



**AIRASIA BERHAD**

(Company No. 284669-W)

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

**SECOND QUARTER REPORT ENDED 30 JUNE 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 second quarter ended 30 June 2008.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT PERIOD ENDED	PRECEDING YEAR CORRESPONDING PERIOD ENDED
		30/06/2008 RM'000	30/06/2007 RM'000	30/06/2008 RM'000	30/06/2007 RM'000
Revenue		608,383	432,154	1,143,539	828,333
Cost of Sales		(439,309)	(318,207)	(827,063)	(610,406)
Gross profit from operations		169,074	113,947	316,476	217,927
Other operating expenses		(28,522)	(4,609)	(52,115)	(30,240)
Other operating income		13,922	76,574	19,426	85,211
Profit from operations		154,474	185,912	283,787	272,898
Finance (costs) / Income (Net)	22	(130,773)	(19,903)	(89,172)	(17,080)
Depreciation and amortisation		(70,602)	(35,644)	(131,343)	(82,013)
Share of results of jointly controlled entity	18	-	-	-	-
Share of results of associate	18	-	-	-	-
<b>Profit before taxation</b>		(46,901)	130,365	63,273	173,805
Current taxation	23	(865)	(1,416)	(1,308)	(2,740)
Deferred taxation	23	57,183	56,101	108,729	101,226
<b>Profit after taxation</b>		9,417	185,050	170,694	272,291
Attributable to:					
-Equity holders of the company		9,417	185,050	170,694	272,291
-Minority interests		-	-	-	-
		9,417	185,050	170,694	272,291
Basic earnings per share (sen)		0.4	7.9	7.2	11.6
Diluted earnings per share (sen)		0.4	7.8	7.2	11.4

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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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2008</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NON CURRENT ASSETS</b>		
Property, plant & equipment	5,529,614	4,352,770
Investment in associates	29	29
Other investments	26,721	26,728
Goodwill	8,738	8,738
Deferred expenditure	479	479
Deferred tax asset	588,434	479,705
Long term prepayments	90,757	64,926
	<b>6,244,772</b>	<b>4,933,375</b>
<b>CURRENT ASSETS</b>		
Inventories (at cost)	16,437	17,567
Other investments	30,892	30,892
Trade receivables	15,098	15,883
Prepayment, deposits and other receivables	368,868	297,153
Deposit on aircraft purchase	312,604	318,251
Amount due from a jointly controlled entity	81,981	74,285
Amount due from associates	128,089	84,407
Deposits, bank and cash balances	1,084,748	651,360
	<b>2,038,717</b>	<b>1,489,798</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	609,377	620,881
Borrowings (secured)	848,559	278,550
Hire-purchase payables	77	77
Current tax liabilities	4,246	5,178
	<b>1,462,259</b>	<b>904,686</b>
<b>NET CURRENT ASSETS</b>	<b>576,458</b>	<b>585,112</b>
<b>NON CURRENT LIABILITIES</b>		
Borrowings (secured)	4,548,497	3,419,121
Hire-purchase payables	111	149
	<b>4,548,608</b>	<b>3,419,270</b>
	<b>2,272,622</b>	<b>2,099,217</b>
<b>CAPITAL AND RESERVES</b>		
Share capital	237,405	237,154
Reserves	2,035,217	1,862,063
Shareholders' funds	2,272,622	2,099,217
Minority interests	0	-
	<b>2,272,622</b>	<b>2,099,217</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<b>0.96</b>	<b>0.89</b>

