Leading The Competition

First Quarter (Jan-Mar) 2009 Results

28 May 2009

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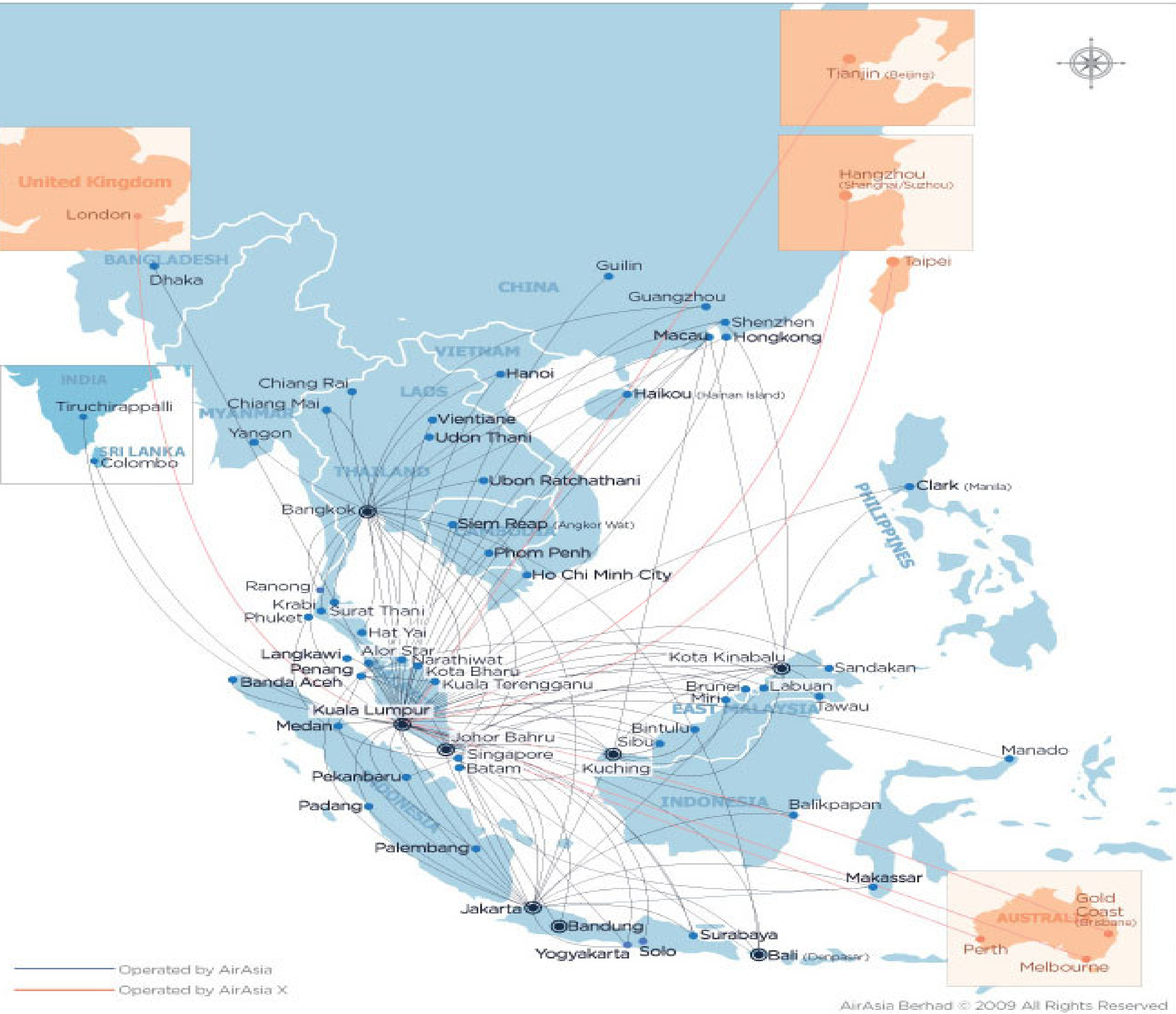
Key Highlights for First Quarter

- Disciplined growth
  - Group fleet size of 74 operational aircraft (end of March)
  - capacity growth of 19% and passenger growth of 21% YoY
- First quarter results exceeds expectations
  - core operating profit 166 million, 591% growth
  - core operating profit margin 23.2%
- Lowest cost airline in the world at 2.38 US cents / ASK
  - lower fuel price and efficiency gains
- Continuously expanding the network
  - launched seven new routes in the period
  - launched Bandung as a base; bringing the total up to seven bases
- Voted as the “Best Low Cost Carrier” in the World
- AirAsia Group is now the biggest customer at KLIA

The Best Kept Secret on the Balance Sheet



AirAsia

Period	# Routes Served
2002	6
2003	11
2004	26
2005	52
2006	65
2007	75
2008	104
NOW	116

Latest Route

Bali – Perth

Upcoming Routes

KL – Colombo
Bangkok – Taipei

➔ 42 unique routes

Further Strengthening the Route Network - Singapore is

- Singapore is open for AirAsia after 7 years
  - routes from Malaysia and Indonesia is increasingly accessible
- AirAsia is the official low cost carrier for Singapore
  - currently 26 daily flights to Changi, will more than double within a year
  - more daily services than Tiger Airways and JetStar Asia
- Next wave of new routes
  - Penang, Langkawi, Sandakan, Miri, Medan, Surabaya,

