



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
SECOND QUARTER REPORT ENDED 30 JUNE 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 second quarter ended 30 June 2013.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Revenue	10	1,246,256	1,181,561	2,547,041	2,349,959
Operating expenses:					
- Staff costs		(161,395)	(123,861)	(307,646)	(274,839)
- Depreciation of property, plant and equipment		(155,241)	(137,932)	(309,199)	(268,673)
- Aircraft fuel expenses		(498,614)	(481,549)	(1,021,142)	(923,833)
- Maintenance and overhaul		(40,086)	(22,205)	(76,944)	(49,827)
- User charges and other related expenses		(119,095)	(113,446)	(243,143)	(222,166)
- Aircraft operating lease expenses		(46,076)	(38,297)	(90,732)	(78,682)
- Other operating expenses		(44,893)	(47,379)	(87,746)	(90,484)
Other (losses)/gains - net	11	33,846	(23,580)	38,419	(33,964)
Other income	12	16,299	12,509	37,023	38,405
Share of results of jointly controlled entities	23	(1,203)	(6,674)	(3,547)	(12,010)
Share of results of associates	23	22,009	(1,685)	53,754	(7,304)
Share of results of discontinued associates	23	(7,867)	-	(41,032)	-
Operating Profit		243,940	197,462	495,106	426,582
Finance Income	27	14,306	19,555	34,077	37,973
Finance Costs	27	(109,412)	(94,434)	(215,706)	(184,959)
Net operating profit		148,834	122,583	313,477	279,596
Foreign Exchange gains/(losses) on borrowings	27	(122,718)	(97,402)	(160,406)	(13,819)
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities		8,228	31,455	13,117	3,263
Gain on disposal of interest in Japan AirAsia		78,265	-	78,265	-
Gain on disposal of interest in Thai AirAsia		-	118,640	-	118,640
Profit before tax		112,609	175,276	244,453	387,680
Current Taxation	28	(6,262)	(7,575)	(10,476)	(11,376)
Deferred taxation	28	(47,999)	(14,568)	(70,836)	(50,737)
Profit after tax		58,348	153,133	163,141	325,567
Attributable to:					
-Equity holders of the company		58,348	153,133	163,141	325,567
-Minority interests		-	-	-	-
		58,348	153,133	163,141	325,567
Basic earnings per share (sen)		2.1	5.5	5.9	11.7
Diluted earnings per share (sen)		2.1	5.5	5.9	11.7

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Profit for the period		58,348	153,133	163,141	325,567
Other comprehensive income					
Available-for-sale financial assets		54,754	-	194,702	-
Cash flow hedges	13	3,946	(146,067)	46,690	(27,339)
Foreign currency translation differences		-	-	-	-
Total comprehensive income for the period		117,048	7,066	404,533	298,228
Total comprehensive income attributable to:					
Equity holders of the company		117,048	7,066	404,533	298,228
Minority Interest		-	-	-	-



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	YEAR ENDED
	30/06/2013 RM'000	31/12/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	244,453	962,556
Adjustments:		
Property, plant and equipment		
- Depreciation	309,199	567,176
- Gain on disposal	(12)	(9,328)
- Gain on disposal and fair value of interest in Thai AirAsia	-	(118,639)
- Gain on fair value of interest in AirAsia Japan	(78,265)	-
Dividend payable	(166,831)	-
Fair value (gains)/losses on derivative financial instruments	(135,529)	95,308
Share of results of jointly-controlled entities	3,547	2,899
Share of results of associates	(12,722)	(1,329)
Net unrealised foreign exchange (gain)/loss	236,110	(205,524)
Interest expense	106,294	378,808
Interest income	(19,771)	(79,391)
	486,473	1,592,536
Changes in working capital		
Inventories	(638)	(3,995)
Receivables and prepayments	218,057	(268,116)
Trade and other payables	(13,265)	315,856
Intercompany balances	(126,128)	28,948
Cash generated from operations	564,499	1,665,229
Interest paid	(106,294)	(378,808)
Interest received	19,771	79,391
Tax paid	(4,458)	(10,856)
Net cash from operating activities	473,518	1,354,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(678,934)	(1,772,597)
- Proceeds from disposal	4,084	15,170
Investment in an associate	37,233	(16,608)
Purchase of available-for-sale financial asset	-	(32,756)
Deposit on aircraft purchase	(63,194)	(128,740)
Net cash used in investing activities	(700,811)	(1,935,531)
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	810	1,967
Proceeds from borrowings	937,334	1,533,298
Dividend paid	(500,383)	(138,957)
Repayment of borrowings	(789,855)	(662,376)
Deposits pledged as securities	(640)	(1,094)
Net cash from / (used in) financing activities	(352,734)	732,838
NET INCREASE FOR THE FINANCIAL PERIOD/YEAR	(580,027)	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*	1,639,216	2,219,243

