



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

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 2014.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/06/2014 RM'000	30/06/2013 RM'000	30/06/2014 RM'000	30/06/2013 RM'000
Revenue	10	1,310,916	1,246,256	2,613,352	2,547,041
Operating expenses:					
- Staff costs		(153,858)	(161,395)	(309,900)	(307,646)
- Depreciation of property, plant and equipment		(190,172)	(155,241)	(354,250)	(309,199)
- Aircraft fuel expenses		(581,715)	(498,614)	(1,112,300)	(1,021,142)
- Maintenance and overhaul		(45,625)	(40,086)	(74,403)	(76,944)
- User charges and other related expenses		(123,645)	(119,095)	(259,538)	(243,143)
- Aircraft operating lease expenses		(50,629)	(46,076)	(101,047)	(90,732)
- Other operating expenses		(57,711)	(44,893)	(104,896)	(87,746)
Other income	11	75,440	16,299	96,684	37,023
Share of results of jointly controlled entities	22	5,019	(1,203)	10,799	(3,547)
Share of results of associates	22	(13,835)	22,009	(3,285)	53,754
Share of results of discontinued associates		-	(7,867)	-	(41,032)
Operating Profit		174,185	210,094	401,216	456,687
Finance Income	26	24,785	47,624	48,006	71,968
Finance Costs	26	(127,951)	(109,412)	(246,091)	(215,706)
Net operating profit		71,019	148,306	203,131	312,949
Foreign Exchange gain/(loss) on borrowings	26	202,922	(122,190)	204,859	(159,878)
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities		(18,627)	8,228	(18,844)	13,117
Gain on disposal of interest in Japan AirAsia		-	78,265	-	78,265
Profit before tax		255,314	112,609	389,146	244,453
Current Taxation	27	(3,261)	(6,262)	(6,393)	(10,476)
Deferred taxation	27	115,102	(47,999)	124,120	(70,836)
Profit after tax		367,155	58,348	506,873	163,141
Attributable to:					
-Equity holders of the company		367,155	58,348	506,873	163,141
-Minority interests		-	-	-	-
		367,155	58,348	506,873	163,141

Basic earnings per share (sen) 13.2 2.1 18.2 5.9
Diluted earnings per share (sen) 13.2 2.1 18.2 5.9

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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SECOND QUARTER REPORT ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/06/2014 RM'000	30/06/2013 RM'000	30/06/2014 RM'000	30/06/2013 RM'000
Profit for the period		367,155	58,348	506,873	163,141
Other comprehensive (loss)/income					
Available-for-sale financial assets		(32,871)	54,754	(100,556)	194,702
Cash flow hedges	12	(68,995)	3,946	(100,263)	46,690
Foreign currency translation differences		-	-	-	-
Total comprehensive (loss)/income for the period		265,289	117,048	306,054	404,533
Total comprehensive income attributable to:					
Equity holders of the company		265,289	117,048	306,054	404,533
Minority Interest		-	-	-	-



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SECOND QUARTER REPORT ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	YEAR ENDED
	30/06/2014 RM'000	31/12/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	389,146	361,235
Adjustments:		
Property, plant and equipment		
- Depreciation	309,900	597,258
- Gain on disposal	(41)	(3,036)
- Gain on fair value of interest in AirAsia Japan	-	(78,265)
Fair value (gains)/losses on derivative financial instruments	(35,790)	(287,266)
Share of results of jointly-controlled entities	(10,799)	(13,599)
Share of results of associates	3,285	(41,663)
Impairment on available-for-sale financial asset	2,685	2,685
Net unrealised foreign exchange (gain)/loss	(185,169)	517,669
Impairment of receivables	-	18,864
Interest expense	240,632	428,406
Dividend payable	(111,292)	-
Interest income	(48,006)	(64,208)
	554,551	1,438,080
Changes in working capital		
Inventories	6,314	(5,795)
Receivables and prepayments	(68,653)	(197,217)
Trade and other payables	150,467	464,809
Intercompany balances	(457,736)	(369,431)
Cash generated from operations	184,943	1,330,446
Interest paid	(236,078)	(411,117)
Interest received	48,006	64,208
Tax paid	(7,273)	(22,399)
Net cash from operating activities	(10,402)	961,138
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(1,492,517)	(2,117,455)
- Proceeds from disposal	-	16,437
Investment in an associate	-	(55,975)
Loan granted to associates	-	(145,514)
Loan repayments received from associates	-	30,649
Purchase of available-for-sale financial asset	-	78,265
Deposit on aircraft purchase	(17,727)	(152,483)
Placement of restricted cash	(224,464)	(171,529)
Net cash used in investing activities	(1,734,708)	(2,517,605)
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	2,064	1,248
Proceeds from borrowings	1,899,142	2,424,972
Dividend paid	-	(667,214)
Repayment of borrowings	(393,494)	(1,250,227)
Deposits pledged as securities	(777)	(928)
Net cash from / (used in) financing activities	1,506,935	507,851
NET INCREASE FOR THE FINANCIAL PERIOD/YEAR	(238,175)	(1,048,616)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,194,490	2,219,243
CURRENCY TRANSLATION DIFFERENCES	-	23,863
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	956,315	1,194,490

