



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 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 third quarter ended 30 September 2013.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Revenue	10	1,280,293	1,237,503	3,835,183	3,587,462
Operating expenses:					
- Staff costs		(137,276)	(138,693)	(444,922)	(413,532)
- Depreciation of property, plant and equipment		(164,823)	(144,534)	(474,022)	(413,208)
- Aircraft fuel expenses		(538,143)	(473,377)	(1,559,285)	(1,397,210)
- Maintenance and overhaul		(42,444)	(39,206)	(119,388)	(89,033)
- User charges and other related expenses		(129,481)	(109,523)	(372,625)	(331,689)
- Aircraft operating lease expenses		(48,771)	(39,255)	(139,502)	(117,937)
- Other operating expenses		(32,224)	(51,030)	(119,970)	(141,511)
Other (losses)/gains - net	11	27,439	32,711	65,858	(1,254)
Other income	12	52,627	6,583	81,801	44,988
Share of results of jointly controlled entities	23	9,911	3,588	6,365	(8,422)
Share of results of associates	23	13,953	9,004	67,707	15,662
Share of results of discontinued associates		-	(16,610)	(41,032)	(27,749)
Operating Profit		291,061	277,161	786,168	706,567
Finance Income	27	16,394	20,479	50,471	58,452
Finance Costs	27	(106,343)	(96,617)	(322,049)	(281,577)
Net operating profit		201,112	201,023	514,590	483,442
Foreign Exchange gain/(loss) on borrowings	27	(185,885)	100,829	(346,291)	87,010
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities		9,884	(42,749)	23,001	(39,486)
Gain on disposal of interest in Japan AirAsia		-	-	78,265	-
Gain on disposal of interest in Thai AirAsia		-	-	-	118,640
Profit before tax		25,111	259,103	269,565	649,606
Current Taxation	28	(3,210)	(4,376)	(13,688)	(15,752)
Deferred taxation	28	13,581	(96,917)	(57,254)	(147,654)
Profit after tax		35,482	157,810	198,623	486,200
Attributable to:					
-Equity holders of the company		35,482	157,810	198,623	486,200
-Minority interests		-	-	-	-
		35,482	157,810	198,623	486,200
Basic earnings per share (sen)		1.3	5.7	7.1	17.5
Diluted earnings per share (sen)		1.3	5.7	7.1	17.5

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Profit for the period	35,482	157,810	198,623	486,200
Other comprehensive income				
Available-for-sale financial assets	119,542	-	314,244	-
Cash flow hedges	74,827	45,787	121,517	18,448
Foreign currency translation differences	-	-	-	-
Total comprehensive income for the period	229,851	203,597	634,384	504,648
Total comprehensive income attributable to:				
Equity holders of the company	229,851	203,597	634,384	504,648
Minority Interest	-	-	-	-



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	YEAR ENDED
	30/09/2013 RM'000	31/12/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	269,565	962,556
Adjustments:		
Property, plant and equipment		
- Depreciation	474,022	567,176
- Gain on disposal	(3,037)	(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)	-
Fair value (gains)/losses on derivative financial instruments	(248,225)	95,308
Share of results of jointly-controlled entities	(6,365)	2,899
Share of results of associates	(26,675)	(1,329)
Net unrealised foreign exchange (gain)/loss	506,480	(205,524)
Interest expense	322,049	378,808
Interest income	(50,471)	(79,391)
	1,159,078	1,592,536
Changes in working capital		
Inventories	(647)	(3,995)
Receivables and prepayments	127,269	(268,116)
Trade and other payables	(191,322)	315,856
Intercompany balances	(95,334)	28,948
Cash generated from operations	999,044	1,665,229
Interest paid	(322,049)	(378,808)
Interest received	50,471	79,391
Tax paid	(6,652)	(10,856)
Net cash from operating activities	720,814	1,354,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(1,055,544)	(1,772,597)
- Proceeds from disposal	4,491	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	(1,077,014)	(1,935,531)
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	1,207	1,967
Proceeds from borrowings	1,262,946	1,533,298
Dividend paid	(667,214)	(138,957)
Repayment of borrowings	(992,674)	(662,376)
Deposits pledged as securities	(697)	(1,094)
Net cash from / (used in) financing activities	(396,432)	732,838
NET INCREASE FOR THE FINANCIAL PERIOD/YEAR	(752,632)	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*	1,466,611	2,219,243