* The balance at end of financial period excludes fixed deposits of RM14.13 million (31/12/12: RM13.49 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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS AT	AS AT
		30/06/2013	31/12/2012
	Note	RM'000	RM'000
NON CURRENT ASSETS			
Property, plant and equipment	15	10,151,693	9,786,030
Investment in associates	23	216,598	162,844
Investment in a jointly controlled entity	23	117,208	120,755
AFS Financial Assets		503,494	308,792
Goodwill		7,334	7,334
Deferred tax assets		290,560	361,396
Receivables and prepayments		-	28,141
Deposit on aircraft purchase		548,120	483,795
Amounts due from an associate		472,878	449,578
Derivative Financial Instruments	33	55,562	37,673
		12,363,447	11,746,338
CURRENT ASSETS			
Inventories		24,363	23,725
Receivables and prepayments		1,172,435	1,357,094
Amounts due from a jointly controlled entity		7,992	10,765
Amount due from associates		414,096	331,407
Amount due from a related party		21,971	1,282
Deposits, bank and cash balances		1,653,344	2,232,731
Derivative Financial Instruments	33	134	-
		3,294,335	3,957,004
CURRENT LIABILITIES			
Trade and other payables		1,233,320	1,295,065
Sales in advance		588,738	546,150
Derivative Financial Instruments	33	19,534	35,419
Amount due to associate		-	29,032
Amount due to a related party		36,905	12,639
Borrowings	32	844,289	1,126,154
Current tax liabilities		6,179	5,122
		2,728,965	3,049,581
NET CURRENT ASSETS			
		565,370	907,423
NON CURRENT LIABILITIES			
Borrowings	32	7,968,423	7,283,185
Derivative Financial Instruments	33	361,897	510,208
		8,330,320	7,793,393
		4,598,497	4,860,368
CAPITAL AND RESERVES			
Share capital	7	278,066	277,991
Share Premium		1,228,670	1,227,935
Foreign exchange reserve		451	451
Retained earnings		2,727,507	3,231,580
Other Reserves		363,803	122,411
Shareholders' funds		4,598,497	4,860,368
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.65	1.75

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.



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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	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	3,231,580	4,860,368	-	4,860,368
Net Profit for the period	-	-	-	-	-	-	163,141	163,141	-	163,141
Dividends paid and approved	-	-	-	-	-	-	(667,214)	(667,214)	-	(667,214)
Other comprehensive income	-	-	-	-	46,690	194,702	-	241,392	-	241,392
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	750	75	735	-	-	-	-	810	-	810
At 31 March 2013	2,780,658	278,066	1,228,670	451	(51,458)	415,261	2,727,507	4,598,497	-	4,598,497
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	-	-	-	-	-	-	(1,041,731)	(1,041,731)	-	(1,041,731)
Net Profit for the period (restated)	-	-	-	-	-	-	789,607	789,607	-	789,607
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	3,231,580	4,860,368	-	4,860,368

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.



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KEY OPERATING STATISTICS – 30 JUNE 2013

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

Quarter Ended: 30 June	Apr - Jun 2013	Apr - Jun 2012	Change y-o-y
Passengers Carried	5,509,576	4,902,689	12%
Capacity	6,896,880	6,163,020	12%
Seat Load Factor	80%	80%	0 ppt
RPK (million)	6,333	5,621	13%
ASK (million)	7,915	7,038	12%
Average Fare (RM)	159	177	-10%
Ancillary Income Per Pax (RM)*	39	37	6%
Unit Passenger Revenue (RM)	198	214	-8%
Revenue / ASK (sen)	15.75	16.79	-6%
Revenue / ASK (US cents)	5.08	5.42	-6%
Cost / ASK (sen)	12.83	13.86	-7%
Cost / ASK (US cents)	4.14	4.47	-7%
Cost / ASK-ex Fuel (sen)	6.53	7.02	-7%
Cost / ASK-ex Fuel (US cents)	2.11	2.27	-7%
Aircraft (end of period)	66	58	14%
Average Stage Length (km)	1,096	1,144	-4%
Number of Flights	38,316	34,239	12%
Fuel Consumed (Barrels)	1,299,843	1,155,269	13%
Average Fuel Price (US\$ / Barrel)	124	134	-8%

Exchange Rate: RM:USD – 3.0995 - 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 interest and tax divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



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NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2013

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.

