



AIRASIA BERHAD

(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

ANNOUNCEMENT

The Board of Directors of AirAsia Berhad (“AirAsia” or “the Company”) is pleased to announce the following unaudited consolidated results of AirAsia and its subsidiaries (collectively known as “the Group”) for the third quarter ended 30 September 2008.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT PERIOD ENDED	PRECEDING YEAR CORRESPONDING PERIOD ENDED
	30/09/2008 RM'000	30/09/2007 RM'000	30/09/2008 RM'000	30/09/2007 RM'000
Revenue	658,475	461,585	1,802,014	1,299,964
Cost of Sales	(554,513)	(294,715)	(1,381,576)	(909,269)
Gross profit from operations	103,962	166,870	420,438	390,695
Other operating expenses	(29,491)	(23,525)	(81,606)	(53,765)
Other operating income	17,088	2,387	36,514	87,592
Profit from operations	91,559	145,732	375,346	424,522
Finance (costs) / Income (Net)	22 (292,570)	(7,265)	(381,742)	(24,339)
Depreciation and amortisation	(88,037)	(63,776)	(219,380)	(145,789)
Exceptional item	23 (215,280)	-	(215,280)	-
Share of results of jointly controlled entity	18 -	-	-	3,002
Share of results of associate	18 -	-	-	(9,268)
(Loss)/profit before taxation	(504,328)	74,691	(441,056)	248,128
Current taxation	24 (737)	(923)	(2,045)	(3,663)
Deferred taxation	24 39,538	106,209	148,267	207,435
(Loss)/profit after taxation	(465,527)	179,977	(294,834)	451,900
Attributable to:				
-Equity holders of the company	(465,527)	179,977	(294,834)	451,900
-Minority interests	-	-	-	-
	(465,527)	179,977	(294,834)	451,900
Basic earnings per share (sen)	(19.7)	7.6	(12.5)	19.2
Diluted earnings per share (sen)	(19.6)	7.6	(12.4)	19.1

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the six months period ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



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THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008

	UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2008	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2007
	RM'000	RM'000
NON CURRENT ASSETS		
Property, plant & equipment	6,170,431	4,352,770
Investment in associates	29	29
Other investments	26,718	26,728
Goodwill	8,738	8,738
Deferred expenditure	479	479
Deferred tax asset	627,971	479,705
Long term prepayments	96,630	64,926
	6,930,996	4,933,375
CURRENT ASSETS		
Inventories (at cost)	16,600	17,567
Other investments	30,892	30,892
Trade receivables	20,072	15,883
Prepayment, deposits and other receivables	480,896	297,153
Deposit on aircraft purchase	330,883	318,251
Amount due from a jointly controlled entity	100,603	74,285
Amount due from associates	143,353	84,407
Deposits, bank and cash balances	774,082	651,360
	1,897,381	1,489,798
CURRENT LIABILITIES		
Trade and other payables	691,171	620,881
Borrowings (secured)	846,614	278,550
Hire-purchase payables	77	77
Current tax liabilities	4,383	5,178
	1,542,245	904,686
NET CURRENT ASSETS	355,136	585,112
NON CURRENT LIABILITIES		
Borrowings (secured)	5,478,947	3,419,121
Hire-purchase payables	91	149
	5,479,038	3,419,270
	1,807,094	2,099,217
CAPITAL AND RESERVES		
Share capital	237,405	237,154
Reserves	1,569,689	1,862,063
Shareholders' funds	1,807,094	2,099,217
	1,807,094	2,099,217
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.76	0.89

