AirAsia aims to stimulate the market with low fares and grow the market to its full potential. When we enter a new market, our competitors tends to lower their fares to match ours. The principal difference is our fares stay low – if not lower, whenever and wherever we fly. This helps stimulate traffic growth as it entices people to switch from other travel alternatives while attracting first time flyers. Passenger volume on AirAsia's Malaysian routes grew by around 11% between 2001 and 2005.

Passenger Growth in Airports AirAsia Flies To/From



Source: Malaysia Airport Berhad



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that balance the odds in your favour.
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information. Make the right judgements.
Take the right actions.

 **ecmlibraavenue**

welcome to our new home, the low cost carrier terminal (LCCT)

THE FIRST DEDICATED LOW COST CARRIER TERMINAL IN THE REGION

On 23 March 2006, we moved our operations to the Low Cost Carrier Terminal (LCCT). The LCCT is the first of its kind built in the region and it was built in a record period of nine months. The terminal was designed to cater for 10 million passengers a year with 30 parking bays. If the need arises, the terminal can be upgraded to handle 15 million passengers per year with an additional 12 parking bays. The LCCT is a showcase model as other airports are emulating its success by building their own low cost carrier terminals. Kota Kinabalu airport is currently busy constructing their low cost carrier terminal and should be completed by the end of the year; Kuching airport will start construction of their terminal early next year. Bangkok and Jakarta are also considering building their own low cost carrier terminals.



HIGH QUALITY SERVICE AT LOWER COST

The LCCT provides us with numerous cost saving opportunities. The simple and compact design facilitates more efficient operations. Furthermore, the close proximity of all key authorities will ensure that there are no breakdown in communications.

When we achieve better cost savings, we translate that into even lower fares for our guests.

Among the LCCT's major cost saving contributors are:

- **The absence of aerobridges.** We believe that an aerobridge is not a necessity. Thus, the savings generated by not using an aerobridge are significant. Simultaneously, it helps to improve efficiency because it enables us to use both exit doors of the aircraft.
- **Close to the runway.** The close proximity to the runway minimises taxi time and this helps us to reduce our aircraft fuel burn.
- **Lower manpower requirements.** The terminal's ergonomic design allow us to deploy fewer staff to get the same job done. There are no longer duplication of duties and our teams can multi task better. Furthermore, a significant amount of time is saved commuting from one workstation to the other.

Besides providing better efficiency and cost savings, the LCCT also enhances passenger comfort and experience. Among the notable improvements in service are:

- **Short walking distance.** The maximum walking distance from the terminal entrance to the aircraft seat is no more than 400 metres! At our previous premise, one would have to walk at least three times the distance.
- **User-friendly design.** The terminal sections are clearly marked with a simple single floor layout. Thus, guests have no problem locating their departure gate.
- **Comprehensive connectivity.** The LCCT is connected with frequent bus service to the city centre and to the main terminal building at KLIA. Taxis are frequent and at fair rates to all destinations. There are also ongoing talks to extend the Express Rail Link service to the LCCT.



AirAsia: Above and beyond the ordinary.

Navitaire congratulates AirAsia on yet another successful year.

AirAsia's record growth and profits demonstrate the high-performance results achievable through innovative ideas supported by strategic business partners. Navitaire is proud to be behind the scenes of AirAsia's remarkable success by delivering flexible, integrated systems serving its reservations, revenue management and operations management needs.

Thinking beyond the ordinary in a highly competitive world helps AirAsia tap into new markets, grow profitably and maintain a low cost structure.

We're confident AirAsia will continue being a high-performance business that goes above and beyond the basics. And Navitaire will be there to help AirAsia turn its ideas into revenues.

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our people

Many ask us what drives AirAsia day in, day out. The answer is simple - it's our people; talented and passionate individuals who have made us a force to reckon with in the airline industry within a very short span of time. More importantly, they believe and share our philosophy. Many say we are a model success story but we believe it's due to our greatest assets – OUR PEOPLE, all success stories themselves.

**ONE people,
ONE culture,
ONE AirAsia,
ONE family.**

As AirAsia's operation in the region expands, our workforce has grown in tandem. We believe in the importance of building on our core values which we have put into practice in order to sustain a strong company culture across the region. We may have employees in 9 countries but we strive to uphold ONE people, ONE culture, ONE AirAsia, ONE family.

The Corporate Culture Department was established in August 2004 to ensure our vision to have a winning culture is achieved. The Department's role is to promote the AirAsia spirit and family atmosphere through close communication and exciting activities designed specially for our people. Our ultimate goal – to ensure our guests experience ONE AirAsia wherever they fly.