In the quarter under review the presentation of the income statement has been changed to include the Company's share of the profits/(losses) of Joint Venture, Associate Companies and discontinued Associates within Operating Profit as it better reflects the performance of the Group.

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 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.



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NOTES TO THE UNAUDITED ACCOUNTS – 30 JUNE 2013

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.

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 consistent with the same period last year. Compared against the immediate preceding quarter (first quarter January – March 2013), the seat load factor was 1 percentage point 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 30 June 2013, the total issued and paid-up share capital of the Company increased from RM278,050,658 to RM278,065,658 from the issuance of 150,000 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 2013.

8. Dividend paid

The final single tier dividend of 6.0 sen per ordinary share on 2,780,510,580 ordinary shares for the year ended 31 December 2012, amounting to RM166,830,635 was paid on 3 July 2013 to shareholders whose name appear in the Record of Depositors at the close of business on 4 June 2013. As the dividend was approved in the quarter under review, the final single tier dividend of RM166,830,635 was recognized as a liability within Trade and Other Payables as at 30 June 2013.

9. Segment reporting

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



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10. Revenue

	Quarter ended 30/6/2013 RM million	Quarter ended 30/6/2012 RM million
Passenger seat sales	726.4	783.2
Baggage fees	109.2	88.0
Aircraft operating lease income	155.5	132.0
Surcharges and fees	149.3	86.4
Other revenue	105.9	92.0
	<u>1,246.3</u>	<u>1,181.6</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 30 June 2013 as compared to 31 March 2013, and are detailed below:

	Quarter ended 30/6/2013 RM million	Quarter ended 31/3/2013 RM million
Gain/(loss) from fuel contracts	-	-
Gain/(loss) from foreign currency contracts	0.5	-
Gain/(loss) from interest rate contracts	33.3	4.6
	<u>33.8</u>	<u>4.6</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.



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12. Other Income

	Quarter ended 30/6/2013 RM million	Quarter ended 30/6/2012 RM million
Gain on disposal of property, plant and equipment	-	-
Others	16.3	12.5
	<u>16.3</u>	<u>12.5</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 30 June 2013 as compared to 31 March 2013 as follows:

	Quarter ended 30/6/2013 RM million	Quarter ended 31/3/2013 RM million
Fair value gain/(loss) in the period	54.8	140.0
Amount transferred to income statement	4.0	42.7
	<u>58.8</u>	<u>182.7</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.



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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 30/6/2013 RM million	As at 31/12/2012 RM million
Total retained profit of AirAsia Berhad and its subsidiaries		
Realised	2,261,406	2,196,856
Unrealised	460,469	1,046,133
	<u>2,721,875</u>	<u>3,242,989</u>
Total share of accumulated losses from associates		
Realised	12,152	(8,436)
Unrealised	-	-
	<u>12,152</u>	<u>(8,436)</u>
Total share of accumulated losses from jointly controlled entities		
Realised	(6,520)	(2,973)
Unrealised	-	-
	<u>(6,520)</u>	<u>(2,973)</u>
Total group retained profit as per consolidated accounts	<u>2,727,507</u>	<u>3,231,580</u>

15. Property, plant and equipment

(a) acquisition and disposals

During the quarter ended 30 June 2013, the Group acquired property, plant and equipment with a cost of RM378.7 million (quarter ended 30 June 2012: RM358.1 million).

There were no proceeds from disposal of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

(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.



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(c) *impairment*

There was no impairment of property, plant and equipment for the quarter ended 30 June 2013 (quarter ended 30 June 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 30 June 2013 as at the date of this report.

17. **Changes in composition of the Group**

On 18 April 2013, the Company through its wholly-owned subsidiary AirAsia Investment Limited executed a Shareholders Agreement and a Share Subscription Agreement with local Indian parties, Tata Sons Limited and Telestra Tradeplace Private Limited for 49% equity interest in AirAsia India.

