



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

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 first quarter ended 31 March 2013.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Revenue	10	1,300,784	1,168,398	1,300,784	1,168,398
Operating expenses:					
- Staff costs		(146,251)	(150,978)	(146,251)	(150,978)
- Depreciation of property, plant and equipment		(153,958)	(130,742)	(153,958)	(130,742)
- Aircraft fuel expenses		(522,528)	(442,284)	(522,528)	(442,284)
- Maintenance and overhaul		(36,857)	(27,622)	(36,857)	(27,622)
- User charges and other related expenses		(124,049)	(108,720)	(124,049)	(108,720)
- Aircraft operating lease expenses		(44,656)	(40,385)	(44,656)	(40,385)
- Other operating expenses		(42,853)	(43,104)	(42,853)	(43,104)
Other (losses)/gains - net	11	4,573	(10,384)	4,573	(10,384)
Other income	12	20,723	25,896	20,723	25,896
Operating Profit		254,928	240,075	254,928	240,075
Finance Income	27	19,771	18,418	19,771	18,418
Finance Costs	27	(106,294)	(95,005)	(106,294)	(95,005)
Net operating profit		168,405	163,488	168,405	163,488
Foreign Exchange gain/(loss) on borrowings	27	(37,688)	88,064	(37,688)	88,064
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities		4,889	(28,192)	4,889	(28,192)
Share of results of jointly controlled entities	23	(2,346)	(2,989)	(2,346)	(2,989)
Share of results of associates	23	(1,420)	(7,965)	(1,420)	(7,965)
Profit before tax		131,840	212,406	131,840	212,406
Current Taxation	28	(4,210)	(3,800)	(4,210)	(3,800)
Deferred taxation	28	(22,837)	(36,169)	(22,837)	(36,169)
Profit after tax		104,793	172,437	104,793	172,437
Attributable to:					
-Equity holders of the company		104,793	172,437	104,793	172,437
-Minority interests		-	-	-	-
		104,793	172,437	104,793	172,437
Basic earnings per share (sen)		3.8	6.2	3.8	6.2
Diluted earnings per share (sen)		3.8	6.2	3.8	6.2

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Profit for the period		104,793	172,437	104,793	172,437
Other comprehensive income					
Available-for-sale financial assets		139,948	-	139,948	-
Cash flow hedges	13	42,744	118,728	42,744	118,728
Foreign currency translation differences		-	-	-	-
Total comprehensive income for the period		287,485	291,165	287,485	291,165
Total comprehensive income attributable to:					
Equity holders of the company		287,485	291,165	287,485	291,165
Minority Interest		-	-	-	-



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	YEAR ENDED
	31/03/2013 RM'000	31/12/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	131,840	843,917
Adjustments:		
Property, plant and equipment		
- Depreciation	153,958	567,176
- Gain on disposal	(2,472)	(9,328)
Dividend payable	(500,383)	-
Fair value (gains)/losses on derivative financial instruments	(38,418)	95,308
Share of results of jointly-controlled entities	2,346	2,899
Share of results of associates	1,420	(1,329)
Net unrealised foreign exchange (gain)/loss	65,015	(205,524)
Interest expense	106,294	378,808
Interest income	(19,771)	(79,391)
	(100,171)	1,592,536
Changes in working capital		
Inventories	(1,369)	(3,995)
Receivables and prepayments	(79,488)	(268,116)
Trade and other payables	654,415	315,856
Intercompany balances	(16,337)	28,948
Cash generated from operations	457,050	1,665,229
Interest paid	(106,294)	(378,808)
Interest received	19,771	79,391
Tax paid	(2,195)	(10,856)
Net cash from operating activities	368,332	1,354,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(301,983)	(1,772,597)
- Proceeds from disposal	3,612	15,170
Investment in an associate	(40,619)	(16,608)
Purchase of available-for-sale financial asset	-	(32,756)
Deposit on aircraft purchase	(62,840)	(128,740)
Net cash used in investing activities	(401,830)	(1,935,531)
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	648	1,967
Proceeds from borrowings	201,584	1,533,298
Dividend paid	-	(138,957)
Repayment of borrowings	(231,826)	(662,376)
Deposits pledged as securities	(172)	(1,094)
Net cash from / (used in) financing activities	(29,766)	732,838
NET INCREASE FOR THE FINANCIAL PERIOD/YEAR	(63,264)	152,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,219,243	2,092,616
CURRENCY TRANSLATION DIFFERENCES	-	(25,636)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	2,155,979	2,219,243

* The balance at end of financial period excludes fixed deposits of RM13.660 million (31/12/12: RM13.488 million) pledged with licensed banks as securities for banking facilities granted to the Company