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>CURRENT PERIOD ENDED 30/06/2008 RM'000</b>	<b>PRECEDING PERIOD ENDED 30/06/2007 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	63,272	173,805
Adjustments:		
Share of results of a jointly controlled entity	-	-
Share of results of associates	-	-
Property, plant and equipment		
- Depreciation	148,973	82,013
- (Gain)/Loss on disposal	(3,843)	299
Amortisation of long term prepayments	3,707	3,116
Amortisation of other investments	6	11
Unrealised foreign exchange gain	3,061	(43,422)
Interest expense	108,429	61,509
Interest income	(11,485)	(14,843)
	312,120	262,488
<b>Changes in working capital</b>		
Inventories	1,131	1,612
Receivables and prepayments	(70,929)	33,976
Trade and other payables	(11,504)	(6,197)
Intercompany balances	(51,377)	(27,041)
	179,441	264,838
<b>Cash generated from operations</b>		
Interest paid	(108,429)	(61,509)
Interest received	11,485	14,843
Tax paid	(2,240)	(1,225)
<b>Net cash from operating activities</b>	<b>80,257</b>	<b>216,947</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- Additions	(1,335,583)	(751,701)
- Proceeds from disposal	13,410	5,021
Deposit on aircraft purchase	5,647	8,021
Long term prepayments	(29,340)	(13,815)
Additional unquoted investments	-	(3,440)
Additional investment in/acquisition of subsidiaries	-	-
Additional investment in/acquisition of associates	-	(12,785)
Advance to associate	-	(3,910)
<b>Net cash used in investing activities</b>	<b>(1,345,866)</b>	<b>(772,609)</b>
<b>CASH FLOWS FROM FINANCING FACILITIES</b>		
Proceeds from allotment of shares	2,711	7,631
Hire purchase instalments paid	(38)	(96)
Proceeds from borrowings	1,863,063	715,084
Repayment of borrowings	(166,741)	(197,796)
Deposits unpledged/(pledged) as securities	-	-
<b>Net cash from financing activities</b>	<b>1,698,996</b>	<b>524,822</b>
<b>NET (DECREASE)/INCREASE FOR THE FINANCIAL YEAR</b>	<b>433,387</b>	<b>(30,840)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>651,360</b>	<b>626,083</b>
<b>*CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>1,084,748</b>	<b>595,243</b>

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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**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	Retained Earnings RM'000	Total RM'000		
	Number of shares '000	Nominal Value RM'000						
At 1 January 2008	2,371,541	237,154	732,737	592	1,128,734	2,099,217	-	2,099,217
	2,371,541	237,154	732,737	592	1,128,734	2,099,217	-	2,099,217
Net Profit for the period	-	-	-	-	170,694	170,694	-	170,694
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	2,511	251	2,460	-	-	2,711	-	2,711
At 30 June 2008	2,374,052	237,405	735,197	592	1,299,428	2,272,622	-	2,272,622
At 1 January 2007	2,353,701	235,370	715,253	592	458,047	1,409,262	39	1,409,301
	2,353,701	235,370	715,253	592	458,047	1,409,262	39	1,409,301
Net Profit for the period	-	-	-	-	244,948	244,948	-	244,948
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	7,065	707	6,924	-	-	7,631	-	7,631
At 30 June 2007	2,360,766	236,077	722,177	592	702,995	1,661,841	39	1,661,881

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**KEY OPERATING STATISTICS – 30 JUNE 2008**

PERFORMANCE INDICATORS MALAYSIAN OPERATIONS	ACTUAL	ACTUAL
	Current Quarter (Apr-Jun 2008)	Preceding Quarter (Jan-Mar 2008)
Passengers carried	2,822,612	2,611,556
RPK (million)	3,286	2,970
ASK (million)	4,514	4,364
Average fares (RM)*	198	189
Passenger load factor (%)	76%	72%
Revenue per ASK (sen)	13.48	12.27
Cost per ASK (sen)	11.49	10.58
Cost per ASK (sen) non fuel	4.38	4.38
Sectors flown	21,208	20,685
Average number of operating aircraft	36.60	36.04

\* Average Fare includes Fuel Surcharge, Admin Fees and Insurance Surcharge



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## **NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 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 six months 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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## NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 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 increased from 72% in the corresponding quarter to 76% 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 June 2008, the issued and paid-up capital of the Company increased from 2,371,540,580 to 2,374,052,580 ordinary shares by the issuance of 2,511,500 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 issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the period ended 30 June 2008.

