



FOR IMMEDIATE RELEASE

## AirAsia X Records its Operating Profit of RM90 million In Fourth Quarter 2014

poised for better prospects on turnaround initiatives set for 2015 steered by new leadership

	4Q14	Y-o-Y Growth	FY14	Y-o-Y Growth
Revenue	RM819 mil	↑ 20.4%	RM2,939 mil	↑ 27.3%
EBITDAR	RM260 mil	↑ 417.5%	RM304 mil	↓ 10.2%
RASK	14.12 sen	↑ 24.4%	12.02 sen	unchanged
Load Factor	81.4%	↑ 0.5%	82.0%	unchanged
Passenger Carried	1.1 mil	↑ 11.7%	4.2 mil	↑ 33.8%

**SEPANG, 24 February 2015** – AirAsia X Berhad (“AAX” or “the Company”), the long-haul low-cost airline affiliate of the AirAsia Group today reported its financial results for the Fourth Quarter ended 30 December 2014 (“4Q14”).

The Company posted quarterly revenue of RM819 million for 4Q14, 20.4% year-on-year (“y-o-y”) growth from RM680 million during the same period under review. Load factor remains above 80% on the back of softer market environment with the increase in the number of passengers traffic volume in Revenue-Passenger-Kilometre (“RPK”) which grew 9.3% y-o-y to 5.3 billion against the capacity growth of 8.5% y-o-y.

During the quarter under review, AAX recorded its operating profit of RM90 million contributed from the completion of rationalisation on routes and one-off transactions.

Loss after tax was reported at -RM168.4 million mainly due to:

- Foreign exchange losses as USD appreciated 4.7% y-o-y against RM
- Hedged position taken with higher jet fuel price prior to the decline in oil price

These are accounting entry which are non-cash items and not a representation of the financial performance of the business.

The Revenue-per-Available-Seat-Kilometre (“RASK”) has achieved a positive y-o-y growth of 24.4% at 14.12 sen with slight increase of 8.5% Available-Seat-Kilometre (“ASK”) y-o-y. The RASK in 4Q14 recovered well and outperformed all the quarters RASK numbers for the year after the 12-month maturity period from the capacity increase initiated in fourth quarter of 2013. Meanwhile, Cost-per-Available-Seat-Kilometre (“CASK”) increase 11.5% y-o-y to 13.46 sen due to the weakening of RM, higher aircraft rental cost and increase in charters and wet leases.

Thai AirAsia X (“TAAX”) has been operating for 9 months and posted revenue of THB990 million in 4Q14. Despite the political turmoil in 2014, TAAX still records a strong load factor of 84% flying to Incheon, Narita and Osaka.

## **Press Release**

Indonesia AirAsia X ("IAAX") suffered a setback with delay in regulatory approval for its maiden Denpasar to Melbourne route. The team is working around the clock to complete an audit process with Civil Aviation Safety Authority ("CASA") and will be announcing the audit findings in March. Currently in 1Q15, IAAX is operating Denpasar to Taipei.

**Datuk Kamarudin bin Meranun, Group CEO of AirAsia X** commenting on the outlook of the Company, said, "It was a challenging year due to external factors beyond our control and internal inefficiencies that need to be addressed. Due to the aviation incidents in 2014, our sales performance are also affected in markets like Australia and China."

"We have trimmed capacity growth to below 5% and terminated the non-performing routes such as Adelaide and Nagoya. Marketing and other measures to bring back demand and loyalty will also be intensified. These revenue driven measures coupled with operational efficiencies, will be positively reflected in 2015."

"TAAX has performed better than expected during the 9-month operations. Beside adding frequencies to the existing routes, TAAX has launched Sapporo, Japan, while other exotic cities in China are in the pipeline. Meanwhile, IAAX is sorting out its route approvals to Australia and I believe Denpasar also offers its own attractions."

Added **Benyamin Ismail, Acting CEO of AirAsia X**, "In 2015, we will focus on driving the yield of average base fare by +16% and ancillary per passenger by +20%. We are already seeing improvement in average base fare early this year and with the decline fuel price, it will provide a huge savings as the fuel cost contributed approximately 40% of the total expenses. The Company will also focus on building strong sales channels to ensure the Company remains relevant in all key markets. This will include more partnerships with travel agents to ensure extensive coverage not just for AirAsia X, but also for the whole AirAsia Group."

"Ancillary income remain as one of our key revenue component, and this year some of the exciting ancillary products and services initiatives beside wifi onboard will be to create a mall in the sky via duty free and forex card. Our Duty Free business will soon offer the latest labels and also new cutting edge technology products to cater for our passengers which will contribute to our ancillary income".

"We will continue to drive CASK down to -16% through the synergies between AirAsia X and AirAsia and strengthen the liquidity position as there are no major investment or equity requirement in 2015, this will minimise the capex outflow for the year."

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# Press Release

## **About AirAsia X**

AirAsia X is the long-haul, low-cost affiliate carrier of the AirAsia Group that currently flies to destinations in China, Australia, Taiwan, Korea, Japan, Nepal and the Middle East. The airline currently serves 19 destinations across Asia (Haneda, Narita, Osaka, Seoul, Busan, Taipei, Xian, Beijing, Hangzhou, Chengdu, Shanghai, Chongqing, Colombo and Kathmandu), Australia (Sydney, Melbourne, Perth and Gold Coast) and the Middle East (Jeddah). AirAsia X currently operates a fleet of 23 Airbus A330-300s, each with a seat configuration of 12 Business Class seats and 365 Economy seats. The airline has carried over 12 million guests since it commenced long-haul in 2007. AirAsia X was awarded the World's Best Low Cost Airline Premium Cabin and Best Low Cost Airline Premium Seat titles for two consecutive years at the 2014 Skytrax World Airline Awards. Our vision is to further solidify our position as the global leader in low-cost, long-haul aviation and create the first global multi-hub low-cost carrier network along with other carriers of the AirAsia Group. AirAsia 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.

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