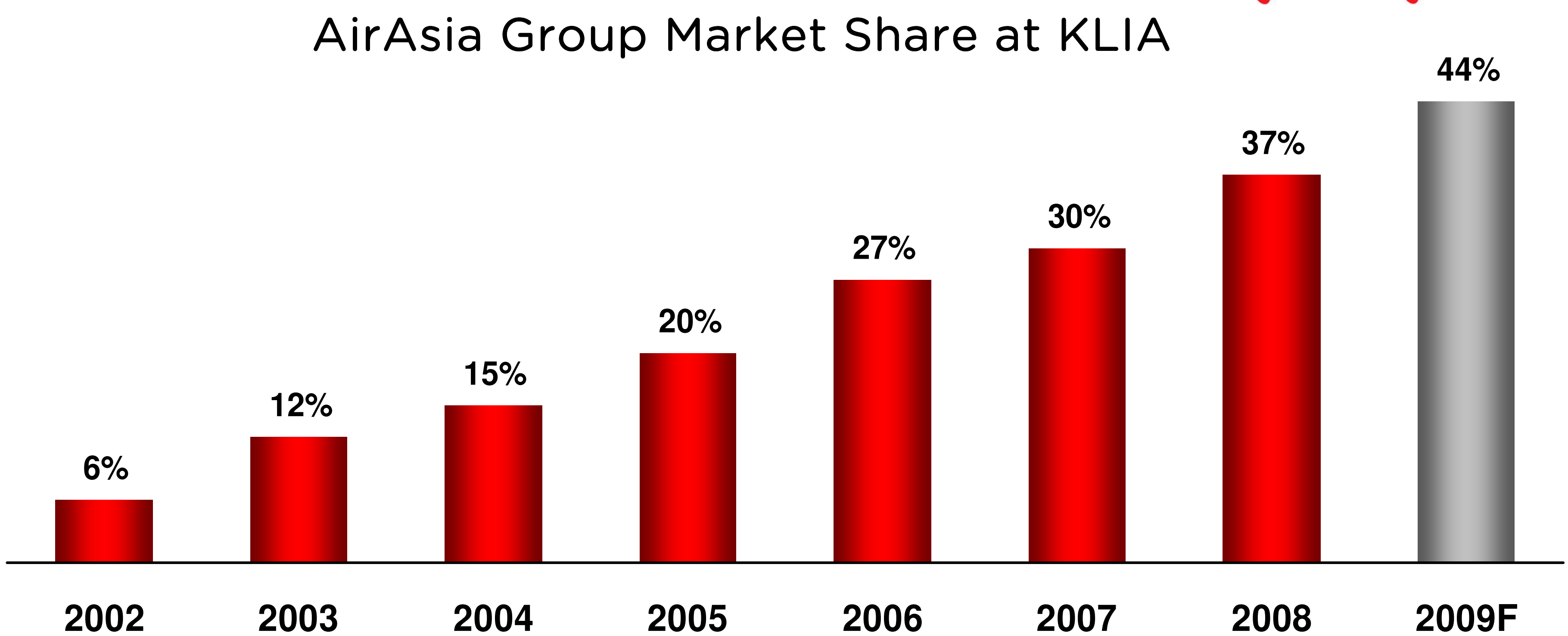
World's Best Low Cost Carrier

- AirAsia won the coveted "World's Best Low Cost Airline" by Skytrax
  - best on an overall measure
  - first Asian airlines to win this award

- Skytrax
  - independent consultants based in UK
  - votes cast by individuals all over the world
  - most accurate and reflective of peoples' view on an airline

➔ **Relevance: Recognition of Quality and Dependability**
- popularity and accolades will help to capture more market share from legacy carriers
- breaking the myth that LCC is low quality

AirAsia is the Market Leader at KLIA



Source: MAHB, Company data

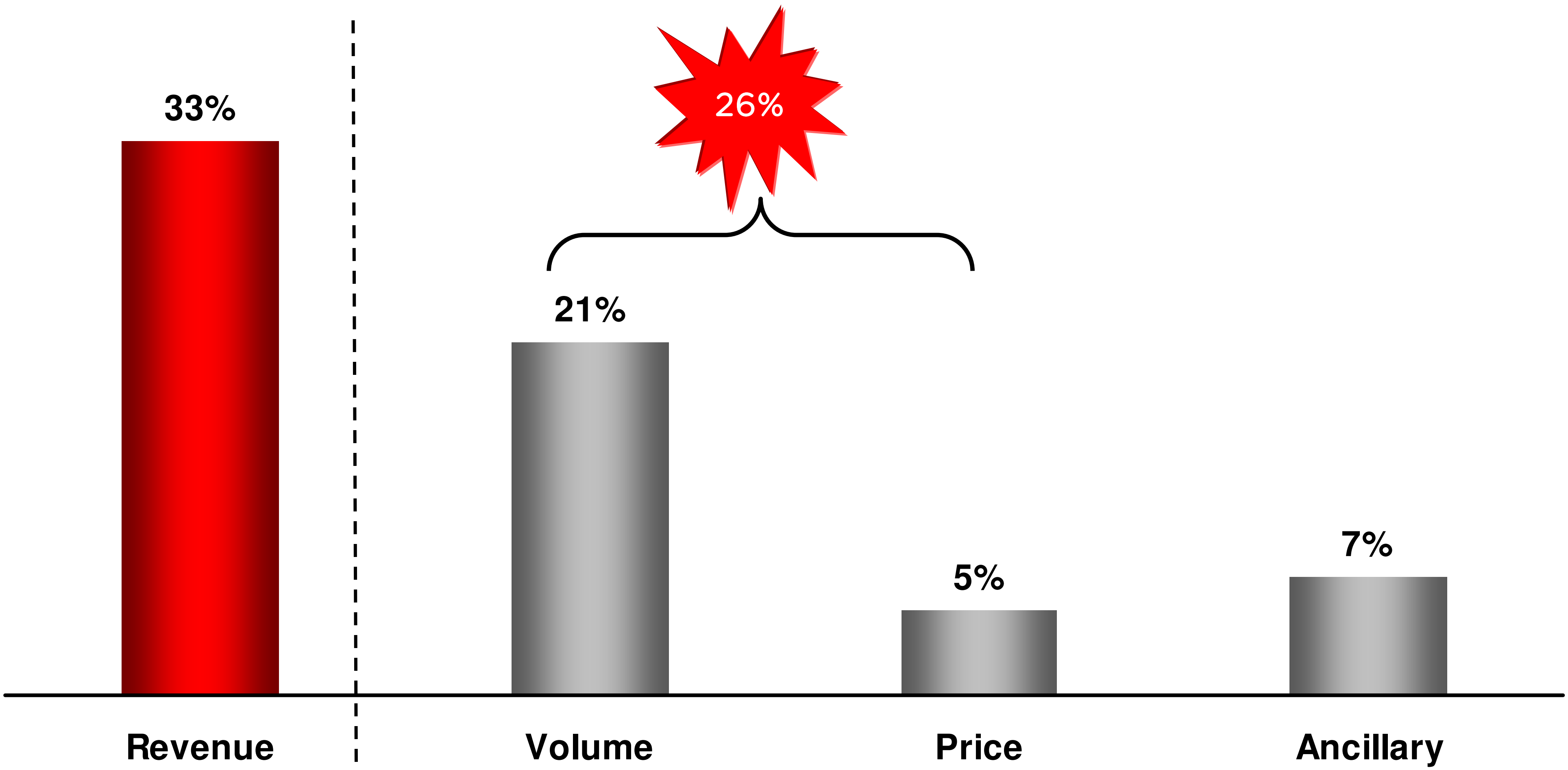
- AirAsia Group has the most number of passengers at KLIA
  - Group's market share in the first quarter was 44%
  - AirAsia Group is the ONLY airline that is growing meaningfully at KLIA
  - Assuming AirAsia did not grow; KLIA traffic would have declined by 7% in the first quarter