* The balance at end of financial period excludes restricted cash of RM396.0 million (31/12/13: RM171.5 million) and fixed deposits of RM15.2 million (31/12/13: RM14.4 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 2013



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS AT	AS AT
		30/06/2014	31/12/2013
		RM'000	RM'000
	Note		
NON CURRENT ASSETS			
Property, plant and equipment	14	12,475,484	11,292,826
Investment in associates	22	257,316	260,483
Investment in a jointly controlled entity	22	145,153	134,354
AFS Financial Assets		468,832	571,895
Goodwill		7,334	7,334
Deferred tax assets		505,315	381,195
Receivables and prepayments		1,031,109	847,573
Deposit on aircraft purchase		660,121	642,394
Amounts due from an associate		533,783	559,190
Derivative Financial Instruments	32	141,986	235,665
		16,226,433	14,932,909
CURRENT ASSETS			
Inventories		23,206	29,520
Receivables and prepayments		616,623	731,506
Amounts due from a jointly controlled entity		43,568	33,703
Amount due from associates		1,226,823	738,735
Amount due from a related party		12,209	6,113
Deposits, bank and cash balances		1,367,501	1,380,435
Derivative Financial Instruments	32	12,601	3,173
		3,302,531	2,923,185
CURRENT LIABILITIES			
Trade and other payables		866,441	744,998
Sales in advance		523,630	661,590
Derivative Financial Instruments	32	8,264	29,545
Amount due to associate		467	467
Amount due to a related party		18,702	15,145
Borrowings	31	1,629,212	1,119,436
Current tax liabilities		1,029	1,074
		3,047,745	2,572,255
NET CURRENT ASSETS			
		254,786	350,930
NON CURRENT LIABILITIES			
Other payables and accruals		1,093,305	918,864
Amount due to an associate		78,208	60,859
Borrowings	31	9,858,634	9,051,416
Derivative Financial Instruments	32	253,450	251,768
		11,283,597	10,282,907
		5,197,622	5,000,932
CAPITAL AND RESERVES			
Share capital	7	278,297	278,106
Share Premium		1,230,941	1,229,068
Foreign exchange reserve		719	855
Retained earnings		3,322,072	2,926,491
Other Reserves		365,593	566,412
Shareholders' funds		5,197,622	5,000,932
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.87	1.80

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

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 2014	2,781,064	278,106	1,229,068	855	80,065	486,347	2,926,491	5,000,932	-	5,000,932
Net Profit for the period	-	-	-	-	-	-	506,873	506,873	-	506,873
Other comprehensive income	-	-	-	(136)	(100,263)	(100,556)	-	(200,955)	-	(200,955)
Dividends	-	-	-	-	-	-	(111,292)	(111,292)	-	(111,292)
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	1,912	191	1,873	-	-	-	-	2,064	-	2,064
At 30 June 2014	2,782,976	278,297	1,230,941	719	(20,198)	385,791	3,322,072	5,197,622	-	5,197,622
At 1 January 2013	2,779,908	277,991	1,227,935	451	(98,148)	220,559	4,273,311	5,902,099	-	5,902,099
Effects of adoption of MFRS 128	-	-	-	-	-	-	(1,041,730)	(1,041,730)	-	(1,041,730)
At 1 January 2013 (restated)	2,779,908	277,991	1,227,935	451	(98,148)	220,559	3,231,581	4,860,369	-	4,860,369
Net profit for the financial year	-	-	-	-	-	-	362,124	362,124	-	362,124
Other comprehensive income	-	-	-	404	178,213	265,788	-	444,405	-	444,405
Dividends	-	-	-	-	-	-	(667,214)	(667,214)	-	(667,214)
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	1,156	115	1,133	-	-	-	-	1,248	-	1,248
At 31 December 2013	2,781,064	278,106	1,229,068	855	80,065	486,347	2,926,491	5,000,932	-	5,000,932

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 2013 and the accompanying explanatory notes attached to the interim financial statements.