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(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CURRENT PERIOD ENDED 30/09/2008	PRECEDING PERIOD ENDED 30/09/2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(441,056)	248,128
Adjustments:		
Property, plant and equipment		
- Depreciation	241,694	145,789
- (Gain)/Loss on disposal	(11,842)	299
Amortisation of long term prepayments	6,332	5,433
Amortisation of other investments	9	11
Unrealised foreign exchange gain/(loss)	207,441	(19,443)
Interest expense	194,832	102,005
Interest income	(18,656)	(21,806)
	178,754	460,416
Changes in working capital		
Inventories	968	1,852
Receivables and prepayments	(187,933)	(36,312)
Trade and other payables	70,292	51,025
Intercompany balances	(85,263)	(42,617)
	(23,182)	434,364
Cash generated from operations		
Interest paid	(194,832)	(102,005)
Interest received	18,656	21,806
Tax paid	(2,840)	(1,675)
Net cash from operating activities	(202,198)	352,490
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(2,084,964)	(1,528,418)
- Proceeds from disposal	37,252	5,021
Deposit on aircraft purchase	(12,632)	12,491
Long term prepayments	(37,838)	(28,155)
Additional unquoted investments	-	(3,175)
Additional investment in/acquisition of associates	-	(12,785)
Advance to associate	-	(3,910)
Net cash used in investing activities	(2,098,182)	(1,558,931)
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	2,711	12,596
Hire purchase instalments paid	(58)	(116)
Proceeds from borrowings	2,682,141	1,347,426
Repayment of borrowings	(261,693)	(229,836)
Deposits pledged as securities	-	(2,232)
Net cash from financing activities	2,423,102	1,127,839
NET INCREASE/(DECREASE) FOR THE FINANCIAL YEAR	122,721	(78,602)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	651,360	626,083
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	774,082	547,481

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the six months period ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



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(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company							
	Issued and fully paid ordinary shares of RM 0.10 each	Nominal Value RM '000	Share Premium RM '000	Foreign Exchange Reserves RM '000	Retained Earnings RM '000	Total RM '000	Minority Interest RM '000	TOTAL EQUITY RM '000
At 1 January 2008	2,371,541	237,154	732,737	592	1,128,734	2,099,217	-	2,099,217
Net Profit for the period	-	-	-	-	(294,834)	(294,834)	-	(294,834)
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	2,511	251	2,460	-	-	2,711	-	2,711
At 30 September 2008	2,374,052	237,405	735,197	592	833,900	1,807,094	-	1,807,094
At 1 January 2007	2,353,701	235,370	715,253	592	458,047	1,409,262	39	1,409,301
Net Profit for the period	-	-	-	-	451,900	451,900	-	451,900
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	11,663	1,166	11,428	-	-	12,594	-	12,594
At 30 September 2007	2,365,364	236,536	726,681	592	909,947	1,873,756	39	1,873,796

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(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

KEY OPERATING STATISTICS – 30 SEPTEMBER 2008

PERFORMANCE INDICATORS MALAYSIAN OPERATIONS	ACTUAL	ACTUAL
	Current Quarter (Jul-Sep 2008)	Preceding Quarter (Apr-Jun 2008)
Passengers carried	3,018,395	2,822,612
RPK (million)	3,429	3,286
ASK (million)	4,833	4,514
Average fares (RM)*	195	198
Passenger load factor (%)	75%	76%
Revenue per ASK (sen)	13.63	13.48
Cost per ASK (sen)	13.54	11.49
Cost per ASK (sen) non fuel	4.43	4.38
Sectors flown	22,475	21,208
Average number of operating aircraft	38.19	36.60



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(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the six months ended 31 December 2007. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the six months ended 31 December 2007.

The preparation of an interim financial report in conformity with FRS 134: “Interim Financial Reporting”, requires management and the Directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 31 December 2007 financial statements. The interim consolidated financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with FRSs.

The financial information relating to the financial year ended 31 December 2007 that is included in the interim consolidated financial report as being previously reported information does not constitute the Group’s statutory financial statements for that financial year but is derived from those financial statements, other than those that have been restated as a result of the changes in accounting policies. The statutory financial statements for the six months ended 31 December 2007 are available from the Company’s registered office.

2. Summary of significant accounting policies

There was no change to accounting policies in the period.

3. Auditors’ report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group’s statutory financial statements for the six months ended 31 December 2007 in their report dated 30 April 2008.



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(Company No. 284669-W)

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THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

4. Seasonality of operations

AirAsia is basically involved in the provision of air transportation services and thus, is subject to the seasonal demand for air travel. The seat load factor has reduced from 76% in the immediate preceding quarter to 75% in the current quarter under review. This seasonal pattern is in line with the expectation of the Group.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date.

6. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter and financial period-to-date results.

7. Capital and reserves

During quarter ended 30 September 2008, the issued and paid-up capital of the Company was at 2,374,052,580 ordinary shares of RM0.10 each. There was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the period ended 30 September 2008.

8. Dividend paid

There were no dividends paid in the quarter ended 30 September 2008.

9. Segment reporting

Segmental information is not presented as there are no significant business segments other than the provision of air transportation services.