Captain Nazli Shah with daughter
First Officer Ilyana



Corporate Culture team, Kuala Lumpur



Thai AirAsia Marketing team, Bangkok



Sales Office team, Kelapa Gading, Jakarta



Sales office team, Hanoi, Vietnam



Sales office team, Xiamen, China



Route Revenue team, Kuala Lumpur

LIVING THE *AirAsia* DREAM

Azmir Hashim, our former Guest Services staff, successfully graduated from AirAsia's cadet pilot program (Batch 1) and has been a proud First Officer on the Boeing 737 since May 2005. AirAsia's cadet pilot training program with the Malaysian Flying Academy in Melaka was launched in 2003 and to date AirAsia has trained over 60 pilots under the program. Amongst the graduates who are now serving as First Officers are two female pilots and our staff formerly in Purchasing, Guest Services, Accounts, Cabin Crew and Engineering.



from **Guest Services** to **737 First Officer**

“Once a month, I carry bags with the ramp boys, or I'm cabin crew, or at the check-in. I do this to get close to the operation. I also want to know my people. When I first started this, I met all these bright kids at the check-in or carrying bags. We were starting this cadet pilot program, and I said, "Let's open it up to anyone. Let some of these kids apply." They have the brains, but they just didn't have the money to get the education. Out of the first batch of 19 cadets, 11 came from within the Company. Some of these boys got the highest marks ever in the flying academy. There was one kid who joined us to carry bags, and 18 months later he was a First Officer of a 737. Can you imagine what that does for the motivation in the Company? Everyone talks about developing human capital, but we did it. ”

Tony Fernandes

Source: An extract from an article in Asia Wall Street Journal, 29 May 2006.



more than just **low fares**

AirAsia offers more than just low fares to make the flying experience more enjoyable and convenient for our guests. We offer a host of value-added products that enhance our guests' travel experience and cater to their varied needs. Our brand has grown in tandem with current trends in the market place. Our guests can expect the "AirAsia Experience" from the point of booking until they reach their destination – convenient online reservation system, friendly cabin crew, affordable in-flight food and attractive merchandise for sale on board, and entertaining in-flight games. Over the years, our website www.airasia.com has evolved into a convenient one-stop travel centre that allows guests to plan their entire holiday online, from making flight reservations to booking other travel related products such as hotels, holiday packages, health packages and even car rentals.

Go Holiday, AirAsia's online holiday packages was launched in Aug 2003 offering guests the convenience of booking their holiday packages online. Of the total sales, 85% are from Do It Yourself (DIY) packages which comprise flight and hotel bookings, 10% from hotel bookings and the remaining 5% from the newly launched group package bookings that consist of flight, hotel, transfer and tour. Local inbound agents for respective destinations will be appointed to handle the groups' arrivals.

Go Holiday now boasts 500 hotel partners in all the countries that we fly to. Our hotel class offering ranges from high end properties to budget hotels, enabling us to cater to all customer segments. Go Holiday's large room allotment, newly designed web layout, introduction of multi currencies booking and aggressive marketing campaigns are among the contributing factors to the popularity of this online service.

Go Medic is our specially designed online health package to cater to the growing demand from health tourism. Currently, Go Medic has formed a partnership with two diagnostic centres with potentially more hospitals and diagnostic centres to be added to the service.

Go Holiday Theme Park which was also recently added to the service, currently offers theme park packages in Malaysia and has potential for expansion to other countries in the region.

AirAsia Golnsure issued by American Home Assurance Company, Malaysia is a specially designed Travel Protection for AirAsia guests. Insurance policies range from as low as RM6 for a one way In-Flight Coverage and RM15.00 for a Comprehensive Coverage. The product was launched in April 2006 and is growing in popularity. The Travel Protection offers benefits such as Accidental Medical



Reimbursement up to RM20,000, Evacuation and Repatriation Expenses, Personal Accident up to RM125,000, Baggage and Personal Effects up to RM1,500, Trip Cancellation and Interruption, Flight Delay and Complimentary 24 hour Medical Assistance. AirAsia Golnsure is currently available in Malaysia and there are plans to expand the online product to other countries in the future.

The **AirAsia Credit Card** issued by RHB Bank has one of the fastest growing take-up rates in the market, with a current card holder base of approximately 160,000. The AirAsia Credit Card offers benefits such as worldwide acceptance, free travel insurance of up to RM300,000 for card holders and their family members, Smart Rewards that come with over 300 exciting redemption choices and many more. This year's highlights for card holders include Free Weekly Flights as well as Click n Go bookings at prices as low as RM1.99. Card holders can also accumulate RHB Reward Points and convert them into AA (RM) in order to enjoy free flight redemptions! Aside from these worthwhile benefits, Principal cardmembers are given a 1-year fee waiver and Free-for-Life term for supplementary card holders.

AirAsia introduced **mobile.airasia.com** in 2005 and became the first airline in the world to offer a total and comprehensive booking system targeting mobile phones and wireless devices. This service enables mobile phone and PDA users with any GPRS, 3G, EDGE or wireless facilities, to view AirAsia's web pages directly. Guests only require a mobile phone to search for flights, book, use a credit card to pay, and receive flight confirmation and itinerary details, from anywhere in the world, 24 hours a day.

Although we operate a no-frills service, we offer **Snack Attack**, a selection of tasty food and drinks available on board at affordable prices. Guests can choose from hot food such as our signature nasi lemak to sandwiches and snacks.