On 25 June 2013, the Group disposed of its 49% interest in AirAsia Japan Co. Ltd. to ANA Holdings Inc. (formerly known as All Nippon Airways Co., Ltd.) by entering into a Share Transfer and Termination Agreement with ANA and AirAsia Japan Co., Ltd.

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>30/6/2013</u>	<u>30/6/2012</u>
	RM'000	RM'000
Approved and contracted for	51,137,572	39,865,216
Approved but not contracted for	14,222,250	14,330,502
	-----	-----
	65,359,822	54,195,718
	=====	=====



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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
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 30/6/2013 RM million	Quarter ended 30/6/2012 RM million
Thai AirAsia		
Lease rental income on aircraft	80,618	78,650
Indonesia AirAsia		
Lease rental income on aircraft	56,672	46,512
Philippines AirAsia		
Lease rental income on aircraft	6,788	6,847
Japan AirAsia		
Lease rental income on aircraft	11,451	-
AirAsia X Berhad		
Services charged to AirAsia X Berhad	1,387	1,444
Asian Aviation Centre of Excellence Sdn Bhd		
Training costs charged to AirAsia Berhad	(3,678)	(2,756)



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22. Review of performance

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

Quarter Ended: 30 June RM'000	Apr - Jun 2013	Apr - Jun 2012
Revenue	1,246,256	1,181,561
Operating expenses:		
- Staff costs	(161,395)	(123,861)
- Depreciation of property, plant and equipment	(155,241)	(137,932)
- Aircraft fuel expenses	(498,614)	(481,549)
- Maintenance and overhaul	(40,086)	(22,205)
- User charges and other related expenses	(119,095)	(113,446)
- Aircraft operating lease expenses	(46,076)	(38,297)
- Other operating expenses	(44,893)	(47,379)
Other (losses)/gains - net	33,846	(23,580)
Other income	16,299	12,509
Share of results of jointly controlled entities	(1,203)	(6,674)
Share of results of associates	22,009	(1,685)
Share of results of discontinued associates	(7,867)	-
Operating Profit	243,940	197,462
Finance Income	14,306	19,555
Finance Costs	(109,412)	(94,434)
Net operating profit	148,834	122,583
Foreign Exchange gains/(losses) on borrowings	(122,718)	(97,402)
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities	8,228	31,455
Gain on disposal of interest in Japan AirAsia	78,265	-
Gain on disposal of interest in Thai AirAsia	-	118,640
Profit before tax	112,609	175,276
Current Taxation	(6,262)	(7,575)
Deferred taxation	(47,999)	(14,568)
Profit after tax	58,348	153,133
EBITDAR	445,257	373,691
EBITDAR Margin	36%	32%
EBIT Margin	20%	17%



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The Group recorded revenue of RM1,246.3 million for the quarter ended 30 June 2013 (“2Q13”), 5% higher than the revenue of RM1,181.6.4 million recorded in the quarter ended 30 June 2012 (“2Q12”). The revenue growth was supported by a 12% growth in passenger volume while the average fare was down 10% at RM159 as compared to RM177 achieved in 2Q12. Ancillary income per passenger year-on-year increased by 6% to RM39 from RM37. The seat load factor was consistent at 80% in the same period last year.

The profit before tax for the period was RM112.6 million compared to RM175.3 million in the same quarter of 2012 while the profit after tax for the period was RM58.3 million compared to RM153.1 million in the same quarter of 2012.

Cashflow commentary for current quarter against immediately preceding quarter

Net Cash Flow (RM'000)	Apr - June 2013	Jan - Mar 2013
Cash from Operations	105,186	368,332
Cash from Investing Activities	(298,981)	(401,830)
Cash from Financing Activities	(322,968)	(29,766)
Net Cash Flow	(516,763)	(63,264)

The Group’s cash from operations was RM105.2 million, compared to RM368.3 million in the immediate preceding quarter ended 31 March 2013. Net cash flow in the quarter amounted to a RM516.8 million outflow, as cash out flows from investing and financing activities exceeded operating cash in flows.

Balance sheet commentary for current quarter

Balance Sheet RM million	June 2013	March 2013
Total Debt	8,813	8,464
Cash	1,653	2,170
Net Debt	7,160	6,294
Net Gearing	1.56	1.39

The Group’s total debt as of end of June 2013 was RM8.8 billion. The Group’s net debt after offsetting the cash balances amounted to RM7.2 billion. This translates to a net gearing ratio of 1.56 times, 12% higher than the immediately preceding quarter.



