



FOR IMMEDIATE RELEASE

AIRASIA X achieved Net Profit of RM202 million in 4Q15

4Q15 MALAYSIA AIRASIA X

- Load Factor up 2%YoY
- Average Base Fare up 22%YoY
- RASK up 15%YoY
- Scheduled Flight Revenue up 11%YoY
- Total Cost down 4%YoY
- EBITDAR Margin of 41%
- Net Profit Margin of 24%
- Net Gearing improved to 1.8x

FULL YEAR 2015 MALAYSIA AIRASIA X

- Average Base Fare up 21%YoY
- RASK up 13%YoY
- Total Revenue up 4%YoY
- Total Cost down 3%YoY
- Operating Loss narrowed to RM25mil from RM176mil in FY2014
- Net Loss narrowed to RM360mil from RM519mil in FY2014

SEPANG, 26 FEB 2016- 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 ("4Q15") and Full Financial Year ended 31 December 2015.

Datuk Kamarudin Meranun, Group CEO of AirAsia X commented on the business environment and outlook for the company, "During the year under review, the Company took the biggest step towards change since its inception, including business and organizational restructuring. We did so to confront both internal and external challenges as well as to strengthen AAX's financial footing."

"These changes were followed by a multi-phased turnaround plan in 2015, which improved the company's cash position via rights issues, network plan, distribution platform and with aggressive marketing campaign. Our combined efforts stimulated travel demand in all of our core markets amidst external challenges that were beyond our control such as currency volatility, irrational competition from industry peers waging price wars and overcapacity, MERS and Kathmandu's earthquake."

"These initiatives continued to show positive contribution as we achieved the first Net Profit after eight quarters of losses since 4Q13. Our balance sheet also strengthened with net gearing reduced to 1.80x compared to 2.06x in the same period last year. While this accomplishment has set an important cornerstone for AAX's turnaround plan, we are optimistic that we will achieve further improvement in the coming quarters with higher contribution from ancillary, cargo and better route performance from North Asia on the back of stronger marketing drive. We remain focused on striving for sustainable growth and retain AAX's competitive edge in this challenging environment through the many strategic initiatives that are in place."

"As for Thai AirAsia X ("TAAX"), operating performance improved in 4Q15 with higher average base fare and load factor at 83% during the holiday peak period. We are optimistic that TAAX will prevail once the ICAO-driven restrictions are lifted, as Thailand is a unique tourist hub that shows quick



rebound and ultimately stands unaffected regardless of the various challenges. Indonesia AAX ("IAAX") was also faced with series of regulatory uncertainties throughout the year and remains challenging."

"For 2016, the Group will remain vigilant with its expansion plans amidst a challenging operating environment that is expected to persist with currency volatility, regulatory uncertainties and external factors."

Benyamin Ismail, CEO of AirAsia X added, "We have seen a strong return in business across all regions as scheduled flight revenue recorded 11%YoY growth in 4Q15 despite having less operating routes compared to the same period last year. We expect this positive trend to continue in 2016."

"Operating expenses reduced 4%YoY in 4Q15 mainly attributed to fuel savings of RM128 million as compared to same time last year, spurred by the falling fuel price. In addition, we managed to drive cost lower with a reduction in staff cost, sales and marketing expenses following integration with AirAsia Group, depreciation, one-off expenses and the termination of unprofitable routes. However, further savings were dragged by higher aircraft cost that is denominated in USD. In an effort to reduce the impact of foreign exchange rates, the company will continue to intensify sales from stronger currency markets such as the AUD to offset USD bills."

"This year, we've strengthened the leadership of our Commercial function and have implemented new initiatives in Revenue Management, Ancillary, Marketing and Distribution to capitalize on the stronger network we have consolidated. We expect these initiatives, coupled with cost reduction efforts, will push our earnings to greater heights in 2016. We are only halfway through the turnaround plan, we have more to do." concluded Benyamin.

4Q15 Financial performance

AAX achieved turnaround in 4Q15's bottom-line with Net Profit recorded at RM202 million as compared to a Net Loss of RM168 million in 4Q14, on the back of improved operating performance. Operating Profit grew 8% year-on-year ("YoY") to RM115 million, attributed by higher revenue of RM854 million (+5%YoY) and lower cost (-4%YoY). Yield as measured by Revenue per ASK ("RASK") increased 15%YoY to 14.49 sen following strategic capacity management and increase in average base fare (+22%YoY) across all regions.

***ENDS**

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, India and the Middle East. The airline currently serves 18 routes across Asia (Haneda, Sapporo, Osaka, Seoul, Busan, Taipei, Xian, Beijing, Hangzhou, Chengdu, Shanghai, New Delhi and Kathmandu), Australia (Sydney, Melbourne, Perth and Gold Coast), New Zealand (Auckland) and the Middle East (Jeddah). AirAsia X currently operates on 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

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awarded the World's Best Low Cost Airline Premium Cabin and Best Low Cost Airline Premium Seat titles for three consecutive years at the 2015 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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