



AIRASIA BERHAD
(Company No. 284669-W)
(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 30 JUNE 2005

ANNOUNCEMENT

The Board of Directors of AirAsia Berhad (“AirAsia” or the Company) is pleased to announce the following unaudited consolidated results for the fourth quarter ended 30 June 2005. This is the fourth quarterly announcement made by AirAsia to the Bursa Malaysia Securities Berhad since its listing on 22 November 2004.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT YEAR QUARTER 30/06/2005	YEAR CORRESPONDING QUARTER 30/06/2004	CURRENT YEAR PERIOD 30/06/2005	YEAR CORRESPONDING PERIOD 30/06/2004
	RM'000	RM'000	RM'000	RM'000
Revenue	199,508	N/A	666,250	392,690
Cost of Sales	(155,451)	N/A	(472,937)	(279,119)
Gross profit from operations	44,057	N/A	193,313	113,571
Other operating expenses	(12,029)	N/A	(50,840)	(45,335)
Other operating income	2,338	N/A	19,186	4,563
Profit from operations	34,366	N/A	161,659	72,799
Finance costs	(404)	N/A	(4,130)	(3,131)
Depreciation and amortisation	(7,567)	N/A	(26,715)	(11,481)
Share of results of jointly controlled company	(211)	N/A	(5,336)	(116)
Profit before taxation	26,184	N/A	125,478	58,071
Taxation	(650)	N/A	(1,804)	(439)
Deferred taxation	(9,500)	N/A	(12,500)	(8,613)
Profit after taxation	16,034	N/A	111,174	49,019
Add: minority interests	74	N/A	461	48
Profit after taxation and minority interests attributable to shareholders	16,108	N/A	111,635	49,067
Basic earnings per share (sen)	0.76	N/A	5.28	64.3
Diluted earnings per share (sen)	0.75	N/A	5.21	28.1

This Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2004



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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2005

	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2005 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 30/06/2004 RM'000
NON CURRENT ASSETS		
Property, plant & equipment	223,629	158,456
Investment in an associate/jointly controlled company	6,805	86
Other investments	91	108
Goodwill	7,334	0
Deferred expenditure	14,687	4,369
	252,546	163,019
CURRENT ASSETS		
Deferred share issue expenses	0	2,741
Inventories (at cost)	4,680	3,947
Trade and other receivables	276,453	113,947
Aircraft deposits	182,414	0
Amount owing by an associate/jointly controlled company	70,805	202
Deposits, bank and cash balances	337,026	66,147
	871,378	186,984
CURRENT LIABILITIES		
Trade and other payables	155,986	102,146
Amount owing to jointly controlled company	202	202
Hire purchase payables	148	128
Borrowings (secured)	0	47,728
Current tax liabilities	798	439
	157,134	150,643
NET CURRENT ASSETS	714,244	36,341
NON CURRENT LIABILITIES		
Deferred tax liabilities	13,613	1,113
Hire purchase payables	230	239
Borrowings (secured)	0	47,728
	13,843	49,080
	952,947	150,280
CAPITAL AND RESERVES		
Share capital	233,503	175,127
Share premium	698,601	65,959
Retained Earnings / Accumulated losses	20,829	(90,806)
Shareholders' funds	952,933	150,280
Minority interest	14	0
	952,947	150,280
	0.41	0.86

*NET TANGIBLE ASSETS PER SHARE (RM)

*Net tangible assets per share calculation for the quarter under review included the effect of share split of one existing ordinary share of RM1.00 each in the Company into 10 new ordinary shares of RM0.10 each on 6 Oct 2004

This Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2004



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CURRENT YEAR ENDED 30/06/2005 RM'000	PRECEDING YEAR ENDED 30/06/2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operations before taxation	125,478	58,071
Adjustments:		
Interest expense	4,130	1,236
Share of results of jointly controlled company	5,335	-
Amortisation of deferred expenditure	10,479	1,442
Write-off of plant and equipment	-	12
Loss/(gain) on disposal of investments	-	218
Loss on disposal of property, plant & equipment	26	-
Provision for maintenance	-	15,375
Depreciation of property, plant and equipment	26,715	11,481
Interest income	(9,331)	(1,569)
	162,832	86,266
Changes in operating assets and liabilities		
Increase in inventories	(733)	(1,754)
Increase in trade and other receivables	(344,919)	(67,279)
Increase in trade and other payables	33,135	11,503
	(149,685)	28,736
Cash generated from operations		
Interest paid	(4,130)	(1,236)
Interest received	9,331	1,544
Tax paid	(1,520)	(125)
Net cash from operating activities	(146,004)	28,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(91,879)	(149,901)
Net cashflow on acquisition of subsidiary company	(18,914)	-
Proceeds from disposal of fixed assets	104	-
Proceeds from disposal of investments	-	6,053
Amount due from associated companies	(70,603)	-
Net cash used in investing activities	(181,292)	(143,848)
CASH FLOWS FROM FINANCING FACILITIES		
Hire purchase instalments paid	(129)	(66)
Issuance of shares	717,438	52,183
Share listing expenses	(23,679)	-
Fixed deposits pledged as securities	(8,795)	(6,597)
Proceeds from borrowings	-	95,456
Repayment of loans	(95,456)	-
Net cash from financing activities	589,379	140,976
NET INCREASE FOR THE FINANCIAL YEAR	262,083	26,047
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	58,589	32,542
*CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	320,672	58,589

* The balance at end of financial year excludes fixed deposits of RM16.3 million (2004: RM7.6million) pledged with licensed bank 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 30 June 2004



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
 CHANGES IN EQUITY**

	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable			Distributable	
	Number of shares '000	Nominal value RM'000	RCPS* RM'000	Share premium RM'000	Share application monies RM'000	Accumulated losses RM'000	TOTAL RM'000
12 months ended 30/06/04							
At 1 July 2003	52,070	52,070	109,216	-	27,617	(139,873)	49,030
*Conversion of RCPS	109,216	109,216	(109,216)	-	-	-	-
Issuance of shares	13,841	13,841	-	65,959	(27,617)	-	52,183
Net Profit	-	-	-	-	-	49,067	49,067
At 30 June 2004	175,127	175,127	-	65,959	-	(90,806)	150,280
12 months ended 30/06/05							
At 1 July 2004	175,127	175,127	-	65,959	-	(90,806)	150,280
**Share split	1,576,143	-	-	-	-	-	-
Issuance of shares	583,760	58,376	-	659,062	-	-	717,438
Listing expenses	-	-	-	(26,420)	-	-	(26,420)
Net Profit	-	-	-	-	-	111,635	111,635
At 30 June 2005	2,335,030	233,503	-	698,601	-	20,829	952,933

* Redeemable Cumulative Preference Shares of RM1.00 each

** Share split of one existing ordinary share of RM1.00 each in the Company into 10 new ordinary shares of RM0.10 each on 6 Oct 2004

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2004



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KEY OPERATING STATISTICS – 30 JUNE 2005

PERFORMANCE INDICATOR	Q3-2005 ACTUAL	Q4-2005 ACTUAL
EBITDAR Margin	35%	23%
EBIT Margin	24%	13%
Net Income Margin	25%	8%
RPK (million)	1,187	1,447
ASK (million)	1,650	1,903
Rev/RPK (sen)	13.81	13.79
Cost/ASK (sen)	8.06	9.13
Cost/ASK (sen) without fuel	3.81	4.78
No. of Flights	10,402	11,317
Load Factor	72%	76%
Aircraft in operation (End of Month)	20.00	19.00
Average number of aircraft (operation)	17.07	17.56
Number of Pax	1,099,596	1,203,459
Average fare (RM)	143	150



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UNAUDITED NOTES TO THE ACCOUNTS – 30 JUNE 2005

1. *(A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change)*

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) No. 134 – Interim Financial Reporting and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Malaysia). There is no preceding year corresponding quarter comparative as the Group is still within its first year of listing on Bursa Malaysia. The financial statements should be read in conjunction with the Group's most recent audited financial statements for the year ended 30 June 2004.