➔ RELEVANCE: Better negotiating power with airports

Result Commentary

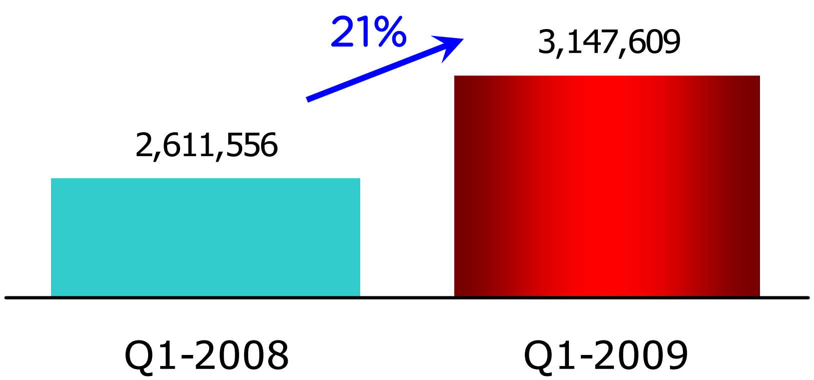
Q1 2009: Revenue Growth Components

Year-Over-Year % Change

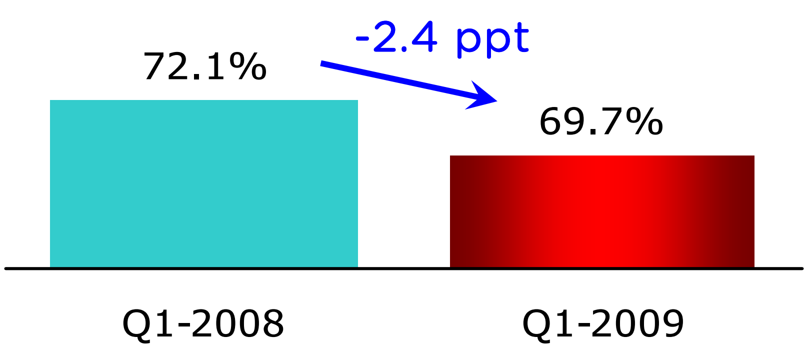


LCC Thrives During Economic Hardship

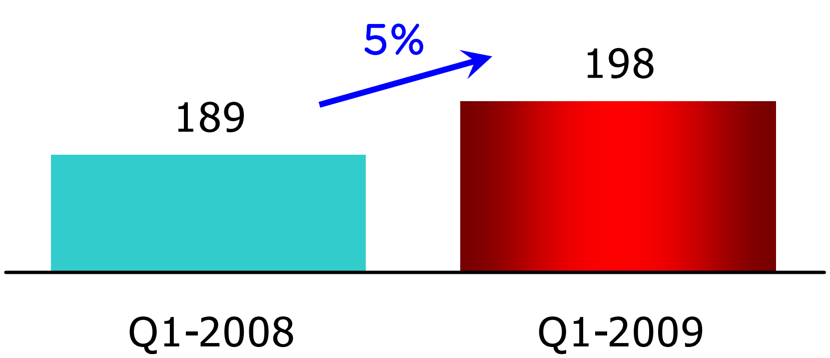
Passenger Carried



Load Factor



Average Fare (RM)



