Third Quarter 2007 Results

23 May 2007

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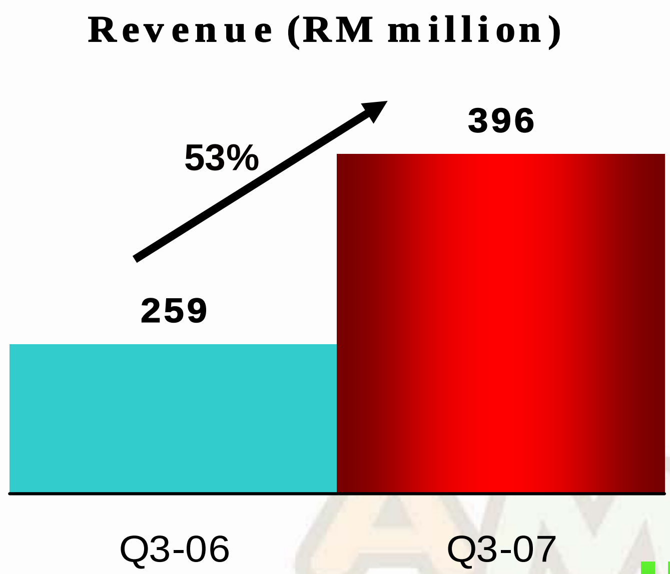
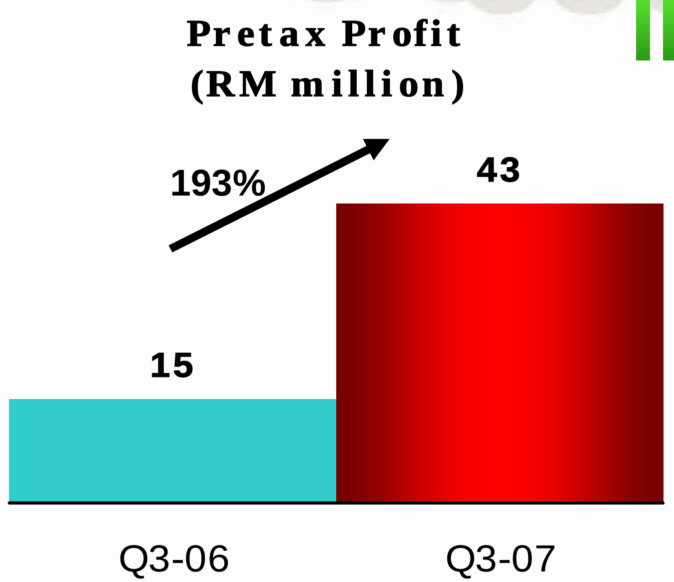
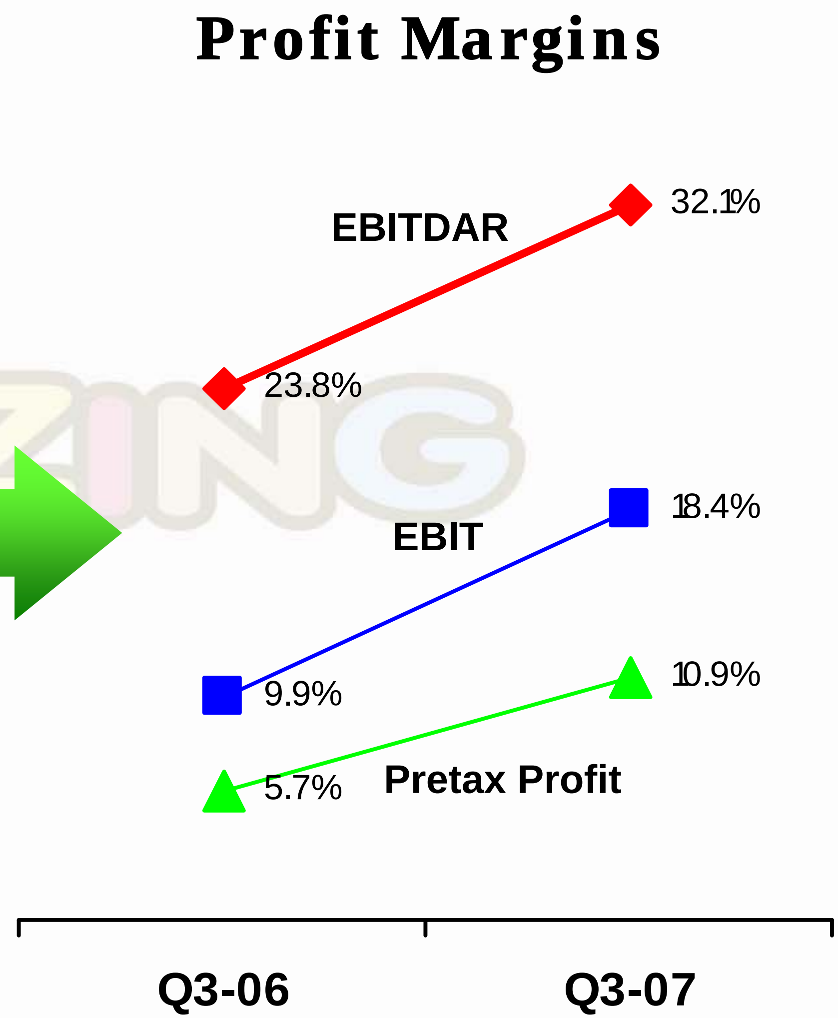
Delivering Growth, Delivering Profits