* The balance at end of financial period excludes fixed deposits of RM14.19 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
		30/09/2013	31/12/2012
	Note	RM'000	RM'000
NON CURRENT ASSETS			
Property, plant and equipment	15	10,366,098	9,786,030
Investment in associates	23	218,944	162,844
Investment in a jointly controlled entity	23	127,120	120,755
AFS Financial Assets		623,036	308,792
Goodwill		7,334	7,334
Deferred tax assets		304,141	361,396
Receivables and prepayments		-	28,141
Deposit on aircraft purchase		548,120	483,795
Amounts due from an associate		460,613	449,578
Derivative Financial Instruments	33	186,164	37,673
		12,841,570	11,746,338
CURRENT ASSETS			
Inventories		24,372	23,725
Receivables and prepayments		1,274,829	1,357,094
Amounts due from a jointly controlled entity		5,748	10,765
Amount due from associates		425,552	331,407
Amount due from a related party		29,350	1,282
Deposits, bank and cash balances		1,480,796	2,232,731
Derivative Financial Instruments	33	556	-
		3,241,203	3,957,004
CURRENT LIABILITIES			
Trade and other payables		1,040,718	1,295,065
Sales in advance		611,326	546,150
Derivative Financial Instruments	33	4,238	35,419
Amount due to associate		-	29,032
Amount due to a related party		72,025	12,639
Borrowings	32	899,357	1,126,154
Current tax liabilities		3,315	5,122
		2,630,979	3,049,581
NET CURRENT ASSETS			
		610,224	907,423
NON CURRENT LIABILITIES			
Borrowings	32	8,302,355	7,283,185
Derivative Financial Instruments	33	320,694	510,208
		8,623,049	7,793,393
		4,828,745	4,860,368
CAPITAL AND RESERVES			
Share capital	7	278,102	277,991
Share Premium		1,229,031	1,227,935
Foreign exchange reserve		451	451
Retained earnings		2,762,989	3,231,580
Other Reserves		558,172	122,411
Shareholders' funds		4,828,745	4,860,368
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.74	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	-	-	-	-	-	-	198,623	198,623	-	198,623
Dividends paid and approved	-	-	-	-	-	-	(667,214)	(667,214)	-	(667,214)
Other comprehensive income	-	-	-	-	121,517	314,244	-	435,761	-	435,761
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	1,118	111	1,096	-	-	-	-	1,207	-	1,207
At 30 Sept 2013	2,781,026	278,102	1,229,031	451	23,369	534,803	2,762,989	4,828,745	-	4,828,745
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 SEPTEMBER 2013

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

Quarter Ended: 30 September	Jul - Sep 2013	Jul - Sep 2012	Change y-o-y
Passengers Carried	5,262,752	4,748,604	11%
Capacity	6,874,920	6,189,480	11%
Seat Load Factor	77%	77%	0 ppt
RPK (million)	6,118	5,505	11%
ASK (million)	7,828	7,077	11%
Average Fare (RM)	169	191	-12%
Ancillary Income Per Pax (RM)	41	41	0%
Unit Passenger Revenue (RM)	210	232	-9%
Revenue / ASK (sen)	16.35	17.49	-6%
Revenue / ASK (US cents)	5.01	5.36	-6%
Cost / ASK (sen)	12.64	13.57	-7%
Cost / ASK (US cents)	3.87	4.16	-7%
Cost / ASK-ex Fuel (sen)	5.76	6.88	-16%
Cost / ASK-ex Fuel (US cents)	1.77	2.11	-16%
Aircraft (end of period)	66	59	12%
Average Stage Length (km)	1,157	1,145	1%
Number of Flights	38,194	34,386	11%
Fuel Consumed (Barrels)	1,253,439	1,180,045	6%
Average Fuel Price (US\$ / Barrel)	132	123	7%

Exchange Rate: RM:USD – 3.2628 - 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 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 SEPTEMBER 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 previous 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 SEPTEMBER 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 77% in the quarter under review consistent with the same period last year. Compared against the immediate preceding quarter (second quarter April – June 2013), the seat load factor was 3 percentage points lower. This seasonal pattern is in line with the expectation of the Group.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date.

6. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter and financial period-to-date results.

7. Capital and reserves

During quarter ended 30 September 2013, the total issued and paid-up share capital of the Company increased from RM278,065,658 to RM278,102,458 from the issuance of 368,000 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 September 2013.

8. Dividend paid

No dividends were declared or approved in the quarter ended 30 September 2013.

9. Segment reporting

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



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NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2013

10. Revenue

	Quarter ended 30/9/2013 RM million	Quarter ended 30/9/2012 RM million
Passenger seat sales	741.8	811.4
Baggage fees	112.0	98.5
Aircraft operating lease income	175.9	136.7
Surcharges and fees	147.0	99.8
Other revenue	103.6	91.1
	<u>1,280.3</u>	<u>1,237.5</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 September 2013 as compared to 30 June 2013, and are detailed below:

	Quarter ended 30/9/2013 RM million	Quarter ended 30/6/2013 RM million
Gain/(loss) from foreign currency contracts	30.7	0.5
Gain/(loss) from interest rate contracts	(3.3)	33.3
	<u>27.4</u>	<u>33.8</u>

The above gains and losses arise from the movement in exchange rates (principally RM:US\$) and interest rates 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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NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2013

12. Other Income

	Quarter ended 30/9/2013 RM million	Quarter ended 30/9/2012 RM million
Gain on disposal of property, plant and equipment	14.8	(0.3)
Others	37.8	6.9
	<u>52.6</u>	<u>6.6</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 September 2013 as compared to 30 June 2013 as follows:

	Quarter ended 30/9/2013 RM million	Quarter ended 30/6/2013 RM million
Fair value gain/(loss) in the period	119.5	54.8
Amount transferred to income statement	74.8	4.0
	<u>194.3</u>	<u>58.8</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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NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2013

14. Disclosure of Realised and Unrealised Profits

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

	As at 30/9/2013 RM million	As at 31/12/2012 RM million
Total retained profit of AirAsia Berhad and its subsidiaries		
Realised	2,158,009	2,196,856
Unrealised	583,349	1,046,133
	<u>2,741,358</u>	<u>3,242,989</u>
Total share of accumulated gains/(losses) from associates		
Realised	18,239	(8,436)
Unrealised	-	-
	<u>18,239</u>	<u>(8,436)</u>
Total share of accumulated gains/(losses) from jointly controlled entities		
Realised	3,392	(2,973)
Unrealised	-	-
	<u>3,392</u>	<u>(2,973)</u>
Total group retained profit as per consolidated accounts	<u>2,762,989</u>	<u>3,231,580</u>

15. Property, plant and equipment

(a) acquisition and disposals

During the quarter ended 30 September 2013, the Group acquired property, plant and equipment with a cost of RM379.6 million (quarter ended 30 September 2012: RM369.4 million).

During the quarter ended 30 September 2013, proceeds from disposal of property, plant and equipment totaled RM4.5 million (quarter ended 30 September 2012: RM141.4 million).



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(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.

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 September 2013 as at the date of this report.

17. Changes in composition of the Group

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

18. Contingent assets

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

19. Changes in contingent liabilities since the last annual balance sheet date

There were no material changes in contingent liabilities since the latest audited financial statements of the Group for the financial year ended 31 December 2012.