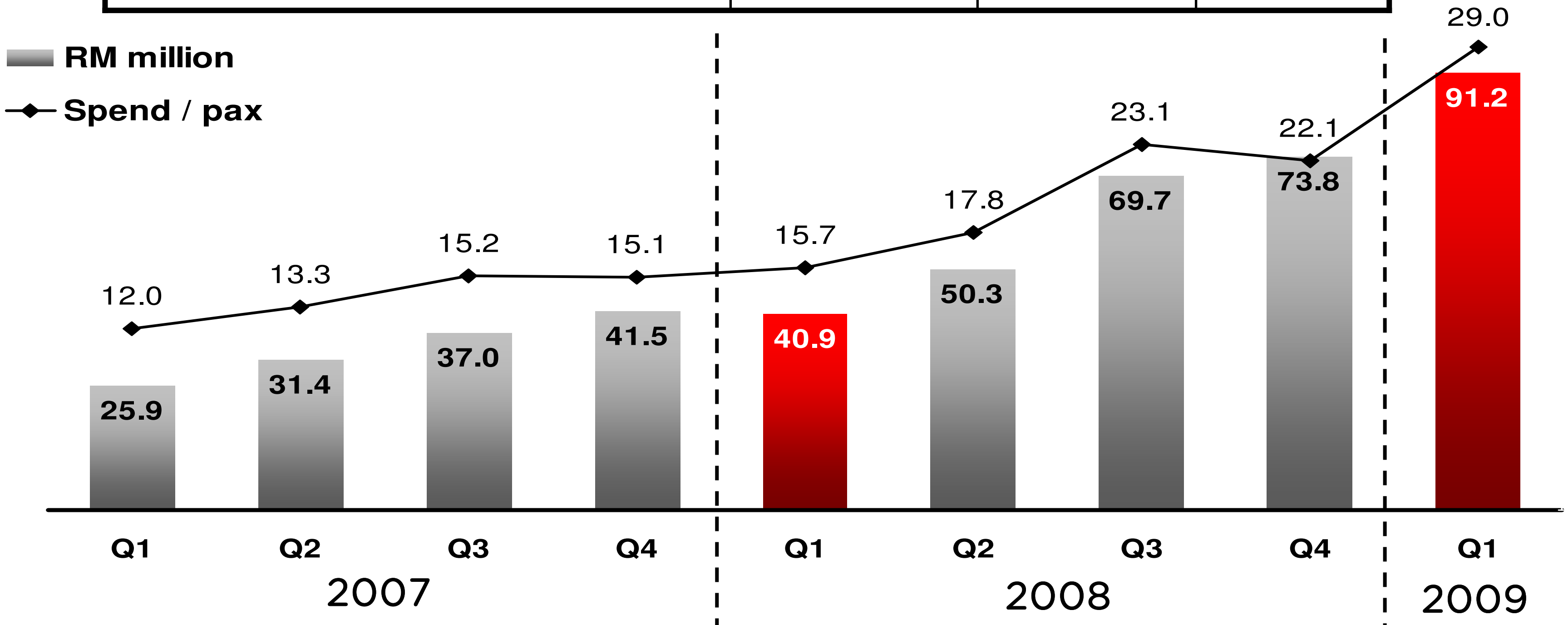
- Robust passenger growth continues
  - 21% passenger growth
  - more people switching to AirAsia
  - prevalent down trading is opening new markets for AirAsia

- Load factor holding up well
  - 2.4 percentage points drop from same period last year
  - due to significant capacity addition of 19% year on year

- Average fare up by 5%
  - effective yield management
  - competitors have not significantly reduced fares and fuel surcharge
  - ability to gap up fares

Driving Growth from Ancillary Income

	Q1-2009	Q1-2008	Δ %
Ancillary Income (RM million)	91.2	40.9	123%
Passenger Spend (RM / pax)	29.0	15.7	85%
% Revenue	12.8%	7.6%	5.1 ppt



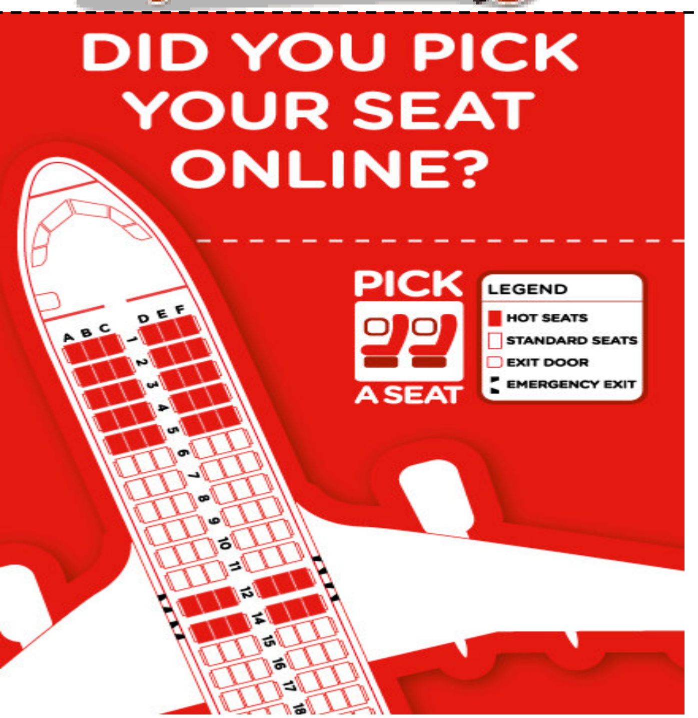
- Ancillary income now represents 12.8% of revenue
- Additional revenue from ancillary income is equivalent to US$30 recovery in fuel price

Generating Revenue Through Innovation

- Launched in January 2009
  - enables passenger to purchase baggage allocation of 15 kg, 20 kg or 25 kg

First Quarter	2009	2008 *	Δ
% Revenue	4.4%	2.2%	2.2 ppt

* In 2008, only Excess Baggage was available



- Launched in February 2009
  - enables passenger to choose seats for a nominal fee
  - the popular seats @ hot seats is charged at a premium