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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 THB5,359.8 million in 2Q13, 21% higher compared to the THB4,432.8 million achieved in 2Q12. The positive growth in revenue is attributed to higher passenger volumes which increased by 25% year-on-year despite a 3% 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 20% year-on-year while the seat load factor increased 3ppt to 82%.

Thai AirAsia achieved an operating profit of THB517.4 million in 2Q13, compared to an operating profit of THB231.1 million in 2Q12. Thai AirAsia achieved a net profit of THB498.7 million in 2Q13, compared to a net profit of THB245.8 million in 2Q12.

AirAsia Berhad has recognized RM22.0 million as equity share in the Thai AirAsia net profit for 2Q13.



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

Quarter Ended: 30 June	Apr- Jun 2013	Apr - Jun 2012	Change y-o-y
Passengers Carried	2,423,076	1,935,072	25%
Capacity	2,944,440	2,452,320	20%
Seat Load Factor	82%	79%	3 ppt
RPK (million)	2,551	2,044	25%
ASK (million)	3,064	2,593	18%
Average Fare (THB)	1,877	1,962	-4%
Ancillary Income Per Pax (THB)	335	311	8%
Unit Passenger Revenue (THB)	2,212	2,273	-3%
Revenue / ASK (THB)	1.75	1.71	2%
Revenue / ASK (US cents)	5.79	5.66	2%
Cost / ASK (THB)	1.58	1.62	-2%
Cost / ASK (US cents)	5.23	5.36	-2%
Cost / ASK-ex Fuel (THB)	0.91	0.86	5%
Cost / ASK-ex Fuel (US cents)	3.00	2.85	5%
Aircraft (end of period)	29	24	21%
Average Stage Length (km)	1,040	1,057	-2%
Number of Flights	16,358	13,624	20%
Fuel Consumed (Barrels)	551,084	459,795	20%
Average Fuel Price (US\$ / Barrel)	124	142	-12%

Exchange Rate: USD:THB – 30.20 - 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 interest and tax divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



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

Quarter Ended: 30 June THB'000	Apr- Jun 2013	Apr - Jun 2012
Revenue	5,359,789	4,432,775
Operating expenses:		
- Staff costs	(629,167)	(406,574)
- Depreciation of property, plant and equipment	(84,164)	(19,400)
- Aircraft fuel expenses	(2,067,372)	(1,967,740)
- Maintenance & overhaul	(431,857)	(356,535)
- User charges and other related expenses	(699,717)	(631,140)
- Aircraft operating lease expenses	(789,143)	(795,492)
- Other operating expenses	(241,716)	(117,595)
Other income	100,790	92,842
Operating Profit	517,443	231,141
Finance Income	178,689	68,216
Finance Costs	(44,752)	(3,777)
Profit before tax	651,380	295,580
Taxation	(152,677)	(49,792)
Profit after tax	498,703	245,788
EBITDAR	1,390,750	1,046,033
EBITDAR Margin	26%	24%
EBIT Margin	10%	5%



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Balance Sheet

Quarter Ended: 30 June THB'000	Jun 2013	Dec 2012
Property, Plant & Equipment	5,385,849	2,935,361
Prepaid Expenses	1,137,879	233,859
Inventory	58,049	58,345
Other Debtors & Prepayments	2,656,629	1,384,273
General Investment	1,021,375	8,769
Cash & Short Term Deposits	6,531,933	6,161,070
Total Assets	16,791,713	10,781,677
Sales In Advance	3,922,525	3,582,160
Other Creditors & Accruals	2,312,637	953,082
Amounts Owing to Related Party	367,383	427,725
Long Term Liabilities	5,055,572	1,922,775
Total Liabilities	11,658,117	6,885,742
Share Capital	435,556	435,556
Share Premium	2,628,786	2,628,786
Retained Earnings	2,069,254	831,593
Total Equity	5,133,596	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 1,398.2 billion in 2Q13, 42% higher as compared to the IDR 986.5 billion achieved in 2Q12. The positive growth in revenue can be attributed to higher passenger volumes which increased by 33% year-on-year and the 8% increase in the year-on-year unit passenger revenue. Ancillary income per passenger increased by 29% year-on-year. Passengers carried by Indonesia AirAsia increased as capacity rose 32% year-on-year while the seat load factor increased 1ppt to 79%.