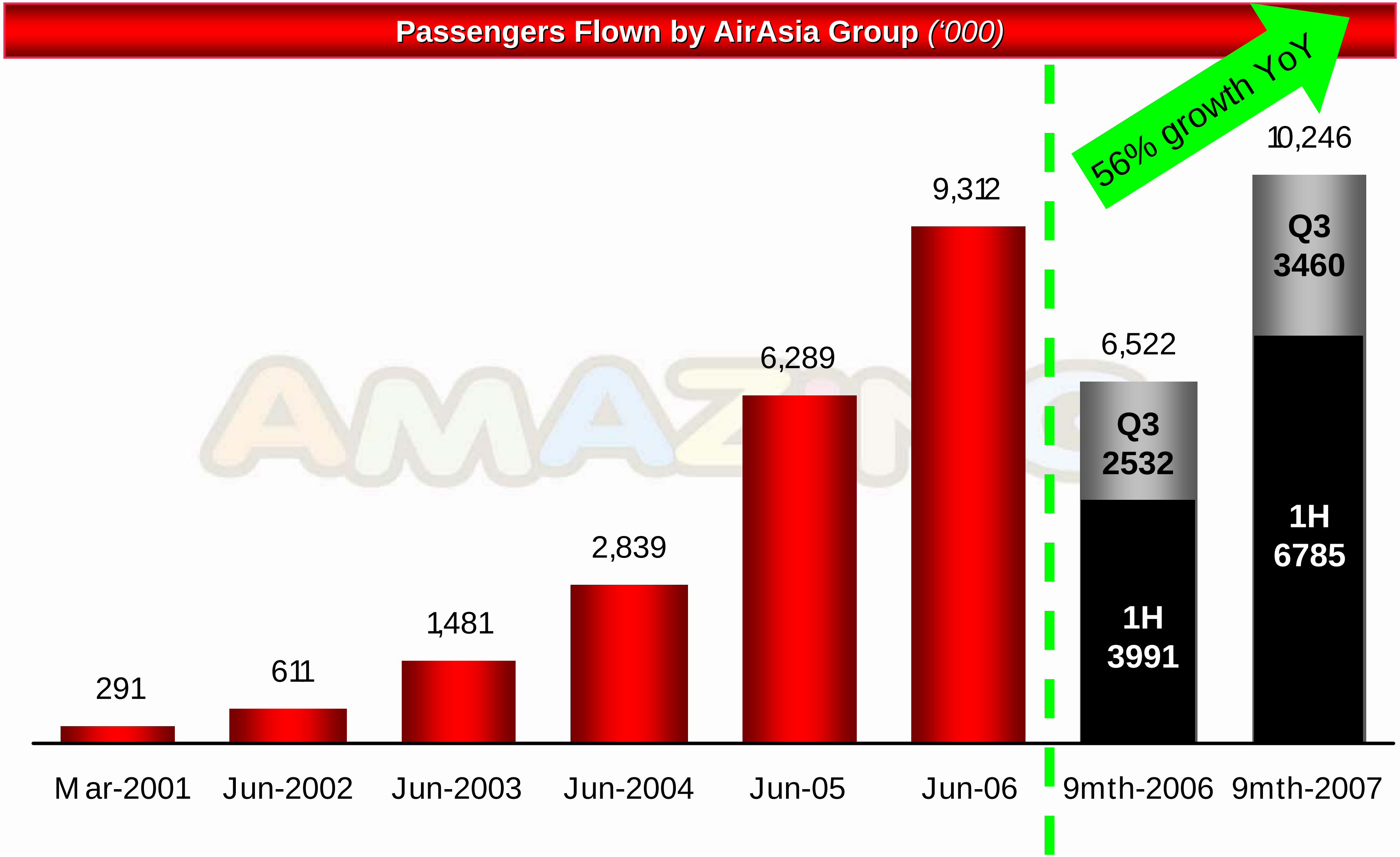




Key Highlights of Third Quarter

- Profit before tax of RM43.1 million
  - – pretax profit margin of 10.9%
  - – lowest cost airline in the world 2.91 US¢ / ASK
- Robust disciplined growth
  - – fleet size rose from 49 to 52 (end of second quarter)
  - – capacity growth of 40% and passenger growth of 39% YoY
  - – load factor of 77%
  - – domestic market share to 50% in March
- Associate enduring challenging operating environment
  - – Thailand delivered THB60 million with 14% EBITDAR margins
  - – Indonesia posted a loss of IDR49 billion