First Quarter	2009	2008 *	Δ
% take up rate by passengers	16%	8.5%	7.5 ppt
Average paid for allocated seats (RM)	11.8	11.1	6%

* In 2008, X'press Boarding was the equivalent of paid seats

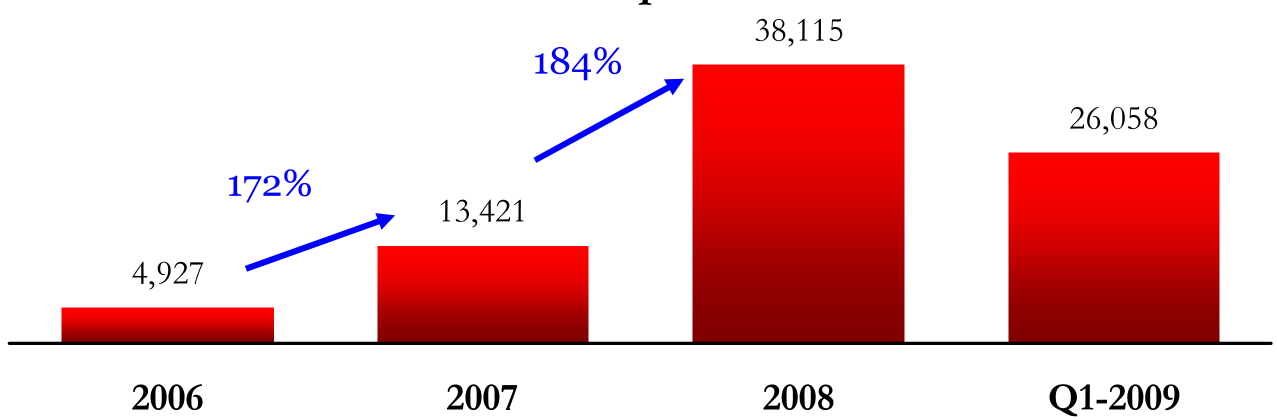
Capturing new Markets: Corporate Account

No more business class. AirAsia is the one for me

Source: Investment Banker

- Companies are trading down
  - – part of cost cutting exercise
  - – make use of AirAsia's attributes (routes, frequencies, reliability)

Seats Sold to Corporate Clients



- Many blue chip companies have signed up

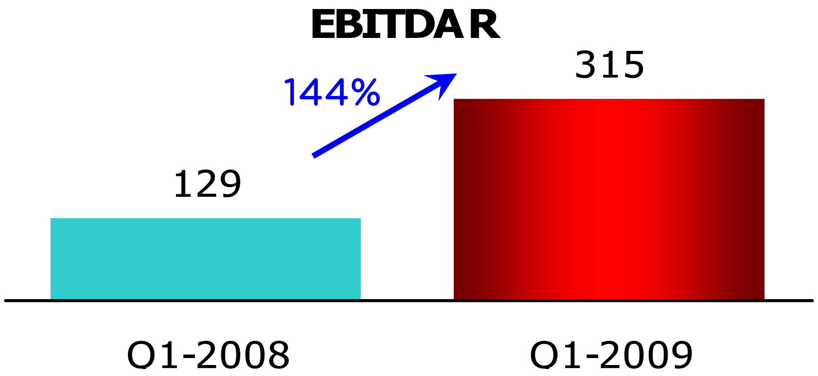
Cost / ASK – year on year Comparison

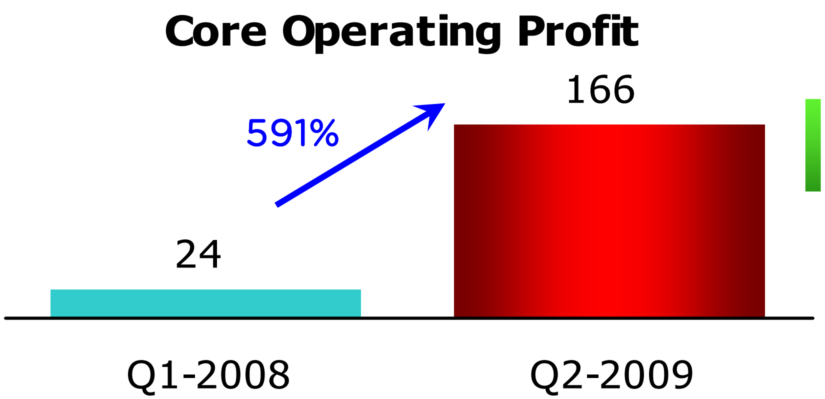
Cost Breakdown (US cents / ASK)	Jan-Mar 2009	Jan-Mar 2008	Δ (%)	Reason
Staff	0.34	0.36	-6%	Productivity gains
Fuel and Oil	1.04	1.93	-46%	Lower jet fuel price
User & Station Charges	0.26	0.20	29%	More international routes bias
Maintenance and Overhaul	0.17	0.16	3%	Redelivery of Boeing 737-300 cost
Cost of Aircraft	(0.25)	(0.08)	212%	Sub-lease income from associates
Depreciation & Amortisation	0.52	0.48	9%	More number of owned aircraft
Sales and Marketing	0.11	0.14	-19%	Economies of scale
Others	0.20	0.11	84%	Higher overheads
Cost / ASK	2.38	3.30	-28%	
Cost / ASK – excluding fuel	1.35	1.37	-2%	
Finance Cost	0.51	0.34	49%	More aircraft being financed
Cost / ASK inc. finance cost	2.90	3.64	-20%	