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2012



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS AT	AS AT
		31/03/2013	31/12/2012
	Note	RM'000	RM'000
NON CURRENT ASSETS			
Property, plant and equipment	15	9,932,915	9,786,030
Investment in associates	23	83,404	44,205
Investment in a jointly controlled entity	23	118,409	120,755
AFS Financial Assets		448,740	308,792
Goodwill		7,334	7,334
Deferred tax assets		338,559	361,396
Receivables and prepayments		24,081	28,141
Deposit on aircraft purchase		547,766	483,795
Amounts due from an associate		438,109	449,578
Derivative Financial Instruments	33	54,500	37,673
		11,993,817	11,627,699
CURRENT ASSETS			
Inventories		25,094	23,725
Receivables and prepayments		1,445,898	1,357,094
Amounts due from a jointly controlled entity		7,542	10,765
Amount due from associates		362,532	331,407
Amount due from a related party		3,729	1,282
Deposits, bank and cash balances		2,169,639	2,232,731
Derivative Financial Instruments	33	1,424	-
		4,015,858	3,957,004
CURRENT LIABILITIES			
Trade and other payables		1,936,230	1,295,065
Sales in advance		549,721	546,150
Derivative Financial Instruments	33	4,859	35,419
Amount due to associate		29,032	29,032
Amount due to a related party		12,639	12,639
Borrowings	32	1,126,154	1,126,154
Current tax liabilities		5,963	5,122
		3,664,598	3,049,581
NET CURRENT ASSETS			
		351,260	907,423
NON CURRENT LIABILITIES			
Borrowings	32	7,337,740	7,283,185
Derivative Financial Instruments	33	477,858	510,208
		7,815,598	7,793,393
CAPITAL AND RESERVES			
Share capital	7	278,051	277,991
Share Premium		1,228,523	1,227,935
Foreign exchange reserve		451	451
Retained earnings		2,717,351	3,112,941
Other Reserves		305,103	122,411
Shareholders' funds		4,529,479	4,741,729
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.63	1.71

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company								Minority Interest RM'000	TOTAL EQUITY RM'000
	Issued and fully paid ordinary shares of RM0.10 each		Share Premium RM'000	Foreign Exchange Reserves RM'000	Cash Flow Hedge Reserves RM'000	AFS Reserves RM'000	Retained Earnings RM'000	Total RM'000		
	Number of shares 000	Nominal Value RM'000								
At 1 January 2013 (restated)	2,779,908	277,991	1,227,935	451	(98,148)	220,559	3,112,941	4,741,729	-	4,741,729
Net Profit for the period	-	-	-	-	-	-	104,793	104,793	-	104,793
Dividends approved	-	-	-	-	-	-	(500,383)	(500,383)	-	(500,383)
Other comprehensive income	-	-	-	-	42,744	139,948	-	182,692	-	182,692
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	600	60	588	-	-	-	-	648	-	648
At 31 March 2013	2,780,508	278,051	1,228,523	451	(55,404)	360,507	2,717,351	4,529,479	-	4,529,479
At 1 January 2012	2,778,087	277,809	1,226,150	596	(159,363)	110,275	2,580,930	4,036,397	-	4,036,397
Net Profit for the period	-	-	-	-	-	-	1,831,338	1,831,338	-	1,831,338
Effects of adoption of MFRS 11	-	-	-	-	-	-	(1,160,370)	(1,160,370)	-	(1,160,370)
Net Profit for the period (restated)	-	-	-	-	-	-	670,968	670,968	-	670,968
Dividends paid	-	-	-	-	-	-	(138,957)	(138,957)	-	(138,957)
Other comprehensive income	-	-	-	(145)	61,215	110,284	-	171,354	-	171,354
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	1,821	182	1,785	-	-	-	-	1,967	-	1,967
At 31 December 2012 (restated)	2,779,908	277,991	1,227,935	451	(98,148)	220,559	3,112,941	4,741,729	-	4,741,729

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

KEY OPERATING STATISTICS – 31 March 2013

Performance indicator for Malaysian operations for current quarter against the same quarter last year

Quarter Ended: 31 March	Jan-Mar 2013	Jan-Mar 2012	Change y-o-y
Passengers Carried	5,168,807	4,821,397	7%
Capacity	6,583,500	6,057,000	9%
Seat Load Factor	79%	80%	-1 ppt
RPK (million)	5,997	5,546	8%
ASK (million)	7,700	6,907	11%
Average Fare (RM)	180	177	2%
Ancillary Income Per Pax (RM)*	42	40	7%
Unit Passenger Revenue (RM)	223	216	3%
Revenue / ASK (sen)	16.89	16.92	0%
Revenue / ASK (US cents)	5.46	5.46	0%
Cost / ASK (sen)	13.62	13.59	0%
Cost / ASK (US cents)	4.40	4.39	0%
Cost / ASK-ex Fuel (sen)	6.83	7.18	-5%
Cost / ASK-ex Fuel (US cents)	2.21	2.32	-5%
Aircraft (end of period)	66	57	16%
Average Stage Length (km)	1,152	1,143	1%
Number of Flights	36,573	33,650	9%
Fuel Consumed (Barrels)	1,256,916	1,133,866	11%
Average Fuel Price (US\$ / Barrel)	134	126	7%

Exchange Rate: RM:USD – 3.0965 - prior year US cents figures are restated at current exchange rate

Definition and calculation methodology

ASK (Available Seat Kilometres)	Total available seats multiplied by the distance flown.
RPK (Revenue Passenger Kilometres)	Number of passengers carried multiplied by distance flown
Revenue/ASK	Total revenue divided by ASK
Cost/ASK	Total expenses before interest and tax divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2012

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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 financial year ended 31 December 2012.

2. Summary of significant accounting policies

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 financial year ended 31 December 2012.