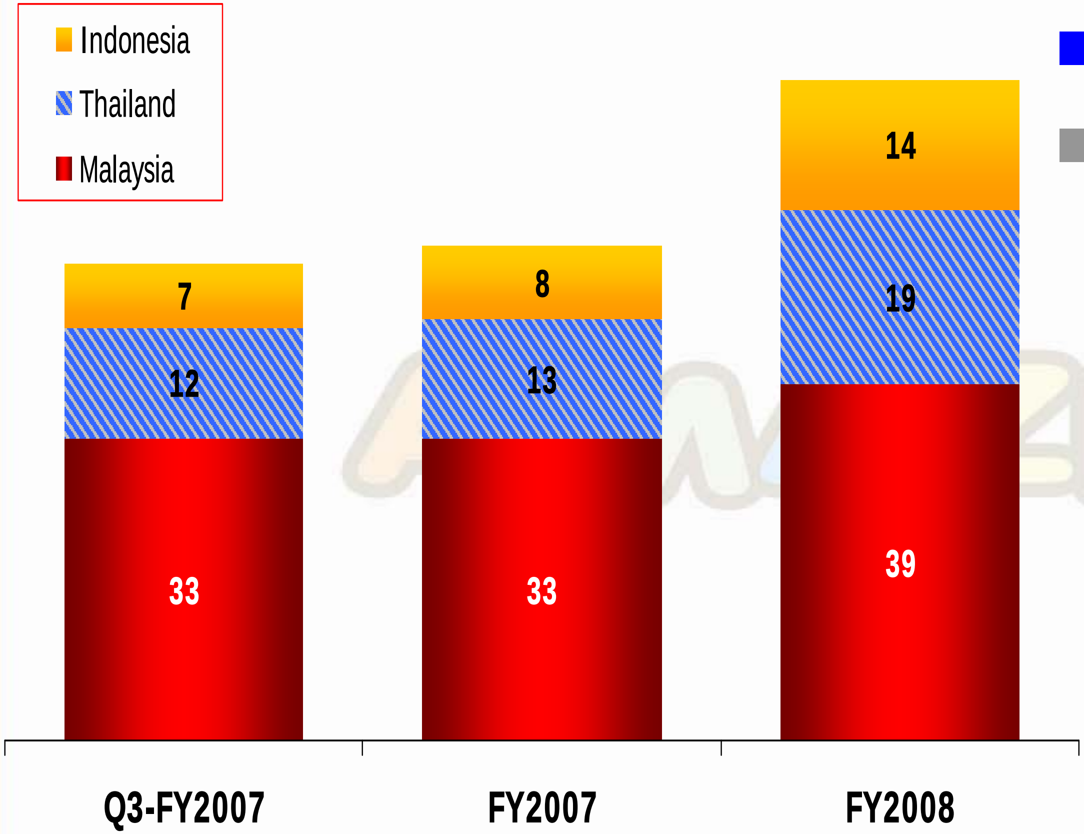
Growth, Growth, Growth



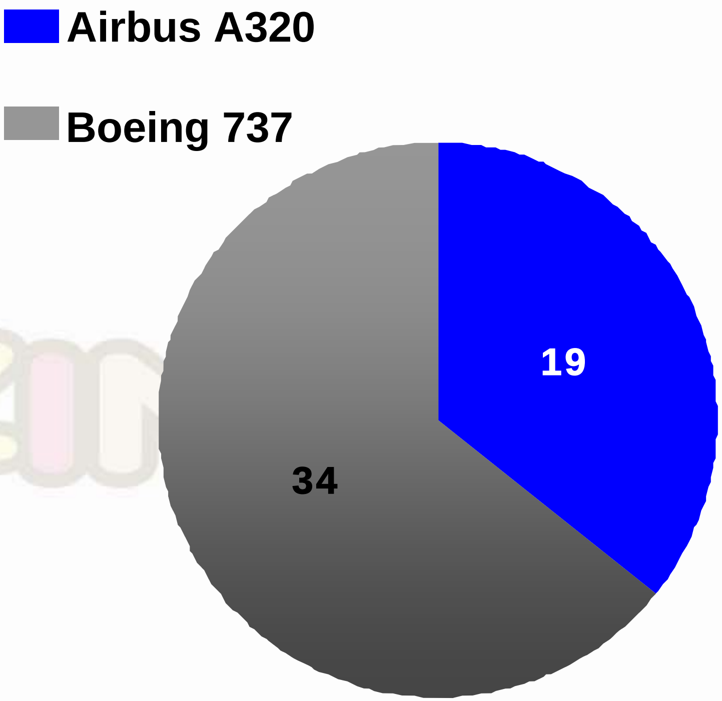
➔ **There is no stopping the LCC phenomenon**

Fleet Status

Net Fleet Size at year end



Current Fleet Composition



Unmatched Route Network

Period	Routes Served
Jan 2002	6
Jun 2003	11
Jun 2004	26
Jun 2005	52
Jun 2006	65
NOW	75