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(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

KEY OPERATING STATISTICS – 30 JUNE 2014

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

Quarter Ended: 30 June	Apr - Jun 2014	Apr - Jun 2013	Change y-o-y
Passengers Carried	5,573,241	5,509,576	1%
Capacity	6,963,840	6,896,880	1%
Seat Load Factor	80%	80%	0 ppt
RPK (million)	6,799	6,640	2%
ASK (million)	8,535	8,303	3%
Average Fare (RM)	157	159	-1%
Ancillary Income Per Pax (RM)	45	40	13%
Unit Passenger Revenue (RM)	202	199	2%
Revenue / ASK (sen)	15.36	15.01	2%
Revenue / ASK (US cents)	4.76	4.65	2%
Cost / ASK (sen)	13.32	12.48	7%
Cost / ASK (US cents)	4.12	3.86	7%
Cost / ASK-ex Fuel (sen)	6.50	6.47	0%
Cost / ASK-ex Fuel (US cents)	2.01	2.00	0%
Aircraft (end of period)	80	66	21%
Average Stage Length (km)	1,212	1,096	11%
Number of Flights	38,688	38,316	1%
Fuel Consumed (Barrels)	1,393,176	1,299,843	7%
Average Fuel Price (US\$ / Barrel)	129	119	9%

Exchange Rate: RM:USD – 3.2298 - prior year US cent figures are restated at the current period average 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 operating profit divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



AIRASIA BERHAD
(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

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 2013.

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 2013.

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 2013.

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 on the remaining 45% equity interest in Thai AirAsia of RM1,041.7 million arising from the reduction in shareholding 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.



AIRASIA BERHAD
(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

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 2013 in their report dated 28 April 2014.

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 80% in the quarter under review, which was consistent with the same period last year. Compared against the immediate preceding quarter (first quarter January - March 2014), the seat load factor was 1 percentage point higher than the seat load factor in the 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 2014, the total issued and paid-up share capital of the Company increased from RM278,138,008 to RM278,297,408 from the issuance of 1,594,000 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 30 June 2014.

8. Dividend paid

The first and final single-tier dividend of 4.0 sen per share on 2,782,304,080 ordinary shares of RM0.10 for the year ended 31 December 2013, amounting to RM111,292,163 was paid on 3 July 2014 to shareholders whose name appeared in the Record of Depositors at the close of business on 4 June 2014. As the dividend was approved in the quarter under review, the dividend was recognized as a liability within Trade and Other Payables as at 30 June 2014.

9. Segment reporting

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



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(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

10. Revenue

	Quarter ended 30/6/2014 RM million	Quarter ended 30/6/2013 RM million
Passenger seat sales	716.9	726.4
Baggage fees	113.3	109.2
Aircraft operating lease income	198.2	155.5
Surcharges and fees	159.9	149.3
Other revenue	122.7	105.9
	<u>1,311.0</u>	<u>1,246.3</u>

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

11. Other Income

	Quarter ended 30/6/2014 RM million	Quarter ended 30/6/2013 RM million
Gain on disposal of property, plant and equipment	0.0	-
Gain on disposal of available-for-sale financial assets	42.1	-
Others	33.3	16.3
	<u>75.4</u>	<u>16.3</u>

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

12. Other Comprehensive Income

Cash flow hedges represent fair value changes due to movement in MTM position on effective hedging contracts at 30 June 2014 as compared to 31 March 2014 as follows:

	Quarter ended 30/6/2014 RM million	Quarter ended 31/3/2014 RM million
Fair value gain/(loss) in the period	(32.9)	(67.7)
Amount transferred to income statement	(69.0)	(31.3)
	<u>(101.9)</u>	<u>(99.0)</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 impacts profit or loss.



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(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

13. 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 30/6/2014 RM million	As at 31/12/2013 RM million
Total retained profit of AirAsia Berhad and its subsidiaries		
Realised	2,577,325	2,358,327
Unrealised	681,325	512,256
	<u>3,258,650</u>	<u>2,870,583</u>
Total share of accumulated gains/(losses) from associates		
Realised	29,943	33,228
Unrealised	-	-
	<u>29,943</u>	<u>33,228</u>
Total share of accumulated gains/(losses) from jointly controlled entities		
Realised	33,479	22,680
Unrealised	-	-
	<u>33,479</u>	<u>22,680</u>
Total group retained profit as per consolidated accounts	<u>3,322,072</u>	<u>2,926,491</u>

14. Property, plant and equipment

(a) acquisition and disposals

During the quarter ended 30 June 2014, the Group acquired property, plant and equipment with a cost of RM1,140.3 million (quarter ended 30 June 2013: RM378.7 million).

During the quarter ended 30 June 2014, proceeds from disposal of property, plant and equipment totaled RMNil million (quarter ended 30 June 2013: RM Nil million).



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(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

(b) revaluation

There was no revaluation of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

(c) impairment

There was no impairment of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

15. 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 30 June 2014 as at the date of this report.

16. Changes in composition of the Group

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

17. Contingent assets

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

18. 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 2013.

