

Press Release



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AirAsia X Posts Improved Results in 2nd Quarter 2013 On The Back of Network Consolidation

1H2013

- Revenue : RM1.03 billion (up 9% y-o-y)
- Operating Profit : RM46.0 million (1H2012: loss RM4.6 million)
- Net Profit : RM17.9 million (1H2012: loss RM29.1 million)

2Q2013

- Revenue : RM491.1 million (up 21% y-o-y)
- Operating Loss : - RM11.6 million (2Q2012: loss RM38.0 million)
- Net Loss : - RM32.3 million (2Q2012: loss RM77.6 million)

SEPANG, 20 August 2013 - AirAsia X Bhd (“AAX” or “The Company”), the long-haul, low cost affiliate carrier of the AirAsia Group today reported its results for the half-year and quarter ended 30 June 2013.

The Company posted revenue of RM1, 026.41 million for first half of 2013, up 9.0% from the previous year’s corresponding revenue of RM941.91 million for the same quarter. The growth was primarily driven by an increase in passenger volume and seat capacity, as well as higher contribution from ancillary revenue. Revenue per Available-Seat-Kilometre (RASK) grew by 12.8% to 4.11 US cents (12.65 sen) in the first half of 2013 from 3.64 US cents (11.26 sen) for the same period last year.

AirAsia X reported an operating profit of RM45.98 million for the first six months of FY2013, a significant improvement from the year before where the Company had made a loss of RM4.64 million for the same period.

Earnings before interest, tax, depreciation, amortisation and rental (“EBITDAR”) margin also strengthened from 13.2% in the first half of 2012 to 17.9% in the first half of 2013. Similarly, Operating Profit margin saw a turnaround from an Operating Loss margin of -0.5% in 2012 to 4.5% Operating Profit margin during the same period this year.

This improvement is attributed to the route network consolidation exercise that the Company had undertaken for the better part of FY2012, where AirAsia X had stopped a number of unprofitable routes. The Company had discontinued its flights to Europe and India, during the first half of last year. The number of routes dropped from 17 to 14, and AirAsia X focused its networks on core

markets in North Asia and Australia, including increasing average weekly frequencies per route by 14%.

AirAsia X's CEO, Azran Osman-Rani said, "After the realignment of our network during the first half of 2012, our strategy is now more focused in our core markets, where we will increase frequencies and add new destinations to build a market leadership position. Our return to profitability shows that we were right to re-tool our portfolio to focus on the Asia Pacific region, where there are many under-served markets."

On a quarterly basis, revenue for 2nd Quarter 2013 rose year-on-year ("y-o-y") by 21.2% to RM491.14 million from RM405.20 million reported in 2nd Quarter 2012. The Company also managed to narrow its operating losses year on year to RM11.61 million compared to the operating loss of RM38.03 million seen in 2nd Quarter 2012.

For the 2nd quarter 2013, EBITDAR margin stood at 12.5% compared to 6.5% in 2nd Quarter 2012, while Operating Loss margin was -2.4%, an improvement y-o-y from 2nd Quarter of 2012 to Operating loss margin of -9.4%.

AirAsia X had seen its fleet size increase from 9 as at 30 June 2012 to 11 for the quarter under review with 2 new A330-300 deliveries. Passengers carried in the 2nd Quarter of this year increased by 19.8% y-o-y to 697.11 million from 581.84 million, while average passenger fare increased by 2.5% to RM508.84 from RM496.48 due to the increasing maturity of its route network.

As a result of the increase in capacity, both AirAsia X's Average-Seat-Kilometre (ASK) and Revenue-Per-Kilometre (RPK) increased by 13.5% to 4.2 billion and 3.5 billion respectively y-o-y for the quarter under review. Load factor remained steady at 81.8% for the quarter ended June 30, 2013, compared to 81.9% for the previous year's corresponding quarter.

Ancillary revenue in 2nd Quarter of 2013, increased by approximately 31.7% y-o-y to RM99.0 million, representing 20.1% of total revenue, cementing its reputation as a leader in the space. The increase was primarily contributed by the higher spend of ancillary revenue per passenger, especially for Fly-Thru connecting services and the introduction of new ancillary products during the period. Ancillary spend per passenger increased from RM129.16 in 2nd Quarter of 2012 to RM141.95 during the same period this year.

AirAsia X is due to receive another 2 planes before the end of the year, in addition to 2 more that have been delivered post 30 June 2013, bringing its total fleet size to 18 at year-end, comprising 16 Airbus A330-300s and 2 Airbus A340-300s.

Azran concluded, "In July we started flights to our 15th destination; Busan, South Korea and late last month we announced our 16th destination, Adelaide in Australia, with flights set to commence in October this year. We hope to add more flight frequencies and new destinations in our key markets of Taiwan, China, Japan, Korea, Australia and Nepal. Together with the other members of the AirAsia Group, we intend to be the largest low-cost carrier brand connecting Southeast Asia with all the main Asia Pacific markets."

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For further information please contact:

Investor Relations:

Nadia S Hassan

Office : +603 8660 4652

Email : nadiashassan@airasia.com

Communications

Sherliza Zaharudin

Office: +603 86604614

Email: sherlizazaharudin@airasia.com

For further information on AirAsia X, please visit the Company's website: www.airasiox.com

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