10. Property, plant and equipment

(a) acquisition and disposals

During the third quarter ended 30 September 2008, the Group acquired plant and equipment with a cost of RM749.3 million (third quarter ended 30 September 2007: RM776.7 million).

There was disposal of RM23.8 million (third quarter ended 30 September 2007: nil) of property, plant and equipment for the period ended 30 September 2008.



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(Company No. 284669-W)

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THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

(b) valuation

There was no revaluation of property, plant and equipment for the quarter ended 30 September 2008.

11. Post balance sheet events

There were no material events after the period end that has not been reflected in the financial statements for the financial period ended 30 September 2008.

12. Changes in composition of the Group

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the quarter.

13. Contingent assets

As at the date of this report, the Group does not have any contingent assets.

14. Changes in Contingent liabilities Since the Last Annual Balance Sheet Date

There were no material changes in contingent liabilities since the latest audited financial statements of the Group for the six months period ended 31 December 2007.

15. Capital commitments outstanding not provided for in the interim financial report

Capital commitments for property, plant and equipment:

	<u>Group and Company</u>	
	<u>30.09.08</u>	<u>31.12.07</u>
	RM'000	RM'000
Contracted for	16,812,042	19,786,549
Authorised but not contracted for	7,298,598	8,139,809
	-----	-----
	24,110,640	27,926,358
	=====	=====



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(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

16. Material related party transactions

Details of the relationship and transactions between AirAsia and its related parties are as described below. The related party transactions described were carried out on the terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

Name of company	Relationship	Group	
		Quarter ended 30 September 2008 RM'000	Quarter ended 30 September 2007 RM'000
Thai AirAsia	A jointly controlled entity of the Company		
PT Indonesia AirAsia	An associate of the Company		
Thai AirAsia			
- Lease rental income on aircraft		32,785	14,626
- Maintenance and overhaul charges received		6,542	16,486
PT Indonesia AirAsia			
- Lease rental income on aircraft		12,609	8,668
- Maintenance and overhaul charges received		9,513	5,920

17. Review of performance

Performance of current quarter against same quarter last year

Quarter Ended: 30 September RM'000	Jul-Sep 2008	Jul-Sep 2007	Δ (%)
Revenue	658,475	461,585	43%
Exceptional Items	(215,280)	0	n/a
EBITDAR	69,248	148,655	-53%
Core Operating Profit/(Loss)	(75,933)	47,763	-259%
Profit/(Loss) After Tax	(465,526)	179,977	-359%
EBITDAR Margin	10.5%	32.2%	-21.7 ppt
Core Operating Profit/(Loss) Margin	-11.5%	10.3%	n/a
Profit/(Loss) After Tax Margin	-70.7%	39.0%	n/a
Passengers Carried	3,018,395	2,439,600	24%
Average Fare (RM)	195	174	12%
Load Factor	75.4%	79.3%	-3.9 ppt



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(Company No. 284669-W)

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THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

The Group recorded revenue of RM659 million for the quarter ended 30 September 2008 (“3Q08”), 43% higher than the revenue of RM462 million recorded in the quarter ended 30 September 2007 (“3Q07”). The Group’s core operating loss was RM76 million against a core operating profit of RM48 million achieved in 3Q07. The Malaysian Ringgit has weakened against the US Dollar and this has resulted in a translation loss of RM213 million. The exceptional item amounting to RM215 million relates to the provisions for unwinding our derivative structures and likely non-recovery of collateral for trades held by Lehman Brothers. Due to these charges, AirAsia posted a loss after tax of RM466 million after accounting for deferred taxation.

The positive growth in revenue was attributed to higher passenger volume achieved and higher contribution from ancillary income. Passenger volume grew by 24% in 3Q08 as compared to 3Q07. Average fare was higher by 12% at RM195 as compared to RM174 achieved in 3Q07. The higher average fare achieved reflects the positive contribution from ancillary income and the increase in fees. Load factor was 3.9 percentage points lower to 75% as a consequence of significant capacity addition and the full impact of the Ramadhan fasting month.