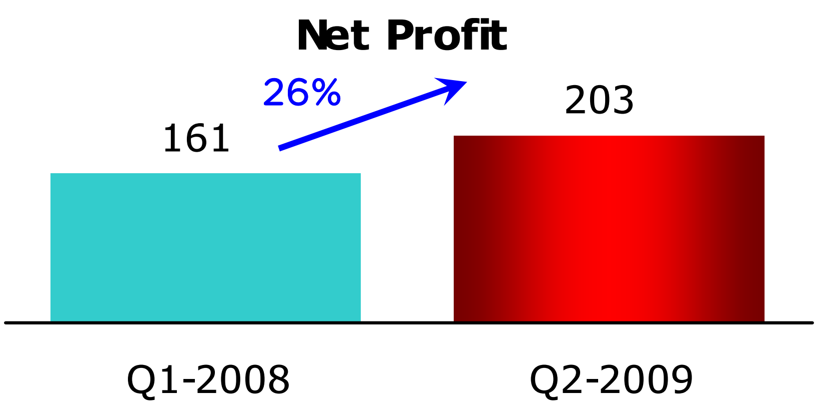
Superior Profits with Expanding Margins

AirAsia

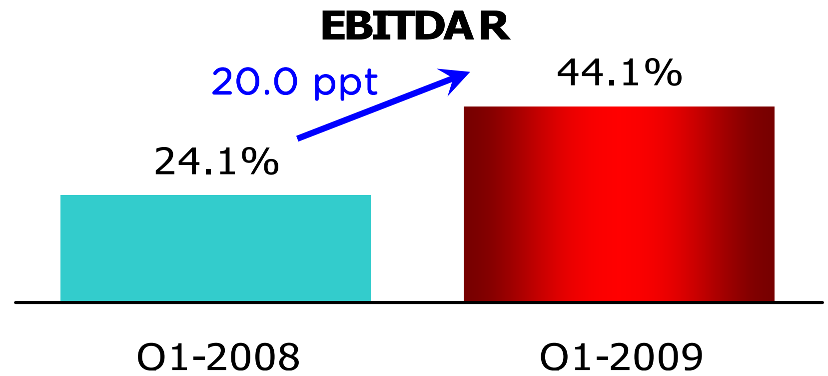
PROFIT (RM million)

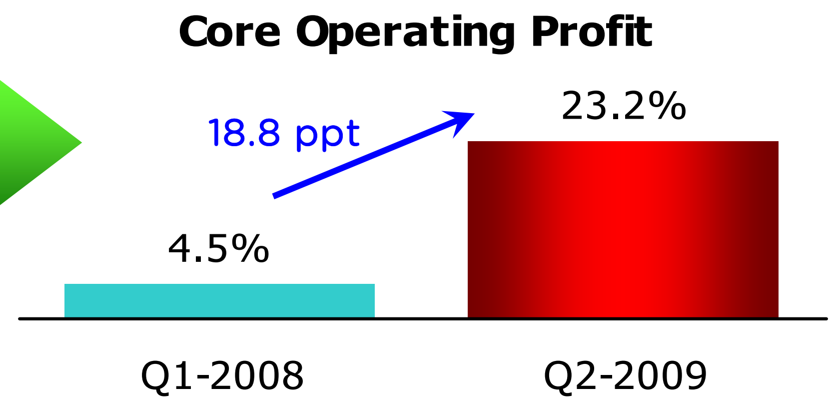


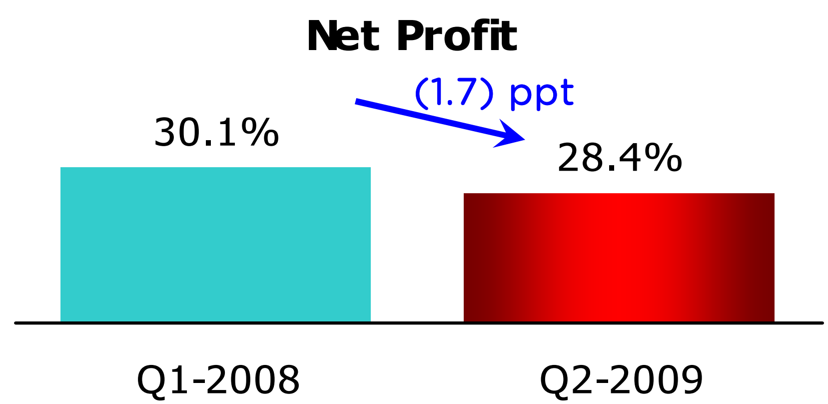




PROFIT MARGINS







Associate Updates
- its all about the Airbus

AirAsia Thai AirAsia Updates

Quarter Ended: 31 March THB' 000	Jan-Mar 2009	Jan-Mar 2008	Δ (%)
Revenue	2,390,943	2,099,606	14%
EBITDAR	756,142	149,589	405%
Profit After Tax	297,633	(122,660)	
Profit After Tax (RM'000)	30,528	(12,759)	
EBITDAR Margin	31.6%	7.1%	24.5 ppt
Profit After Tax Margin	12.4%	-5.8%	18.3 ppt

- **Produced best quarterly profit since inception**
  - profit after tax of THB298 million (RM30.5 million)
  - carried 4% more passengers YoY despite very difficult environment
  - average fare are 5% higher YoY with 74% load factor
  - Thailand now has nine new Airbus A320 aircraft
  - competitors are scaling back capacity and cancelling flights

AirAsia Indonesia Updates

Quarter Ended: 31 March IDR million	Jan-Mar 2009	Jan-Mar 2008	Δ (%)
Revenue	385,079	278,726	38%
EBITDAR	70,021	(29,993)	
Profit After Tax	(36,833)	(64,517)	
Profit After Tax (RM'000)	(11,475)	(22,488)	
EBITDAR Margin	18%	-11%	28.9 ppt
Profit After Tax Margin	-10%	-23%	13.6 ppt