Indonesia AirAsia achieved an operating profit of IDR87.7 billion in 2Q13, compared to an operating profit of IDR77.6 billion in 2Q12. Indonesia AirAsia achieved a net profit of IDR51.7billion in 2Q13 as compared to a net profit of IDR30.0 billion in 2Q12.



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The AirAsia Berhad share of the net profit in 2Q13 amounted to RM8.0 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 RM154.9 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 2013	Apr - Jun 2012	Change y-o-y
Passengers Carried	1,921,839	1,447,492	33%
Capacity	2,444,760	1,847,160	32%
Seat Load Factor	79%	78%	1 ppt
RPK (million)	2,282	1,748	31%
ASK (million)	2,873	2,247	28%
Average Fare (IDR)	576,507	559,207	3%
Ancillary Income Per Pax (IDR)	151,040	117,517	29%
Unit Passenger Revenue (IDR)	727,547	676,723	8%
Revenue / ASK (IDR)	486.71	439.08	11%
Revenue / ASK (US cents)	4.96	4.47	11%
Cost / ASK (IDR)	456.19	404.52	13%
Cost / ASK (US cents)	4.65	4.12	13%
Cost / ASK-ex Fuel (IDR)	238.59	203.86	17%
Cost / ASK-ex Fuel (US cents)	2.43	2.08	17%
Aircraft (end of period)	24	18	33%
Average Stage Length (km)	1,195	1,231	-3%
Number of Flights	13,582	10,262	32%
Fuel Consumed (Barrels)	476,287	350,650	36%
Average Fuel Price (US\$ / Barrel)	134	138	-3%

Exchange Rate: USD:IDR – 9,818 - 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 interest and tax divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



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

Quarter Ended: 30 June IDR million	Apr - Jun 2013	Apr - Jun 2012
Revenue	1,398,228	986,516
Operating expenses:		
- Staff costs	(150,233)	(97,646)
- Depreciation	(23,392)	(23,588)
- Aircraft fuel expenses	(625,146)	(450,832)
- Aircraft operating lease expense	(179,469)	(117,210)
- Maintenance & overhaul	(122,283)	(87,885)
- User charges and other related expenses	(152,542)	(109,980)
- Provision for early return of aircraft	-	(7,086)
- Other operating expenses	(70,458)	(32,969)
Other income	12,957	18,329
Operating Profit	87,662	77,649
Finance Income	1,010	397
Finance Costs	(37,011)	(48,088)
Profit before tax	51,661	29,958
Taxation	-	-
Profit after tax	51,661	29,958
EBITDAR	290,523	218,447
EBITDAR Margin	21%	22%
EBIT Margin	6%	8%



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Balance Sheet

Quarter Ended: 30 June IDR million	June 2013	Dec 2012
Property, Plant & Equipment	1,612,862	1,666,201
Work In Progress	-	228
Deferred Expenditure	12,328	-
Inventory	20,813	2,068
Other Debtors & Prepayments	80,244	439,089
Amounts Owing from Related Party	1,306,827	-
Maintenance Reserves	163,241	89,640
Cash & Short Term Deposits	310,455	91,618
Total Assets	3,506,770	2,288,844
Sales In Advance	722,825	569,770
Other Creditors & Accruals	1,627,367	690,998
Amounts Owing to Related Party	618,438	269,356
Borrowings	1,799,639	1,871,247
Total Liabilities	4,768,269	3,401,371
Share Capital	180,000	180,000
Share Premium	-	-
Retained Earnings	(1,441,499)	(1,292,527)
Total Equity	(1,261,499)	(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 RM5.0 million (quarter ended 30 June 2012: RM5.0 million) in the quarter of which RM2.5 million (quarter ended 30 June 2012: RM2.5 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 RM7.4 million (quarter ended 30 June 2012: net loss of RM17.7 million) in the quarter of which RM3.7 million (quarter ended 30 June 2012: RM8.8 million) is equity accounted in the AirAsia Berhad income statement.



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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 RM2.5 million million (quarter ended 30 June 2012: net loss of RM3.8 million) in the quarter under review of which RM nil million (quarter ended 30 June 2012: RM nil million) 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 RM23.2 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 RM24.0 million (quarter ended 30 June 2012: net loss of RM24.8 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 RM47.7 million of unrecognized losses have been reversed.

