



FOR IMMEDIATE RELEASE

AIRASIA X PROFITABLE FOR FOUR CONSECUTIVE QUARTERS

- Load factor at 78% up 3ppts
- Passengers Carried up 35% YoY
- Revenue up 24% YoY
- EBITDAR up 60% YoY
- Operating Profit up >100% YoY
- Net Profit up by >100% YoY
- CASK down 16% YoY
- Average Base Fare up 14% YoY

SEPANG, 22 NOVEMBER 2016 – AirAsia X Berhad (“AAX” or “the Company”), the long-haul low-cost airline affiliate of AirAsia Group, today reported its financial results for the Third Quarter (“3Q16”) ended 30 September 2016.

The Company recorded its fourth consecutive quarter profit and is well on track for a positive 2016. Revenue grew 24% year-on-year (“YoY”) to RM982.4 million mainly attributed by 54% YoY increase in scheduled flight revenue, 50% growth in ancillary income and 34% rise in aircraft operating lease income. During the quarter under review, passengers carried increased 35% bringing load factor up 3 ppts to 78% despite a 34% capacity injection to 7,749 million from 5,770 million Available Seat Kilometer (“ASK”) as compared to the same period last year. Average base fare similarly recorded a growth of 14% YoY to RM501 on the back of healthy demand mainly from China and North Asia markets.

Revenue per Available Seat Kilometer (“RASK”) was down 8% YoY from 13.78 sen to 12.70 sen during the quarter under review. The marginal drop in RASK was due to increased capacity on existing routes and therefore pressuring yields. However, the Company’s cost, measured in terms of Cost per Available Seat Kilometer (“CASK”), was significantly reduced to 12.06 sen against 14.32 sen during the same period last year, a drop of 16% YoY. The decrease in CASK was due to the Company benefiting from lower average fuel price environment. Despite the 31% increase in fuel consumption from 851,839 barrels in 3Q15 to 1,117,353 barrels in 3Q16 due to more sectors flown, the decrease in fuel price by 23% from USD82 per barrel in 3Q15 to USD63 per barrel in 3Q16 effectively lowered overall fuel expenditure.

AAX posted an operating profit of RM 50.8 million (up 263% YoY) and net operating profit of RM44.0 million (up 200% YoY). Meanwhile, Net Profit after Tax (PAT) stood at RM11.0 million, as compared to losses of RM288.2 million the same period last year. Year-To-Date(YTD) profit for AAX stands at RM 191.5 million and is on track to record its first full year profit since listing.

AirAsia X Group CEO Datuk Kamarudin Meranun said, “We are pleased that despite a weak travelling season and increased capacity, we managed to deliver a humble net profit which attests to the commercial viability of the long-haul low-cost model. However, much work still needs to be done



and the team are focused and committed to ensure positive growth amid these challenging environment."

"The third quarter for Malaysia AirAsia X ("MAAX") have seen great capacity injected amounting to 10% out of the 32% planned for the whole year. This was to set the tone for future quarters especially the fourth quarter of 2016 and the first quarter of 2017, both historically strong quarters. Australia routes continue to be MAAX's highest revenue contributor at 33% of total revenue, with 52% growth YoY due to higher passenger traffic as we increased our frequency into both Sydney and Gold Coast during the quarter under review followed by China sectors. Average base fare has improved 14% YoY as a result of better connectivity and improved timing on our Fly-Thru routes, making makes us the preferred choice among customers as well as the price rationalisation by our competitors."

"Thailand AirAsia X ("TAAX") recorded a strong 85% load factor, an increase of 14ppts YoY from 71% in the same period last year. There were no new routes or frequencies added during the quarter as we were focusing on turning around our current routes. The turnaround at TAAX is taking shape, with our forward booking curve for fourth quarter taking positive shape. Indonesia AirAsia X ("IAAX"), on the other hand, has been temporarily suspended, with the termination of Sydney and Melbourne services from 1 September 2016. The suspension of these services is part of a network restructuring aimed at improving operational efficiencies at IAAX before resuming operations again.

"We remain cautiously optimistic that we are on track to achieving our first full year profit since 2013, without neglecting to take necessary precautions on factors beyond our control such as currency volatility, regulatory uncertainty and other external factors which are expected to persist."