Latest Routes

Bangkok – Langkawi

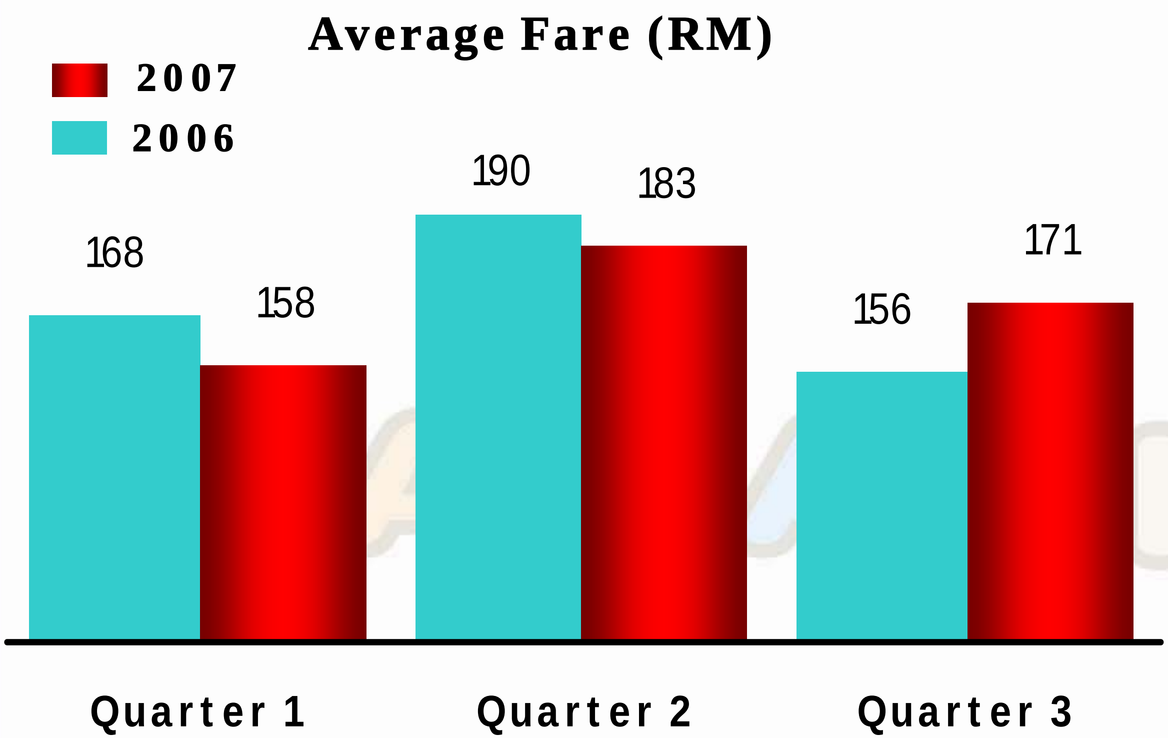
Upcoming Routes

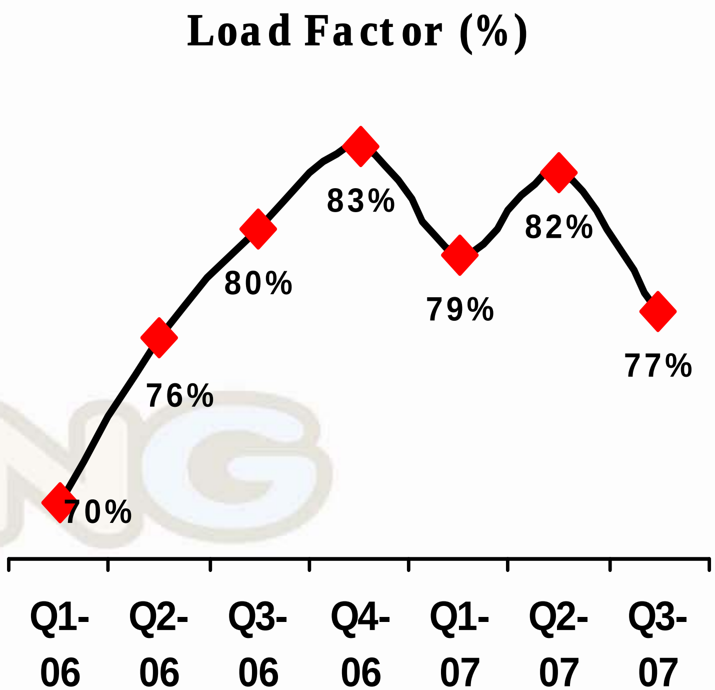
KL – Shenzhen
Bangkok – Shenzhen

airasia.com

Results Commentary

Growth through Aggressive Pricing



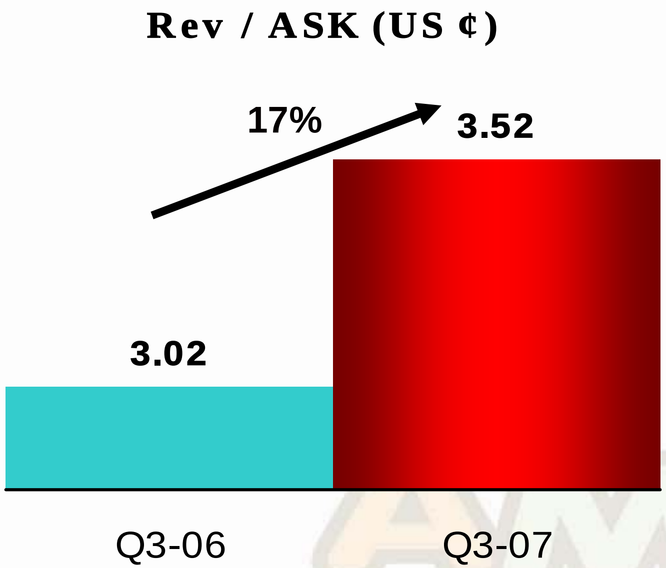


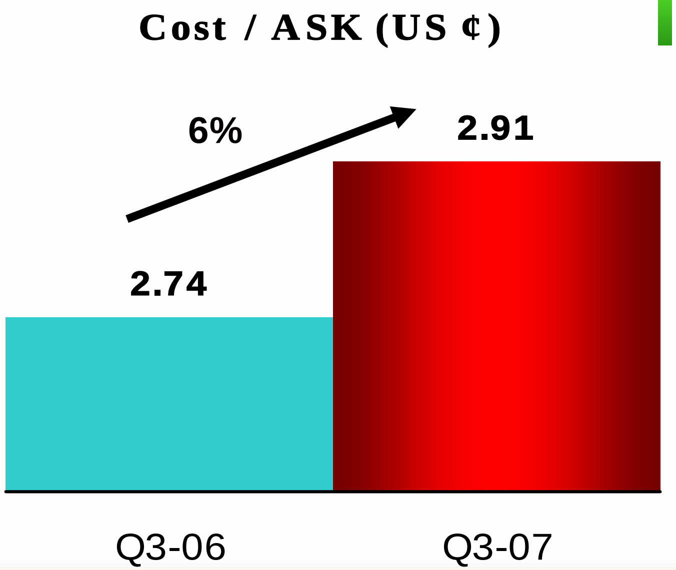
AirAsia's Strategy

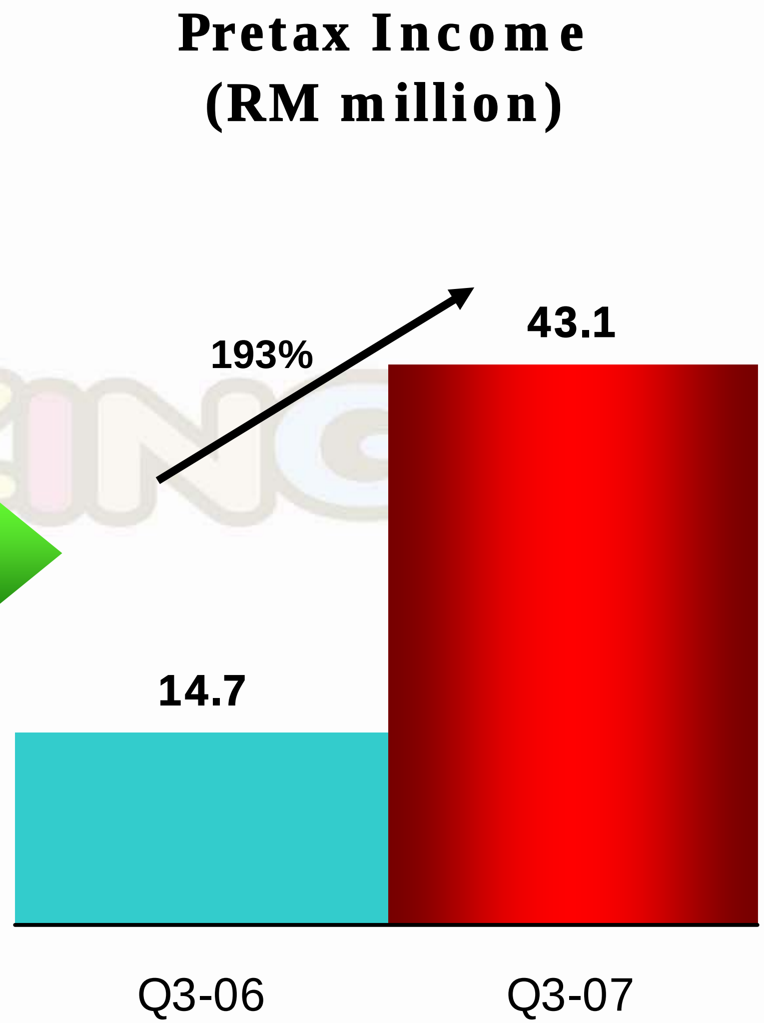
Low fares
\+ High load factor
\+ Low cost

= Strong Profitable Growth

Profitability – 3Q FY2007 vs. 3Q FY2006







Cost / ASK – *what changed from last year to this year?*

Cost Breakdown (US cents / ASK)	Q3 2007	Q3 2006	Δ (%)	Reason
Staff Costs	0.34	0.34	0%	Opening of new bases
Fuel and Oil	1.44	1.28	13%	Higher fuel price
User & Station Charges	0.25	0.18	37%	More international route
Maintenance and Overhaul	0.30	0.29	6%	Heavy maintenance
Cost of Aircraft	0.07	0.17	-58%	Less lease aircraft in fleet
Depreciation & Amortisation	0.37	0.25	46%	More owned aircraft in fleet
Others	0.14	0.23	-40%	Scalability & productivity benefits
SUM	**2.91**	**2.74**	**6%**	

Outlook on Cost Reduction

- Airport charges
  - – new airport structure will be announced by Government soon
  - – growth incentive scheme (high growth airline will be rewarded)
  - – passenger service charges to be lowered at the LCCT
    [Current charges: International = RM35, Domestic = RM6]
  - – will help to make air travel more affordable and aid strong growth