In previous financial year, the Group adopted the new IFRS-compliant framework, Malaysian Financial Reporting Standards (“MFRS”). In adopting the new framework, the Group applied MFRS 1 “First-time adoption of MFRS”. MFRS 1 provides for certain optional exemption and certain mandatory exception for first-time MFRS adopters.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2013 or later are provided in note 2 to the audited financial statements of the Group for the financial year ended 31 December 2012.

The adoption of MFRS 11 “Joint Arrangements”, with effect from 1 January 2013, is reflected in the interim financial statements. The standard requires the fair value gain of RM1,160.4m arising from the disposal of interests in Thai AirAsia Co Ltd, which was recognised in the Group’s financial statements for the financial year ended 31 December 2012, to be reversed. The Group will continue to equity account for its interest in Thai AirAsia Co Ltd, but it does not need to re-measure its continuing ownership interest at fair value. This standard is to be applied retrospectively and the reversal of the gain is reflected in the balance sheet at 31 December 2012.

3. Auditors’ report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group’s statutory financial statements for the financial year ended 31 December 2012 in their report dated 29 April 2013.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

4. Seasonality of operations

AirAsia is primarily involved in the provision of air transportation services and thus, is subject to the seasonal demand for air travel. The seat load factor was 79% in the quarter under review, lower by 1 percentage point from the same period last year. Compared against the immediate preceding quarter (fourth quarter October - December 2012), the seat load factor was 3 percentage points lower. 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 31 March 2013, the total issued and paid-up share capital of the Company increased from RM277,990,658 to RM278,050,658 from the issuance of 600,000 ordinary shares of RM0.10 each pursuant to the exercise of ESOS at the option price of RM1.08. Other than the above, there was no cancellation, repurchases, resale and repayment of debt and equity securities for the period ended 31 March 2013.

8. Dividend paid

No dividends were paid in the quarter ended 31 March 2013.

9. Segment reporting

The Group operates a single reportable segment, that of Airline Operations.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

10. Revenue

	Quarter ended 31/3/2013 RM million	Quarter ended 31/3/2012 RM million
Passenger seat sales	795.4	788.5
Baggage fees	109.1	97.1
Aircraft operating lease income	149.5	124.5
Surcharges and fees	138.7	64.3
Other revenue	108.1	94.0
	<u>1,300.8</u>	<u>1,168.4</u>

Other revenue includes assigned seat, freight, cancellation, documentation and other fees and the on-board sale of meals and merchandise.

11. Other gains/(losses) - net

Other gains/(losses) – net comprise fair value changes due to movement in mark-to-market (MTM) position on non-designated hedging contracts at 31 March 2013 as compared to 31 December 2012, and are detailed below:

	Quarter ended 31/3/2013 RM million	Quarter ended 31/12/2012 RM million
Gain/(loss) from fuel contracts	-	5.1
Gain/(loss) from foreign currency contracts	-	0.7
Gain/(loss) from interest rate contracts	4.6	6.5
	<u>4.6</u>	<u>12.3</u>

The above gains and losses arise from the movement in exchange rates (principally RM:US\$), interest rates and crude oil prices relative to the contracted rate during the quarter. The fair value of derivative financial instruments is determined by discounting future cash flows to present value.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

12. Other Income

	Quarter ended 31/3/2013 RM million	Quarter ended 31/3/2012 RM million
Gain on disposal of property, plant and equipment	2.5	10.1
Others	18.2	15.8
	<u>20.7</u>	<u>25.9</u>

Other income ('others') includes brand licence fees, commission income and advertising income.

13. Other Comprehensive Income

Cash flow hedges represent fair value changes due to movement in MTM position on effective hedging contracts at 31 March 2013 as compared to 31 December 2012 as follows:

	Quarter ended 31/3/2013 RM million	Quarter ended 31/12/2012 RM million
Fair value gain/(loss) in the period	140.0	110.3
Amount transferred to income statement	42.7	61.1
	<u>182.7</u>	<u>171.4</u>

Fair value changes in effective hedging contracts are recognized directly in equity and are transferred to the income statement in the same period as the underlying hedged item affects profit or loss.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

14. Disclosure of Realised and Unrealised Profits

The cumulative retained profit of the Group and its subsidiaries comprises realized and unrealized profit as disclosed in the table below.

	As at 31/3/2013 RM million	As at 31/12/2012 RM million
Total retained profit of AirAsia Berhad and its subsidiaries		
Realised	2,233,462	2,196,856
Unrealised	499,064	927,494
	<u>2,732,526</u>	<u>3,124,350</u>
Total share of accumulated losses from associates		
Realised	(9,856)	(8,436)
Unrealised	-	-
	<u>(9,856)</u>	<u>(8,436)</u>
Total share of accumulated losses from jointly controlled entities		
Realised	(5,319)	(2,973)
Unrealised	-	-
	<u>(5,319)</u>	<u>(2,973)</u>
Total group retained profit as per consolidated accounts	<u>2,717,351</u>	<u>3,112,941</u>

15. Property, plant and equipment

(a) acquisition and disposals

During the quarter ended 31 March 2013, the Group acquired property, plant and equipment with a cost of RM302.0 million (quarter ended 31 March 2012: RM234.8 million).