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

Capital commitments for property, plant and equipment:

	Group and Company	
	<u>30/9/2013</u>	<u>30/9/2012</u>
	RM'000	RM'000
Approved and contracted for	51,829,846	38,051,625
Approved but not contracted for	14,667,750	14,009,402
	-----	-----
	66,497,596	52,061,027
	=====	=====



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NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2013

21. Material related party transactions

Details of the relationship and transactions between AirAsia and its related parties are as described below. The related party transactions described were carried out on the terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

Name of company	Relationship
Thai AirAsia	An associate of the Company
PT Indonesia AirAsia	An associate of the Company
AirAsia X Sdn. Bhd.	An investment with common shareholders and directors of the Company
AirAsia Inc (Philippines)	An associate of the Company
AirAsia Japan Co. Ltd	An associate of the Company
Asian Aviation Centre of Excellence Sdn Bhd	A jointly controlled entity of the Company
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 30/9/2013 RM million	Quarter ended 30/9/2012 RM million
Thai AirAsia		
Lease rental income on aircraft	84,898	78,173
Indonesia AirAsia		
Lease rental income on aircraft	67,910	44,685
Philippines AirAsia		
Lease rental income on aircraft	7,145	6,806
Japan AirAsia		
Lease rental income on aircraft	15,979	6,964
AirAsia X Berhad		
Services charged to AirAsia X Berhad	1,657	1,699
Asian Aviation Centre of Excellence Sdn Bhd		
Training costs charged to AirAsia Berhad	(4,515)	(3,138)



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NOTES TO THE UNAUDITED ACCOUNTS – 30 SEPTEMBER 2013

22. Review of performance

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

Quarter Ended: 30 September RM'000	Jul - Sep 2013	Jul - Sep 2012
Revenue	1,280,293	1,237,503
Operating expenses:		
- Staff costs	(137,276)	(138,693)
- Depreciation of property, plant and equipment	(164,823)	(144,534)
- Aircraft fuel expenses	(538,143)	(473,377)
- Maintenance and overhaul	(42,444)	(39,206)
- User charges and other related expenses	(129,481)	(109,523)
- Aircraft operating lease expenses	(48,771)	(39,255)
- Other operating expenses	(32,224)	(51,030)
Other (losses)/gains - net	27,439	32,711
Other income	52,627	6,583
Share of results of jointly controlled entities	9,911	3,588
Share of results of associates	13,953	9,004
Share of results of discontinued associates	-	(16,610)
Operating Profit	291,061	277,161
Finance Income	16,394	20,479
Finance Costs	(106,343)	(96,617)
Net operating profit	201,112	201,023
Foreign Exchange gain/(loss) on borrowings	(185,885)	100,829
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities	9,884	(42,749)
Profit before tax	25,111	259,103
Current Taxation	(3,210)	(4,376)
Deferred taxation	13,581	(96,917)
Profit after tax	35,482	157,810
EBITDAR	504,655	460,950
EBITDAR Margin	39%	37%
EBIT Margin	23%	22%



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The Group recorded revenue of RM1,280.3 million for the quarter ended 30 September 2013 (“3Q13”), 3% higher than the revenue of RM1,237.5 million recorded in the quarter ended 30 September 2012 (“3Q12”). The revenue growth was supported by a 11% growth in passenger volume while the average fare was down 12% at RM169 as compared to RM191 achieved in 3Q12. Ancillary income per passenger year-on-year increased from RM40 to RM41. The seat load factor was at 77% in the same period last year.

The profit before tax for the period was RM25.1 million compared to RM259.1 million in the same quarter of 2012 while the profit after tax for the period was RM35.5 million compared to RM157.8 million in the same quarter of 2012.

Cashflow commentary for current quarter against immediately preceding quarter

Net Cash Flow (RM'000)	Jul - Sept 2013	Apr - June 2013
Cash from Operations	247,296	105,186
Cash from Investing Activities	(376,203)	(298,981)
Cash from Financing Activities	(43,698)	(322,968)
Net Cash Flow	(172,605)	(516,763)

The Group’s cash from operations was RM247.3 million, compared to RM105.2 million in the immediate preceding quarter ended 30 June 2013. Net cash flow in the quarter amounted to a RM172.6 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	September 2013	June 2013
Total Debt	9,202	8,813
Cash	1,481	1,653
Net Debt	7,721	7,160
Net Gearing	1.60	1.56

The Group’s total debt as of end of September 2013 was RM9.2 billion. The Group’s net debt after offsetting the cash balances amounted to RM7.7 billion.