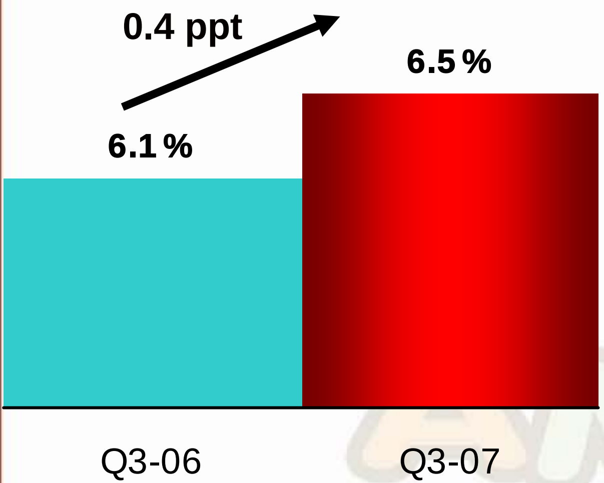
- Strengthening of Ringgit against US$ Dollar
  - – hedged 19 aircraft at par forward rate
  - – potential savings of RM320 million for entire financing term of the aircraft

Year on Year Comparison (Malaysia)

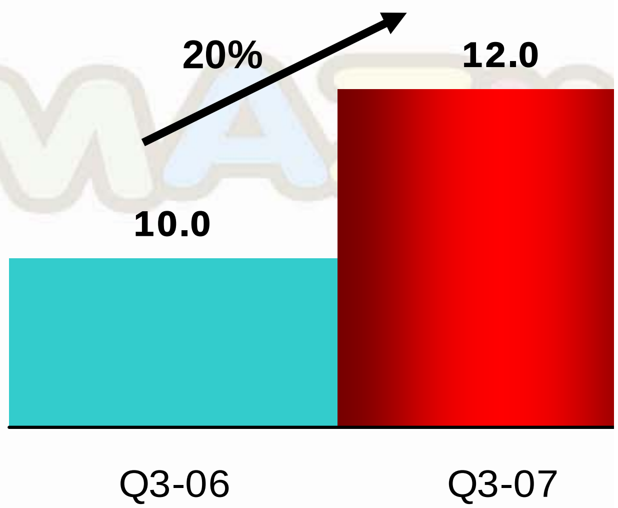
Operating Expenses (RM '000)	**9-mth 2007**	**9-mth 2006**	**% Revenue**	
			9mth-07	**9mth-06**
Revenue	**1,171,108**	**744,383**		
– Staff Cost	(109,584)	(84,584)	9.4%	11.4%
– Fuel and Oil	(516,321)	(304,952)	44.1%	41.0%
– User & Station Charges	(71,775)	(39,354)	6.1%	5.3%
– Maintenance & Overhaul	(70,075)	(59,723)	6.0%	8.0%
– Other Expenses	(29,030)	(75,041)	2.5%	10.1%
EBITDAR	**374,322**	**180,727**	**32.0%**	**24.3%**
- Cost of aircraft	(28,385)	(42,626)	2.4%	5.7%
EBITDA	**345,937**	**138,101**	**29.5%**	**18.6%**
- Depreciation & Amortisation	(139,722)	(56,523)	11.9%	7.6%
EBIT	**206,215**	**81,577**	**17.6%**	**11.0%**
Pretax Profit	**148,106**	**75,477**	**12.6%**	**10.1%**
Net Income	**313,430**	**73,970**	**26.8%**	**9.9%**

Driving Growth from Ancillary Income

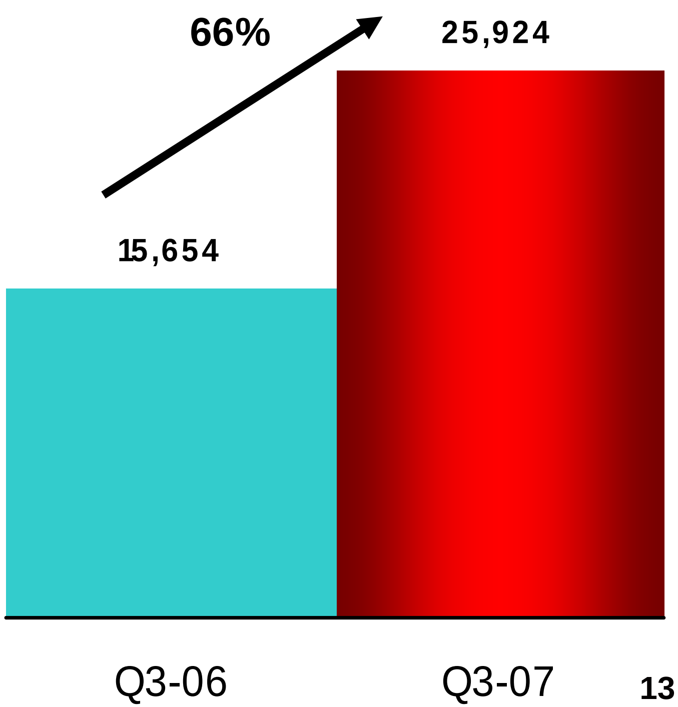
Ancillary % Revenue



Pax Spend (RM/pax)



Ancillary Income (RM '000)



Associate Development

Operational Statistics – Thailand

- Strong passenger growth – 31% YoY growth
- Steady cost despite higher fuel prices
  - – 143/ASK THB, constant YoY
  - – 78/ASK THB ex fuel, constant YoY
- Steady fares and yields despite challenging operating environment
  - – average fare THB1632, constant YoY
- Strong performance despite an increased challenging operating environment (unrest in South of Thai & political uncertainty)
  - – effective capacity management

Thailand Updates

- Political situation
  - – Southern Thai is experiencing continuing unrest
  - – prevailing political uncertainty reducing number of foreign tourists
  - – foreign tourist are the highest yielding passengers

- Foreign ownership issue soon to be resolved
  - – Thai individuals express interest to acquire shares
  - – management opting for a buyout from Asia Aviation

Operational Statistics – Indonesia

- Turbulent quarter
  - – Jakarta floods
  - – aircraft crashes dented sentiment for travel
- Steady passenger growth – 40% YoY growth
- Cost higher due to fuel and lower aircraft utilization
  - – 3.24 /ASK US cents, 7% increase YoY
  - – 1.39/ASK US cents ex fuel, 5% improvement YoY
- Higher yields at lower average fares
  - – 9% decline in fares to IDR 259,833 YoY
  - – 8% increase in yields to 2.36 / ASK US cents YoY