During the quarter ended 31 March 2013, proceeds from disposal of property, plant and equipment totaled RM3.6 million (quarter ended 31 March 2012: RM114.3 million).

(b) revaluation

There was no revaluation of property, plant and equipment for the quarter ended 31 March 2013 (quarter ended 31 March 2012: RM Nil).



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

(c) impairment

There was no impairment of property, plant and equipment for the quarter ended 31 March 2013 (quarter ended 31 March 2012: RM Nil).

16. Post balance sheet events

There were no material events after the period end that have not been reflected in the financial statements for the financial period ended 31 March 2013 as at the date of this report.

17. Changes in composition of the Group

There were no changes in the composition of the group during the quarter under review.

18. Contingent assets

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

19. 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 financial year ended 31 December 2012.

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

Capital commitments for property, plant and equipment:

	Group and Company	
	<u>31/3/2013</u>	<u>31/3/2012</u>
	RM'000	RM'000
Approved and contracted for	50,908,258	38,851,691
Approved but not contracted for	13,920,750	16,192,069
	-----	-----
	64,829,008	55,043,760
	=====	=====



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

21. 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
Thai AirAsia	An associate of the Company
PT Indonesia AirAsia	An associate of the Company
AirAsia X Sdn. Bhd.	An investment with common shareholders and directors of the Company
AirAsia Inc (Philippines)	An associate of the Company
AirAsia Japan Co. Ltd	An associate of the Company
Asian Aviation Centre of Excellence Sdn Bhd	A jointly controlled entity of the Company

These following items have been included in the Income Statement

	Quarter ended 31/3/2013 RM million	Quarter ended 31/3/2012 RM million
Thai AirAsia		
Lease rental income on aircraft	79,078	74,951
Indonesia AirAsia		
Lease rental income on aircraft	54,874	43,881
Philippines AirAsia		
Lease rental income on aircraft	6,781	5,682
Japan AirAsia		
Lease rental income on aircraft	8,797	-
AirAsia X Berhad		
Services charged to AirAsia X Berhad	1,797	1,311
Asian Aviation Centre of Excellence Sdn Bhd		
Training costs charged to AirAsia Berhad	(6,130)	(6,359)



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

22. Review of performance

Performance of current quarter against the same quarter last year for Malaysia

Quarter Ended: 31 March	Jan-Mar 2013	Jan-Mar 2012
RM'000		
Revenue	1,300,784	1,168,398
Operating expenses:		
- Staff costs	(146,251)	(150,978)
- Depreciation of property, plant and equipment	(153,958)	(130,742)
- Aircraft fuel expenses	(522,528)	(442,284)
- Maintenance and overhaul	(36,857)	(27,622)
- User charges and other related expenses	(124,049)	(108,720)
- Aircraft operating lease expenses	(44,656)	(40,385)
- Other operating expenses	(42,853)	(43,104)
Other (losses)/gains - net	4,573	(10,384)
Other income	20,723	25,896
Operating Profit	254,928	240,075
Finance Income	19,771	18,418
Finance Costs	(106,294)	(95,005)
Net operating profit	168,405	163,488
Foreign Exchange gain/(loss) on borrowings	(37,688)	88,064
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities	4,889	(28,192)
Share of results of jointly controlled entities	(2,346)	(2,989)
Share of results of associates	(1,420)	(7,965)
Profit before tax	131,840	212,406
Current Taxation	(4,210)	(3,800)
Deferred taxation	(22,837)	(36,169)
Profit after tax	104,793	172,437
EBITDAR	453,542	411,202
EBITDAR Margin	35%	35%
EBIT Margin	20%	21%



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

The Group recorded revenue of RM1,300.8 million for the quarter ended 31 March 2013 (“1Q13”), 11% higher than the revenue of RM1,168.4 million recorded in the quarter ended 31 March 2012 (“1Q12”). The revenue growth was supported by 7% growth in passenger volume while the average fare was 2% higher at RM180 as compared to RM177 achieved in 1Q12. Ancillary income per passenger year-on-year increased by 7% to RM42 from RM40. The seat load factor was 1 percentage point lower at 79% from 80% in the same period last year.

The profit before tax for the period was RM131.8 million compared to RM212.4 million in the same quarter of 2012 while the profit after tax for the period was RM104.8 million compared to RM172.4 million in the same quarter of 2012.

Cashflow commentary for current quarter against immediately preceding quarter

Net Cash Flow (RM'000)	Jan - Mar 2013	Oct – Dec 2012
Cash from Operations	368,332	604,147
Cash from Investing Activities	(401,830)	(1,065,617)
Cash from Financing Activities	(29,766)	483,987
Net Cash Flow	(63,264)	22,517

The Group’s cash from operations was RM368.3 million, compared to RM604.1 million in the immediate preceding quarter ended 31 December 2012. Net cash flow in the quarter amounted to a RM63.3 million outflow, as cash flows from investing and financing activities exceeded operating cash flows.