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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 THB5,595.1 million in 3Q13, 26% higher compared to the THB4,426.4 million achieved in 3Q12. The positive growth in revenue is attributed to higher passenger volumes which increased by 30% year-on-year despite a 2% decrease in the year-on-year unit passenger revenue. Ancillary income per passenger increased by 11% year-on-year. Passengers carried by Thai AirAsia increased as capacity rose 27% year-on-year while the seat load factor increased 1ppt to 83%.

Thai AirAsia achieved an operating profit of THB377.6 million in 3Q13, compared to an operating profit of THB230.7 million in 3Q12. Thai AirAsia achieved a net profit of THB297.3 million in 3Q13, compared to a net profit of THB186.8 million in 3Q12.

AirAsia Berhad has equity accounted RM14.0 million in 3Q13, as reflected in the AirAsia Berhad income statement.



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

Quarter Ended: 30 September	July - Sept 2013	July - Sept 2012	Change y-o-y
Passengers Carried	2,557,305	1,962,055	30%
Capacity	3,063,240	2,402,820	27%
Seat Load Factor	83%	82%	1 ppt
RPK (million)	2,769	2,079	33%
ASK (million)	3,282	2,564	28%
Average Fare (THB)	1,842	1,915	-4%
Ancillary Income Per Pax (THB)	354	320	11%
Unit Passenger Revenue (THB)	2,196	2,235	-2%
Revenue / ASK (THB)	1.70	1.73	-1%
Revenue / ASK (US cents)	5.40	5.47	-1%
Cost / ASK (THB)	1.59	1.64	-3%
Cost / ASK (US cents)	5.03	5.18	-3%
Cost / ASK-ex Fuel (THB)	0.87	0.92	-5%
Cost / ASK-ex Fuel (US cents)	2.77	2.93	-5%
Aircraft (end of period)	31	25	24%
Average Stage Length (km)	1,071	1,067	0%
Number of Flights	17,018	13,349	27%
Fuel Consumed (Barrels)	583,593	451,119	29%
Average Fuel Price (US\$ / Barrel)	127	128	-1%

Exchange Rate: USD:THB – 31.58 - 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 September THB'000	July - Sept 2013	July - Sept 2012
Revenue	5,595,068	4,426,438
Operating expenses:		
- Staff costs	(579,077)	(438,711)
- Depreciation of property, plant and equipment	(96,765)	(19,840)
- Aircraft fuel expenses	(2,346,173)	(1,826,546)
- Maintenance & overhaul	(459,672)	(351,284)
- User charges and other related expenses	(667,853)	(626,339)
- Aircraft operating lease expenses	(826,038)	(789,901)
- Other operating expenses	(347,531)	(232,964)
Other income	105,664	89,844
Operating Profit	377,623	230,697
Finance Income	83,830	36,036
Finance Costs	(61,419)	(5,086)
Profit before tax	400,034	261,647
Taxation	(102,721)	(74,781)
Profit after tax	297,313	186,866
EBITDAR	1,300,426	1,040,438
EBITDAR Margin	23%	24%
EBIT Margin	7%	5%



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Balance Sheet

Quarter Ended: 30 September THB'000	Sept 2013	Dec 2012
Property, Plant & Equipment	6,679,069	2,935,361
Prepaid Expenses	1,449,850	233,859
Inventory	59,846	58,345
Other Debtors & Prepayments	2,599,979	1,384,273
General Investment	1,511,304	8,769
Cash & Short Term Deposits	7,055,756	6,161,070
Total Assets	19,355,804	10,781,677
Sales In Advance	4,295,340	3,582,160
Other Creditors & Accruals	2,824,210	953,082
Amounts Owing to Related Party	481,857	427,725
Long Term Liabilities	6,300,958	1,922,775
Total Liabilities	13,902,365	6,885,742
Share Capital	435,555	435,556
Share Premium	2,628,786	2,628,786
Retained Earnings	2,389,098	831,593
Total Equity	5,453,439	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 1,619.2 billion in 3Q13, 35% higher as compared to the IDR 1,200.4 billion achieved in 3Q12. The positive growth in revenue can be attributed to higher passenger volumes which increased by 36% year-on-year despite the 1% decrease in the year-on-year unit passenger revenue. Ancillary income per passenger increased by 8% year-on-year. Passengers carried by Indonesia AirAsia increased as capacity rose 41% year-on-year while the seat load factor decreased 3ppt to 75%.