Indonesia Updates

- Aircraft crashes in Indonesia has dented sentiment to travel
  - – demand for travel muted since crash
    (temporary, should revert to normal soon)
  - – short term negative, long term positive

- Low aircraft reliabilility in Indonesia
  - – older Airbus 737-300 in fleet
  - – lower on time performance compared to Malaysia & Thailand
  - – will add two more Airbus 737-300 by the end of financial year

Group Consolidated (Proforma)

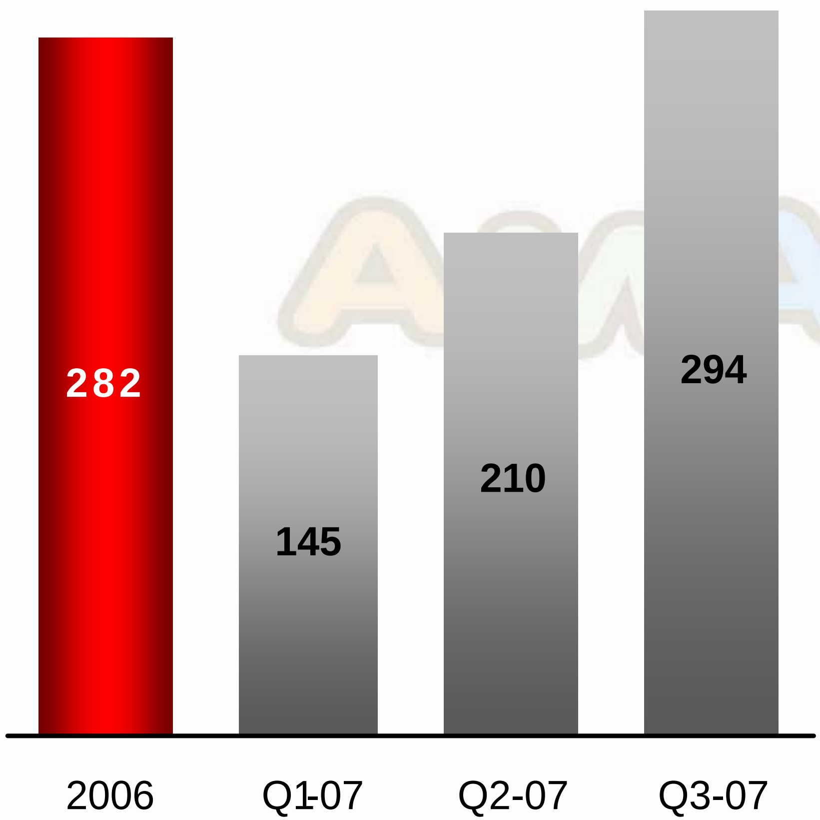
100% Malaysia + 49% Thailand and 49% Indonesia

AirAsia Now Everyone Can Fly

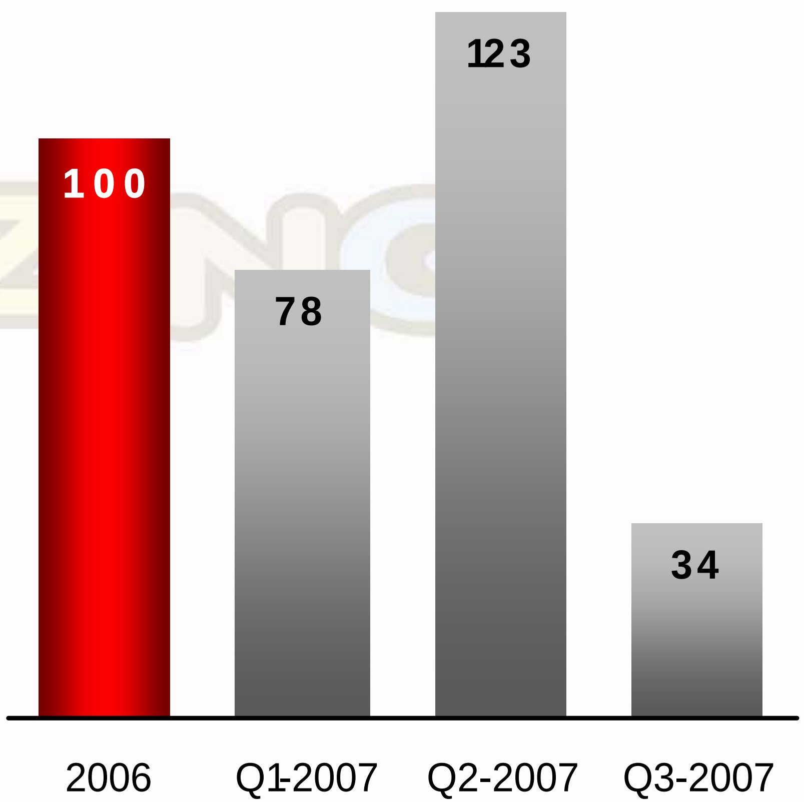
figures in RM'000	Quarter 1	Quarter 2	Quarter 3	9-months
Ticket Sales	407,218	502,809	462,701	1,372,728
Ancillary Income	28,660	33,181	31,192	93,033
Total Revenues	**435,878**	**535,989**	**493,893**	**1,465,761**
EBITDAR	**81,396**	**192,775**	**132,610**	**406,781**
EBIT	**25,334**	**112,047**	**66,916**	**204,297**
Profit/(Loss) Before Taxation	**11,772**	**93,262**	**43,072**	**148,106**
Profit/(Loss) After Taxation	**76,435**	**150,122**	**86,873**	**313,430**
ASK (million)	3,445	3,825	3,988	11,257
RPK (million)	2,733	3,129	3,061	8,923
Load factor %	79%	82%	77%	79%
Average fare (RM)	160	171	165	166
Rev / ASK (US cents)	3.37	3.82	3.54	3.58
Cost / ASK (US cents)	3.16	2.88	3.09	3.04
Cost / ASK - excluding fuel (US cents)	1.23	1.50	1.75	1.51

Robust Cash Generation

Cash from Operations (RM millions)