Balance sheet commentary for current quarter

Balance Sheet RM million	March 2013	December 2012
Total Debt	8,464	8,409
Cash	2,170	2,233
Net Debt	6,294	6,176
Net Gearing	1.39	1.30

The Group’s total debt as of end of March 2013 was RM8.5 billion. The Group’s net debt after offsetting the cash balances amounted to RM6.3 billion. This translates to a net gearing ratio of 1.39 times, 7% higher than the immediately preceding quarter.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

23. Jointly Controlled Entities and Associate Companies

i) Associate Company - Thai AirAsia

Thai AirAsia is an associate company owned 45% by AirAsia Berhad. As such it is accounted for using the equity method, as permitted by the Malaysian Accounting Standards Board MFRS128, Investments in Associates.

Thai AirAsia recorded revenue of THB6,028.9 million in 1Q13, 24% higher compared to the THB4,868.1 million achieved in 1Q12. The positive growth in revenue is attributed to 20% higher passenger volume achieved in 1Q13 as compared to 1Q12 coupled with a 4% increase in unit passenger revenue. Thai AirAsia achieved a seat load factor of 87% which is consistent with the seat load factor achieved in 1Q12. Average base fare increased by 5% from THB1,904 in 1Q12 to THB1,995 in 1Q13.

Thai AirAsia achieved a net profit of THB738.9 million in 1Q13, compared to a net profit of THB621.6 million in 1Q12.

AirAsia Berhad has recognized RM31.7 million as equity share in the Thai AirAsia net profit for 1Q13.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

Performance indicator for Thailand operations for current quarter against the same quarter last year

Quarter Ended: 31 March	Jan - Mar 2013	Jan - Mar 2012	Change y-o-y
Passengers Carried	2,563,757	2,131,397	20%
Capacity	2,961,720	2,459,160	20%
Seat Load Factor	87%	87%	0 ppt
RPK (million)	2,614	2,174	20%
ASK (million)	3,012	2,540	19%
Average Fare (THB)	1,995	1,904	5%
Ancillary Income Per Pax (THB)	357	354	1%
Unit Passenger Revenue (THB)	2,352	2,258	4%
Revenue / ASK (THB)	2.00	1.92	4%
Revenue / ASK (US cents)	6.76	6.47	4%
Cost / ASK (THB)	1.69	1.67	1%
Cost / ASK (US cents)	5.71	5.64	1%
Cost / ASK-ex Fuel (THB)	0.94	0.93	0%
Cost / ASK-ex Fuel (US cents)	3.17	3.15	0%
Aircraft (end of period)	28	24	17%
Average Stage Length (km)	1,017	1,033	-2%
Number of Flights	16,454	13,662	20%
Fuel Consumed (Barrels)	556,484	457,426	22%
Average Fuel Price (US\$ / Barrel)	138	138	0%

Exchange Rate: USD:THB – 29.61 - prior year US cents figures are restated at current exchange rate

Definition and calculation methodology

ASK (Available Seat Kilometres)	Total available seats multiplied by the distance flown.
RPK (Revenue Passenger Kilometres)	Number of passengers carried multiplied by distance flown
Revenue/ASK	Total revenue divided by ASK
Cost/ASK	Total expenses before interest and tax divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

Performance of current quarter against the same quarter last year for Thailand

Quarter Ended: 31 March THB'000	Jan - Mar 2013	Jan - Mar 2012
Revenue	6,028,958	4,868,109
Operating expenses:		
- Staff costs	(596,720)	(460,253)
- Depreciation of property, plant and equipment	(59,505)	(17,705)
- Aircraft fuel expenses	(2,272,267)	(1,867,950)
- Maintenance & overhaul	(446,635)	(356,893)
- User charges and other related expenses	(661,902)	(633,674)
- Aircraft operating lease expenses	(774,612)	(753,072)
- Other operating expenses	(345,838)	(242,018)
Other income	60,375	92,288
Operating Profit	931,854	628,832
Finance Income	29,840	10,770
Finance Costs	(25,584)	(16,317)
Profit before tax	936,110	623,285
Taxation	(197,150)	(145,758)
Profit after tax	738,960	477,527
EBITDAR	1,765,971	1,399,609
EBITDAR Margin	29%	29%
EBIT Margin	15%	13%



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

Balance Sheet

Quarter Ended: 31 March THB'000	Mar 2013	Dec 2012
Property, Plant & Equipment	4,188,993	2,935,361
Prepaid Expenses	335,971	233,859
Inventory	54,169	58,345
Other Debtors & Prepayments	1,444,846	1,384,273
General Investment	8,769	8,769
Cash & Short Term Deposits	7,263,262	6,161,070
Total Assets	13,296,010	10,781,677
Sales In Advance	4,012,691	3,582,160
Other Creditors & Accruals	1,366,566	953,082
Amounts Owing to Related Party	383,599	427,725
Long Term Liabilities	2,898,259	1,922,775
Total Liabilities	8,661,115	6,885,742
Share Capital	435,556	435,556
Share Premium	2,628,786	2,628,786
Retained Earnings	1,570,553	831,593
Total Equity	4,634,895	3,895,935

ii) Associate Company - Indonesia AirAsia

Indonesia AirAsia is an associate company owned 49% by AirAsia Berhad. As such it is accounted for using the equity method, as permitted by the Malaysian Accounting Standards Board MFRS128, Investments in Associates. The Group's interest in Indonesia AirAsia has been reduced to zero and the Group will only recognize its share of profits after its share of profits equals the share of losses not previously recognized.