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

Capital commitments for property, plant and equipment:

	<u>Group and Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>
	RM'000	RM'000
Approved and contracted for	48,313,714	51,137,572
Approved but not contracted for	14,449,500	14,222,250
	-----	-----
	62,763,214	65,359,822
	=====	=====



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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

20. 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 India Private Limited	An associate of the Company
Asian Aviation Centre of Excellence Sdn Bhd	A jointly controlled entity of the Company
Tune Ins Holdings Berhad	An investment with common shareholders and directors of the Company
QPR Holdings Limited	An investment with common shareholders and directors of the Company
Think Big Digital Sdn Bhd	An investment with common shareholders and directors of the Company

These following items have been included in the Income Statement

	Quarter ended 30/6/2014 RM million	Quarter ended 30/6/2013 RM million
Thai AirAsia		
Lease rental income on aircraft	93,591	80,618
Indonesia AirAsia		
Lease rental income on aircraft	81,587	55,672
Philippines AirAsia		
Lease rental income on aircraft	19,250	6,788
India AirAsia		
Lease rental income on aircraft	3,766	-
Japan AirAsia		
Lease rental income on aircraft	-	11,451
AirAsia X Berhad		
Services charged to AirAsia X Berhad	1,815	1,387
Asian Aviation Centre of Excellence Sdn Bhd		
Training costs charged to AirAsia Berhad	(4,675)	(3,678)



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(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

21. Review of performance

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

Quarter Ended: 30 June RM'000	Apr - Jun 2014	Apr - Jun 2013
Revenue	1,310,916	1,246,256
Operating expenses:		
- Staff costs	(153,858)	(161,395)
- Depreciation of property, plant and equipment	(190,172)	(155,241)
- Aircraft fuel expenses	(581,715)	(498,614)
- Maintenance and overhaul	(45,625)	(40,086)
- User charges and other related expenses	(123,645)	(119,095)
- Aircraft operating lease expenses	(50,629)	(46,076)
- Other operating expenses	(57,711)	(44,893)
Other income	75,440	16,299
Share of results of jointly controlled entities	5,019	(1,203)
Share of results of associates	(13,835)	22,009
Share of results of discontinued associates	-	(7,867)
Operating Profit	174,185	210,094
Finance Income	24,785	47,624
Finance Costs	(127,951)	(109,412)
Net operating profit	71,019	148,306
Foreign Exchange gain/(loss) on borrowings	202,922	(122,190)
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities	(18,627)	8,228
Gain on disposal of interest in Japan AirAsia	-	78,265
Profit before tax	255,314	112,609
Current Taxation	(3,261)	(6,262)
Deferred taxation	115,102	(47,999)
Profit after tax	367,155	58,348
EBITDAR	414,986	411,411
EBITDAR Margin	32%	33%
EBIT Margin	13%	17%



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

The Group recorded revenue of RM1,310.9 million for the quarter ended 30 June 2014 (“2Q14”), 5% higher than the revenue of RM1,246.3 million recorded in the quarter ended 30 June 2013 (“2Q13”). The revenue growth was supported by a 1% growth in passenger volume while the average fare was down 1% at RM157 as compared to RM159 achieved in 2Q13. Ancillary income per passenger increased by 13% to RM45 year-on-year. The seat load factor was at 80% which is consistent with the same period last year.

The profit before tax for the period was RM255.3 million compared to RM112.6 million in the same quarter of 2013 while the profit after tax for the period was RM367.2 million compared to RM58.3 million in the same quarter of 2013.

Cashflow commentary for current quarter against immediately preceding quarter

Net Cash Flow (RM'000)	Apr - June 2014	Jan – Mar 2014
Cash from Operations	(89,214)	78,812
Cash from Investing Activities	(1,317,682)	(417,026)
Cash from Financing Activities	1,253,417	253,518
Net Cash Flow	(153,479)	(84,696)

The Group’s cash used in operations was RM89.2 million, compared to cash from operations of RM78.8 million in the immediate preceding quarter ended 31 March 2014. Net cash flow in the quarter amounted to a RM153.5 million outflow, as cash out flows from investing and operations activities exceeded financing cash in flows.

Balance sheet commentary for current quarter

Balance Sheet RM million	June 2014	March 2014
Total Debt	11,488	10,412
Cash	1,368	1,296
Net Debt	10,120	9,116
Net Gearing	1.95	1.83

The Group’s total debt as of end of June 2014 was RM11.5 billion. The Group’s net debt after offsetting the cash balances amounted to RM10.1 billion.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

22. 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 THB5,460.9 million in 2Q14, 2% higher compared to the THB5,359.8 million achieved in 2Q13. The positive growth in revenue is attributed to higher passenger volumes which increased by 16% year-on-year despite a 11% decrease in the year-on-year unit passenger revenue. Ancillary income per passenger increased by 8% year-on-year. Passengers carried by Thai AirAsia increased as capacity rose 23% year-on-year while the seat load factor decreased 4ppt to 78%.