Malaysia AirAsia X CEO Benjamin Ismail added, "We have done it once more and this positive performance proves yet again that AirAsia X's lean and disciplined cost structure is resilient and is able to deliver despite a challenging quarter."

"Revenue improved 24% YoY to RM982.4 million from RM793.0 million a year ago. Scheduled flight revenue contributed 62% to total revenue for the quarter under review as we are slowly moving away from charter services to gain better yields, which has now proven to be a working strategy. On top of that, ancillary revenue grew 50% YoY to RM161.8 million as a result of better take-up rate as ancillary per pax increased 10% YoY from RM122 to RM134 per passenger. We expect the continuous growth moving forward with the launch of our new Premium Red Lounge, with passenger surpassing our forecast by 190% since launching. On top of that, we have also partnered with a local celebrity to further promote our duty-free platform which will help enhance our product offering and help stimulate ancillary income"

On managing cost, Benjamin highlighted, "CASK has dropped 16% to a low 12.06 sen from 14.32 sen against the same period last year. The low fuel price has benefited us and we have hedged 100% of required fuel at USD 56 per barrel on planned existing routes which allows us to better manage cost and mitigate fuel volatility as we venture into new routes.

On the balance sheet, Benjamin continued, "The management monitors the Company's net gearing level closely to ensure that it is constantly at a healthy and comfortable level. As at end of 3Q16, the Company's total borrowings has actually reduced by 22% RM1.12 billion from RM 1.43 billion in 4Q15

Press Release



as we have constantly pared down our working capital borrowings from stronger cash balances. The Company's net gearing ratio stood at 0.78 as at end 3Q16, 13% lower against the preceding quarter as a result of lower total debt and increase in cash."

Commenting on the Company's outlook, Benjamin said, "Going into the peak end-of-year holiday season, Malaysia AirAsia X is benefiting from the weaker currency environment that has led to local customers trading down when going vacation and other nationalities looking at Malaysia as a value-for-money holiday destination. The destinations that we fly to are more appealing compared to higher currency destinations such as Europe and North America."

ENDS

About AirAsia X

AirAsia X is the long-haul, low-cost affiliate carrier of the AirAsia Group that currently flies to destinations in the Asia Pacific region and beyond. The airline currently serves 23 destinations across Asia (Tokyo, Osaka, Sapporo, Seoul, Busan, Taipei, Xian, Beijing, Hangzhou, Chengdu, Shanghai, Chongqing, New Delhi and Kathmandu), Australia (Sydney, Melbourne, Perth and Gold Coast), New Zealand (Auckland), the Middle East (Jeddah, Tehran and Muscat) and Africa (Mauritius). AirAsia X operates a core fleet of 30 A330-300s, each with a seat configuration of 12 Premium Flatbeds and 365 Economy seats. The airline has carried over 19 million guests since it commenced long-haul service in 2007. AirAsia X was awarded the "World's Best Low Cost Airline Premium Cabin" and "Best Low Cost Airline Premium Seat" at the annual Skytrax World Airline Awards for four consecutive years from 2013 - 2016. AirAsia group is the first airline globally to collaborate with INTERPOL to implement the I-Checkit system to screen the passports of all its prospective passengers against information contained in the world police body's Stolen and Lost Travel Documents (SLTD) database.

For further information please contact:

Investor Relations:

Hanif Idrose

Direct Line: (603) 8775 4549

Email: hanifidrose@airasia.com

Ivan Alias

Direct Line: (603) 8660 4600

Email: ivanalias@airasia.com

Communications:

Mohd Fairuz Bin Abd Majid

Direct Line: (603) 8660 4614

E-mail: mohdfairuzabdmajid@airasia.com

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

Statements included herein that are not historical facts are forward-looking statements. Such forward looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties

Press Release



materialize, AirAsia X's results could be materially affected. The risks and uncertainties include, but are not limited to, risks associated with the inherent uncertainty of airline travel, seasonality issues, volatile jet fuel prices, world terrorism, perceived safe destination for travel, Government regulation changes and approval, including but not limited to the expected landing rights into new destinations.