The accounting policies and methods of computation used in the Group's annual financial statements for the financial year ended 30 June 2004 have been used in the preparation of the interim financial statements.

2. *(Where the audit report of the enterprise's preceding annual financial statements was qualified, disclosure of the qualification and the current status of the matter(s) giving rise to the qualification)*

The audit report of the Group's annual financial statements for the financial year ended 30 June 2004 was not subject to any qualification.

3. *(Explanatory comments about the seasonality or cyclical nature of interim operations)*

AirAsia is principally involved in the provision of air transportation services and thus, is subject to the seasonal demand for air travel. The passenger load factor of our fourth quarter was 76%, which was 4% higher than the immediately preceding quarter due to higher demand for air travel during the months from April to June. This pattern is in line with the forecast and expectation of the Group.

4. *(The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidence)*

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter or the financial year.



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5. *(The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period)*

There have been no changes in the basis of estimates provided in respect of the financial year under review.

6. *(Issuance, cancellations, repurchases, resale and repayments of debt and equity securities)*

The Group's borrowings which comprised secured revolving credit and term loan amounting to RM95.4 million, have been fully repaid on 4 January 2005 and 31 January 2005 respectively. Other than the above, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation or shares held as treasury shares and resale of treasury shares in the year under review.

7. *(Dividends paid (aggregate or per share) separately for ordinary shares and other shares)*

There were no dividends paid during the quarter under review.

8. *(Segment revenue and segment result for business segments or geographical segments, whichever is the enterprise's primary basis of segment reporting [disclosure of segment data is required in an enterprise's interim financial report only if MASB 22, Segment Reporting, requires that enterprise to disclose segment data in its annual financial statements])*

Segmental information is not presented as there are no significant business segments other than the provision of air transportation services. The financial results for the quarter under review include our share of results from our operations in Thailand and Indonesia, via our joint venture and associated companies, Thai AirAsia Co. Ltd. and PT Awair International respectively. However, the financial results from our operations in Thailand and Indonesia are insignificant as compared to the operations of the Group. The Group's operations are conducted predominantly in Malaysia.



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9. *(Where valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements, a statement to that effect should be given)*

There was no revalued property, plant and equipment during the quarter under review or as at 30 June 2005.

10. *(Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period)*

There were no material events subsequent to the end of the quarter that have not been reflected in the financial statements for the quarter.

11. *(The effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations)*

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

12. *(Changes in contingent liabilities or contingent assets since the last annual balance sheet date)*

The Company has made an application to the Government for the waiver of withholding tax payable on certain lease payments for aircraft made prior to 30 June 2001. The Directors are of the opinion that the Company's application will receive due consideration from the Government and that a favorable response will be granted.

In the event that the application is not successful, the potential shortfall of the provision for withholding tax payable as at 30 June 2005 is approximately RM2.3 million, which has not been provided for in the financial year. This was disclosed in the Company's Initial Public Offering ("IPO") prospectus dated 20 October 2004.

The above amount will be provided if the approval of the application is not obtained by the date of the signed audited accounts for the year ended 30 June 2005.



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There have been no material changes in contingent liabilities since the last audited balance sheet date as at 30 June 2004.

13. *Commitments*

(a) Capital commitments for property, plant and equipment:

	<u>Group and Company</u>	
	<u>2005</u>	<u>2004</u>
	RM'000	RM'000
Approved and contracted for	8,037,544	29,760

(b) Non-cancelable operating leases

The future minimum lease payments under non-cancelable operating leases are:

	<u>Group and Company</u>	
	<u>2005</u>	<u>2004</u>
	RM'000	RM'000
Not later than 1 year	90,995	58,319
Later than 1 year and not later than 5 years	258,926	185,662
Later than 5 years	44,631	58,240
	<u>394,552</u>	<u>302,221</u>

14. *(A review of the performance of the company and its principal subsidiaries, setting out material factors affecting the earnings and/or revenue of the company and the group for the current quarter and financial year-to-date)*

The Group recorded revenue of RM199.5 million and profit before tax of RM26.2 million respectively for the quarter. For the financial year under review, the Group recorded revenue of RM666.3 million and profit before tax of RM125.5 million respectively.