Thai AirAsia recorded an operating loss of THB464.9 million in 2Q14, compared to an operating profit of THB517.4 million in 2Q13. Thai AirAsia recorded a net loss of THB317.6 million in 2Q14, compared to a net profit of THB498.7 million in 2Q13.

AirAsia Berhad has equity accounted its share of the net loss amounting to RM13.8 million in 2Q14, as reflected in the AirAsia Berhad income statement.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

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

Quarter Ended: 30 June 2014	Apr - Jun 2014	Apr - Jun 2013	Change y-o-y
Passengers Carried	2,806,804	2,423,076	16%
Capacity	3,611,880	2,944,440	23%
Seat Load Factor	78%	82%	-4 ppt
RPK (million)	2,855	2,551	12%
ASK (million)	3,667	3,064	20%
Average Fare (THB)	1,612	1,877	-14%
Ancillary Income Per Pax (THB)	341	315	8%
Unit Passenger Revenue (THB)	1,953	2,192	-11%
Revenue / ASK (THB)	1.49	1.75	-15%
Revenue / ASK (US cents)	4.58	5.38	-15%
Cost / ASK (THB)	1.62	1.58	2%
Cost / ASK (US cents)	4.97	4.86	2%
Cost / ASK-ex Fuel (THB)	0.90	0.91	-1%
Cost / ASK-ex Fuel (US cents)	2.75	2.78	-1%
Aircraft (end of period)	37	29	28%
Average Stage Length (km)	1,015	1,040	-2%
Number of Flights	20,066	16,358	23%
Fuel Consumed (Barrels)	641,952	551,084	16%
Average Fuel Price (US\$ / Barrel)	126	115	10%

Exchange Rate: USD:THB – 32.54 - prior year US cents figures are restated at the current period average 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 operating profit 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)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

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

Quarter Ended: 30 June 2014 THB'000	Apr - Jun 2014	Apr - Jun 2013
Revenue	5,460,934	5,359,789
Operating expenses:		
- Staff costs	(645,456)	(629,167)
- Depreciation of property, plant and equipment	(178,034)	(84,164)
- Aircraft fuel expenses	(2,639,335)	(2,067,372)
- Maintenance & overhaul	(453,216)	(431,857)
- User charges and other related expenses	(809,759)	(699,717)
- Aircraft operating lease expenses	(939,507)	(789,143)
- Other operating expenses	(389,630)	(241,716)
Other income	129,098	100,790
Operating Profit	(464,905)	517,443
Finance Income	84,469	178,689
Finance Costs	(32,883)	(44,752)
Profit before tax	(413,319)	651,380
Taxation	95,709	(152,677)
Profit after tax	(317,610)	498,703
EBITDAR	652,636	1,390,750
EBITDAR Margin	12%	26%
EBIT Margin	-9%	10%



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

Balance Sheet

Quarter Ended: 30 June 2014 THB'000	Jun 2014	Dec 2013
Property, Plant & Equipment	10,847,893	10,835,933
Prepaid Expenses	2,031,286	342,969
Inventory	58,156	68,968
Other Debtors & Prepayments	3,456,309	1,759,172
General Investment	1,041,504	5,791,728
Cash & Short Term Deposits	7,010,794	2,309,100
Total Assets	24,445,942	21,107,870
Sales In Advance	4,584,906	4,299,163
Other Creditors & Accruals	3,193,600	2,457,011
Amounts Owing to Related Party	664,430	506,830
Long Term Liabilities	10,187,104	7,988,518
Total Liabilities	18,630,040	15,251,522
Share Capital	435,556	435,556
Share Premium	2,628,786	2,628,786
Retained Earnings	2,751,560	2,792,006
Total Equity	5,815,902	5,856,348

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 1,507.8 billion in 2Q14, 8% higher as compared to the IDR 1,398.2 billion achieved in 2Q13. The positive growth in revenue can be attributed to higher passenger volumes which increased by 3% year-on-year coupled with the 4% increase in the year-on-year unit passenger revenue. Ancillary income per passenger decreased by 2% year-on-year. Passengers carried by Indonesia AirAsia increased as capacity rose 5% year-on-year while the seat load factor decreased by 1 percentage point to 78% as compared to 2Q13.

Indonesia AirAsia recorded an operating loss of IDR271.8 billion in 2Q14, compared to an operating profit of IDR87.7 billion in 2Q13. Indonesia AirAsia recorded a net loss of IDR340.3 billion in 2Q14 as compared to a net profit of IDR51.7 billion in 2Q13.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

The AirAsia Berhad share of the net loss in 2Q14 amounted to RM46.0 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 RM326.9 million of unrecognized losses have been reversed.