### **8. Dividend paid**

There were no dividends paid in the quarter ended 30 June 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 second quarter ended 30 June 2008, the Group acquired plant and equipment with a cost of RM606.7 million (second quarter ended 30 June 2007: RM367.0 million).

There was no material disposal of property, plant and equipment for the period ended 30 June 2008.



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*(b) valuation*

There was no revaluation of property, plant and equipment for the quarter ended 30 June 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 June 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>30.06.08</u>	<u>31.12.07</u>
	RM'000	RM'000
Contracted for	17,921,450	19,786,549
Authorised but not contracted for	7,926,867	8,139,809
	-----	-----
	25,848,317	27,926,358
	=====	=====





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**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.

<b>Name of company</b>	<b>Relationship</b>
Thai AirAsia	A jointly controlled entity of the Company
PT Indonesia AirAsia	An associate of the Company

	<u>Group</u> Quarter ended 30 June 2008 RM'000	Quarter ended 30 June 2007 RM'000
Thai AirAsia		
- Lease rental income on aircraft	28,327	13,014
- Maintenance and overhaul charges	6,620	7,788
PT Indonesia AirAsia		
- Lease rental income on aircraft	11,052	8,012
- Maintenance and overhaul charges	5,941	5,920

**17. Review of performance**

**Performance of current quarter against same quarter last year**

<b>Quarter Ended: 30 June RM'000</b>	<b>Apr-Jun 2008</b>	<b>Apr-Jun 2007</b>	<b>Δ (%)</b>
<b>Revenue</b>	<b>608,352</b>	<b>432,154</b>	<b>41%</b>
Core Operating Profit	29,984	29,426	2%
Profit After Tax	9,418	185,050	-95%
Core Operating Profit Margin	4.9%	6.8%	-1.9 ppt
Profit After Tax Margin	1.5%	42.8%	-41.3 ppt
Passengers Carried	2,822,612	2,359,553	20%
Average Fare (RM)	198	170	16%
Load Factor	76.4%	80.7%	-4.3 ppt



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## **NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2008**

The Group recorded revenue of RM608 million for the quarter ended 30 June 2008 (“2Q08”), 41% higher than the revenue of RM432 million recorded in the quarter ended 30 June 2007 (“2Q07”). The Group’s core operating profit was at RM29 million, 2% higher compared to the core operating profit achieved in 2Q07. The Malaysian Ringgit has weakened and this has resulted in a translation loss of RM77 million. Due to this charge, AirAsia posted a profit after tax of RM9.4 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 20% in 2Q08 as compared to 2Q07. Average fare was higher by 16% at RM198 as compared to RM170 achieved in 2Q07. The higher average fare achieved reflects the robust demand for our services and maturity of certain routes in the network. Load factor was 4.4 percentage points lower to 76% as a consequence of significant capacity addition and the initial underperformance of new routes.

The Thai operation endured a challenging period due to escalating domestic political uncertainty. This situation has led to many people holding back on their travel plans and prohibited our ability to achieve high load factors and high yields. These are short term challenges; the long term picture remains bright. We have seen airlines cease operations and cutting back on capacity in Thailand. This is the perfect opportunity for us to invest in the business and we will rejuvenate the fleet with new Airbus A320 aircraft and expand our route network. As the competition backtracks and question their business viability, we will take a leap forward and extend our cost leadership.

The Indonesian route network reorganization has produced positive outcomes; we have seen greater passenger flow with substantially higher yields. However, the fuel cost rise impacted the Indonesian operations severely because it is operating with Boeing 737-300 aircraft. Indonesia will receive its first Airbus A320 aircraft on 19 September and this will help to reduce operational cost, enhance efficiency and elevate our service delivery.



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## NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 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 loss for the Quarter ended 30 June 2008 RM’ Million	Unrecognised share of loss as at 30 June 2008 RM’ Million
Thai AirAsia	21.7	63.5
Indonesia AirAsia	12.2	87.4

### 19. Variation of results against preceding quarter

The Group achieved a profit after tax of RM9.4 million for the quarter under review. This is lower by RM152 million compared to that of the immediately preceding quarter ended 31 March 2008. Up to 30 June 2008, the AirAsia Group has already taken delivery of 44 new Airbus A320 aircraft in total.