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The results for the quarter under review were affected by fewer than expected number of aircraft in operation and higher fuel and staff costs. AirAsia has implemented a fuel surcharge with effect from July 2005 to mitigate against the increase in fuel costs. Staff costs were higher during the quarter under review as compared to the previous quarter as technical crews were hired in anticipation of the arrival of new aircraft.

Kindly also refer to Key Operating Statistics on page 5.

15. *(An explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter)*

The Group achieved a profit before tax of RM26.2 million for the quarter under review. This was a decrease of RM16.7 million compared to that of the immediately preceding quarter ended 31 March 2005. The decrease in profit was mainly due to higher fuel costs of 17.9%, higher staff costs by 20.1% and major overhaul costs by 207.6% compared to the immediate preceding quarter. The higher staff costs were due to the technical crew hired in anticipation of the arrival of new aircraft. Due to the unforeseen circumstances, the delivery of aircraft was delayed. The higher maintenance and overhaul costs were mainly from engines due for maintenance and major overhauls incurred during this quarter.

16. *(A commentary on the prospects, including the factors that are likely to influence the company's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter)*

The cost of jet fuel remains a real concern in view of the fact that fuel prices have continuously increased on a steady upward trend. The Board does not anticipate fuel prices falling significantly and is of the view that they will remain at high levels in the short term.

Barring unforeseen circumstances and the timely delivery of aircraft, the Directors remain positive about the future prospects for the Group.



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17. *An explanatory note for any (only applicable to the final quarter for companies which have provided a profit forecast or profit guarantee in a public document):-*
- (a) *variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%);*
- (b) *shortfall in the profit guarantee.]*

	As per IPO Forecast 30 June 2005 (RM'000)	Current year ended 30 June 2005 (Unaudited) (RM'000)	Variance (%)
Revenue	746,596	666,250	10.8%
Consolidated profit before taxation	172,804	125,478	27.4%
Less: Taxation	(11,578)	(14,304)	
Consolidated profit after taxation	161,226	111,174	
Less: Minority interest	(1,344)	461	
Consolidated profit after taxation and minority interest	159,882	111,635	30.2%

The non-achievement of the Profit Forecast is primarily due to the following factors:-

- a) Fewer than expected number of aircraft deployed

In the Profit Forecast, it was assumed that the Company and its subsidiary and associated companies (“AirAsia Group/Group”) would increase its fleet in Malaysia from 13 aircraft as at 30 June 2004 to 25 aircraft as at 30 June 2005. The fleet size in Thailand was assumed to comprise 11 aircraft by 30 June 2005.

It was also assumed that the average number of aircraft for the financial year ended 30 June 2005 to be 19.3 aircraft and 7.0 aircraft for the Malaysian and Thailand operations respectively.



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As previously announced to Bursa Malaysia, the performance of the Group has been affected by delays in aircraft deployment due to the tightening of the used B737-300 lease market which has led to higher lease rates as compared to the rates assumed in the Profit Forecast. Given that our success thus far was primarily due to our ability to maintain a low cost structure and coupled with the impending aircraft delivery from Airbus in as early as second quarter of financial year ending 30 June 2006, we were unwilling to make a commitment for a higher lease rate for the B737 300 aircraft.