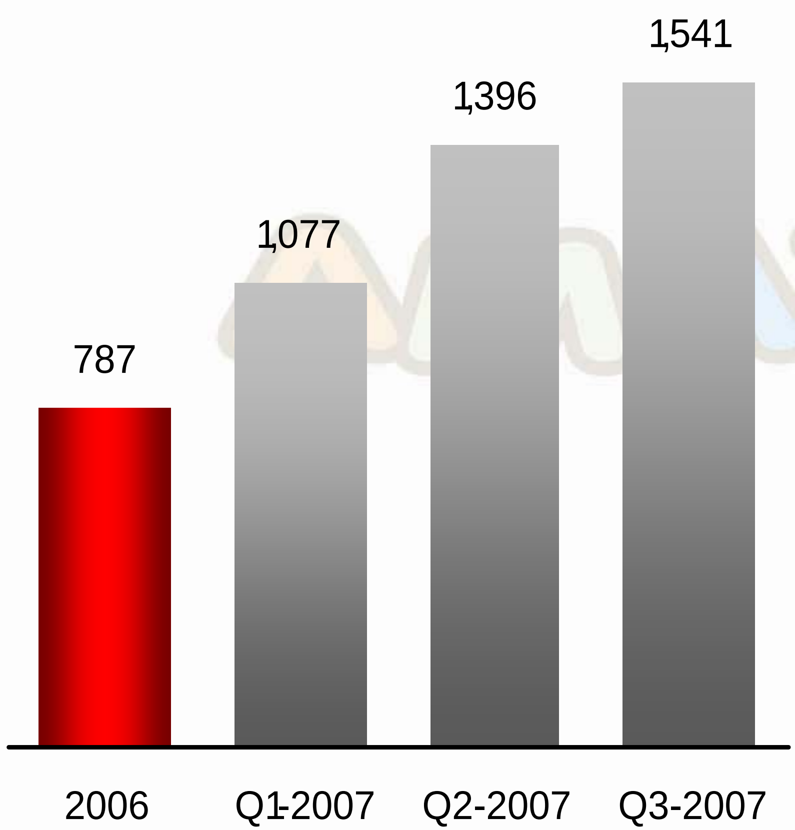


Net Cash Increase (RM millions)

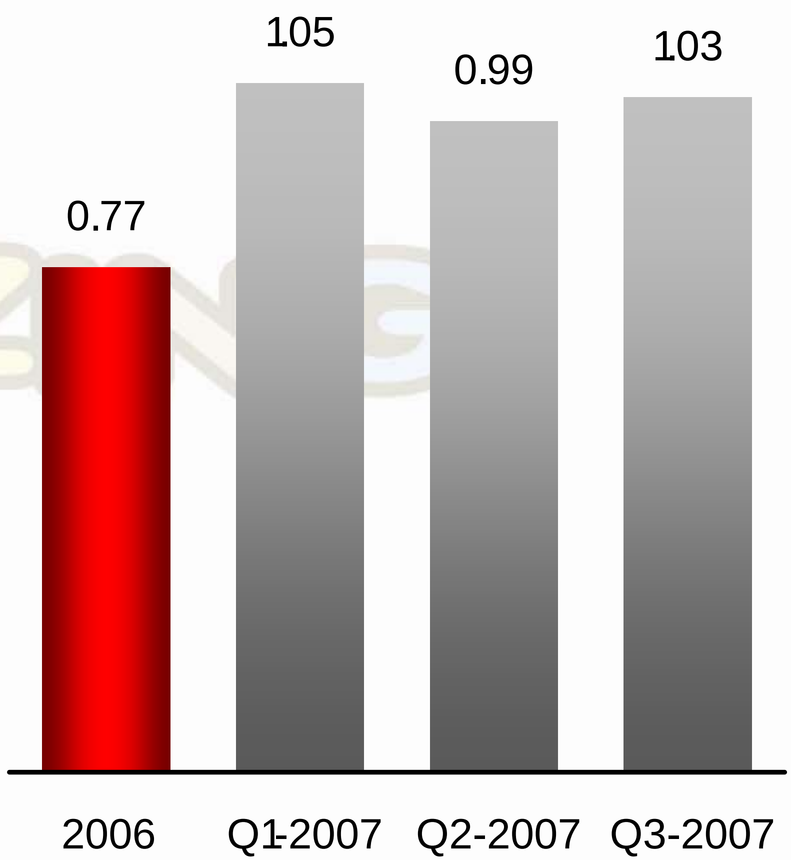


Solid Balance Sheet

Net Debt (RM million)



Net Gearing (Net Debt / Equity)



Recent Developments

Latest Products – the Power of AirAsia

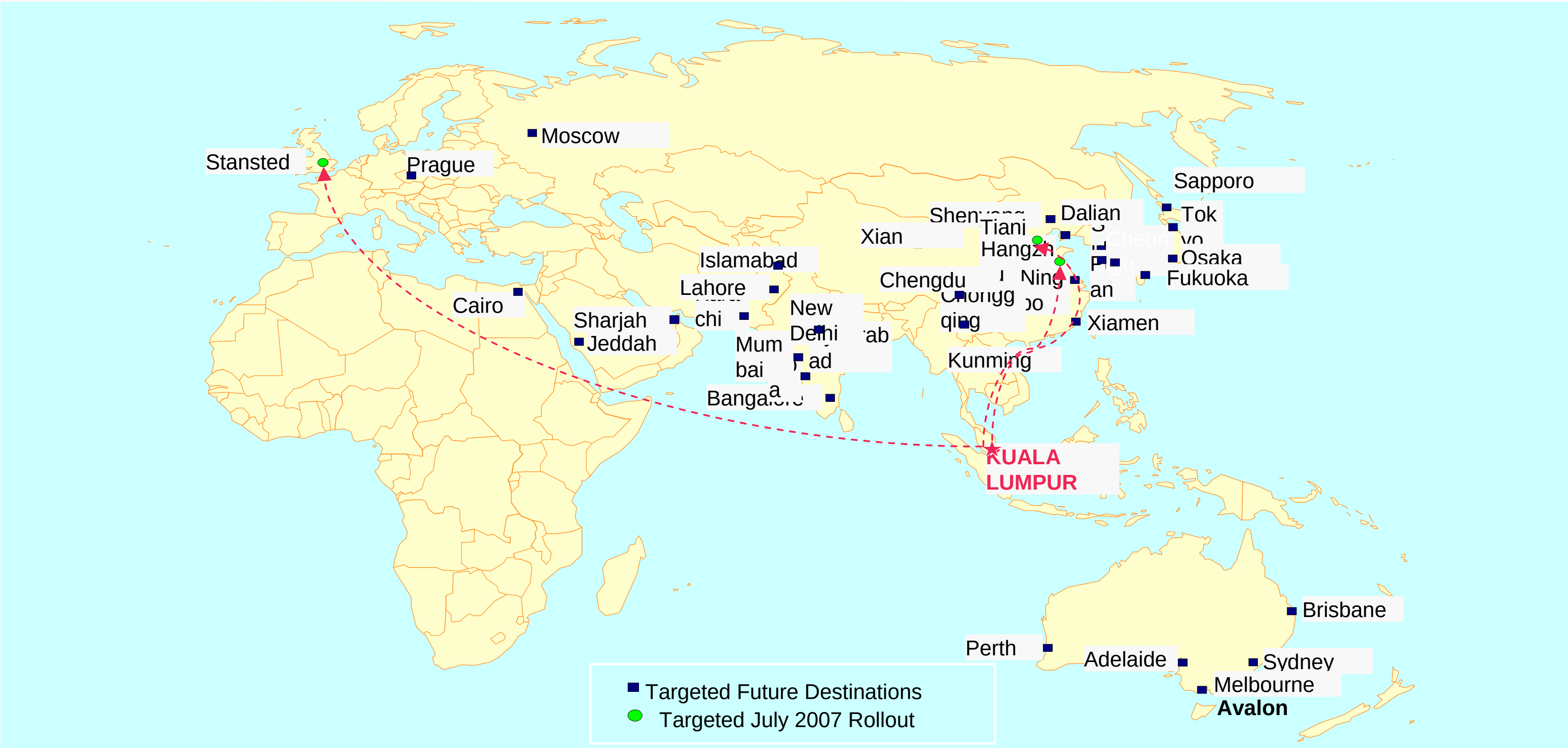
- Xpress Boarding
  - ability to board aircraft first and choose a seat of your liking
  - RM20/pax
  - revenue generator, zero cost
  - launched on 15 May 2007
  - RM100k sales since launch
- Web check-in
  - ability to check in at home / office
  - saves cost & enhances customer service
  - launched on 23 April