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

AirAsia Japan was an associate company which is incorporated in Japan and was 49% owned by AirAsia Berhad. In the quarter under review AirAsia Berhad terminated the joint venture relationship with ANA Holdings Inc. (formerly known as All Nippon Airways Co., Ltd.). AirAsia Japan recorded a net loss of RM53.6 million (quarter ended 30 June 2012: net loss of RM22.8 million) in the quarter under review of which RM7.9 million (quarter ended 30 June 2012: RM11.2 million) is equity accounted in the AirAsia Berhad income statement.

24. Variation of results against preceding quarter

The Group achieved a profit after taxation of RM58.3 million for the quarter under review. This is RM46.5 million lower compared to the RM104.8 million profit after taxation achieved in the immediately preceding quarter ended 31 March 2013.



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25. Commentary on prospects

The Group will take delivery of four A320 aircraft in the third quarter of the year, which will be deployed in Indonesia (2) and Thailand (2) and twelve A320 aircraft in the fourth quarter of the year, which will be deployed in Malaysia (4), Thailand (4), Indonesia (2), India (1) and Philippines (1).

In Malaysia, forward loads for the remaining months of the third quarter are lower than in the prior year with base fares slightly lower than the prior year. Passenger numbers are expected to be particularly strong in August due to the Hari Raya and school holidays.

In Thailand, demand for tourism and travel is seasonally weaker in the third quarter of the year. However, TAA continues to benefit from increasing visitor numbers arriving from China, and expects to achieve third quarter loads in excess of the prior year. Forward loads in Thailand are consistent with the prior year while average fares are higher than the prior year. 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 will continue to add capacity in the third quarter of 2013. The aircraft being delivered in the third quarter will be deployed in Denpasar (Bali) and Medan and will be used to increase frequency on both domestic and international routes. IAA will continue promotional campaigns to maintain a high load factor in line with capacity growth and open additional distribution channels to attract more customers. Forward loads in Indonesia are slightly lower compared to the previous year as a consequence of new route launches.

The Philippines is expected to emerge from Category 2 by the end of the year or early next year. This will further boost the continued growth of visitors' arrivals and this bodes well for the Philippines' aviation industry. Japan PM Abe, after meeting Philippine President Aquino, recently lifted the restrictions on Philippine carriers to Japan. AirAsia and Zest group will explore this opportunity to serve Japan routes from Manila, Kalibo, Cebu and Clark. In the Philippines loads and fares are higher than in the prior year and this is in line with expectations and better than previous quarters.

The outlook for the third 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 third quarter and the remainder of 2013.



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26. Profit forecast

No profit forecast has been issued.

27. Finance income/(costs)

All figures in RM'000	Group and Company			
	Quarter Ended 30/6/13	Quarter Ended 30/6/12	Year to Date 30/6/13	Year to Date 30/6/12
Finance income				
Interest on amounts due from associates and JV entities	12,018	12,744	24,503	25,357
Interest on deposits	(431)	3,852	4,879	5,555
Other interest income	2,719	2,959	4,695	7,061
	14,306	19,555	34,077	37,973
Finance costs				
Bank borrowings	(107,096)	(92,071)	(210,952)	(180,181)
Amortisation of premiums for interest rate caps	(1,982)	(1,993)	(3,965)	(3,944)
Bank facilities and other charges	(334)	(370)	(789)	(834)
	(109,412)	(94,434)	(215,706)	(184,959)
Net cost	(95,106)	(74,879)	(181,629)	(146,986)
Foreign exchange gains/(losses)				
Borrowings				
- realized	1,694	(14,988)	(1,206)	(20,611)
- unrealized	(187,679)	(193,367)	(256,311)	(64)
- fair value movement recycled from cash flow hedge reserve	63,266	110,953	97,111	6,856
	(122,719)	(97,402)	(160,406)	(13,819)



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28. Income tax expense

Current taxation

The current taxation charge of RM6.3 million comprises tax payable on interest income.

Deferred taxation

An additional RM48.0 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 22 May 2013.

AirAsia Japan

There have not been any further changes in the status of the terminated joint venture relationship with ANA Holdings Inc. (formerly known as All Nippon Airways Co., Ltd.) since the announcement made on 25 June 2013.