The Thailand operations endured a challenging period due to escalating domestic disturbances. The street demonstrators had forcefully closed Phuket, Krabi, Haadyai and Narathiwat airports for three days during the period. Despite the challenging environment, Thai AirAsia’s operations has produced encouraging results. Average fare was 29% higher than last year and produced the highest yields across the AirAsia Group. Load factor was at 79%, significantly better than the 69% load factor achieved last year. The performance of the Thai AirAsia’s fleet was exceptionally well with a record on-time performance of 93%. Thailand has received seven brand new Airbus A320 aircraft and this has helped to enhance dispatch reliability, reduce cost whilst at the same time enhance our customer service delivery. The competitive environment has turned to our favour; many airlines have cut their capacity significantly and ceased services altogether on some secondary destinations. We are gaining significant market share as we fill the void in capacity and continue to attract value conscious customers.

The Indonesian operations made some notable achievements in the third quarter. Average fare was 75% higher than last year and load factor was at 78%, roughly similar to last year’s 79% load factor. This strong performance is derived from our comprehensive route network coupled with our reputable customer service delivery. We are also able to increase our fare substantially as a result of the industry being more efficient and not prone to fare dumping. The average fare and yields for Indonesia has improved tremendously. Indonesia received the first of a series of Airbus A320 aircraft on 19 September and this will help towards reducing future operational cost, enhance efficiency and elevate our service delivery.



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(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

18. Jointly Controlled Entity and Associate Company

FRS 128 states that interest in an associate is defined as “the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the investor’s net investment in the associate”. On this basis, the share of losses of the investment in associate was equity accounted for by the Group and limited to the Group’s investment in the ordinary share capital of the associate.

	Unrecognised share of operating loss for the Quarter ended 30 September 2008 RM’Million	Unrecognised share of operating loss as at 30 September 2008 RM’Million
Thai AirAsia	12.3	75.8
Indonesia AirAsia	2.1	89.5

19. Variation of results against preceding quarter

The Group achieved a loss after tax of RM465.5 million for the quarter under review. This is lower than the RM9.4 million profit achieved to that of the immediately preceding quarter ended 30 June 2008. Up to 30 September 2008, the AirAsia Group has already taken delivery of 50 new Airbus A320 aircraft in total.

20. Commentary on prospects

The price of jet fuel has come off the peak recorded in July and is now trading at levels last seen in 2005. The impact of lower fuel prices, assuming the trend continues, will contribute positively in the fourth quarter. The fourth quarter is traditionally our strongest quarter and we have seen sustained strong demand for our services. The impact of the strengthening US Dollar against the Malaysian Ringgit, assuming this trend continues, will however have a negative impact on the company.

The directors expect that, barring unforeseen circumstances, the Group’s performance will be satisfactory for the fourth quarter.

21. Profit forecast

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest are not applicable for the current quarter and financial year-to-date.



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(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

22. Finance (Cost)/Income

	Group and Company	
	Quarter ended	Quarter ended
	30/9/08	30/9/07
	RM'000	RM'000
Finance Costs		
Interest costs		
- Bank borrowings	(85,812)	(40,493)
- Hire-purchase payables	(3)	(3)
Bank facilities and other charges	(1,416)	(345)
	<u>(87,231)</u>	<u>(40,841)</u>
Finance Income		
Interest on deposits	7,171	6,963
Total foreign exchange gain / (loss)	(212,510)	26,614
	<u>(205,339)</u>	<u>33,577</u>
Net Finance Cost	<u>(292,570)</u>	<u>(7,264)</u>

As per Note 29 (i), the Company has previously entered into a number of long-term forward contracts to purchase US Dollars at fixed rates. Based on the current outstanding principal amounts in respect of the contracts, the weighted average contracted rate and the prevailing exchange rate as at 30 September 2008, the Company could potentially enjoy a gain of RM365.6 million. However, this can only be reflected in the financial statements upon realization over the duration of these contracts.

23. Exceptional item

The exceptional amount of RM215 million relates to the costs of the unwinding of our fuel derivative contracts and also the likely non-recovery of margin held by Lehman Brothers Commodity Services Inc., a subsidiary of Lehman Brothers Holdings Inc. which filed for bankruptcy on 15 September 2008.



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THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

24. Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE YEAR	
	Current Year Quarter Ended	Preceding Year Quarter Ended	Current Year Ended	Preceding Year Ended
	30/9/08 RM'000	30/9/07 RM'000	30/9/08 RM'000	30/9/07 RM'000
<u>Group</u>				
Current tax	737	923	2,045	3,663
Deferred tax	(39,538)	(106,209)	(148,267)	(207,435)
	(38,801)	(105,286)	(146,222)	(203,772)

The current taxation charge is in respect of interest income, which is assessed separately.