Indonesia AirAsia recorded revenue of IDR 1,222.5 billion in 1Q13, 34% higher as compared to the IDR 911.3 billion achieved in 1Q12. The positive growth in revenue can be attributed to higher passenger volumes which increased by 35% year-on-year and there was no change in the year-on-year unit passenger revenue. Ancillary income per passenger increased by 5% year-on-year. Passengers carried by Indonesia AirAsia increased as capacity rose 40% year-on-year while the seat load factor dropped 2ppt to 75%.

Indonesia AirAsia achieved an operating profit of IDR42.0 billion in 1Q13, compared to an operating profit of IDR15.4 billion in 1Q12. Indonesia AirAsia achieved a net profit of IDR1.4 billion in 1Q13 as compared to a net loss of IDR36.7 billion in 1Q12.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

The AirAsia Berhad share of the net profit in 1Q13 amounted to RM0.2 million. However, as the Group's interest in Indonesia AirAsia has been reduced to zero any profits will only be recognized when a total of RM163.0 million of unrecognized losses have been reversed.

Performance indicator for Indonesia operations for current quarter against the same quarter last year

Quarter Ended: 31 March	Jan - Mar 2013	Jan - Mar 2012	Change y-o-y
Passengers Carried	1,720,594	1,273,353	35%
Capacity	2,309,400	1,654,380	40%
Seat Load Factor	75%	77%	-2 ppt
RPK (million)	2,047	1,601	28%
ASK (million)	2,747	2,117	30%
Average Fare (IDR)	564,725	572,320	-1%
Ancillary Income Per Pax (IDR)	145,773	138,448	5%
Unit Passenger Revenue (IDR)	710,498	710,768	0%
Revenue / ASK (IDR)	445.04	430.54	3%
Revenue / ASK (US cents)	4.59	4.44	3%
Cost / ASK (IDR)	429.76	423.24	2%
Cost / ASK (US cents)	4.43	4.36	2%
Cost / ASK-ex Fuel (IDR)	207.27	211.51	-2%
Cost / ASK-ex Fuel (US cents)	2.14	2.18	-2%
Aircraft (end of period)	22	17	29%
Average Stage Length (km)	1,207	1,289	-6%
Number of Flights	12,830	9,191	40%
Fuel Consumed (Barrels)	459,602	350,410	31%
Average Fuel Price (US\$ / Barrel)	137	132	4%

Exchange Rate: USD:IDR – 9,697 - prior year US cents figures are restated at current exchange rate

Definition and calculation methodology

ASK (Available Seat Kilometres)	Total available seats multiplied by the distance flown.
RPK (Revenue Passenger Kilometres)	Number of passengers carried multiplied by distance flown
Revenue/ASK	Total revenue divided by ASK
Cost/ASK	Total expenses before interest and tax divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

Performance of current quarter against the same quarter last year for Indonesia

Quarter Ended: 31 March	Jan - Mar 2013	Jan - Mar 2012
IDR million		
Revenue	1,222,479	911,345
Operating expenses:		
- Staff costs	(138,492)	(95,281)
- Depreciation	(22,937)	(22,474)
- Aircraft fuel expenses	(611,165)	(448,181)
- Aircraft operating lease expense	(171,728)	(127,869)
- Maintenance & overhaul	(104,823)	(77,608)
- User charges and other related expenses	(105,474)	(100,449)
- Other operating expenses	(36,196)	(36,580)
Other income	10,307	12,549
Operating Profit	41,971	15,452
Finance Income	633	(14,023)
Finance Costs	(41,247)	(38,083)
Profit before tax	1,357	(36,654)
Taxation	-	-
Profit after tax	1,357	(36,654)
EBITDAR	236,636	165,795
EBITDAR Margin	19%	18%
EBIT Margin	3%	2%



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

Balance Sheet

Quarter Ended: 31 March	Mar 2013	Dec 2012
IDR million		
Property, Plant & Equipment	1,647,359	1,666,201
Work In Progress	228	228
Deferred Expenditure	-	-
Inventory	2,041	2,068
Other Debtors & Prepayments	496,828	439,089
Amounts Owing from Related Party	104,267	-
Maintenance Reserves	138,937	89,640
Cash & Short Term Deposits	63,994	91,618
Total Assets	2,453,654	2,288,844
Sales In Advance	594,156	569,770
Other Creditors & Accruals	1,057,841	690,998
Amounts Owing to Related Party	14,214	269,356
Borrowings	1,898,614	1,871,247
Total Liabilities	3,564,825	3,401,371
Share Capital	180,000	180,000
Share Premium	-	-
Retained Earnings	(1,291,170)	(1,292,527)
Total Equity	(1,111,170)	(1,112,527)

iii) Jointly Controlled Entity – Asian Aviation Centre of Excellence Sdn Bhd ('AACOE')

AACOE is a joint venture company which is incorporated in Malaysia and is owned in equal shares by AirAsia Berhad and CAE Inc, a Canadian incorporated aviation training organization. AACOE recorded a net profit of RM3.8 million in the quarter of which RM1.9 million is equity accounted in the AirAsia Berhad income statement.

iv) Jointly Controlled Entity – AAE Travel Pte Ltd ('AAE Travel')