- Improved operating environment
  - losses have narrowed down by half to IDR37 billion (RM11.5 million)
  - EBITDAR of IDR70 billion with 18% margins
  - 7% passenger growth with 22% average fare growth YoY
  - channeling schedule towards international routes which commands better yield and profitability (Eg: Bali – Perth is a record setting route)
  - Indonesia now has six new Airbus A320 aircraft

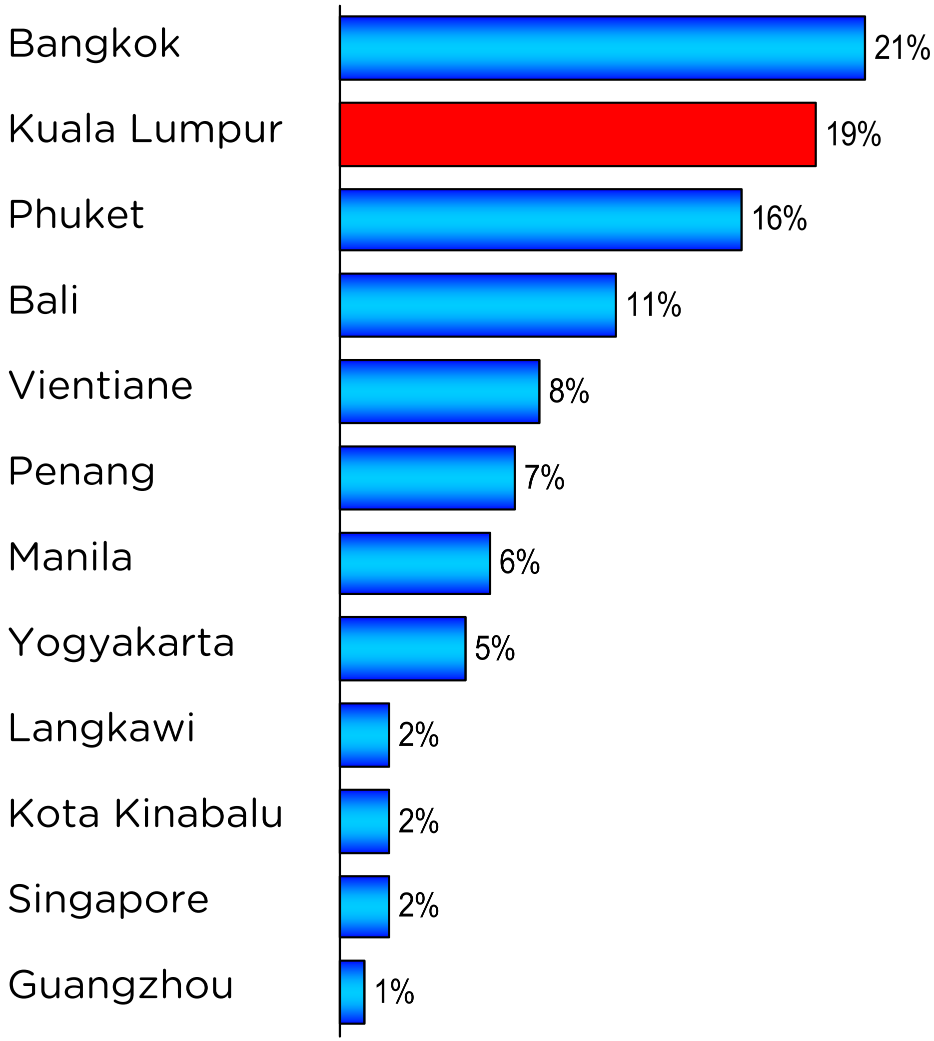
AirAsia X Updates

Quarter Ended: 31 March RM million	Jan-Mar 2009
Revenue	129
EBITDAR	45.7
Core Operating Profit	17.8
EBITDAR Margin	35.4%
Core Operating Profit Margin	13.8%

- Profitable with strong cash flow
  - carried 146k passengers with 69% load factor
  - EBITDAR of RM46 million with 35% margins
  - launched new services to Tianjin and London in the period
  - operating with four aircraft (3 Airbus A330 and 1 Airbus A340)