25. Unquoted investments and properties

There was no sale of unquoted investments or properties for the quarter under review and financial period to date.

26. Quoted investments

There was no purchase or disposal of quoted securities for the quarter under review and financial period to date.

27. Status of corporate proposals announced

Letter of Intent Between Vietnam Shipbuilding Industry Group (“Vinashin”) and AirAsia

The Company on 30th August 2007 has signed a Letter of Intent (“LOI”) with Vinashin as a preliminary step towards exploring, assisting and creating a business cooperation between both parties regarding the establishing of a low cost airline based on the AirAsia business model in Vietnam. The Company will provide updates in a timely manner whenever any material change in status arises.



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(Company No. 284669-W)

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THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

28. Borrowings and debt securities

	At 30 September 2008	At 31 December 2007
	RM'000	RM'000
Current		
Secured	<u>846,614</u>	<u>278,550</u>
Non-current		
Secured	<u>5,505,394</u>	<u>3,419,121</u>
Total Debt	<u>6,352,008</u>	<u>3,697,671</u>

The borrowings are in the form of term loans which are for the purchase of new aircraft A320-200.

The maturity period of non-current borrowing is 14 years and below. The entire borrowings are denominated in US Dollar and Euro. The Company has substantially hedged its foreign exchange exposure through foreign exchange contracts as explained in Note 28 (i).

As at the balance sheet date, the weighted average effective interest rate of the borrowings is at 5.20% per annum (31 December 2007: 5.40% per annum).

The Company's aircraft financing facilities are principally secured by the following types of security:

- (a) Assignment of rights under contract with Airbus over each aircraft
- (b) Assignment of insurance and reinsurances of each aircraft
- (c) Assignment of airframe and engine warranties of each aircraft
- (d) Mortgage of the aircraft
- (e) Deregistration Power of Attorney



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(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

29. Off balance sheet financial instruments

The fair value of derivative financial instruments is the present value of their future cash flows and is derived from the valuations, calculated by the Group's bankers.

(i) Forward foreign exchange contracts

The Group has hedged 75% of its dollar liabilities pertaining to its aircraft, engine and simulator loans into Ringgit by using long dated foreign exchange.

(ii) Interest Rate Swaps

The Group entered into interest rate swaps (some of which are capped) to hedge against fluctuations in the US-LIBOR on its existing and future aircraft financing for deliveries between Year 2005 and 2009. The effect of this transaction enables the Group to pay fixed interest rate of between 3.25% (MYR), between 4.55% and 5.20% (USD) over a period of 12 to 14 years.

(iii) Fuel Hedging

As at 30 September 2008, the Group had partial cover over approximately 35% of its budgeted consumption for Year 2008 and 2009 against upward movement in fuel prices. Due to the sudden collapse in oil prices following the unprecedented, near collapse of the US financial system and the global recession that loomed, the Group had subsequently liquidated its positions to take opportunity of the lower spot prices.

30. Material litigation

As at 28 November 2008, there was no material litigation against the Group.

31. Proposed dividend

The Directors do not recommend any dividend for the quarter ended 30 September 2008.



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(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

32. Earnings per share

(a) Basic earnings per share

Basic earnings per share of the Group are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30/09/08	Preceding Year Corresponding Quarter Ended 30/09/07	Current Period Ended 30/09/08	Preceding Year Corresponding Year Ended 30/09/07
Net (loss)/profit for the financial period (RM'000)	(465,528)	179,977	(294,834)	451,900
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,373,300	2,352,517	2,373,300	2,352,517
Adjusted for share options granted ('000)	-	26,360	-	26,360
Adjusted weighted average number of ordinary shares ('000)	2,373,300	2,378,877	2,373,300	2,372,535
Basic earnings per share (sen)	(19.6)	7.6	(12.4)	19.2
Diluted earnings per share (sen)	(19.6)	7.6	(12.4)	19.1

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are in respect of options over shares granted to employees.

In respect of options over shares granted to employees, a calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding options over shares. The number of ordinary shares calculated is compared with the number of shares that would have been issued assuming the exercise of the options over shares. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element in the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the period for the options over shares calculation.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2008

NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2008

33. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 28 November 2008.

By order of the Board

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)
COMPANY SECRETARY
28 November 2008