AAE Travel is a joint venture company which is incorporated in Singapore and is owned in equal shares by AirAsia Berhad and Expedia Inc, a USA incorporated on-line travel agent. AAE Travel recorded a net loss of RM8.5 million in the quarter of which RM4.2 million is equity accounted in the AirAsia Berhad income statement.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

v) Jointly Controlled Entity – Think Big Digital Sdn Bhd ('BIG')

BIG is a joint venture company which is incorporated in Malaysia and is owned in equal shares by AirAsia Berhad and Tune Money International Sdn Bhd. BIG recorded a net loss of RM1.9 million in the quarter under review of which RM nil is equity accounted in the AirAsia Berhad income statement. As the Group's interest in BIG has been reduced to zero, in accordance with MFRS128, any profits will only be recognized when a total of RM20.7 million of unrecognized losses have been reversed.

vi) Associate Company – AirAsia Inc ('AirAsia Philippines')

AirAsia Philippines is an associate company which is incorporated in the Republic of the Philippines and is 40% owned by AirAsia Berhad. AirAsia Philippines recorded a net loss of RM20.0 million in the quarter under review. As the Group's interest in AirAsia Philippines has been reduced to zero, in accordance with MFRS128, any profits will only be recognized when a total of RM37.7 million of unrecognized losses have been reversed.

vii) Associate Company – AirAsia Japan Co., Ltd ('AirAsia Japan')

AirAsia Japan is an associate company which is incorporated in Japan and is 49% owned by AirAsia Berhad. AirAsia Japan recorded a net loss of RM67.0 million in the quarter under review of which RM33.2 million is equity accounted in the financial statements of AirAsia Berhad.

24. Variation of results against preceding quarter

The Group achieved a profit after taxation of RM104.8 million for the quarter under review. This is RM245.8 million lower compared to the RM350.6 million profit after taxation achieved in the immediately preceding quarter ended 31 December 2012.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

25. Commentary on prospects

The Group will take delivery of five A320 aircraft in the second quarter of the year, which will be deployed in Indonesia (2), Malaysia (1), Japan (1) and Thailand (1).

In Malaysia, forward loads for the remaining months of the second quarter are higher than in the prior year with base fares slightly lower than the prior year. Passenger numbers are expected to be particularly strong in May - June due to the school holidays. Forward loads and average fares in Thailand are better than in the prior year, while in Indonesia fares are higher but load factors slightly lower compared to the previous year as a consequence of new route launches. In the Philippines and Japan loads and fares are in line with expectations and better than previous quarters.

In Thailand, demand for tourism and travel remains seasonally strong in the second quarter of the year, and is especially benefitting from increasing visitor numbers arriving from China. TAA will continue to focus on domestic, southern China and Indo-China routes in the remaining quarters of 2013, where forward bookings remain strong.

Indonesia AirAsia has maintained strong passenger growth momentum and more passengers flew with IAA in Q1 2013 as compared to the same period last year. A year-on-year increase of between 25% - 35% in the number of passengers is expected in the second quarter of 2013, supported by the increase in the A320 fleet size and the launch of new international services to destinations in Malaysia, coupled with additional frequencies on existing routes. IAA will continue its promotional campaigns to maintain a high load factor, attract price-sensitive customers and to achieve higher yields.

On 10 May 2013, Philippines AirAsia completed the acquisition of 85% of the economic interest of Zest Airways Inc for a consideration of USD16.0m in cash and a 13% equity share in Philippines AirAsia. Following the acquisition PAA will be able to access the principal Manila airport, NAIA, and take advantage of the additional passenger traffic connecting to other parts of the Philippines. Tourist arrivals in the Philippines continue to post remarkable growth which augurs well for AirAsia and the aviation industry.

Since its launch in 2012, Japan AirAsia has failed to track its proposed business plan. The joint-venture shareholders are now exploring all the available options to improve the performance of the company. In the second quarter of the year Japan AirAsia will take delivery of one aircraft.

The outlook for the second quarter of the year should be seen in the context of the current prices of oil and aviation fuel. However, barring any unforeseen circumstances, the Directors remain positive for the prospects of the Group for the second quarter and the remainder of 2013.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

26. Profit forecast

As AirAsia Berhad does not provide profit forecasts the disclosure requirements are not applicable.

27. Finance income/(costs)

All figures in RM'000	Group and Company			
	Quarter Ended 31/3/13	Quarter Ended 31/3/12	Year to Date 31/3/13	Year to Date 31/3/12
Finance income				
Interest on amounts due from associates and JV entities	12,485	12,614	12,485	12,614
Interest on deposits	5,310	1,703	5,310	1,703
Other interest income	1,976	4,101	1,976	4,101
	19,771	18,418	19,771	18,418
Finance costs				
Bank borrowings	(103,856)	(92,590)	(103,856)	(92,590)
Amortisation of premiums for interest rate caps	(1,982)	(1,951)	(1,982)	(1,951)
Bank facilities and other charges	(456)	(464)	(456)	(464)
	(106,294)	(95,005)	(106,294)	(95,005)
Net cost	(86,523)	(76,587)	(86,523)	(76,587)
Foreign exchange gains/(losses)				
Borrowings				
- realized	(2,900)	(1,142)	(2,900)	(1,142)
- unrealized	(68,633)	193,303	(68,633)	193,303
- fair value movement recycled from cash flow hedge reserve	33,845	(104,097)	33,845	(104,097)
	(37,688)	88,064	(37,688)	88,064



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

28. Income tax expense

Current taxation

The current taxation charge of RM4.2 million comprises tax payable on interest income.