The number of aircraft deployed as at 30 June 2005 and the average number of aircraft deployed for the financial year ended 30 June 2005 for the Malaysian and Thailand operations are set out below:-

Operations	Total number of aircraft as at 30 June 2005	Average number of aircraft deployed for the financial year ended 30 June 2005		Shortfall in the number of aircraft deployed
		Forecast (A)	Actual (B)	
				A less B
Malaysia	19	19.3	16.3	3.0
Thailand	6	7.0	5.1	1.9

The shortfall in the average number of aircraft deployed has consequently affected the achievement of other assumptions used in the preparation of the Profit Forecast such as number of passengers carried, revenue passenger kilometers (RPK), available seat kilometers (ASK) etc.

b) Higher fuel costs

In October 2004, the average aircraft jet fuel cost of the Malaysian operations, after taking into account the effect of hedging was assumed to be USD42.00 per barrel for the first half to 31 December 2004 and USD36.96 per barrel for the second half to 30 June 2005. The actual average fuel cost was USD43.95 per barrel and USD46.28 per barrel for the first half to 31 December 2004 and the second half to 30 June 2005 respectively.



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- c) Share of losses of jointly controlled company – Thai AirAsia Co Ltd (“Thai AirAsia”)

It was previously expected that Thai AirAsia could contribute a profit after taxation of approximately RM14.0 million to the Group Profit Forecast. However, for the financial year ended 30 June 2005, we had to equity account approximately RM5.3 million of share of losses of Thai AirAsia.

Thai AirAsia has not been able to meet its profit forecast due to domestic competition and several unforeseen circumstances. The air travel sentiments have been dampened by the unexpected Tsunami disaster, multiple earth quakes off Sumatra and unrest in southern Thailand that happened in the 2nd and 3rd quarter of the financial year ended 30 June 2005. In addition, Thai AirAsia was also affected by the high fuel price and fewer aircraft than forecast due to the reasons as mentioned in parts (a) and (b) above.

18. *(A breakdown of the tax charge and an explanation of the variance between the effective and statutory tax rate for the current quarter and financial year-to-date)*

	Current Quarter 30 June 2005 RM ‘000	Cumulative Period 30 June 2005 RM ‘000
<u>Group</u>		
Current tax	650	1,804
Deferred tax	9,500	12,500
	10,150	14,304

The effective tax rate of the Group for the financial year-to-date was lower than the statutory tax rate primarily due to utilisation of previously unrecognised temporary differences.

The Directors have made an assumption that the Company’s application to obtain tax exemptions under Section 127(3) of the Income Tax Act 1967 will receive due consideration from the Malaysian Government and that a favorable response will be granted for a period commencing 1 July 2004. This was disclosed in the Company’s IPO prospectus dated 20 October 2004.



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In the event that the application is not successful, the potential shortfall in the provision for taxation for the financial year ended 30 June 2005 is estimated to be approximately RM10.0 million.

The above amount will be provided if the approval of the application is not obtained by the date of the signed audited accounts for the year ended 30 June 2005.

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

19. *(The amount of profits/(losses) on any sale of unquoted investments and/or properties respectively for the current quarter and financial year-to-date)*

There was no sale of unquoted investments or properties for the quarter and financial year.

20. *(The following particulars of any purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies by all companies except closed-end funds, a company whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia, Member Companies and such other companies as may be exempted by the Exchange:*

(a) Total purchase consideration and sale proceeds of quoted securities for the current quarter and financial year-to-date and profit/loss arising therefrom;

(b) Investments in quoted securities as at the reporting period:-

- (i) at cost;*
- (ii) at carrying value/book value; and*
- (iii) at market value).*

There were no purchases or disposals of quoted securities for the quarter and financial year.



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21. (a) *The status of corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.*
- (b) *Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal)*

There were no corporate proposals announced but not completed as at 22 August 2005 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

The IPO proceeds were received on 23 November 2004. The amount of RM717.4 million was derived from the issuance of 443,655,900 new shares at RM1.25 each to institutional investors and 140,101,900 new shares at the retail price of RM1.1625 each to the Malaysian public, eligible Directors and employees of the Company and its subsidiary and persons who have contributed to the success of the Group. As at 22 August 2005, the following are the details of the utilization of the IPO proceeds:-