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

Quarter Ended: 30 June	Apr - Jun 2014	Apr - Jun 2013	Change y-o-y
Passengers Carried	1,986,645	1,921,839	3%
Capacity	2,555,280	2,444,760	5%
Seat Load Factor	78%	79%	-1 ppt
RPK (million)	2,288	2,282	0%
ASK (million)	2,936	2,873	2%
Average Fare (IDR)	611,446	576,507	6%
Ancillary Income Per Pax (IDR)	148,326	151,040	-2%
Unit Passenger Revenue (IDR)	759,772	727,547	4%
Revenue / ASK (IDR)	513.60	486.71	6%
Revenue / ASK (US cents)	4.39	4.16	6%
Cost / ASK (IDR)	606.16	456.19	33%
Cost / ASK (US cents)	5.18	3.90	33%
Cost / ASK-ex Fuel (IDR)	340.12	238.59	43%
Cost / ASK-ex Fuel (US cents)	2.91	2.04	43%
Aircraft (end of period)	30	24	25%
Average Stage Length (km)	1,174	1,195	-2%
Number of Flights	14,196	13,582	5%
Fuel Consumed (Barrels)	502,024	476,287	5%
Average Fuel Price (US\$ / Barrel)	133	112	19%

Exchange Rate: USD:IDR – 11,704 - prior year US cents figures are restated at the current period average 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 operating profit 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)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

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

Quarter Ended: 30 June IDR million	Apr - Jun 2014	Apr - Jun 2013
Revenue	1,507,821	1,398,228
Operating expenses:		
- Staff costs	(180,366)	(150,233)
- Depreciation	(24,793)	(23,392)
- Aircraft fuel expenses	(781,038)	(625,146)
- Aircraft operating lease expense	(293,814)	(179,469)
- Maintenance & overhaul	(157,202)	(122,283)
- User charges and other related expenses	(251,008)	(152,542)
- Provision for early return of aircraft	-	-
- Other operating expenses	(99,006)	(70,458)
Other income	7,653	12,957
Operating (loss)/profit	(271,753)	87,662
Finance Income	321	1,010
Finance Costs	(68,904)	(37,011)
(Loss)/profit before tax	(340,336)	51,661
Taxation	-	-
(Loss)/profit after tax	(340,336)	51,661
EBITDAR	46,854	290,523
EBITDAR Margin	3%	21%
EBIT Margin	-18%	6%



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

Balance Sheet

Quarter Ended: 30 June IDR million	Jun 2014	Dec 2013
Property, Plant & Equipment	1,566,573	1,592,071
Work In Progress	-	-
Deferred Expenditure	9,503	9,503
Inventory	23,406	23,420
Other Debtors & Prepayments	98,579	155,403
Amounts Owing from Related Party	2,720,261	2,553,159
Maintenance Reserves	236,732	193,986
Cash & Short Term Deposits	167,668	25,769
Total Assets	4,822,723	4,553,311
Sales In Advance	459,891	521,996
Other Creditors & Accruals	4,449,130	3,295,862
Amounts Owing to Related Party	830,272	799,084
Borrowings	1,526,206	1,584,555
Total Liabilities	7,265,500	6,201,497
Share Capital	180,000	180,000
Share Premium	-	-
Retained Earnings	(2,622,777)	(1,828,186)
Total Equity	(2,442,777)	(1,648,186)

iii) 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 RM12.4 million (quarter ended 30 June 2013: net loss of RM24.0 million) in the quarter under review out of which RMNil million is equity accounted in the AirAsia Berhad income statement. 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 RM80.6 million of unrecognized losses have been reversed.

iv) Associate Company – AirAsia India Private Limited (‘AirAsia India’)

AirAsia India is an associate company which is incorporated in India and is 49% owned by AirAsia Berhad. AirAsia India recorded a net loss of RM13.8 million (quarter ended 30 June 2013: RM nil) in the quarter under review out of which RMNil 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)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

v) 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 RM4.0 million (quarter ended 30 June 2013: net profit of RM5.0 million) in the quarter of which RM2.0 million (quarter ended 30 June 2013: RM2.5 million) is equity accounted in the AirAsia Berhad income statement.

vi) 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 profit of RM6.0 million (quarter ended 30 June 2013: net loss of RM7.4 million) in the quarter of which RM3.0million (quarter ended 30 June 2013: net loss of RM3.7 million) is equity accounted in the AirAsia Berhad income statement.

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

BIG is a joint venture company which is incorporated in Malaysia and is 47.8% owned by AirAsia Berhad. BIG recorded a net loss of RM5.0 million (quarter ended 30 June 2013: net loss of RM2.5 million) in the quarter under review. 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 RM37.3 million of unrecognized losses have been reversed.