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32. Borrowings and debt securities

	At 30/6/2013 RM'000	At 31/3/2013 RM'000
Current	844,289	1,126,154
Non-current	7,968,423	7,337,740
Total Debt	8,812,712	8,463,894

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



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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 30 June 2013, AirAsia Berhad has hedged approximately 59% of its dollar liabilities of its 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 3.2243.

(ii) Interest Rate Hedging

As at 30 June 2013, the Group has entered interest rate hedging transactions to hedge against fluctuations in the US\$ Libor on its existing and future aircraft financing for aircraft deliveries from 2005 up to 2013.

(iii) Fuel Hedging

As at 30 June 2013, the Group has entered into Singapore Jet Kerosene fixed swaps which represent up to 33% of the Group’s total budgeted fuel consumption for the second half of 2013 with a weighted average of price US\$123.39 per barrel.



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33. Derivative financial instruments (continued)

Type of derivatives	Notional Value as at 30/06/2013	Fair Value as at 30/06/2013 Assets/(Liabilities)
(i) Fuel contract	Barrels (million)	RM (million)
- less than 1 year	0.86	(19.40)
- 1 year to 3 years	-	-
Total	0.86	(19.40)
	RM (million)	RM (million)
(ii) Interest rate contracts		
- less than 1 year	-	-
- 1 year to 3 years	-	-
- more than 3 years	3,975.9	(305.68)
Total	3,975.9	(305.68)
	RM (million)	RM (million)
(iii) Foreign currency contracts		
- less than 1 year	-	-
- 1 year to 3 years	12.7	(0.25)
- more than 3 years	3,517.2	(0.41)
Total	3,529.9	(0.66)

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.



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34. 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 2013 and 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2013				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	5,075	-	5,075
Derivatives used for hedging	-	50,621	-	50,621
Available-for-sale financial assets				-
- Equity securities	225,102	-	278,392	503,494
Total Assets	225,102	55,696	278,392	559,190
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	102,509	-	102,509
Derivatives used for hedging	-	278,922	-	278,922
Total Liabilities	-	381,431	-	381,431
31 December 2012				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	3,548	-	3,548
Derivatives used for hedging	-	34,125	-	34,125
Available-for-sale financial assets				-
- Equity securities	-	-	308,792	308,792
Total Assets	-	37,673	308,792	346,465
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	136,861	-	136,861
Derivatives used for hedging	-	408,766	-	408,766
Total Liabilities	-	545,627	-	545,627



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34. 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.

In the current quarter, the Group's investment in Tune Ins Holdings Berhad ("TIH"), classified as available-for-sale financial assets, was listed on the Main Market of Bursa Securities Malaysia following an initial public offering of shares. This resulted in a transfer from a Level 3 instrument to a Level 1 instrument as the value is now observable in an active market.

	Equity Securities 30 June 2013 RM'000
Opening balance at 1 January 2013	308,792
Transfer to/(from) Level 3	(225,102)
Fair value gain recognised in other comprehensive income	194,702
Closing balance at 30 June 2013	278,392
Total gain for the financial period ended 30 June 2013 recognised in other comprehensive income	194,702



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35. Material litigation

As at 21 August 2013, there was no material litigation against the Group.

36. Proposed dividend

The Shareholders have approved a final single tier dividend of 6.0 sen per ordinary share on 2,780,510,580 ordinary shares for the year ended 31 December 2012, amounting to a dividend payable of RM166,830,635. The dividend was paid on 3 July 2013 to shareholders whose names appeared in the Record of Depositors at the close of business on 4 June 2013. As the dividend was approved in the quarter under review, the final single tier dividend of RM166,830,635 was recognized as a liability within Trade and Other Payables as at 30 June 2013.

The Directors do not recommend any dividend for the quarter ended 30 June 2013

37. 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 30/6/13	Preceding Year Quarter Ended 30/6/12	Current Year to Date 30/6/13	Preceding Year to Date 30/6/12
Net profit for the financial period (RM'000)	58,348	153,133	163,141	325,567
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,780,429	2,778,804	2,780,429	2,778,804
Adjusted for share options granted ('000)	2,056	3,387	2,056	3,387
Adjusted weighted average number of ordinary shares ('000)	2,782,485	2,782,191	2,782,485	2,782,191
Basic earnings per share (sen)	2.1	5.5	5.9	11.7
Diluted earnings per share (sen)	2.1	5.5	5.9	11.7



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(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.

38. 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
21 August 2013