AirAsia and AirAsia X Feed Each Other

Final Destination of Australian Passengers on AAX Gold Coast Flights



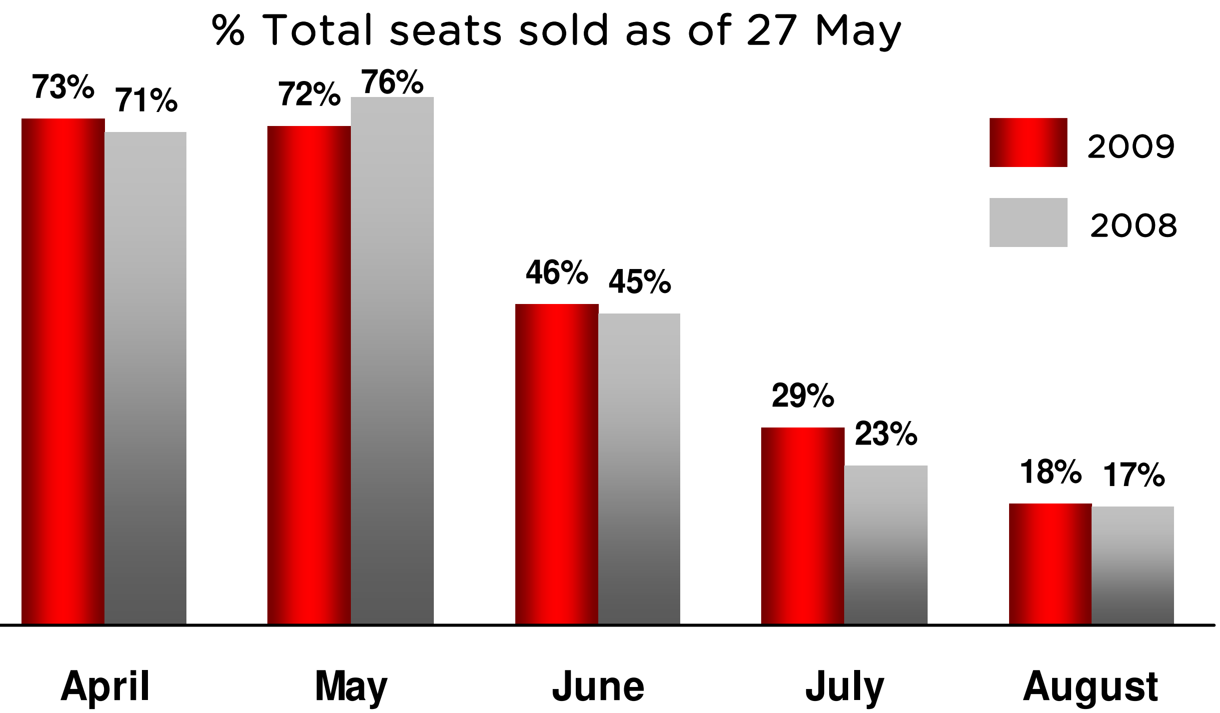
- ➔ 80% of AAX passenger use AirAsia for connecting flight
- ➔ Syiombiotic feeder relationship

Air Travel Demand	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Malaysia @ AirAsia	Weak	Peak	Weak	Super Peak
China	Super Peak	Weak	Weak	Peak
Australia	Peak	Weak	Super Peak	Weak
Northern Hemisphere	Weak	Weak	Super Peak	Peak

- ➔ Long-haul will help to overlap the weak period with the strong period
- ➔ Natural hedge to stabilise yields throughout the year

Outlook

Demand Remains Robust



AirAsia Berhad	2009	2008	Δ %
Seats sold in first quarter	3,147,609	2,611,556	21%
Seats sold in April	1,120,561	859,322	30%
Seats sold year to date	5,242,245	4,325,522	21%

- Change in booking trend
  - people book way in advance
  - last minute travel has reduced
- Low cost airline is more defensive during the tough times as compared to full service carriers
- Strong passenger growth momentum
  - 21% growth in first quarter
  - 21% growth year to date

Summary

- Reaffirming Guidance for full year 2009
  - passenger growth of 15%-20%
  - lower operating cost with stable yields

- Challenging market, but positive for LCC
  - LCC is the best suited airline to maneuver challenging economic times
  - more people switching to LCC as first choice of travel
  - passengers looking for value, LCC is the best value proposition

- Ancillary Income – the best defense against high fuel price
  - new products and services provide huge upside
  - more marketing to enhance the take up rates

- Most comprehensive route network in Asia
  - new routes are enjoying strong support
  - competitors are slowing, we are continuing to expand the network

Appendix

Fleet Composition (31 March 2009)

Number of Operational Aircraft	March 2009
Malaysia	44
Thailand	17
Indonesia	13
Group Total	74
<u>Aircraft Type</u> # Airbus A320 # Boeing 737-300	 59 15

Note: 3 Boeing 737-300 is awaiting to be sold off and is excluded from the fleet calculation

Financial Data – First Quarter

Quarter Ended: 31 March RM'000	Jan-Mar 2009	Jan-Mar 2008	Δ (%)
Ticket Sales	622,930	494,382	26%
Ancillary Income	91,248	40,939	123%
Revenue	**714,178**	**535,321**	**33%**
Non-recurring item gain/(loss)	48,528	0	n/a
EBITDAR	314,840	129,192	144%
Core Operating Profit	165,963	24,008	591%
Profit/(Loss) After Tax	203,150	161,276	26%
EBITDAR Margin	44.1%	24.1%	20.0 ppt
Core Operating Profit Margin	23.2%	4.5%	18.8 ppt
Profit After Tax Margin	28.4%	30.1%	-1.7 ppt

Operating Data – First Quarter

Quarter Ended: 31 March	Jan-Mar 2009	Jan-Mar 2008	Δ (%)
Passengers Carried	3,147,609	2,611,556	21%
ASK (million)	5,207	4,364	19%
RPK (million)	3,487	2,970	17%
Seat Load Factor	69.7%	72.1%	-2.4 ppt
Average Fare (RM)	198	189	5%
Rev / ASK (sen)	13.72	12.27	12%
Rev / ASK (US cents)	3.78	3.82	-1%
Cost / ASK (sen)	8.64	10.58	-18%
Cost / ASK (US cents)	2.38	3.30	-28%
Cost / ASK-ex fuel (sen)	4.88	4.38	11%
Cost / ASK-ex fuel (US cents)	1.35	1.37	-2%
Aircraft (average)	41.0	36.0	14%
Aircraft (end of period)	44	42	5%

Operating Data – First Quarter

Quarter Ended: 31 March	Jan-Mar 2009	Jan-Mar 2008	Δ (%)
Average fare (RM)	197.9	189.3	5%
Ancillary Income / pax (RM)	29.0	15.7	85%
Unit Revenue / pax (RM)	**226.9**	**205.0**	**11%**
Fuel consumed (barrels)	878,249	768,665	14%
Unit fuel price ($/barrel)	61.6	109.7	-44%
Average stage length (km)	1,161	1,205	-4%
No. of flights	25,084	20,685	21%
Average aircraft	41.0	36.0	14%
No. aircraft at end of period	44	42	5%