23. Variation of results against preceding quarter

The Group achieved a profit after taxation of RM367.2 million for the quarter under review. This is RM227.4 million higher compared to the RM139.7 million profit after taxation achieved in the immediately preceding quarter ended 31 March 2014.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

24. Commentary on prospects

The Group will take delivery of eight A320 aircraft in the third quarter of the year, where 4 will be deployed in Malaysia and 3 deployed in Thailand and 1 in India. During the same period two older aircraft will be disposed hence there will be a net increase of two aircraft in the Malaysian fleet.

In Malaysia, forward loads for the remaining months of the third quarter of 2014 are lower than in the prior year with base fares lower in August 2014 as compared to August 2013 and higher in September 2014 as compared to September 2013. In the full quarter passenger numbers and fares are expected to be broadly in line with the previous year, reflecting better price discipline in the market. In addition, there has been a change in booking patterns in the Malaysian market, with passengers tending to book closer to the time of departure.

In Thailand forward loads for the remaining months of the third quarter of 2014 are slightly lower than the prior year with average fares also lower than the prior year, a reflection of the current political unrest in the country. TAA will continue to focus on domestic, southern China and Indo-China routes in the remaining quarters of 2014.

Indonesia AirAsia will maintain fleet size in the third quarter with no additional aircraft, thereby reducing the rate of capacity growth. Forward loads in Indonesia are higher than in the prior year for the remaining months of the third quarter with average fares that are significantly higher. The recent presidential elections in Indonesia did not have any negative impact on the Indonesian economy.

In the Philippines, forward loads for the remaining months of the third quarter 2014 are slightly higher than in the prior year with based fares in the months of July and August 2014 higher than in the previous year. Tourist arrivals in the Philippines continue to post remarkable growth which augurs well for AirAsia and the aviation industry.

The outlook for the second half of 2014 should be seen in the context of the current prices of oil and aviation fuel. The operating environment in both Indonesia and the Philippines remains challenging, but an improved performance is expected in the remainder of the year. However, barring any unforeseen circumstances, prospects of the Group remain positive for the second half of 2014.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

25. Profit forecast

No profit forecast has been issued.

26. Finance income/(costs)

All figures in RM'000	Group and Company			
	Quarter Ended 30/6/14	Quarter Ended 30/6/13	Year to Date 30/6/14	Year to Date 30/6/13
Finance income				
Interest on amounts due from associates and JV entities	19,810	12,018	36,172	24,503
Interest on deposits	2,948	4	6,004	4,879
Gain from interest rate contracts	1,391	33,318	3,689	37,899
Other interest income	636	2,284	2,141	4,695
	24,785	47,624	48,006	71,976
Finance costs				
Bank borrowings	(125,417)	(107,096)	(240,976)	(210,952)
Amortisation of premiums for interest rate caps	(2,030)	(1,982)	(4,083)	(3,965)
Bank facilities and other charges	(504)	(334)	(1,032)	(789)
	(127,951)	(109,412)	(246,091)	(215,706)
Net cost	(103,166)	(61,788)	(198,085)	(143,730)
Foreign exchange gains/(losses)				
Borrowings				
- realized	2,211	1,695	(3,073)	(1,205)
- unrealized	163,008	(187,862)	176,010	(256,477)
- foreign currency contracts	(7,541)	711	(13,018)	693
- fair value movement recycled from cash flow hedge reserve	45,244	63,266	44,940	97,111
	202,922	(122,190)	204,859	(159,878)



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

27. Income tax expense

Current taxation

The current taxation charge of RM3.3 million comprises tax payable on interest income.

Deferred taxation

RM115.1 million deferred tax credits arose in the current financial period as a result of the reduction in deferred tax liabilities and the additional deferred tax assets recognized. The deferred tax liabilities reduced as the difference between the net book value and tax written down value of property, plant and equipment decreased in the period. The deferred tax assets arose from the additional capital allowances granted in the period but which remained unutilized in combination with the Investment Allowances granted on aircraft delivery.

28. 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.

29. Quoted investments and properties

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

30. Status of corporate proposals announced

AirAsia Japan Co. Ltd.

Further to the announcement dated 18 July 2014, on the subscription for shares in AirAsia Japan Co., Ltd by AirAsia Investment Ltd, there have not been any further changes in the status of the AirAsia Japan joint venture on the forging of a joint venture cooperation between AirAsia and Octave Japan Infrastructure Fund I GK (“Octave”), Rakuten, Inc. (“Rakuten”), Noevir Holdings Co. Ltd. (“Noevir”) and Alpen Co. Ltd. (“Alpen”) (collectively the “Investors”), to establish a low cost airline in Japan based on the successful AirAsia business model.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

31. Borrowings and debt securities

	At 30/6/2014 RM'000	At 31/3/2014 RM'000
Current	1,629,212	1,011,813
Non-current	9,858,634	9,399,836
Total Debt	11,487,846	10,411,649

The above term loans, finance lease liabilities (Ijarah) and Commodity Murabahah Finance are for the purchase of aircraft, spare engines and working capital.