	Proposed Utilization of IPO proceeds	Utilised to date	Balance
	RM'000	RM'000	RM'000
Repayment of bank borrowings	94,240	94,240	0
Capital expenditure	100,000	74,926	25,074
Estimated listing expenses	35,500	26,420	9,080
Working capital	487,699	212,817	274,882
	717,439	408,403	309,036



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22. *(The group borrowings and debt securities as at the end of the reporting period:-*
- (a) Whether secured or unsecured, and a breakdown between secured and unsecured, if applicable;*
 - (b) Breakdown between short term and long term borrowings; and*
 - (b) Whether denominated in foreign currency, and a breakdown of the debt/borrowings in each currency, if applicable)*

The Group has no outstanding borrowings or debt securities as at the end of the financial period under review.

23. *(A summary of off balance sheet financial instruments by type and maturity profile at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report, including the following information:-*
- (a) the face or contract amount (or notional principal amount if there is no face or contract amount); and*
 - (b) the nature and terms, including at a minimum, a discussion of:*
 - (i) the credit and market risk of those instruments;*
 - (ii) the cash requirement of those instruments; and*
 - (iii) the related accounting policies)*

The Company has forward contracts with fair value of RM76.0 million and RM45.0 million for the purchase of jet fuel which matures on 31 December 2005 and 30 June 2006 respectively. These contracts are to be settled in US Dollars.

The recognition of the unrealised gain or loss on forward contract (if any) is deferred until the purchase of fuel is transacted.

24. *(Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date which shall be made up to a date not earlier than 7 days from the date of issue of the quarterly report)*

Save as disclosed in Note 12, there has been no material change in the contingent liabilities since the last audited balance sheet as at 30 June 2004.



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FOURTH QUARTER REPORT ENDED 30 JUNE 2005

UNAUDITED NOTES TO THE ACCOUNTS – 30 JUNE 2005

There was no pending material litigation as at 22 August 2005 (a date not earlier than 7 days from the date of issue of this quarterly report) since the last annual balance sheet date.

25. *(Dividend: To be completed if a decision regarding dividend has been made. (State whether dividend amount is before tax, net of tax or tax exempt and if before tax or net of tax, state the tax rate):*

- (a) (i) *an interim/final ordinary dividend has/has not been declared/recommended;*
- (ii) *the amount per share ... sen;*
- (iii) *the previous corresponding period ... sen;*
- (iv) *the date payable ...; and*
- (v) *in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at ... dd/mm/yyyy; and*

(b) *the total dividend for the current financial year ... sen*

The Board of Directors does not recommend any interim/final dividend for the quarter and financial year.

26. *(To disclose the following in respect of earnings per share:-*

- (a) *the amount used as the numerator in calculating basic and diluted earnings per share and a reconciliation of those amounts to the net profit or loss for the reporting period; and*
- (b) *the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of these denominators to each other)*

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.



AIRASIA BERHAD
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FOURTH QUARTER REPORT ENDED 30 JUNE 2005

UNAUDITED NOTES TO THE ACCOUNTS – 30 JUNE 2005

	Current Quarter 30 June 2005	Cumulative Year 30 June 2005	Cumulative Year 30 June 2004
Net profit for the financial period (RM'000)	16,108	111,635	49,067
Weighted average number of ordinary shares in issue ('000)	2,115,407	2,115,407	76,338
Basic earnings per share (sen)	0.76	5.28	64.27

Diluted earnings per share

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

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



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	Current Quarter 30 June 2005	Cumulative Year 30 June 2005	Cumulative Year 30 June 2004
Net profit for the financial period (RM'000)	16,108	111,635	49,067
Weighted average number of ordinary shares in issue for diluted EPS ('000)	2,115,407	2,115,407	76,338
Adjusted for share options granted ('000)	26,739	26,739	98,145
Adjusted weighted average number of ordinary shares ('000)	<u>2,142,146</u>	<u>2,142,146</u>	<u>174,483</u>
Diluted earnings per share (sen)	0.75	5.21	28.12

By order of the Board

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)
COMPANY SECRETARY
25 August 2005