Indonesia AirAsia achieved an operating profit of IDR113.6 billion in 3Q13, compared to an operating profit of IDR138.3 billion in 3Q12. Indonesia AirAsia recorded a net profit of IDR2.4 billion in 3Q13 as compared to a net profit of IDR74.5 billion in 3Q12.



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The AirAsia Berhad share of the net profit in 3Q13 amounted to RM0.3 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 RM154.7 million of unrecognized losses have been reversed.

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

Quarter Ended: 30 September	July - Sept 2013	July - Sept 2012	Change y-o-y
Passengers Carried	2,057,580	1,512,842	36%
Capacity	2,741,040	1,949,580	41%
Seat Load Factor	75%	78%	-3 ppt
RPK (million)	2,457	1,833	34%
ASK (million)	3,246	2,349	38%
Average Fare (IDR)	647,649	664,275	-3%
Ancillary Income Per Pax (IDR)	139,203	129,196	8%
Unit Passenger Revenue (IDR)	786,852	793,471	-1%
Revenue / ASK (IDR)	498.84	510.96	-2%
Revenue / ASK (US cents)	4.57	4.68	-2%
Cost / ASK (IDR)	463.85	452.10	3%
Cost / ASK (US cents)	4.25	4.14	3%
Cost / ASK-ex Fuel (IDR)	230.03	213.59	8%
Cost / ASK-ex Fuel (US cents)	2.11	1.95	8%
Aircraft (end of period)	26	19	37%
Average Stage Length (km)	1,195	1,213	-1%
Number of Flights	15,228	10,831	41%
Fuel Consumed (Barrels)	500,024	455,739	10%
Average Fuel Price (US\$ / Barrel)	139	113	23%

Exchange Rate: USD:IDR – 10,926 - 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 September	July - Sept 2013	July - Sept 2012
IDR million		
Revenue	1,619,012	1,200,396
Operating expenses:		
- Staff costs	(141,526)	(111,452)
- Depreciation	(23,674)	(22,589)
- Aircraft fuel expenses	(758,866)	(560,349)
- Aircraft operating lease expense	(227,962)	(143,111)
- Maintenance & overhaul	(153,262)	(64,260)
- User charges and other related expenses	(164,980)	(122,649)
- Provision for early return of aircraft	-	(8,378)
- Other operating expenses	(41,654)	(39,593)
Other income	6,478	10,256
Operating Profit	113,566	138,271
Finance Income	1,450	643
Finance Costs	(112,630)	(64,435)
Profit before tax	2,386	74,479
Taxation	-	-
Profit after tax	2,386	74,479
EBITDAR	365,202	303,971
EBITDAR Margin	23%	25%
EBIT Margin	7%	12%



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Balance Sheet

Quarter Ended: 30 September IDR million	Sept 2013	Dec 2012
Property, Plant & Equipment	1,594,773	1,666,201
Work In Progress	-	228
Deferred Expenditure	12,328	-
Inventory	23,909	2,068
Other Debtors & Prepayments	197,116	439,089
Amounts Owing from Related Party	2,050,048	-
Maintenance Reserves	167,122	89,640
Cash & Short Term Deposits	317,166	91,618
Total Assets	4,362,461	2,288,844
Sales In Advance	505,307	569,770
Other Creditors & Accruals	2,642,106	690,998
Amounts Owing to Related Party	745,839	269,356
Borrowings	1,758,773	1,871,247
Total Liabilities	5,652,025	3,401,371
Share Capital	180,000	180,000
Share Premium	-	-
Retained Earnings	(1,469,565)	(1,292,527)
Total Equity	(1,289,565)	(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 RM5.5 million (quarter ended 30 Sept 2012: RM2.2 million) in the quarter of which RM2.8 million (quarter ended 30 Sept 2012: RM1.1 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 profit of RM14.3 million (quarter ended 30 Sept 2012: RM5.0 million) in the quarter of which RM7.1 million (quarter ended 30 Sept 2012: RM2.5 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 RM1.7 million (quarter ended 30 Sept 2012: net loss of RM3.0 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 RM24.1 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 RM21.3 million (quarter ended 30 Sept 2012: net loss of RM25.6 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 RM55.8 million of unrecognized losses have been reversed.