Deferred taxation

An additional RM22.8 million deferred tax charge arose in the current financial period as a result of the increase in deferred tax liabilities arising from the increase in the difference between the net book value and tax written down value of property, plant and equipment. The reduction of the deferred tax asset is a result of the utilization of capital allowances granted.

29. Unquoted investments and properties

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

30. Quoted investments and properties

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

31. Status of corporate proposals announced

AirAsia India Joint Venture

There have not been any further changes in the status of the AirAsia India joint venture since the announcement made on 18 April 2013.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

32. Borrowings and debt securities

	At 31/3/2013 RM'000	At 31/12/2012 RM'000
Current	1,126,154	1,126,154
Non-current	7,337,740	7,283,185
Total Debt	8,463,894	8,409,339

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

The maturity period of non-current borrowing is 14 years and below. Borrowings are denominated in US Dollar (predominantly), RM and Euro. The Company has substantially hedged its foreign exchange exposure through foreign exchange contracts as explained in Note 33 (i).

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



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

33. Derivative Financial Instruments:

The fair value of derivative financial instruments is determined in accordance with FRS139 “Financial Instruments: Recognition and Measurement”

(i) Forward Foreign Exchange Contracts

As at 31 March 2013, the Group has hedged approximately 36% of its dollar liabilities on its aircraft and engine loans into Malaysian Ringgit (“MYR”) by using long dated foreign exchange forward contracts. The calculation includes loans for aircraft deployed to Thai AirAsia and Indonesia AirAsia where AirAsia receives lease payments in USD. However, if the calculation is based on loans of aircraft deployed to Malaysia, approximately 58% of the loans are hedged from USD into MYR. The latest weighted average of USDMYR forward exchange rate is 3.2245.

(ii) Interest Rate Hedging

The Group has entered into interest rate hedging transactions to hedge against fluctuations in the US\$ Libor on its existing and future aircraft financing for aircraft delivering from 2005 to 2013. As at 31 March 2013, there are 6 forward start US\$ varying from 1.99% to 2.00%, with 12 years tenure for future aircraft loans for aircraft purchases delivering in the remaining of 2013.

(iii) Fuel Hedging

As at 31 March 2013, the Group has entered into Singapore Jet Kerosene fixed swaps which represent up to 35% of the Group’s total budgeted fuel consumption for the remaining of 2013 with a weighted average of price US\$123.75 per barrel.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

33. Derivative financial instruments (continued)

Type of derivatives	Notional Value as at 31/03/2013	Fair Value as at 31/03/2013 Assets/(Liabilities)
(i) Fuel contract	Barrels (million)	RM (million)
- less than 1 year	1.3	(3.4)
- 1 year to 3 years	-	-
Total	1.3	(3.4)
	RM (million)	RM (million)
(ii) Interest rate contracts		
- less than 1 year	-	-
- 1 year to 3 years	-	-
- more than 3 years	4,177.3	(444.9)
Total	4,177.3	(444.9)
	RM (million)	RM (million)
(iii) Foreign currency contracts		
- less than 1 year	-	-
- 1 year to 3 years	16.6	(0.7)
- more than 3 years	3,508.2	(19.8)
Total	3,524.8	(20.5)

The related accounting policies, cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks are unchanged since the last financial year.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

34. Material litigation

As at 22 May 2013, there was no material litigation against the Group.

35. Proposed dividend

The Board has declared and approved a single tier interim ‘special’ dividend of 18.0 sen per ordinary share on 2,779,906,580 ordinary shares for the year ended 31 December 2012, amounting to a dividend payable of RM500,383,184. The dividend was paid on 12 April 2013 to shareholders whose name appear in the Record of Depositors at the close of business on 13 March 2013. As the dividend was declared in the quarter under review, the single tier interim ‘special’ dividend of RM500,383,184 was recognized as a liability within Trade and Other Payables as at 31 March 2013.

In addition to this, the Board recommends a final tax exempt (single tier) dividend in respect of the financial year ended 31 December 2012 of 6.0 sen per share. The final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting (“AGM”).

36. 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 31/3/13	Preceding Year Quarter Ended 31/3/12	Current Year to Date 31/3/13	Preceding Year to Date 31/3/12
Net profit for the financial period (RM'000)	104,793	172,437	104,793	172,437
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,780,360	2,778,334	2,780,360	2,778,334
Adjusted for share options granted ('000)	1,960	3,751	1,960	3,751
Adjusted weighted average number of ordinary shares ('000)	2,782,320	2,782,085	2,782,329	2,782,085
Basic earnings per share (sen)	3.8	6.2	3.8	6.2
Diluted earnings per share (sen)	3.8	6.2	3.8	6.2



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2013

NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2013

(b) Diluted earnings per share

Diluted 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, adjusted for share options granted.

37. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)
COMPANY SECRETARY
22 MAY 2013