### 20. Commentary on prospects

The price of jet fuel has come off the highs recorded in the early part of the third quarter. The full impact, if this trend continues, will be felt in the later part of the year. Although the third quarter is traditionally our weakest quarter, the impact of lower jet fuel prices, together with the continued strong demand for our services, are expected to augur well for the Group for the rest of the financial year.

The directors expect that, barring unforeseen circumstances, the Group’s performance will be satisfactory for the rest of the year.

### 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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**22. Finance (Cost)/Income**

	<b>Group and Company</b>	
	<b>Quarter ended 30/6/08 RM'000</b>	<b>Quarter ended 30/6/07 RM'000</b>
<b>Finance Costs</b>		
Interest costs		
- Bank borrowings	(59,104)	(32,874)
- Hire-purchase payables	(3)	(3)
Bank facilities and other charges	(1,276)	(463)
	(60,383)	(33,340)
<b>Finance Income</b>		
Interest on deposits	6,495	7,553
Total foreign exchange gain / (loss)	(76,885)	5,884
	(70,390)	13,437
<b>Net Finance Cost</b>	(130,773)	(19,903)

**23. Income tax expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE YEAR</b>	
	<b>Current Year Quarter Ended</b>	<b>Preceding Year Quarter Ended</b>	<b>Current Year Ended</b>	<b>Preceding Year Ended</b>
	<b>30/6/08 RM'000</b>	<b>30/6/07 RM'000</b>	<b>30/6/08 RM'000</b>	<b>30/6/07 RM'000</b>
<u>Group</u>				
Current tax	865	1,416	1,308	2,740
Deferred tax	(57,183)	(56,101)	(108,729)	(101,226)
	(56,318)	(54,685)	(163,694)	(98,486)

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

**24. Unquoted investments and properties**

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

**25. Quoted investments**

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



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### 26. Status of corporate proposals announced

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

The Company on 30<sup>th</sup> 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. Discussions are currently ongoing and the Group will update in a timely manner whenever any material event arises.

### 27. Borrowings and debt securities

	At 30 June 2008 RM’000	At 31 December 2007 RM’000
<b>Current</b>		
Secured	848,559	278,550
<b>Non-current</b>		
Secured	4,548,497	3,419,121
<b>Total Debt</b>	5,397,056	3,697,671

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 formal 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 5.15% per annum (31 March 2008: 5.42% 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



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(e) Deregistration Power of Attorney

### 28. 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 86% 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 capped, interest rate swaps to hedge against fluctuations in the US-LIBOR on an expected total of USD2.3 billion in term loans on its existing and future aircraft financing for deliveries between 5 December 2005 to 1 April 2009. The effect of this transaction obliges it to pay fixed interest rate of between 3.25% and 4.90% instead of being subjected to the floating US-LIBOR for the entire loan amount over the entire tenor.

As of the end of the financial year 30 June 2008, the Group has a total of 53 interest rate swaps.

### 29. Material litigation

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

### 30. Proposed dividend

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



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## NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2008

### 31. 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 30/06/08	Preceding Year Corresponding Quarter Ended 30/06/07	Current Period Ended 30/06/08	Preceding Year Corresponding Year Ended 30/06/07
Net profit for the financial period (RM'000)	9,417	185,050	170,694	272,291
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,358,292	2,352,517	2,358,292	2,352,517
Adjusted for share options granted ('000)	14,243	26,360	14,243	26,360
Adjusted weighted average number of ordinary shares ('000)	2,372,535	2,378,877	2,372,535	2,372,535
Basic earnings per share (sen)	0.4	7.9	7.2	11.6
Diluted earnings per share (sen)	0.4	7.8	7.2	11.4

#### (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)

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**NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2008**

**32. 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 August 2008.

By order of the Board

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)  
COMPANY SECRETARY  
28 August 2008