



FOR IMMEDIATE RELEASE

AIRASIA X POSTED FOURTH QUARTER NET OPERATING PROFIT OF RM100.1 MILLION 2017 A TURNAROUND YEAR

4Q17 AIRASIA X MALAYSIA

- **Revenue up 4% YoY** to RM1.22 billion
- Passengers carried up 12% YoY
- **Load Factor up 2ppts YoY** to 83%
- Average base fare competitive at RM519
- **Profit Before Tax up 353%** to RM135.6 million
- **Profit After Tax up 116%** to RM84.4 million
- **Net Gearing Ratio** improved to **0.43x**

FULL YEAR 2017 AIRASIA X MALAYSIA

- **Revenue up 17% YoY** to RM4.56 billion
- Passengers carried up 25% YoY
- ASK capacity up 19% YoY
- **Load Factor up 3ppts YoY** to 82%
- **Profit Before Tax up 126%** to RM186.8 million
- **Profit After Tax up 121%** to RM98.9 million

SEPANG, 21 FEBRUARY 2018 – AirAsia X Berhad (“AAX” or “the Company”) today reported its financial results for the Fourth Quarter (“4Q17”) and Full Financial Year ended 31 December 2017.

AAX posted quarterly revenue of RM1.22 billion, up 4% from the revenue reported in the same quarter last year. The strong revenue recorded was on the back of a 12% year-on-year (“YoY”) growth in the number of passengers carried at 1.55 million which was ahead of the 8% Available Seat per Kilometer (“ASK”) capacity growth, allowing the Company to record a load factor of 83%. Average base fare was down by 8% to RM519 due to lower fares across our key markets in-line with our load active strategy.

Revenue per Available Seat Kilometer (“RASK”) was down 3% YoY to 13.36 sen in 4Q17. The drop in RASK was within expectation due to increased capacity on existing routes ensuring market dominance which resulted in slightly lower yields. On the other hand, Cost per Available Seat Kilometer (“CASK”) was lower by 6% YoY to 12.15 sen while CASK ex-fuel dropped 8% YoY to 7.96 sen, mainly due to lower maintenance and overhaul on the back of over accruals from previous quarters, and better aircraft utilisation.

AAX posted a net operating profit of RM100.1 million in 4Q17. Profit before tax for the period was RM135.6 million as compared to profit before tax of RM29.9 million in the same quarter last year.

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For the full year 2017, AAX revenue grew 17% to RM4.56 billion from RM3.90 billion. Profit before tax was significantly higher at RM186.8 million against RM98.9 million in 2016, despite the provision for bad debt made during the year of RM62.0 million.

AirAsia X Co-Group CEO Datuk Kamarudin Meranun and Tan Sri Tony Fernandes said, "AirAsia X delivered a robust operational performance in what was a challenging year cleaning up legacy decisions, flying a record 5.84 million passengers at our highest load factor of 82%."

"AirAsia X Malaysia continued to increase capacity in the fourth quarter to cater demand rising from year-end holiday travel as we seized the opportunity to invest substantial capacity to strengthen our leadership position in our core markets. We believe the newly introduced capacity will reap the benefits when it matures. It posted a commendable load factor of 83% in 4Q17, up 2ppts."

"On the associates, we are pleased that to announce that AirAsia X Thailand posted a commendable 4Q17 performance. Thailand operations' posted strong 91% load factor, an increase of 13 ppts YoY as Thai tourism industry has fully recovered from the mourning period due to the passing of the late King Bhumibol Adulyadej last year. Revenue was up 26% YoY, and passengers carried rose 27% YoY, exceeding ASK capacity growth of 7% YoY. Net profit recorded during the quarter was USD7.3 million. "

"The financial performance of our Indonesian associate weakened in the fourth quarter, as the operations was hampered due to the volcanic activity of Mt. Agung in Bali which started end of September and through to December. AirAsia X Indonesia posted a net loss of USD918k in 4Q17 against net loss of USD279k in the same period last year."

AirAsia X Co-Group CEO Tan Sri Tony Fernandes added, "Overall, operationally 2017 has seen many positives as we continue to drive a sustainable business model. Fourth quarter revenue was the highest in history at RM1.22 billion, an improvement of 4% YoY, as scheduled flights revenue increased by 3% YoY, ancillary revenue up 16% YoY while freight services up 30% YoY."

On managing cost, Tan Sri Tony highlighted, "Cost remains the Company's priority. Measured by cost per available seat kilometer, CASK was reported at 12.15 sen, a reduction of 6% YoY, while CASK ex-fuel stood at 7.96 sen, representing 8% drop YoY. Despite the 3% increase in fuel consumption in 4Q17 due to more sectors flown, as well as higher average fuel price which was up by 9% YoY, we managed to improve cost efficiency in other cost areas which effectively lowered overall operating expenses."

On the balance sheet, Tan Sri Tony said, "The management monitors the Company's net gearing level closely to ensure that it is always at a healthy and comfortable level. At the end of 4Q17, the Company's USD denominated borrowings was reduced by 4% from USD220.4 million in 3Q17 to USD212.3 million in 4Q17 due to the quarterly repayment of borrowings on our finance lease aircraft. Cash increased by 2.5% to RM432.7 million at the end of quarter in review. The Company's balance sheet continues to strengthen with net gearing reduced to 0.43 times as at December 2017 from 0.49 times three months ago as a result of lower total debt and increase in cash."

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“2017 has been a continuing rebuilding year for AirAsia X where we undertook various initiatives to stabilise the business model. The airline is now focused on point-to-point and building fly-thru traffic by leveraging on AirAsia Group network. We have grown North Asia quite significantly in 2017, especially China and Korea. There is no more wet lease and charter businesses going forward. On top of that, we have successfully turnaround AirAsia X Thailand and re-launched AirAsia X Indonesia.”

Outlook

AirAsia X Co-Group CEO Tan Sri Tony Fernandes said, “We begin 2018 focused on our goal to ensure sustainable growth and profits. AirAsia X Group will be adding 6 leased aircraft in 2018 for a total group fleet of 36 A330s by end of 2018. This will be the first year that AirAsia X will be adding aircraft since 2015, demonstrating our confidence in the medium-to-long haul low-cost space.”

“AirAsia X Malaysia and AirAsia X Thailand will add 3 aircraft each in 2018. As for AirAsia X Indonesia, we plan for high yielding routes in 2018 as we continue to turnaround Indonesia. Both North Asia—especially Japan— and India will be a key focus for AirAsia X Group this year as we continue to drive country dominance in our core markets.”

“We look forward to unlock further synergies with AirAsia Group to fully optimise our route network and we are confident of our ability to leverage on our strengths and scale to meet air travel demand.”

“With a healthier balance sheet, stronger liquidity and solid forward bookings, it will provide the necessary cash flow required to continue to expand and reinvest in our business as we strive to be the leader in the medium-to-long haul low-cost market.”

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About the AirAsia X Group

AirAsia X is the long-haul, low-cost affiliate carrier of the AirAsia Group that serves 26 destinations across Asia, Australia, New Zealand, the Middle East and the US. AirAsia X operates a core fleet of 30 A330-300s with a seat configuration of 12 Premium Flatbeds and 365 economy seats. The airline has carried over 30 million guests since commencing operations 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 five consecutive years from 2013 to 2017.

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