24. Variation of results against preceding quarter

The Group achieved a profit after taxation of RM35.5 million for the quarter under review. This is RM22.8 million lower compared to the RM58.3 million profit after taxation achieved in the immediately preceding quarter ended 30 June 2013.



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25. Commentary on prospects

The Group will take delivery of twelve A320 aircraft in the fourth quarter of the year, which will be deployed in Thailand (4) and Malaysia (8). In the same quarter, 5 aircraft will be redeployed from Malaysia to the Phillipines and 4 aircraft will be redeployed from Japan, 3 to Indonesia and 1 to the Phillipines.

In Malaysia, forward loads for the remaining months of the fourth quarter are higher than in the prior year with base fares slightly lower than the prior year. Passenger numbers are expected to be particularly strong in November and December during the year end holiday period and remain strong for the rest of the quarter in line with the seasonal patterns.

In Thailand, demand is expected to be strong in the final quarter of the year, the peak season for tourism and travel in the country. The four aircraft to be delivered to Thailand AirAsia in the final quarter of the year will take the fleet size to 35, representing a full year capacity increase of 25%. Forward loads in Thailand are higher than the prior year with average fares also higher than the prior year.

Indonesia AirAsia will continue with network expansion for both domestic and international markets in the fourth quarter, with the three additional aircraft resulting in a year-on-year additional capacity of approximately 30%. These aircraft will be deployed in Bali, Bandung and Jakarta. The demand for the months of October and November, especially on the international routes, is anticipated to be slightly impacted by the recent depreciation of Rupiah which has dampened demand for travel. In contrast, the stronger currencies in Singapore and Malaysia are anticipated to boost our inbound demand during school holiday starting in mid-November until the end of the year. Double-digit growth in passenger numbers is anticipated in Q4 and will be in line with capacity growth. The outlook for the month of December is positive due to anticipated high demand from school holiday makers and the long year-end break. Forward loads in Indonesia are slightly lower compared to the previous year as a consequence of new route launches.

In the Phillipines the economy has expanded by more than 7 percent over the past year, due to a turnaround in exports, continued government spending, an expanding tax base and strong purchasing power derived from offshore remittances. The outlook for Q4 2013 outlook is cautiously optimistic, due to the seasonal increase in consumer demand during the harvest season and Christmas holidays, stable macroeconomic conditions, and expected rise in investments following the investment-grade credit rating for the Phillipines. As yet, it is unclear how much the recent devastation of typhoon Yolanda will dampen projected economic growth trends. AirAsia Phillipines has been launching humanitarian flights to assist in helping those in need and also to bring relief support to the affected regions. With a net increase of 2 additional aircraft in Q4, AirAsia Zest will increase international frequencies from Manila and Kalibo to Kuala Lumpur, Kota Kinabalu, Incheon, Busan, and Shanghai and launch new flights from Manila to Miri and Macau, from Cebu to Kuala Lumpur, and from Kalibo to Shanghai. Three new domestic routes from Cebu to Cagayan



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de Oro, Davao and Puerto Princesa will also be launched. Loads and fares are expected to be higher than previous year and previous quarter.

The outlook for the fourth 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 fourth quarter, the remainder of 2013.

26. Profit forecast

No profit forecast has been issued.