We also offer a range of attractive **AirAsia Merchandise** items for sale from our signature red caps and aircraft models to key chains and beanie planes for the little ones on board. Our exclusive co-brand AirAsia Manchester United merchandise has also gained popularity and we are looking at introducing a new range to cater to the demand of our guests.

www.airasia.com

- Every 4.3 seconds somebody will book their seats online.
- Visited by 1.1 million viewers each month, making it the most highly searched website in the ASEAN region.
- Surfing by users from over 180 countries worldwide.



SNACK ATTACK



we believe



our guests

come first



8:15 am | SALES COUNTER AT LCCT | Zulfana Dewi, Guest Services

major milestones

Year 2005

1 NOV 2005

AirAsia commenced daily flights from Kuala Lumpur to Phnom Penh. The launch ceremony was officiated by the President of the National Assembly of the Kingdom of Cambodia, HRH Samdech Krom Preah Norodom Ranariddh.

2 DECEMBER

AirAsia offered 2 million free seats in conjunction with our 4th year anniversary celebrations and this campaign was promoted in seven countries.

8 DECEMBER

AirAsia's first Airbus A320, 9M-AFA, arrived at Kuala Lumpur International Airport from Toulouse, France.

9 DECEMBER

AirAsia's A320 made its first public appearance in Malaysia at the LIMA Air Show 2005 in Langkawi. YAB Datuk Seri Najib bin Tun Abdul Razak, Deputy Prime Minister of Malaysia boarded the aircraft to view the brand new interior along with other dignitaries.

27 DECEMBER

AirAsia introduced direct flights from Kuala Lumpur to Siam Reap.

Year 2006

18 JANUARY

AirAsia and Galileo signed a global agreement for exclusive access to low fares, enabling AirAsia to reach and serve an even larger and wider network of markets. The collaboration is set to

1 November 2005



benefit subscribers of over 50,000 travel agencies worldwide, while introducing AirAsia for the first time to more markets via a major and well established distribution channel.

23 MARCH

YAB Dato' Seri Abdullah bin Haji Ahmad Badawi, Prime Minister of Malaysia officially launched AirAsia's new home at the Low Cost Carrier Terminal (LCCT) in Kuala Lumpur International Airport.



9 December 2005

22 APRIL

DYMM Seri Paduka Baginda, Yang di-Pertuan Agong XII, Tuanku Syed Sirajuddin Ibni Al-Marhum Tuanku Syed Putra Jamalullail (King of Malaysia) visited AirAsia's new home at the Low Cost Carrier Terminal and presented certificates to graduates from our cadet pilot training program.

2 December 2005



23 March 2006



22 April 2006



8 May 2006



9 May 2006



4 July 2005



26 APRIL

AirAsia hosted the first EU-Malaysia civil aviation safety conference to promote closer ties between the European and Asian Aerospace industry and regulatory authorities, and to improve aviation safety in South East Asia.

8-9 MAY

Manchester United players visited AirAsia's "Red Devil" A320 at Manchester Airport. The plane flew from Kuala Lumpur for a promotional visit and took lucky Manchester United fans for a joyride in Manchester.

31 MAY

AirAsia despatched an extra flight from Kuala Lumpur to Solo (AK 9994) to aid humanitarian and relief work in Yogyakarta, Central Java following the earthquake in the Indonesian city.

20 JUNE

AirAsia, in partnership with AIG S.E. Asia Pte Ltd launched the AirAsia Golnsure Travel Protection, thus becoming the first low cost carrier in Asia to offer a web-integrated travel protection sales platform.

4 JULY

AXN, a leading international action and adventure cable channel announced AirAsia's participation as the Official Airline Partner for the Asian edition of the three-time Emmy award-winning Amazing Race reality series.

7 JULY

AirAsia's new Kota Kinabalu hub was officially launched by the Chief Minister of Sabah, YAB Datuk Musa bin Haji Aman.

11 JULY

AirAsia commenced daily flights from Kuala Lumpur to Brunei.

20 JULY

AirAsia announced that we will exercise our option to acquire an additional 40 Airbus A320 and extend the order for a further 30 aircraft, thus bringing the total order for the Airbus A320 to 100 firm orders with an option for another 30.

20 JULY

AirAsia's new Kuching hub was officially launched by YB Dato' Sri Wong Soon Koh, Second Finance Minister and Urban Development and Tourism Minister of Sarawak.

1 AUGUST

The Malaysian aviation industry has successfully implemented rationalisation of its domestic routes. The market environment is now commercial friendly with a level playing field for everyone.

14 AUGUST

AirAsia launched its state-of-the-art Airbus A320 full flight simulators at the new AirAsia Academy. The event was officiated by YB Dato' Sri Chan Kong Choy, Minister of Transport Malaysia.

8 SEPTEMBER

AirAsia extended our partnership with Manchester United Football Club for a second year and signed a partnership with Tourism Malaysia as a new sponsor of the football club to jointly promote Visit Malaysia 2007.

4 OCTOBER

AirAsia made its entry into Vietnam with the launch of daily flights from Kuala Lumpur to Hanoi.

14 August 2006



8 September 2006