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 repayment terms of term loans and finance lease liabilities are on a quarterly or semi-annually basis. These are secured by the following:

- (a) Assignment of rights under contract with Airbus over each aircraft;
- (b) Assignment of insurance of each aircraft; and
- (c) Assignment of airframe and engine warranties of each aircraft.

The Commodity Murabahah Finance is secured by a second priority charge over the aircraft.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

32. 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 30 June 2014, AirAsia Berhad has hedged approximately 49% of its dollar liabilities aircraft and engine loans into Malaysian Ringgit (“MYR”) by using long dated foreign exchange forward contracts. The latest weighted average of USD/MYR forward exchange rate is 3.2255.

(ii) Interest Rate Hedging

As at 30 June 2014, the Group has entered interest rate hedging transactions to hedge against fluctuations in the US\$ Libor on its existing aircraft financing for aircraft delivering from 2005 to 2014.

(iii) Fuel Hedging

As at 30 June 2014, the Group has entered into Singapore Jet Kerosene fixed swap which represents up to 36% of the Group’s total budgeted fuel consumption for the second half of 2014.

The Group has also entered into Singapore Jet Kerosene fixed swap which represents up to 9% of the Group’s budgeted fuel consumption for the first quarter of 2015.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

32. Derivative financial instruments (continued)

Type of derivatives	Notional Value as at 31/3/2014	Fair Value as at 31/3/2014 Assets/(Liabilities)
(i) Fuel contract	Barrels (million)	RM (million)
- less than 1 year	1.1	12.6
- 1 year to 3 years	-	-
Total	1.1	12.6
	RM (million)	RM (million)
(ii) Interest rate contracts		
- less than 1 year	-	-
- 1 year to 3 years	10.2	(4.6)
- more than 3 years	3,512.7	(268.6)
Total	3,522.9	(273.2)
(iii) Foreign currency contracts	RM (million)	RM (million)
- less than 1 year	4.2	(0.1)
- 1 year to 3 years	11.1	0.1
- more than 3 years	3,114.0	153.5
Total	3,129.3	153.5

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)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

33. Fair value estimation

The carrying amounts of cash and cash equivalents, trade and other current assets, and trade and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, Unobservable inputs) (Level 3).

The following tables presents the Group and Company's assets and liabilities that are measured at fair value at 30 June 2014 and 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2014				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	-	-	-
Derivatives used for hedging	-	6,210	-	6,210
Available-for-sale financial assets		148,377		148,377
- Equity securities	458,707	-	10,125	468,832
Total Assets	458,707	154,587	10,125	623,419
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	66,236	-	66,236
Derivatives used for hedging	-	195,478	-	195,478
Total Liabilities	-	261,714	-	261,714
31 December 2013				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	37,374	-	37,374
Derivatives used for hedging	-	201,464	-	201,464
Available-for-sale financial assets				-
- Equity securities	561,770	-	10,125	571,895
Total Assets	561,770	238,838	10,125	810,733
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	85,823	-	85,823
Derivatives used for hedging	-	195,490	-	195,490
Total Liabilities	-	281,313	-	281,313



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

33. Fair value estimation (continued)

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group then determines fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include certain bonds, government bonds, corporate debt securities, repurchase and reverse purchase agreements, loans, credit derivatives, certain issued notes and the Group's over the counter ("OTC") derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques. This category includes private equity investments, certain OTC derivatives (requiring complex and unobservable inputs such as correlations and long dated volatilities) and certain bonds.



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

34. Material litigation

As at 20 August 2014, there was no material litigation against the Group.

35. Proposed dividend

The Directors do not recommend any dividend for the quarter ended 30 June 2014.

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 30/6/14	Preceding Year Quarter Ended 30/6/13	Current Year to Date 30/6/14	Preceding Year to Date 30/6/13
Net profit for the financial period (RM'000)	367,155	58,348	506,873	163,141
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,780,542	2,780,429	2,780,542	2,780,429
Adjusted for share options granted ('000)	773	2,056	773	2,056
Adjusted weighted average number of ordinary shares ('000)	2,781,315	2,782,485	2,781,315	2,782,485
Basic earnings per share (sen)	13.2	2.1	18.2	5.9
Diluted earnings per share (sen)	13.2	2.1	18.2	5.9



AIRASIA BERHAD
(Company No. 284669-W)

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SECOND QUARTER REPORT ENDED 30 JUNE 2014

NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2014

(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
20 August 2014