27. Finance income/(costs)

All figures in RM'000	Group and Company			
	Quarter Ended 30/9/13	Quarter Ended 30/9/12	Year to Date 30/9/13	Year to Date 30/9/12
Finance income				
Interest on amounts due from associates and JV entities	13,405	13,013	37,907	38,370
Interest on deposits	288	4,824	5,167	10,379
Other interest income	2,701	2,642	7,397	9,703
	16,394	20,479	50,471	58,452
Finance costs				
Bank borrowings	(103,862)	(94,265)	(314,812)	(274,447)
Amortisation of premiums for interest rate caps	(2,041)	(1,986)	(6,007)	(5,930)
Bank facilities and other charges	(440)	(366)	(1,230)	(1,200)
	(106,343)	(96,617)	(322,049)	(281,577)
Net cost	(89,949)	(76,138)	(271,578)	(223,125)
Foreign exchange gains/(losses)				
Borrowings				
- realized	(1,191)	(82)	(2,397)	(20,692)
- unrealized	(269,952)	206,992	(526,263)	206,928
- fair value movement recycled from cash flow hedge reserve	85,258	(106,081)	182,369	(99,226)
	(185,885)	100,829	(346,291)	87,010



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28. Income tax expense

Current taxation

The current taxation charge of RM3.2 million comprises tax payable on interest income.

Deferred taxation

RM13.6 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.

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 26 September 2013 on the receipt of the Initial No Objection Certificate ("NOC") from the Ministry of Civil Aviation, India.



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32. Borrowings and debt securities

	At 30/9/2013 RM'000	At 30/6/2013 RM'000
Current	899,357	844,289
Non-current	8,302,355	7,968,423
Total Debt	9,201,712	8,812,712

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 September 2013, AirAsia Berhad has hedged approximately 52% 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 forward exchange rate of USD/MYR is 3.2238.

(ii) Interest Rate Hedging

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

(iii) Fuel Hedging

As at 30 September 2013, the Group has entered into Singapore Jet Kerosene fixed swaps which represent up to 30% of the Group’s total budgeted fuel consumption for the final quarter of 2013 with a weighted average price of USD123.13 per barrel.



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33. Derivative financial instruments (continued)

Type of derivatives	Notional Value as at 30/09/2013	Fair Value as at 30/09/2013 Assets/(Liabilities)
(i) Fuel contract	Barrels (million)	RM (million)
- less than 1 year	0.43	(3.68)
- 1 year to 3 years	-	-
Total	0.43	(3.68)
	RM (million)	RM (million)
(ii) Interest rate contracts		
- less than 1 year	-	-
- 1 year to 3 years	-	-
- more than 3 years	3,437.30	(309.78)
Total	3,437.30	(309.78)
	RM (million)	RM (million)
(iii) Foreign currency contracts		
- less than 1 year	-	-
- 1 year to 3 years	99.50	4.28
- more than 3 years	3,434.90	170.97
Total	3,534.40	175.25

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 September 2013 and 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 September 2013				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	32,553	-	32,553
Derivatives used for hedging	-	154,167	-	154,167
Available-for-sale financial assets				-
- Equity securities	610,226	-	12,810	623,036
Total Assets	610,226	186,720	12,810	809,756
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	95,301	-	95,301
Derivatives used for hedging	-	229,631	-	229,631
Total Liabilities	-	324,932	-	324,932
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 AirAsia X Berhad, was listed on the Main Market of Bursa Securities Malaysia following an initial public offering of shares. In the previous 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 Sept 2013 RM'000
Opening balance at 1 January 2013	308,792
Transfer from Level 3	(610,226)
Fair value gain recognised in other comprehensive income	314,244
Closing balance at 30 September 2013	12,810
Total gain for the financial period ended 30 September 2013 recognised in other comprehensive income	314,244



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35. Material litigation

As at 20 November 2013, there was no material litigation against the Group.

36. Proposed dividend

The Directors do not recommend any dividend for the quarter ended 30 September 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 30/9/13	Preceding Year Quarter Ended 30/9/12	Current Year to Date 30/9/13	Preceding Year to Date 30/9/12
Net profit for the financial period (RM'000)	35,482	157,810	198,263	486,200
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,780,542	2,779,056	2,780,542	2,779,056
Adjusted for share options granted ('000)	2,061	3,204	2,061	3,204
Adjusted weighted average number of ordinary shares ('000)	2,782,603	2,782,260	2,782,603	2,782,260
Basic earnings per share (sen)	1.3	5.7	7.1	17.5
Diluted earnings per share (sen)	1.3	5.7	7.1	17.5



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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
20 November 2013