Upcoming Initiatives

- Self Check-in counters
  - – passenger self check-in at the airport
  - – reduces queue and saves time
  - – cost saving initiative
- Overbooking
  - – overbooking on some flights
  - – strict procedures to avoid bumping people from flight
  - – opportunity to enhance load factor and yields

Building a Global Brand: AT&T Williams Sponsorship

Updates on AirAsia Long Haul



- FAX announced on 3 April
  - – secured 20 Airbus A330-300 aircraft, scheduled delivery Sept 2008
  - – FAX secured one leased Airbus A330-300 aircraft

AirAsia - Concluding Remarks

- World's lowest cost carrier
- LCC is now a way of life in Asia
- Government supports the LCC
- Airbus improves reliability and performance
- Aircraft order secures growth pipeline until 2013
- AirAsia Academy secures quality skilled manpower requirements

Appendix

Operational Statistics – Malaysia

Operational Statistics	Q3 -2007	Q3 -2006 (restated)	Δ (%)
Average Load factor	77%	80%	-3 ppt
# Passengers	2,160,360	1,559,794	39%
Average fare (RM)	171	156	10%
RPK (mn)	2,461	1,833	34%
ASK (mn)	3,215	2,296	40%
Rev/ASK (US cents)	3.52	3.02	17%
Cost/ASK (US cents)	2.91	2.74	6%
# aircraft (end)	33	24	38%
Average # aircraft	27.8	21.6	29%

Profitability – Malaysia

(RM '000)	Q3-2007	Q3-2006 (restated)	Δ (%)	Margins (%) Q3-07	Margins (%) Q3-06
Ticket Sales	370,256	242,951	52%		
Ancillary Income	25,924	15,654	66%		
Revenue	**396,179**	**258,605**	**53%**		
EBITDAR	127,004	61,434	107%	**32.1%**	**23.8%**
EBIT	72,834	25,506	186%	**18.4%**	**9.9%**
Pretax Profit	**43,072**	**14,694**	**193%**	**10.9%**	**5.4%**
Net Profit	**86,873**	**14,063**	**518%**	**21.9%**	**5.4%**

- Profit margin improvement
  - – increased business scale
  - – yield enhancement
  - – disciplined cost control

Operational Statistics – Thailand

Operational Statistics	Q3 -2007	Q3 -2006 (restated)	Δ (%)
Average Load factor	78%	82%	-4 ppt
# Passengers	863,682	658,672	31%
Average fare (RM) Average fare (THB)	168 1632	155 1633	8% 0%
RPK (mn)	768	613	25%
ASK (mn)	989	751	31%
Rev/ASK (THB) Rev/ASK (US cents)	149 4.35	148 3.61	1% 20%
Cost/ASK (THB) Cost/ASK (US cents)	142 4.17	142 3.46	0% 21%
# aircraft (end)	12	10	20%
Average # aircraft	11.0	8.9	24%

Profitability – Thailand

(THB '000)	Q3 -2007	Q3 -2006 (restated)	Margins (%)	
			Q3-07	Q3-06
Ticket Sales	1,409,715	1,075,418		
Ancillary Income	59,338	36,002		
Revenue	**1,469,054**	**1,111,419**		
EBITDAR	207,982	170,386	**14.2%**	**15.3%**
EBIT	56,903	45,702	**3.9%**	**4.1%**
Net Income	**59,591**	**41,717**	**4.1%**	**3.8%**

- Profit margin improvement
  - – 14% EBITDAR margins
  - – despite continuing unrest in south of Thai and political uncertainty

Operational Statistics – Indonesia

Operational Statistics	Q3 -2007	Q3 -2006 (restated)	Δ (%)
Average Load factor	78%	74%	4ppt
# Passengers	439,358	286,325	54%
Average fare (RM) Average fare (IDR)	100 259,833	115 286,325	-13% -9%
RPK (mn)	457	329	39%
ASK (mn)	588	446	32%
Rev/ASK (IDR) Rev/ASK (US cents)	215 2.36	219 2.19	-2% 8%
Cost/ASK (IDR) Cost/ASK (US cents)	295 3.24	304 3.04	-3% 7%
# aircraft (end)	7	6	17%
Average # aircraft	5.90	4.65	27%

Profitability – Indonesia

(IDR million)	Q3 -2007	Q3 -2006 (restated)	Margins (%)	
			Q3-07	Q3-06
Ticket Sales	**114,160**	89,648		
Ancillary Income	**12,122**	8,072		
Revenue	**126,282**	**97,720**		
EBITDAR	(25,849)	(29,347)	**-20%**	**-30%**
EBIT	(46,671)	(44,480)	**-37%**	**46%**
Net Income	**(49,249)**	**(44,607)**	**-39%**	**46%**

- Turbulent period lead to losses